

**KEPPEL DC REIT
FINANCIAL STATEMENTS ANNOUNCEMENT****CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION
ANNOUNCEMENT FOR THE SECOND HALF AND FULL YEAR ENDED 31
DECEMBER 2024**CONTENTS

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KEPPEL DC REIT AND ITS SUBSIDIARIES

SUMMARY OF KEPPEL DC REIT RESULTS

	2H 2024 \$'000	2H 2023 \$'000	+/(-) %	FY 2024 \$'000	FY 2023 \$'000	+/(-) %
Gross Revenue	153,107	140,743	8.8	310,287	281,207	10.3
Property Expenses	(25,470)	(23,145)	10.0	(50,001)	(36,256)	37.9
Net Property Income	127,637	117,598	8.5	260,286	244,951	6.3
Finance Income	9,898	5,380	84.0	15,390	10,929	40.8
Finance Costs	(25,602)	(25,803)	(0.8)	(51,509)	(48,518)	6.2
Distributable Income (DI) to Unitholders ¹	91,855	76,407	20.2	172,733	167,718	3.0
Distribution per Unit (DPU) (cents) ²	4.902	4.332	13.2	9.451	9.383	0.7
Adjusted DPU (cents) ³	4.955	4.332	14.4	9.504	9.383	1.3
Distribution Yield (%) ^{4,5}				4.34	4.81	(47 bps)

Notes:

- After the deduction of related expenses and GST from the settlement sum relating to the dispute at KDC SGP 1, the related DI of approximately \$11.2 million were spread equally over two tranches on a half-yearly basis for FY 2024.
- Computed based on the DI after setting aside Capex Reserves.
- Adjusted DPU has excluded the impact from the new Units raised via the pro-rata preferential offering prior to completion of the acquisition of Keppel DC Singapore 7 and Keppel DC Singapore 8.
- Keppel DC REIT paid an advanced distribution of 4.083 cents per Unit to eligible Unitholders for the period from 1 July to 27 November 2024 in connection with the private placement launched on 19 November 2024. For the period from 28 November to 31 December 2024, eligible Unitholders will receive distribution of 0.819 cents per Unit.
- Based on closing unit price of \$2.180 and \$1.950 per Unit as at 31 December 2024 and 31 December 2023 respectively.

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

Distribution	<u>24th</u> Distribution Distribution for the period from 28 November to 31 December 2024
Distribution type	(a) Taxable Income (b) Tax-exempt Income
Distribution rate	Distribution of 0.819 cents per Unit for the period from 28 November to 31 December 2024, comprising: (a) Taxable Income – 0.764 cents per Unit (b) Tax-exempt Income – 0.055 cents per Unit
Distribution amount (\$'000)	18,092
Record Date	5 February 2025
Payment Date	17 March 2025

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.

On 24 June 2024, Keppel DC REIT completed the divestment of 100% freehold interest in Intellicentre Campus at an agreed value of A\$174.0 million. On the same day, Keppel DC REIT subscribed for A\$90.0 million of an Australia Data Centre Note (AU DC Note) issued by Macquarie Group.

On 31 July 2024, Keppel DC REIT completed the acquisition of Tokyo Data Centre 1 for JPY 23.4 billion (S\$201.0 million) with a 98.47% effective interest in the property, with the remaining 1.53% effective interest held by Keppel Japan Ltd. (formerly known as Keppel Capital Japan Ltd.).

On 27 December 2024, Keppel DC REIT completed the acquisition of Keppel DC Singapore 7 and 8 with a 99.49% economic interest, with the remaining 0.51% economic interest held by Keppel Griffin Pte. Ltd..

On 31 December 2024, Keppel DC REIT entered into a sale and purchase agreement to divest Basis Bay Data Centre to Basis Bay Services MSC Sdn. Bhd., an unrelated third party vendor which is also the current master lessee and facility manager of the property.

As at 31 December 2024, the REIT has a portfolio size of approximately \$5.0 billion. The portfolio comprises 25 strategically located data centres in Singapore, Australia, China, Japan, Malaysia, Germany, Republic of Ireland (Ireland), Italy, the Netherlands and the United Kingdom (UK).

Asia-Pacific

1)	Keppel DC Singapore 1	(KDC SGP 1)
2)	Keppel DC Singapore 2	(KDC SGP 2)
3)	Keppel DC Singapore 3	(KDC SGP 3)
4)	Keppel DC Singapore 4	(KDC SGP 4)
5)	Keppel DC Singapore 5	(KDC SGP 5)
6)	Keppel DC Singapore 7	(KDC SGP 7)
7)	Keppel DC Singapore 8	(KDC SGP 8)
8)	DC1	(DC1)
9)	Gore Hill Data Centre	(Gore Hill DC)
10)	Guangdong Data Centre 1	(Guangdong DC 1)
11)	Guangdong Data Centre 2	(Guangdong DC 2)
12)	Guangdong Data Centre 3 ¹	(Guangdong DC 3)
13)	Tokyo Data Centre 1	(Tokyo DC 1)
14)	Basis Bay Data Centre	(Basis Bay DC)

Europe

15)	Kelsterbach Data Centre	(Kelsterbach DC)
16)	maincubes Data Centre	(maincubes DC)
17)	Keppel DC Dublin 1	(KDC DUB 1)
18)	Keppel DC Dublin 2	(KDC DUB 2)
19)	Milan Data Centre	(Milan DC)
20)	Almere Data Centre	(Almere DC)
21)	Amsterdam Data Centre	(Amsterdam DC)
22)	Eindhoven Campus	(Eindhoven DC)
23)	Cardiff Data Centre	(Cardiff DC)
24)	GV7 Data Centre	(GV7 DC)
25)	London Data Centre	(London DC)

The notes below shall be applicable to the relevant paragraphs thereafter:

- 2H – Refers to the second half from 1 July to 31 December 2024 and the corresponding period of the preceding year.
- FY – Refers to the full year from 1 January to 31 December 2024 and the corresponding period of the preceding year.
- Nm – Not meaningful

¹ Comprising building shell of Guangdong DC 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 2024

	2H 2024 \$'000	2H 2023 \$'000	+ /(-) %	FY 2024 \$'000	FY 2023 \$'000	+ /(-) %	Reference
Gross rental income	150,985	138,979	8.6	305,696	276,990	10.4	(a)
Other income	2,122	1,764	20.3	4,591	4,217	8.9	
Gross Revenue	153,107	140,743	8.8	310,287	281,207	10.3	
Property operating expenses	(25,470)	(23,145)	10.0	(50,001)	(36,256)	37.9	(b)
Net Property Income	127,637	117,598	8.5	260,286	244,951	6.3	
Finance income	9,898	5,380	84.0	15,390	10,929	40.8	(c)
Finance costs	(25,602)	(25,803)	(0.8)	(51,509)	(48,518)	6.2	(c)
Trustees' fees	(290)	(265)	9.4	(562)	(536)	4.9	
Manager's base fee	(9,625)	(9,241)	4.2	(18,841)	(18,457)	2.1	(d)
Manager's performance fee	(4,403)	(4,015)	9.7	(8,945)	(8,350)	7.1	(d)
Net gains/(losses) on derivatives	4,186	629	>100.0	5,885	(969)	Nm	(e)
Other trust expenses	(11,155)	(2,521)	>100.0	(13,115)	(5,055)	>100.0	(f)
Profit before joint venture	90,646	81,762	10.9	188,589	173,995	8.4	
Share of results of a joint venture	-	(5,880)	(100.0)	-	(8,284)	(100.0)	(g)
Profit before divestment of investment property and net change in fair value of investment properties	90,646	75,882	19.5	188,589	165,711	13.8	
(Loss)/gain on divestment of investment property	(37)	-	Nm	31,611	-	Nm	(h)
Net change in fair value of investment properties	120,610	(27,933)	Nm	120,610	(27,933)	Nm	(i)
Profit before tax	211,219	47,949	>100.0	340,810	137,778	>100.0	
Tax expenses	(11,882)	(7,763)	53.1	(26,832)	(15,574)	72.3	(j)
Profit after tax	199,337	40,186	>100.0	313,978	122,204	>100.0	
Attributable to:							
Unitholders	187,997	38,096	>100.0	300,669	118,530	>100.0	
Non-controlling interests	11,340	2,090	>100.0	13,309	3,674	>100.0	
	199,337	40,186	>100.0	313,978	122,204	>100.0	
Earnings per Unit (cents) - basic and diluted	10.21	2.21	>100.0	16.99	6.89	>100.0	
<u>Distribution Statement</u>							
Profit after tax attributable to Unitholders	187,997	38,096	>100.0	300,669	118,530	>100.0	
Net tax and other adjustments	(96,142)	38,311	Nm	(127,936)	49,188	Nm	(k)
Income available for distribution	91,855	76,407	20.2	172,733	167,718	3.0	(l)
Distribution per Unit (cents)	4.902	4.332	13.2	9.451	9.383	0.7	(m)

KEPPEL DC REIT AND ITS SUBSIDIARIES

Reference (2024 and 2023):

- (a) In 2H 2024, gross rental income was higher mainly due to Tokyo DC 1's rental contribution as well as higher variable rent from strong reversions and escalations. This was partially offset by the lower rental contribution due to the divestment of Intellicentre Campus.

In FY 2024, gross rental income was higher mainly due to Tokyo DC 1's rental contribution, higher variable rent from the settlement sum related to the dispute between Keppel DC Singapore 1 Ltd. and its client (the "dispute at KDC SGP 1") as well as strong reversions and escalations.

This was partially offset by the divestment of Intellicentre Campus.

- (b) The following were included in property operating expenses:

	2H 2024 \$'000	2H 2023 \$'000	FY 2024 \$'000	FY 2023 \$'000
Property-related taxes	(2,247)	(1,994)	(4,291)	(3,870)
Facility management and related costs	(7,745)	(6,405)	(14,506)	(12,616)
Repairs and maintenance	(814)	(742)	(1,815)	(1,803)
Loss allowance for doubtful receivables	(10,495)	(10,540)	(20,948)	(10,540)
Other property-related costs	(4,169)	(3,464)	(8,441)	(7,427)
	<u>(25,470)</u>	<u>(23,145)</u>	<u>(50,001)</u>	<u>(36,256)</u>

Loss allowance for doubtful receivables accounted for in 2024 and 2023 relates to Guangdong DC 1-3.

Other property-related costs mainly relate to insurance, utilities, security expenses and other expenses.

- (c) In 2H 2024 and FY2024, finance income increased mainly due to the coupon income from AU DC Note and fixed deposit income earned mainly from the Equity Fund Raising (EFR) proceeds.

Included in finance costs were interest expense, amortisation of transaction costs from borrowings and lease charges recognised. The higher finance costs resulted from higher interest rates sustained throughout 1H 2024 and higher rates entered for refinanced loans in 2023.

- (d) Increase in Manager's base fee was mainly due to acquisition of Tokyo DC 1, partially offset by divestment of Intellicentre Campus.

Increase in Manager's performance fee was mainly due to higher net property income.

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

- (f) Included in the higher other trust expenses in 2H 2024 and FY 2024 were loss allowances made for Guangdong DC 3's uncollected coupon income and deposits.

- (g) Share of results of a joint venture (NetCo) does not affect Keppel DC REIT's distributable income and has been fully adjusted in net tax and other adjustments (refer to *Note k*). Prior year losses arose mainly from the depreciation of the network assets held by M1 Network Private Limited (NetCo). Cumulative share of losses of the joint venture has been capped at the REIT's cost of investment in the joint venture of \$1.0 million.

For share of NetCo's other comprehensive income, refer to **Statement of Comprehensive Income**.

- (h) The (loss)/gain arising from the divestment relates to Intellicentre Campus.

- (i) Net change in fair value of investment properties for 2024 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.

- (j) Tax expenses comprise (a) tax on 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.

Higher tax expenses were due to withholding tax on capital gains from the divestment of Intellicentre Campus.

KEPPEL DC REIT AND ITS SUBSIDIARIES

Reference (2024 and 2023):

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

	2H 2024 \$'000	2H 2023 \$'000	FY 2024 \$'000	FY 2023 \$'000
Trustee's fees	239	224	470	456
Rental income adjustment on a straight-line basis	1,879	(752)	1,471	(2,242)
Amortisation of capitalised transaction costs	669	348	1,127	660
Net change in fair value of investment properties	(111,687)	28,375	(111,687)	28,375
Foreign exchange losses/(gains)	1,167	(1,011)	673	(398)
Deferred tax expense/(credit)	2,847	3,098	(2,189)	7,671
Net change in fair value of financial assets at fair value through profit or loss (FVTPL)	-	195	176	379
Management fees paid and/or payable in units	2,545	2,357	4,996	5,153
Share of results of a joint venture	-	5,880	-	8,284
Loss/(gain) on divestment of investment property (net of withholding tax) ¹	37	-	(17,028)	-
Other net adjustments	6,162	(403)	(5,945)	850
Net tax and other adjustments	(96,142)	38,311	(127,936)	49,188

¹ The net divestment proceeds were used to (i) subscribe for AU DC Note and (ii) repay bank borrowings.

Other net adjustments largely comprise timing differences in the dividends and distributions by subsidiaries.

(l) Higher DI in 2H 2024 and FY 2024 were mainly due to contribution from the acquisition of Tokyo DC 1, higher variable rent arising from the settlement sum related to the dispute at KDC SGP 1, as well as strong reversions and escalations and higher finance income.

These were partially offset by the loss allowance made for the receivables from the Guangdong data centres, divestment of Intellicentre Campus, higher finance costs in 1H 2024, as well as the depreciation of foreign currencies against SGD.

(m) The DPU was computed based on DI (Note l) after the setting aside Capex Reserves.

Eligible Unitholders will receive an advanced distribution of 4.083 cents per Unit for the period from 1 July to 27 November 2024 in connection with the private placement launched on 19 November 2024. For the period from 28 November to 31 December 2024, eligible Unitholders will receive distribution of 0.819 cents per Unit.

Keppel DC REIT declares distributions on a half-yearly basis. Semi-annual distributions will resume thereafter.

Consolidated Earnings Per Unit and Distribution Per Unit

	2H 2024	2H 2023	FY 2024	FY 2023
<u>Earnings per Unit (EPU)</u>				
EPU (basic and diluted) (cents)	10.21	2.21	17.09	6.89
Weighted average number of Units ¹	1,840,752,929	1,721,028,661	1,759,158,563	1,720,450,648
Profit after tax ² (\$'000)	187,997	38,096	300,669	118,530
<u>Distribution per Unit (DPU)</u>				
DPU³ (cents)	4.902	4.332	9.451	9.383
Total number of Units in issue at end of period/year	2,209,075,362	1,721,429,811	2,209,075,362	1,721,429,811
Income available for distribution to Unitholders (\$'000)	91,855	76,407	172,733	167,718

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' profit and loss after tax for the period.
- 3 DPU is computed based on the distributable income to Unitholders after setting aside Capex Reserves.

KEPPEL DC REIT AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

	2H 2024 \$'000	2H 2023 \$'000	+/(-) %	FY 2024 \$'000	FY 2023 \$'000	+/(-) %
Profit after tax	199,337	40,186	>100.0	313,978	122,204	>100.0
Other comprehensive income						
Movement in hedging reserve	(15,162)	(26,865)	(43.6)	(11,487)	(25,667)	(55.2)
Share of movement in hedging reserves of a joint venture	-	(11,987)	(100.0)	-	(18,191)	(100.0)
Realisation of net currency translation differences upon divestment of investment property	-	-	-	7,581	-	-
Foreign currency translation movement	(14,374)	(171)	>100.0	(8,610)	(7,587)	13.5
Total other comprehensive loss	(29,536)	(39,023)	(24.3)	(12,516)	(51,445)	(75.7)
Total comprehensive income	169,801	1,163	>100.0	301,462	70,759	>100.0
Attributable to:						
Unitholders	158,450	(923)	Nm	288,143	67,097	>100.0
Non-controlling interests	11,351	2,086	>100.0	13,319	3,662	>100.0
	169,801	1,163	>100.0	301,462	70,759	>100.0

Note:

Other comprehensive income items relate to (i) the fair value changes of interest rate swaps entered into by the Group and by the joint venture, and (ii) the movement in foreign currency transaction reserve arising 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 2024

	Note	Group			Trust			Reference
		31-Dec-24 \$'000	31-Dec-23 \$'000	+ /(-) %	31-Dec-24 \$'000	31-Dec-23 \$'000	+ /(-) %	
Non-current assets								
Investment properties	3	4,904,007	3,655,932	34.1	524,772	530,837	(1.1)	(a)
Investment in subsidiaries		-	-	-	3,015,294	2,268,228	32.9	(b)
Loans to subsidiaries		-	-	-	515,552	307,378	67.7	(b)
Investment in a joint venture	4	-	-	-	-	-	-	(c)
Notes receivables		155,293	79,073	96.4	75,237	79,073	(4.9)	(d)
Trade and other receivables		16,526	18,330	(9.8)	-	-	-	(e)
Derivative financial assets		15,006	29,174	(48.6)	2,050	2,724	(24.7)	(f)
Deposits		619	13,486	(95.4)	-	-	-	(g)
Deferred tax assets		4,054	1,124	>100.0	-	-	-	(h)
Total non-current assets		5,095,505	3,797,119	34.2	4,132,905	3,188,240	29.6	
Current assets								
Loans to subsidiaries		-	-	-	71,651	-	-	(b)
Notes receivables		3,836	3,487	10.0	3,836	3,487	10.0	(d)
Trade and other receivables		106,372	53,868	97.5	4,533	12,746	(64.4)	(e)
Derivative financial assets		4,309	2,344	83.8	1,124	2,030	(44.6)	(f)
Cash and cash equivalents		316,691	149,733	>100.0	119,648	71,191	68.1	
		431,208	209,432	>100.0	200,792	89,454	>100.0	
Investment property held for sale	3	16,520	-	Nm	-	-	-	(i)
Total current assets		447,728	209,432	>100.0	200,792	89,454	>100.0	
TOTAL ASSETS		5,543,233	4,006,551	38.4	4,333,697	3,277,694	32.2	
Current liabilities								
Loans from subsidiaries		-	-	-	64,043	59,351	7.9	(j)
Loans and borrowings	5	87,331	72,477	20.5	8,372	-	-	(k)
Trade and other payables		287,355	70,249	>100.0	95,529	83,000	15.1	(l)
Derivative financial liabilities		456	148	>100.0	196	148	32.4	(f)
Provision for taxation		11,615	5,740	>100.0	1,229	763	61.1	(m)
Total current liabilities		386,757	148,614	>100.0	169,369	143,262	18.2	
Non-current liabilities								
Loans from subsidiaries		-	-	-	1,353,916	1,265,869	7.0	(j)
Loans and borrowings	5	1,628,137	1,408,259	15.6	-	8,137	(100.0)	(k)
Derivative financial liabilities		8,664	9,029	(4.0)	6	45	(86.7)	(f)
Deferred tax liabilities		92,727	86,688	7.0	16,218	15,012	8.0	(h)
Total non-current liabilities		1,729,528	1,503,976	15.0	1,370,140	1,289,063	6.3	
TOTAL LIABILITIES		2,116,285	1,652,590	28.1	1,539,509	1,432,325	7.5	
NET ASSETS		3,426,948	2,353,961	45.6	2,794,188	1,845,369	51.4	
Represented by:								
Unitholders' funds	6	3,372,016	2,310,980	45.9	2,794,188	1,845,369	51.4	
Non-controlling interests		54,932	42,981	27.8	-	-	-	(n)
		3,426,948	2,353,961	45.6	2,794,188	1,845,369	51.4	
Net asset value per Unit (\$)		1.53	1.34	14.2	1.26	1.07	17.8	(o)
Aggregate leverage / Deposited properties (%)		31.5	37.4	(590bps)	Nm	Nm	Nm	(p)

KEPPEL DC REIT AND ITS SUBSIDIARIES

Reference:

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

	Group	
	As at 31 Dec 24	As at 31 Dec 23
NAV¹ per Unit² (\$)	1.53	1.34
Adjusted NAV ¹ per unit ² (excluding the distributable amount)	1.52	1.30
NTA¹ per Unit² (\$)	1.53	1.34
Adjusted NTA ¹ per unit ² (excluding the distributable amount)	1.52	1.30

- 1 This excludes the non-controlling interests' share of the net asset value / net tangible asset.
- 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 \$29.2 million (2023: \$13.0 million) capitalised at the present value of the lease payments for investment properties with option to renew or extend.

<u>Investment Properties</u>	<u>Location</u>	<u>Leasehold expiring / Freehold</u>	<u>As at 31 Dec 24 (\$'000)</u>	<u>As at 31 Dec 23 (\$'000)</u>
KDC SGP 1	Singapore	30 Sept 2055 [^]	339,772	347,837
KDC SGP 2	Singapore	31 July 2051	185,000	183,000
KDC SGP 3	Singapore	31 Jan 2052	412,000	325,700
KDC SGP 4	Singapore	30 June 2050	510,000	458,300
KDC SGP 5	Singapore	31 Aug 2050 [*]	492,196	410,484
KDC SGP 7	Singapore	15 July 2040	536,226	-
KDC SGP 8	Singapore	15 July 2040	498,657	-
DC1	Singapore	31 July 2044	290,700	289,500
Gore Hill DC	Australia	Freehold	188,299	198,563
Intellcentre Campus	Australia	Freehold	-	113,401
Guangdong DC 1	China	17 Jan 2067	130,760	131,110
Guangdong DC 2	China	17 Jan 2067	130,760	131,110
Guangdong DC 3	China	17 Jan 2067	12,030	12,062
Tokyo DC 1	Japan	Freehold	213,960	-
Basis Bay DC	Malaysia	Freehold	- [#]	16,720
Kelsterbach DC	Germany	Freehold	55,041	82,030
maincubes DC	Germany	Freehold	167,662	164,351
KDC DUB 1	Ireland	31 Dec 2998	155,949	157,637
KDC DUB 2	Ireland	31 Dec 2997	146,634	145,157
Milan DC	Italy	Freehold	57,299	58,968
Almere DC	The Netherlands	Freehold	155,525	158,804
Amsterdam DC	The Netherlands	Freehold	40,928	43,058
Eindhoven DC	The Netherlands	Freehold	37,964	54,224
Cardiff DC	UK	Freehold	26,570	32,959
GV7 DC	UK	28 Sept 2183	37,470	56,453
London DC	UK	Freehold	82,605	84,504
			4,904,007	3,655,932

[^] Include option to renew for 30 years

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

[#] Transfer to investment property held for sale. Refer to *Note i*.

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.

In 2H 2024, Keppel DC REIT incorporated 2 subsidiaries¹ in Japan, being (i) KDCR Tokyo 1 TMK and (ii) KDCR Japan 1 GK. KDCR Tokyo 1 TMK has a share capital of JPY 100,000 and its principal activity is to hold investment property and KDCR Japan 1 GK has a share capital of JPY 50,000 and its principal activity is for leasing and management of real estate.

In the same period, Keppel DC REIT also constituted a sub-trust¹ in Singapore, being KDCR Singapore Sub-Trust 1 with share capital of S\$1.00 and its principal activity is to serve as an investment holding trust.

On 27 December 2024, Keppel DC REIT completed the acquisition of KDC SGP 7 and 8 through the acquisition of 49.0% ordinary shares in the issued share capital of Memphis 1 Pte. Ltd. ("Memphis 1"), 100% of New Class A Notes and 99.49% of New Class B Notes issued by Memphis 1, which would provide Keppel DC REIT with 99.49% of the economic interest in KDC SGP 7 and 8.

As part of the Manager's efforts to streamline structure, the REIT's dormant Luxembourg subsidiary MarLux S.à.r.l. was liquidated.

- (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, partially offset by depreciation of the network assets.
- (d) These relate to subscriptions for debt securities issued by (i) a joint venture (NetCo) and (ii) Macquarie Data Centres Group Pty Ltd.
- (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 to hedge income from overseas investment properties, and the fair value of interest rate swaps entered into by the Group for hedging purposes.
- (g) Deposits relate to amount paid to the vendor in relation to Guangdong DC 3 facilities and equipment, net of loss allowances. Part of these deposits have been used to reduce payables to the vendor for the building shell. Loss allowance of \$5.0 million was provided in FY 2024.
- (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) This relates to Basis Bay DC being held for sale following the sale and purchase agreement on 31 December 2024. Refer to **Notes to the Condensed Consolidated Financial Statements Note 3**.
- (j) These relate to loans from subsidiaries. The higher balance as at 31 December 2024 was mainly due to acquisition of Tokyo DC1, KDC SGP 7 and KDC SGP 8, partially offset by net repayment of borrowings.
- (k) These relate to external borrowings of \$1,683.9 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 2024 were mainly due to acquisition of Tokyo DC1, KDC SGP 7 and 8, partially offset by net repayment of borrowings.
- (l) Included in trade and other payables were trade creditors, accrued liabilities and deferred revenue.
- (m) 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.
- (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 \$1,683.9 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.

¹ Disclosed pursuant to Rule 706A of the Listing Manual of the SGX-ST

KEPPEL DC REIT AND ITS SUBSIDIARIES

CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

GROUP (2024)	Note	Foreign Currency Translation		Hedging Reserve	Other Reserve	Accumulated Profits	Unitholders' Funds	Non- Controlling Interests	Total
		Units in Issue	Reserve						
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2024		1,991,446	(57,752)	38,387	(95,751)	434,650	2,310,980	42,981	2,353,961
Operations									
Profit after tax for the period		-	-	-	-	112,672	112,672	1,969	114,641
Net increase in net assets resulting from operations		-	-	-	-	112,672	112,672	1,969	114,641
Other comprehensive income									
Movement in hedging reserve	1	-	-	3,675	-	-	3,675	-	3,675
Realisation of net currency translation differences upon divestment of investment property		-	7,581	-	-	-	7,581	-	7,581
Foreign currency translation movement	1	-	5,765	-	-	-	5,765	(1)	5,764
Net increase in other comprehensive income		-	13,346	3,675	-	-	17,021	(1)	17,020
Unitholders' transactions									
Distributions to Unitholders		(11,792)	-	-	-	(62,781)	(74,573)	-	(74,573)
Payment of management fees in Units		3,206	-	-	-	-	3,206	-	3,206
Net decrease in net assets resulting from Unitholders' transactions		(8,586)	-	-	-	(62,781)	(71,367)	-	(71,367)
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,531)	(1,531)
At 30 June 2024		1,982,860	(44,406)	42,062	(95,751)	484,541	2,369,306	43,418	2,412,724
Operations									
Profit after tax for the period		-	-	-	-	187,997	187,997	11,340	199,337
Net increase in net assets resulting from operations		-	-	-	-	187,997	187,997	11,340	199,337
Other comprehensive income									
Movement in hedging reserves	1	-	-	(15,162)	-	-	(15,162)	-	(15,162)
Foreign currency translation movement	1	-	(14,385)	-	-	-	(14,385)	11	(14,374)
Net decrease in other comprehensive income		-	(14,385)	(15,162)	-	-	(29,547)	11	(29,536)
Unitholders' transactions									
Net increase in net assets resulting from Unitholders' contribution		988,263	-	-	-	-	988,263	-	988,263
Distributions to Unitholders		(31,487)	-	-	-	(117,363)	(148,850)	-	(148,850)
Payment of management fees in Units		4,847	-	-	-	-	4,847	-	4,847
Net decrease in net assets resulting from Unitholders' transactions		961,623	-	-	-	(117,363)	844,260	-	844,260
Acquisition of an interest in a subsidiary		-	-	-	-	-	-	(56)	(56)
Capital contributions of non- controlling interests		-	-	-	-	-	-	1,349	1,349
Distributions to non-controlling interest		-	-	-	-	-	-	(1,130)	(1,130)
At 31 December 2024		2,944,483	(58,791)	26,900	(95,751)	555,175	3,372,016	54,932	3,426,948

Note:

- Other comprehensive income items relate to (i) the fair value changes of interest rate swaps entered into by the Group, and (ii) the movement in foreign currency translation reserve arising 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 2024

GROUP (2023)	Note	Foreign Currency Translation		Hedging Reserve	Other Reserve	Accumulated Profits	Unitholders' Funds	Non- Controlling Interests	Total	
		Units in Issue	Reserve							
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2023		2,026,265	(50,177)	82,245	(95,751)	451,536	2,414,118	42,800	2,456,918	
Operations										
Profit after tax for the period		-	-	-	-	80,434	80,434	1,584	82,018	
Net increase in net assets resulting from operations		-	-	-	-	80,434	80,434	1,584	82,018	
Other comprehensive income										
Movement in hedging reserves	1	-	-	1,198	-	-	1,198	-	1,198	
Share of movement in hedging reserve of a joint venture		-	-	(6,204)	-	-	(6,204)	-	(6,204)	
Foreign currency translation movement	1	-	(7,408)	-	-	-	(7,408)	(8)	(7,416)	
Net decrease in other comprehensive income		-	(7,408)	(5,006)	-	-	(12,414)	(8)	(12,422)	
Unitholders' transactions										
Distributions to Unitholders		(21,157)	-	-	-	(67,611)	(88,768)	-	(88,768)	
Payment of management fees in Units		3,498	-	-	-	-	3,498	-	3,498	
Net decrease in net assets resulting from Unitholders' transactions		(17,659)	-	-	-	(67,611)	(85,270)	-	(85,270)	
Capital reduction of non- controlling interests		-	-	-	-	-	-	(60)	(60)	
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,456)	(1,456)	
At 30 June 2023		2,008,606	(57,585)	77,239	(95,751)	464,359	2,396,868	42,860	2,439,728	
Operations										
Profit after tax for the period		-	-	-	-	38,096	38,096	2,090	40,186	
Net increase in net assets resulting from operations		-	-	-	-	38,096	38,096	2,090	40,186	
Other comprehensive income										
Movement in hedging reserves	1	-	-	(26,865)	-	-	(26,881)	-	(26,881)	
Share of movement in hedging reserve of a joint venture	1	-	-	(11,987)	-	-	(11,971)	-	(11,971)	
Foreign currency translation movement	1	-	(167)	-	-	-	(167)	(4)	(171)	
Net decrease in other comprehensive income		-	(167)	(38,852)	-	-	(39,019)	(4)	(39,023)	
Unitholders' transactions										
Distributions to Unitholders		(19,098)	-	-	-	(67,805)	(86,903)	-	(86,903)	
Payment of management fees in Units		1,938	-	-	-	-	1,938	-	1,938	
Net decrease in net assets resulting from Unitholders' transactions		(17,160)	-	-	-	(67,805)	(84,965)	-	(84,965)	
Capital reductions of non- controlling interests		-	-	-	-	-	-	(495)	(495)	
Distributions to non-controlling interest		-	-	-	-	-	-	(1,470)	(1,470)	
At 31 December 2023		1,991,446	(57,752)	38,387	(95,751)	434,650	2,310,980	42,981	2,353,961	

Note:

- 1 Other comprehensive income items relate to (i) the fair value changes of interest rate swaps entered into by the Group and by a joint venture (ii) the movement in foreign currency translation reserve arising 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 2024**

<u>TRUST (2024)</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 2024		1,991,446	(95,751)	(50,326)	1,845,369
Operations					
Profit after tax for the period		-	-	155,231	155,231
Net increase in net assets resulting from operations		-	-	155,231	155,231
Unitholders' transactions					
Distribution to Unitholders		(11,792)	-	(62,781)	(74,573)
Payment of management fees in Units		3,206	-	-	3,206
Net decrease in net assets resulting from Unitholders' transactions		(8,586)	-	(62,781)	(71,367)
At 30 June 2024		1,982,860	(95,751)	42,124	1,929,233
Operations					
Profit after tax for the period		-	-	20,695	20,695
Net increase in net assets resulting from operations		-	-	20,695	20,695
Unitholders' transactions					
Net increase in net assets resulting from Unitholders' contribution		988,263	-	-	988,263
Distribution to Unitholders		(31,487)	-	(117,363)	(148,850)
Payment of management fees in Units		4,847	-	-	4,847
Net decrease in net assets resulting from Unitholders' transactions		961,623	-	(117,363)	844,260
At 31 December 2024		2,944,483	(95,751)	(54,544)	2,794,188

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 2024

<u>TRUST (2023)</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 2023		2,026,265	(95,751)	17,330	1,947,844
Operations					
Profit after tax for the period		-	-	51,138	51,138
Net increase in net assets resulting from operations		-	-	51,138	51,138
Unitholders' transactions					
Distribution to Unitholders		(21,157)	-	(67,611)	(88,768)
Payment of management fees in Units		3,498	-	-	3,498
Net decrease in net assets resulting from Unitholders' transactions		(17,659)	-	(67,611)	(85,270)
At 30 June 2023		2,008,606	(95,751)	857	1,913,712
Operations					
Profit after tax for the period		-	-	16,622	16,622
Net increase in net assets resulting from operations		-	-	16,622	16,622
Unitholders' transactions					
Distribution to Unitholders		(19,098)	-	(67,805)	(86,903)
Payment of management fees in Units		1,938	-	-	1,938
Net decrease in net assets resulting from Unitholders' transactions		(17,160)	-	(67,805)	(84,965)
At 31 December 2023		1,991,446	(95,751)	(50,326)	1,845,369

KEPPEL DC REIT AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

	2H 2024 \$'000	2H 2023 \$'000	FY 2024 \$'000	FY 2023 \$'000
Operating activities				
Profit after tax	199,337	40,186	313,978	122,204
Adjustments for:				
Tax expenses	11,882	7,763	26,832	15,574
Finance income	(9,898)	(5,380)	(15,390)	(10,929)
Finance costs	25,602	25,803	51,509	48,518
Loss/(gain) on divestment of investment property	37	-	(31,611)	-
Loss allowance for doubtful receivables	16,003	11,176	26,949	11,176
Net change in fair value of financial assets at FVTPL	-	195	176	379
Share of results of a joint venture	-	5,880	-	8,284
Net change in fair value of derivatives	(1,382)	1,270	548	6,542
Net change in fair value of investment properties	(120,610)	27,933	(120,610)	27,933
Management fees paid and payable in Units	2,545	2,357	4,996	5,153
Unrealised currency translation differences	1,058	(970)	1,428	(1,236)
	124,574	116,213	258,805	233,598
Changes in working capital:				
- Trade and other receivables	(19,853)	7,162	(24,977)	(2,709)
- Trade and other payables	23,249	(7,938)	13,065	(11,162)
Cash generated from operations	127,970	115,437	246,893	219,727
Net tax paid	(15,911)	(4,192)	(23,158)	(8,943)
Net cash generated from operating activities	112,059	111,245	223,735	210,784
Cash flows from investing activities				
Acquisition of interests in investment properties (Note A)	(1,097,382)	-	(1,097,382)	-
Additions to investment properties	(22,509)	-	(22,509)	-
Net proceeds from divestment of investment property and investment in notes (Note B)	22	-	75,110	-
Capital expenditures on investment properties	(20,910)	(13,604)	(35,409)	(26,436)
Coupon received from notes receivables	6,586	3,871	10,382	7,793
Repayment of notes receivables	1,783	1,629	3,487	3,207
Net cash used in investing activities	(1,132,410)	(8,104)	(1,066,321)	(15,436)
Cash flows from financing activities				
Proceeds from issuance of Units	1,001,280	-	1,001,280	-
Proceeds from borrowings	625,177	112,000	692,801	265,429
Loan from a non-controlling interest	2,335	-	2,335	-
Capital contribution from a non-controlling interest	1,354	-	1,354	-
Capital reduction of a non-controlling interest	-	(495)	-	(555)
Payment of transaction costs relating to fund-raising	(10,204)	-	(10,204)	-
Payment of financing transaction costs	(1,883)	(943)	(1,883)	(1,192)
Repayment of borrowings	(338,665)	(90,579)	(474,788)	(274,238)
Finance costs paid	(25,833)	(25,080)	(50,533)	(47,011)
Distributions paid to Unitholders	(78,387)	(86,903)	(152,960)	(175,671)
Dividends paid to non-controlling interests	(1,130)	(1,470)	(2,661)	(2,926)
Net cash generated from/(used in) financing activities	1,174,044	(93,470)	1,004,741	(236,164)
Net increase/(decrease) in cash and cash equivalents	153,693	9,671	162,155	(40,816)
Cash and cash equivalents at beginning of period/year	158,879	139,714	149,733	190,399
Effects of exchange rate fluctuations on cash held	(1,354)	348	(670)	150
Cash and cash equivalents at end of period/year	311,218	149,733	311,218	149,733

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents exclude pledged bank deposits of \$5.3 million (2023: nil) to secure a guarantee in connection with the virtual power purchase agreements with unrelated corporations for renewable power and \$0.2 million (2023: nil) which is required to be maintained based on agreement with the bank.

Note A – Acquisition of interests in investment properties

In July 2024, Keppel DC REIT completed the acquisition of 98.47% effective interest in Tokyo DC 1, located in West Tokyo, Japan. In December 2024, the REIT also completed the acquisition of 99.49% economic interest of Memphis 1 Pte. Ltd., a Singapore-incorporated company, which in turns hold KDC SGP 7 and 8.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Note B – Net proceeds from divestment of investment property and investment in notes

In June 2024, Keppel DC REIT completed the divestment of Intellicentre Campus and subscribed for an AU DC Note. As part of the transaction, the subscription for the AU DC Note was net settled by using these divestment proceeds.

Cash flow analysis (FY 2024 vs FY 2023)

Cash generated from operating activities for the FY 2024 was \$223.7 million, \$12.9 million higher than the \$210.8 million than last year. This was mainly due to higher operational cash inflow and lower working capital requirements.

Net cash used in investing activities for FY 2024 was \$1,066.3 million, comprising the acquisition of Tokyo DC 1, KDC SGP 7 and KDC SGP 8 as well as capital expenditures. This was partially offset by net proceeds from divestment of Intellicentre Campus and subscription into AU DC Note, coupon received and partial repayment of notes receivables by NetCo. Net cash used in investing activities for FY 2023 was \$15.4 million, comprising mainly capital expenditures. This was partially offset by coupon received and partial repayment of notes receivables.

The Group recorded net cash generated from financing activities of \$1,004.7 million in FY 2024 as compared to net cash used in financing activities of \$236.2 million for FY 2023. Net cash generated from FY 2024 was mainly from proceeds raised from the issuance of Units and drawdown of borrowings. These were partially offset by the distributions paid to Unitholders, repayment of borrowings and finance costs. Net cash used in FY 2023 was mainly from the distributions paid to Unitholders, refinancing of borrowings and finance costs. These were partially offset by drawdown of borrowings.

Cash flow analysis (2H 2024 vs 2H 2023)

Net cash generated from operating activities for the 2H 2024 was \$112.1 million, \$0.9 million higher than the \$111.2 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 2024 was \$1,132.4 million, comprising mainly the acquisition of Tokyo DC 1, KDC SGP 7 and KDC SGP 8 as well as capital expenditures. These were partially offset by coupon received and partial repayment of notes receivables by NetCo. Net cash used in investing activities for the corresponding period last year was \$8.1 million, comprising mainly capital expenditures. These were partially offset by coupon received and partial repayment of notes receivables by NetCo.

The Group recorded net cash generated from financing activities of \$1,174.0 million in 2H 2024 as compared to net cash generated from financing activities of \$93.4 million for the corresponding period last year. Net cash used in 2H 2024 was mainly from proceeds raised from the issuance of Units and drawdown of borrowings. These were partially offset by the distributions paid to Unitholders, repayment of borrowings and finance costs. Net cash used in 2H 2023 was mainly from the distributions paid to Unitholders, refinancing of borrowings and finance costs. These were partially offset by drawdown of borrowings.

Usage of proceeds of the EFR

Further to the announcement dated 27 December 2024 titled “Completion of the acquisition of interests in two data centre buildings (being KDC SGP 7 and KDC SGP 8) and use of proceeds from the private placement and preferential offering”, the Manager wishes to update on the use of the remaining proceeds as at 31 December 2024 raised from the EFR (the Proceeds) as follows.

Intended Use	Amount allocated (as stated in the Announcements)	Reallocation of the use of Net Proceeds	Amount utilised as at 31 December 2024	Balance of Net Proceeds as at 31 December 2024
	\$'000	\$'000	\$'000	\$'000
To partially finance the acquisition of interests in KDC SGP 7 and KDC SGP 8	971,563	-	(971,563)	-
To fund debt repayment and/or capital expenditure and asset enhancement initiatives	16,700	2,815	(16,700)	2,815
To pay for estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Keppel DC REIT in connection with the EFR	13,017	(2,815)	(10,202)	-
Total Use of Proceeds	1,001,280	-	(998,465)	2,815

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

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 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

These condensed consolidated financial statements for the second half and full year ended 31 December 2024 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 2023 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 2023, except for the adoption of new and revised standards effective as of 1 January 2024.

The adoption of these new and revised SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s effective as of 1 January 2024 did not have any significant impact on the condensed consolidated financial statements of the Group.

2.3 Material 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 2023 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 2023 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 2024

3 INVESTMENT PROPERTIES

	Group	
	2024 \$'000	2023 \$'000
At 1 January	3,655,932	3,639,453
Acquisitions ^(b)	1,222,122	-
Additions ^(c)	23,869	-
Divestment ^(d)	(115,544)	-
Capital expenditures	28,409	33,436
Transfer to investment property held for sale	(16,520)	-
Net change in fair values	119,095	(25,572)
Currency translation differences	(13,356)	8,615
At 31 December	<u>4,904,007</u>	<u>3,655,932</u>

Reconciliation of fair value measurement to valuation report

	Group	
	2024 \$'000	2023 \$'000
Fair value on investment properties based on valuation report	4,874,846	3,642,911
Add: Carrying amount of lease liabilities ^(e)	29,161	13,021
Carrying amount of investment properties	<u>4,904,007</u>	<u>3,655,932</u>

(a) Investment properties are stated at fair value based on valuations performed by independent valuers, Savills (UK) Limited, Savills Japan Valuation G.K., Knight Frank Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Colliers Appraisal & Advisory Services Co., Ltd., CIVAS (VIC) Pty Limited and JLL Appraisal & Property Services Sdn Bhd (2023: Savills Valuation and Professional Services (S) Pte Ltd, Colliers Appraisal and Advisory Services Co., Ltd and Knight Frank LLP). 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 considered direct comparison method, 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) On 31 July 2024, Keppel DC REIT completed the acquisition of 98.47% effective interest in Tokyo DC 1, West Tokyo. On 27 December 2024, Keppel DC REIT completed the acquisition of 99.49% economic interest in KDC SGP 7 and 8, which are located at 82 Genting Lane, Singapore 349567.

These acquisitions have been accounted for as asset acquisitions.

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

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

3 INVESTMENT PROPERTIES (CONT'D)

- (d) On 24 June 2024, Keppel DC REIT divested Intellicentre Campus for a consideration of approximately \$156.4 million. The Group recognised a divestment gain of \$31.6 million.
- (e) The lease liabilities of the Group relate to estimated payments for certain leasehold lands in Singapore for (i) an extension option of which the Group is reasonably certain to exercise and (ii) an offer to extend the remaining land tenure for a further term.

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	
	2024 \$'000	2023 \$'000
Equity investments at cost	1,000	1,000
Share of reserves	(1,000)	(1,000)
	<u>-</u>	<u>-</u>

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

	Group	
	2024 \$'000	2023 \$'000
At 1 January	-	26,475
Share of results for the year	-	(8,284)
Share of movement in fair value of cash flow hedges	-	(18,191)
At 31 December	<u>-</u>	<u>-</u>

5 LOANS AND BORROWINGS

	Group	
	As at 31 Dec 24 \$'000	As at 31 Dec 23 \$'000
<u>Unsecured borrowings¹</u>		
Amount repayable within one year	77,133	72,477
Amount repayable after one year	1,606,775	1,398,147
	<u>1,683,908</u>	<u>1,470,624</u>
Total borrowings	1,683,908	1,470,624
Capitalised transactions costs of debt financing	(3,643)	(2,836)
<u>Lease liabilities</u>		
Within one year	10,198	-
After one year	25,005	12,948
Total loans and borrowings	<u><u>1,715,468</u></u>	<u><u>1,480,736</u></u>

¹ Keppel DC REIT has unsecured borrowings of \$613.6 million (2023: \$662.4 million) and \$608.5 million (2023: \$462.8 million) and \$337.0 million (2023: \$345.4 million) and \$124.8 million (2023: \$Nil) under its term loan facilities, revolving credit facilities, Multicurrency Debt Issuance Programme and Tokutei Mokutei Kaisha Bond respectively.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

5 LOANS AND BORROWINGS (CONT'D)

As at 31 December 2024 the Group had total borrowings of approximately \$1,683.9 million and unutilised facilities of approximately \$406.8 million. The all-in average interest rate for borrowings was 3.3% per annum for the financial year then ended 31 December 2024.

6 UNITHOLDERS' FUNDS

Units in Issue

GROUP AND TRUST	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23
	No. of Units	No. of Units
Issued Units as at beginning of period	1,721,429,811	1,718,650,015
Management fees paid in Units	4,303,488	2,779,796
Issuance of placement Units	334,929,000	-
Issuance of preferential offering Units	148,413,063	-
Issued Units as at end of period	2,209,075,362	1,721,429,811

Total number of issued units

Keppel DC REIT did not hold any treasury units as at 31 December 2024 and 31 December 2023.

	Group	
	As at 31 Dec 24	As at 31 Dec 23
Total number of issued Units	2,209,075,362	1,721,429,811

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 2024 \$'000	FY 2023 \$'000
Fixed rental income from a related corporation	32,530	31,387
Variable rental income from a related corporation	120,453	88,586
Management fees to a related corporation	(27,652)	(26,807)
Acquisition and development management fees to a related corporation	(12,544)	-
Divestment fees to a related corporation	(782)	-
Facility management fees to a related corporation	(6,900)	(3,579)
Project management fees to related corporations	(13)	(60)
Support services fee to a related corporation	(531)	(598)
Interest income from a joint venture	7,504	7,784

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

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 2024**

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 2024				
Derivative financial assets	–	19,315	–	19,315
Investment properties	–	–	4,904,007	4,904,007
Investment property held for sale	–	–	16,520	16,520
	<u>–</u>	<u>19,315</u>	<u>4,920,527</u>	<u>4,939,842</u>
Derivative financial liabilities	<u>–</u>	<u>(9,120)</u>	<u>–</u>	<u>(9,120)</u>
31 December 2023				
Derivative financial assets	–	31,518	–	31,518
Investment properties	–	–	3,655,932	3,655,932
	<u>–</u>	<u>31,518</u>	<u>3,655,932</u>	<u>3,687,450</u>
Derivative financial liabilities	<u>–</u>	<u>(9,177)</u>	<u>–</u>	<u>(9,177)</u>
Trust				
31 December 2024				
Derivative financial assets	–	3,174	–	3,174
Investment properties	–	–	524,772	524,772
	<u>–</u>	<u>3,174</u>	<u>524,772</u>	<u>527,946</u>
Derivative financial liabilities	<u>–</u>	<u>(202)</u>	<u>–</u>	<u>(202)</u>
31 December 2023				
Derivative financial assets	–	4,754	–	4,754
Investment properties	–	–	530,837	530,837
	<u>–</u>	<u>4,754</u>	<u>530,837</u>	<u>535,591</u>
Derivative financial liabilities	<u>–</u>	<u>(193)</u>	<u>–</u>	<u>(193)</u>

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2024 and 31 December 2023.

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 2024

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.

Valuation method	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Asia Pacific		
Capitalisation approach	Capitalisation rate: 3.10% to 7.25% (2023: 4.75% to 7.75%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 2.80% to 9.50% (2023: 6.75% to 10.50%) Terminal yield rate: 3.20% to 8.50% (2023: 5.38% to 8.50%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.
Europe		
Capitalisation approach	Capitalisation rate: not applicable (2023: 3.85% to 15.54%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 6.00% to 12.50% (2023: 5.75% to 8.34%) Terminal yield rate: 5.00% to 7.50% (2023: 4.50% to 8.00%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.

For FY2024, the Manager has engaged different independent valuers for the Group's investment properties as per Code on Collective Investment Schemes for Property Funds.

In valuing certain properties in Europe, the valuers had used discounted cash flow method (as above) and direct comparison method with \$121 to \$192 per square foot and \$15 to \$63 per square foot for building and land respectively as unobservable inputs which will affect the estimated fair values if different inputs were used (2023: income capitalisation method and discounted cashflow method).

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 2024

9 SEGMENTAL INFORMATION

<u>By type of asset class (\$'000)</u>	2H 2024			
	Colocation	Fully-fitted	Shell and core	Total
Gross revenue	98,194	36,341	18,572	153,107
Net property income	85,077	25,679	16,881	127,637
Finance income	62	668	2,973	3,703
Finance costs	(7,715)	(8,887)	(7,304)	(23,906)
Net change in fair value of investment properties ¹	178,606	(7,862)	(50,134)	120,610
Reportable segment profit before tax	252,232	3,192	(35,242)	220,182
Unallocated amounts:				
- Finance income				6,195
- Finance costs				(1,696)
- Other corporate expenses:				(13,462)
Profit before tax				211,219
	As at 31-Dec-24			
<u>By type of asset class (\$'000)</u>	Colocation	Fully-fitted	Shell and core	Total
Segment assets	3,592,979	961,974	711,043	5,265,996
Other unallocated amounts				277,237
Consolidated assets				5,543,233
Segment liabilities	1,119,593	454,070	523,855	2,097,518
Other unallocated amounts				18,767
Consolidated liabilities				2,116,285
Other segment items:				
Capital expenditures / Additions	48,812	238	3,228	52,278

<u>By type of asset class (\$'000)</u>	2H 2023			
	Colocation	Fully-fitted	Shell and core	Total
Gross revenue	85,006	36,648	19,089	140,743
Net property income	74,180	25,875	17,543	117,598
Finance income	19	608	116	743
Finance costs	(8,297)	(9,458)	(6,656)	(24,411)
Net change in fair value of financial assets at FVTPL	-	-	(195)	(195)
Net change in fair value of investment properties ¹	6,355	9,933	(44,221)	(27,933)
Reportable segment profit before tax	69,376	27,075	(33,948)	62,503
Unallocated amounts:				
- Finance income				4,637
- Finance costs				(1,392)
- Other corporate expenses:				(17,799)
Profit before tax				47,949
	As at 31-Dec-23			
<u>By type of asset class (\$'000)</u>	Colocation	Fully-fitted	Shell and core	Total
Segment assets	2,179,773	985,357	680,963	3,846,093
Other unallocated amounts				160,458
Consolidated assets				4,006,551
Segment liabilities	587,494	560,511	416,647	1,564,652
Other unallocated amounts				87,938
Consolidated liabilities				1,652,590
Other segment items:				
Capital expenditures / Additions	24,814	6,977	1,645	33,436

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 2024

9 SEGMENTAL INFORMATION (CONT'D)

<u>By type of asset class (\$'000)</u>	FY 2024			
	Colocation	Fully-fitted	Shell and core	Total
Gross revenue	198,652	74,424	37,211	310,287
Net property income	173,053	53,087	34,146	260,286
Finance income	71	1,399	3,203	4,673
Finance costs	(15,949)	(18,280)	(14,011)	(48,240)
Net change in fair value of financial assets at FVTPL	-	-	(176)	(176)
Net change in fair value of investment properties ¹	178,606	(7,862)	(50,134)	120,610
Reportable segment profit before tax	330,999	21,021	6,481	358,501
Unallocated amounts:				
- Finance income				10,717
- Finance costs				(3,269)
- Other corporate expenses:				(25,139)
Profit before tax				340,810
	As at 31-Dec-24			
<u>By type of asset class (\$'000)</u>	Colocation	Fully-fitted	Shell and core	Total
Segment assets	3,592,979	961,974	711,043	5,265,996
Other unallocated amounts				277,237
Consolidated assets				5,543,233
Segment liabilities	1,119,593	454,070	523,855	2,097,518
Other unallocated amounts				18,767
Consolidated liabilities				2,116,285
Other segment items:				
Capital expenditures / Additions	48,812	238	3,228	52,278
	FY 2023			
<u>By type of asset class (\$'000)</u>	Colocation	Fully-fitted	Shell and core	Total
Gross revenue	168,330	74,568	38,309	281,207
Net property income	146,266	63,357	35,328	244,951
Finance income	182	1,216	184	1,582
Finance costs	(15,887)	(18,160)	(12,016)	(46,063)
Net change in fair value of financial assets at FVTPL	-	-	(379)	(379)
Net change in fair value of investment properties ¹	6,355	9,933	(44,221)	(27,933)
Reportable segment profit before tax	134,639	54,591	(21,954)	167,276
Unallocated amounts:				
- Finance income				9,347
- Finance costs				(2,455)
- Other corporate expenses:				(36,390)
Profit before tax				137,778
	As at 31-Dec-23			
<u>By type of asset class (\$'000)</u>	Colocation	Fully-fitted	Shell and core	Total
Segment assets	2,179,773	985,357	680,963	3,846,093
Other unallocated amounts				160,458
Consolidated assets				4,006,551
Segment liabilities	587,494	560,511	416,647	1,564,652
Other unallocated amounts				87,938
Consolidated liabilities				1,652,590
Other segment items:				
Capital expenditures / Additions	24,814	6,977	1,645	33,436

Note:

1 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 2024

9 SEGMENTAL INFORMATION (CONT'D)

By geographical area

	FY 2024	FY 2023
<u>Gross Revenue</u>	<u>\$'000</u>	<u>\$'000</u>
- Singapore	177,495	144,758
- Australia	16,331	23,085
- China	23,929	24,842
- Germany	17,615	17,559
- Ireland	35,438	33,519
- The Netherlands	16,459	16,214
- Other countries	23,020	21,230
Total gross revenue	310,287	281,207

Major Customers

Revenue of \$151.3 million (2023: \$118.8 million) was derived from one client from Singapore (2023: Singapore).

Investment Properties

	As at 31 Dec 24	As at 31 Dec 23
	<u>\$'000</u>	<u>\$'000</u>
- Singapore	3,264,551	2,014,821
- Australia	188,299	311,964
- China	273,550	274,282
- Japan	213,960	-
- Germany	222,703	246,381
- Ireland	302,583	302,794
- The Netherlands	234,417	256,086
- Other countries	203,944	249,604
Total value of investment properties	4,904,007	3,655,932

10 SUBSEQUENT EVENTS

On 24 January 2025, the Manager declared a distribution of 0.819 cents per Unit for the period from 28 November 2024 to 31 December 2024.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

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. AUDITOR'S 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 2024 and 2023 results

FY 2024 vs FY 2023

Gross rental income for FY 2024 was \$305.7 million, an increase of \$28.7 million or 10.4% from FY 2023 of \$277.0 million. This was mainly due to contribution from the acquisition of Tokyo DC 1, higher variable rent from the settlement sum related to the dispute at KDC SGP 1 as well as strong reversions and escalations.

This was partially offset by the divestment of Intellicentre Campus.

Property operating expenses for FY 2024 was \$50.0 million, an increase of \$13.7 million or 37.9% from FY 2023 of \$36.3 million. This was mainly due to higher loss allowance made for the receivables from the data centres in Guangdong.

Net property income of \$260.3 million for FY 2024 was \$15.3 million or 6.3% higher than FY 2023.

Profit after tax for FY 2024 was \$314.0 million, after taking into account the net fair value gain in investment properties of \$120.6 million (2023: net fair value loss of \$27.9 million) and deferred tax expense of \$4.6 million (2023: deferred tax credit of \$3.6 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 2024 was \$198.0 million, an increase of \$51.5 million or 35.2% as compared to FY 2023 of \$146.5 million. This was mainly due to net higher contributions from the portfolio and a divestment gain from Intellicentre Campus, partially offset by higher loss allowances made and higher finance costs in 1H 2024.

2H 2024 vs 2H 2023

Gross rental income for 2H 2024 was \$151.0 million, an increase of \$12.0 million or 8.6% from 2H 2023 of \$139.0 million. This was mainly due to contribution from the acquisition of Tokyo DC 1, as well as higher variable rent from strong reversions and escalations.

This was partially offset by the divestment of Intellicentre Campus.

Property operating expenses for 2H 2024 was \$25.5 million, an increase of \$2.4 million or 10.0% from 2H 2023 of \$23.1 million. This was mainly due to higher facility management fees from Singapore assets.

Net property income of \$127.6 million for 2H 2024 was \$10.0 million or 8.5% higher than 2H 2023.

Profit after tax for 2H 2024 was \$199.3 million, after taking into account the net fair value gain in investment properties of \$120.6 million (2023: net fair value loss of \$27.9 million) and deferred tax expense of \$4.6 million (2023: deferred tax credit of \$3.6 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 2024 was \$83.3 million, an increase of \$18.8 million or 29.1% as compared to 2H 2023 of \$64.5 million. This was mainly due to net higher contributions from the portfolio, partially offset by higher loss allowances made.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

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

The International Monetary Fund projects global growth to be at 3.2% in 2024 and 3.3% in 2025 in its World Economic Outlook report. Since the beginning of 2024, cyclical imbalances have eased, leading to a better alignment of economic activity with potential output in major economies. This adjustment has brought inflation rates across countries closer together and on balance, has contributed to lower global inflation. However, risks to the global outlook remain, including disruptions to the disinflation process potentially triggered by new spikes in commodity prices amid persistent geopolitical tensions and an intensification of protectionist policies which would exacerbate trade tensions¹.

According to DC Byte, vacancy rates for data centres continue to decline across most global markets due to strong demand from cloud adoption by both governments and businesses. In particular, cloud service providers (CSPs) such as Amazon Web Services, Baidu, Google Cloud and Microsoft Azure are fuelling most of today's huge incremental demand for AI-ready data centres. They are achieving this by launching their own AI agents as part of their in-house AI strategies.

As part of its strategy to deliver sustainable value for stakeholders, the Manager is committing to curating a future-ready portfolio through proactive portfolio management and a focused investment approach. Going forward, the Manager will continue to grow its portfolio of data centres and strengthen its presence across key international data centre hubs.

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 counterparties (including clients) are done prior to entering into contractual arrangements, using credit, financial and other information from credit agencies and other reliable sources. Updates are performed when sectorial or geographical conditions or conditions specific to the counterparty indicate potential deterioration.

Currency risk

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, Japan, 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 World Economic Outlook Report, The IMF, October 2024.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

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.

Climate risk

The effects of climate change are increasingly apparent globally and gaining attention from countries to corporates. Understanding and addressing climate-related impacts is crucial to ensuring the business remains sustainable and resilient. In this regard, the Group is focused on strengthening the portfolio and operational capabilities against climate change risks, as well as assessing potential opportunities the Group can capitalise on as the world endeavours to transit to a low-carbon economy.

Climate-related risks can be classified into two categories – physical risks and transition risks.

Firstly, physical risks that arise from changes in the climate can be event driven or a result of longer-term shifts. The Manager continues to maintain an appropriate level of insurance and schedule regular maintenance to ensure the resilience and durability of the building and equipment, in response to risks such as extreme precipitation and weather.

Secondly, transition risks are risks associated with societal and economic shifts in market preferences, norms and technology towards a low-carbon economy. Governments globally have been taking steps such as increasing price of carbon and imposing stricter building regulations. Examples of mitigating responses include optimising building energy consumption through the adoption of energy-efficient equipment, technologies and sustainable building designs, as well as being fully compliant with current regulations with most properties being green certified with high standards of environmental performance.

To bolster the resilience of the Group's portfolio and operations, the Manager continues to evolve its approach to ensure resilience over such climate-related risks. The Manager with the support and guidance of the Environmental, Social and Governance (ESG) Board Committee, reviews the ESG strategy, roadmaps and targets, which includes climate-related targets on emissions and energy, as well as climate change adaptation. The Manager will continue to consider and integrate ESG factors in the Group's strategy formulation and business operations and growth.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

F. DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Name of distribution:	(i) 23rd Distribution for the period from 1 July to 27 November 2024 (ii) 24th Distribution for the period from 28 November 2024 to 31 December 2024
Distribution type:	(a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution
Distribution rate:	23rd Distribution of 4.083 cents per Unit for the period from 1 July to 27 November 2024, comprising: (a) Taxable Income – 1.239 cents per Unit (b) Tax-exempt Income – 2.025 cents per Unit (c) Capital Distribution – 0.819 cents per Unit 24th Distribution of 0.819 cents per Unit for the period from 28 November to 31 December 2024, comprising: (a) Taxable Income – 0.764 cents per Unit (b) Tax-exempt Income – 0.055 cents per Unit
Distribution amount (\$'000):	(i) 23rd Distribution – 70,462 (ii) 24th Distribution – 18,092
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%. 23rd Distribution and 24th Distribution are both considered as income for the year 2024. Beneficial owners of the distributions, other than those who are exempt from tax on the distribution or who are entitled to the reduced tax rate of 10%, are required to declare the relevant gross Taxable Income Distribution as taxable income in their income tax return for both 23rd Distribution and 24th Distribution in the year of assessment 2025. (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.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

F. DISTRIBUTIONS (CONT'D)

(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:	<u>21st</u> Distribution for the period from 1 July to 31 December 2023
Distribution type:	(a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution
Distribution rate:	Distribution of 4.332 cents per Unit for the period from 1 July to 31 December 2023, comprising: (a) Taxable Income – 1.810 cents per Unit (b) Tax-exempt Income – 1.837 cents per Unit (c) Capital Distribution – 0.685 cents per Unit
Distribution amount (\$'000):	74,572
Tax rate:	<p>(d) <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>(e) <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>(f) <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>

(c) Record date

The Transfer Books and Register of Unitholders of Keppel DC REIT for the 24th Distribution will be closed at 5.00 p.m. on 5 February 2025 for the purposes of determining each Unitholder's entitlement to the REIT's distribution.

(d) Date payable

The date 24th Distribution is payable on: 17 March 2025.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

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)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	FY 2024 \$'000	FY 2024 \$'000
Temasek Holdings Group		
- Acquisition of interests in KDC SGP 7 and 8	414,147	NIL
- Rental income	18,634	NIL
- Recovery of expenses	893	NIL
Keppel Ltd. and its subsidiaries		
- Acquisition of interests in KDC SGP 7 and 8	615,941	NIL
- Fixed rental income	254,357	NIL
- Variable rental income	125,561	NIL
- Facility management and property management fees and reimbursables	6,854	NIL
- Manager's management fees	27,787	NIL
- Acquisition and development management fees	13,136	NIL
- Divestment fees	782	NIL
- Support services fees	1,460	NIL
- Recovery of expenses	1,094	NIL
- Corporate guarantee	1,939	NIL
- Placement of Units	85,000	NIL
- Interest expense	1	NIL
- Recoverables in relation to an obligation assumed	5,564	NIL
Perpetual (Asia) Limited		
- Trustee fees	475	NIL

Keppel DC REIT has not obtained a general mandate from Unitholders for Interested Person Transactions for the financial period under review.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2024

I. BREAKDOWN OF SALES

	FY 2024 \$'000	FY 2023 \$'000	+/(-) %
First half year			
Gross revenue reported	157,180	140,464	11.9
Profit after tax	114,641	82,018	39.8
Second half year			
Gross revenue reported	153,107	140,743	8.8
Profit after tax ¹	83,301	64,562	29.0

Note:

- 1 Profit after tax excludes net gains of \$116.0 million relating to net fair value gains and their related deferred tax impact (2H 2023: net losses of \$24.3 million relating to net fair value losses 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.

J. BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

	FY 2024 \$'000	FY 2023 \$'000
1 January 2023 to 30 June 2023	-	86,903
1 July 2023 to 31 December 2023	-	74,572
1 January 2024 to 30 June 2024	78,388	-
1 July 2024 to 27 November 2024	70,462	-
28 November 2024 to 31 December 2024	18,092	-
	166,942	161,475

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 2024

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

Company Secretaries
24 January 2025