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**MEDIA RELEASE**

**Unaudited Results of Keppel DC REIT for the Second Half and Full Year Ended 31 December 2024**

**24 January 2025**

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the Second Half and Full Year Ended 31 December 2024.

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

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**Keppel DC REIT delivers 13.2% growth in 2H 2024 DPU to 4.902 cents, driven by strong reversions and strategic acquisitions**

**Key Highlights**

- FY 2024 DPU grew 0.7% year-on-year to 9.451 cents
- Proactive portfolio management drove strong reversion of approximately 39% in FY 2024
- Continued execution of strategy to capitalise on growth opportunities within hyperscale segment, leveraging positive market trends including generative artificial intelligence (AI)
- Value creation via strategic acquisitions of three hyperscale data centres in Singapore and Tokyo, opportunistic divestment of Intellicentre Campus and investment in Australia Data Centre Note
- Assets under management increased by 35.1% year-on-year to $5.0 billion; strong balance sheet and agile financial strategies will continue to support future growth

| **($'000)** | **2H 2024** | **2H 2023** | **% Change** | **FY 2024** | **FY 2023** | **% Change** |
|---|---|---|---|---|---|---|
| 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)** | **91,855** | **76,407** | **+20.2** | **172,733** | **167,718** | **+3.0** |
| **Distribution Per Unit (DPU)[(1)] (cents)** | **4.902** | **4.332** | **+13.2** | **9.451** | **9.383** | **+0.7** |
| **Adjusted DPU[(2)] (cents)** | **4.955** | **4.332** | **+14.4** | **9.504** | **9.383** | **+1.3** |
| Distribution Yield[(2)] (%) | | | | 4.34 | 4.81 | (47 bps) |

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

*(2) 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.*

*(3) Based on closing price of $2.180 and $1.950 as at 31 December 2024 and 31 December 2023 respectively.*

**Financial Results**

Keppel DC REIT announced DI of $91.9 million for 2H 2024, bringing DI for FY 2024 to $172.7 million, 20.2% and 3.0% higher than 2H 2023 and FY 2023, respectively. The growth was mainly due to contributions from the acquisition of Tokyo Data Centre 1, strong reversions and escalations as well as the favourable outcome from the resolution of the dispute between Keppel DC Singapore 1 Ltd. [1] and DXC Technology Services Singapore Pte. Ltd.. The increase was partially offset by higher finance costs in 1H 2024 and less favourable foreign exchange hedges entered for foreign-sourced income in 2024.

DPU for 2H 2024 was 4.902 cents, bringing FY 2024 DPU to 9.451 cents, 13.2% and 0.7% higher than 2H 2023 and FY 2023, respectively, despite the enlarged unit base after the equity fund raising (EFR) in 4Q 2024. Based on Keppel DC REIT's closing price of $2.180 per Unit on 31 December 2024, distribution yield was 4.34% for FY 2024.

Excluding the impact of the pro-rata preferential offering in December 2024, the adjusted DPU for FY 2024 would have been higher at 9.504 cents, a 1.3% increase from FY 2023's DPU of 9.383 cents.

1 Keppel Ltd owns indirectly 100% of the ordinary shares of Keppel DC Singapore 1 Ltd..

**Portfolio Updates**

Capitalising on the positive market trends including generative AI and the strong demand for data centres, Keppel DC REIT continued its momentum of achieving overall strong reversion[2] of approximately 39% in FY 2024. As at 31 December 2024, portfolio occupancy remained high at 97.2% with a portfolio weighted average lease expiry (WALE) at 6.3 years[3].

Keppel DC REIT was also active on the acquisition front in 2024, completing the purchase of three hyperscale data centres in the leading data centre markets of Singapore and Tokyo, as part of the Manager's strategy to concentrate on the hyperscale market where demand trends match Keppel DC REIT's core competencies. In December 2024, the REIT strengthened its foothold in Singapore with the acquisition of 99.49% of the economic interest in Keppel DC Singapore 7 and Keppel DC Singapore 8 (KDC SGP 7 & 8), two AI-ready data centres situated within a campus. Earlier in July 2024, Keppel DC REIT made its maiden foray into Japan, the second largest data centre hub in Asia, further expanding its strategic presence in the region.

As part of the Manager's proactive asset management, Keppel DC REIT divested Intellicentre Campus in Sydney, Australia in April 2024. Part of the proceeds were re-invested into an Australia Data Centre Note with an initial yield of approximately 7% and an annual inflation-linked escalation for 8.5 years. This enabled the REIT to achieve a higher DPU while maintaining exposure to the Australia data centre market.

Mr Loh Hwee Long, CEO of Keppel DC REIT Management Pte. Ltd, said, "Our strategic asset acquisitions and active portfolio management strategies have significantly contributed to Keppel DC REIT's strong performance in FY 2024. The addition of two AI-ready hyperscale data centres in Singapore, KDC SGP 7 & 8, to our portfolio of quality assets will further augment our financial performance in the year ahead. Keppel DC REIT is well-positioned to seize opportunities from the rising demand for more advanced, AI-ready data centres and deliver long-term value to our Unitholders."

In January 2025, Keppel DC REIT announced the divestment of Basis Bay Data Centre in Cyberjaya, Malaysia, with completion expected to be around 3Q 2025. The divestment is in line with the Manager's strategy to focus primarily on the hyperscale market and continuously assess the portfolio to identify opportunities for unlocking value and redeploying resources into accretive opportunities.

**Capital Management**

As at 31 December 2024, the REIT's aggregate leverage was 31.5%, an improvement of 820 basis points as compared to 30 September 2024. This was mainly due to the acquisition of KDC SGP 7 & 8 which was funded mainly by the EFR. Average cost of debt was 3.1% for 4Q 2024, with 66% of borrowings fixed through interest rate swaps. Interest rate coverage ratio remains healthy at 5.3 times.

The EFR conducted in 4Q 2024 included an upsized private placement of $700 million and a preferential offering of $301 million. The private placement was upsized by $100 million and was 3.4 times covered, with the majority of the book allocated to real estate specialists and long-only investors. Additionally, the Sponsor Subscription of $85 million[4], as part of this EFR, is expected to

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2 Calculated based on the signing rental income of the contracts renewed in the quarter divided by the preceding terminating rental income of the expiring contracts.

3 By lettable area. WALE by rental income was 4.6 years as a higher proportion of rental income is from colocation assets, which typically have shorter contractual periods.

4 Approved by Unitholders at the extraordinary general meeting held on 20 December 2024. Including the Sponsor Subscription, the EFR will raise approximately $1.1 billion of gross proceeds.

complete in 1Q 2025. This EFR stands out as not only the largest Singapore data centre equity offering but also the largest Singapore REIT private placement since November 2020. The proceeds of the EFR have been used to finance the acquisition of KDC SGP 7 & 8, which was completed on 27 December 2024.

The Manager continues to adopt dynamic financial strategies, such as active capital management and diversifying funding sources, to maintain the financial flexibility required to pursue accretive data centre investment opportunities.

**Looking Ahead**

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 tensions[5].

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.

– END –

[5] World Economic Outlook Report, The IMF, October 2024.

**About Keppel DC REIT (www.keppeldcreit.com)**
Keppel DC REIT was listed on the Singapore Exchange on 12 December 2014 as the first pure-play data centre REIT in Asia.

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate and assets necessary to support the digital economy.

Keppel DC REIT's investments comprise a mix of colocation, fully-fitted and shell and core assets, as well as debt securities, thereby reinforcing the diversity and resiliency of its portfolio.

Keppel DC REIT is managed by Keppel DC REIT Management Pte. Ltd. (the Manager) and is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.