



(Constituted in the Republic of Singapore pursuant to a trust deed dated 17 March 2011 (as amended))

ANNOUNCEMENT

(1) DIVESTMENT OF PROPERTY KNOWN AS INTEL LICENTRE CAMPUS LOCATED AT 17-23 TALAVERA ROAD, MACQUARIE PARK, NEW SOUTH WALES 2113, AUSTRALIA; AND (2) SUBSCRIPTION INTO AUSTRALIA DATA CENTRE NOTE ISSUED BY AN ENTITY HOLDING DATA CENTRES

1. INTRODUCTION

Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the “**Manager**”), is pleased to announce that:

- (i) Keppel DC REIT, through its wholly owned subsidiary, KDCR Australia Sub-Trust 1 (acting through One Funds Management Limited as trustee of KDCR Australia Sub-Trust 1) (the “**Vendor**”), had on 15 April 2024 entered into a conditional contract for sale and purchase of land (the “**Land Sale Agreement**”) with, among others, Macquarie Data Centres Macquarie Park Property SubTST Pty Ltd (as trustee of Macquarie Data Centres Macquarie Park Property SubTrust) (the “**Purchaser**”), an unrelated third party¹, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase (the “**Divestment**”), the property known as Intellicentre Campus located at 17-23 Talavera Road, Macquarie Park, New South Wales 2113, Australia (the “**Property**”); and
- (ii) in connection with the Divestment and as a condition precedent under the Land Sale Agreement, Keppel DC REIT, through its wholly owned subsidiary, KDCR Australia Pte. Ltd. (the “**Subscriber**”), had on 15 April 2024 entered into a note subscription agreement (the “**Subscription Documents**”) with, among others, Macquarie Data Centres Group Pty Ltd (the “**Issuer**”), for the subscription into an Australia Data Centre Note (the “**AU DC Note**”) to be issued by the Issuer to the Subscriber on completion of the Divestment (the “**Australia Data Centre Note Subscription**”, and together with the Divestment, the “**Transactions**”).

Completion of the Transactions is estimated to take place no later than 4Q 2024.

¹ Both Macquarie Data Centres Macquarie Park Property SubTST Pty Ltd (the trustee) and Macquarie Data Centres Macquarie Park Property SubTrust (the trust) are indirectly wholly owned by Macquarie Technology Group Ltd, which is also the ultimate parent company of Macquarie Data Centres Pty Limited, the existing tenant of the Property.

2. INFORMATION ON THE PROPERTY AND THE ISSUER

(a) The Property

The Property comprises the Intellicentre 2 Data Centre which was built in 2012, as well as Intellicentre 3 East Data Centre which was completed in 2021. Located within the same site, Intellicentre 2 Data Centre and Intellicentre 3 East Data Centre were collectively renamed Intellicentre Campus in 2021. Intellicentre Campus is located within Macquarie Park in the north of Sydney, and is 12km away from the central business district.

Located at Talavera Road, the Property is well-served by major telecommunication carriers, with ample network capacity.

Macquarie Park is a research and business park in Sydney with a high concentration of companies in the communications and information technology sectors. It is set on over 200ha of commercial land and is the second largest commercial office region in New South Wales after Sydney's central business district.

(b) The Issuer

The Issuer is an indirect holding company of the Purchaser incorporated in Australia and through its subsidiaries, holds and operates various data centres across Australia. After completion of the Divestment, the Issuer's data centre portfolio will also include the Property which will be held indirectly through the Purchaser. The Issuer is a wholly owned subsidiary of Macquarie Technology Group Ltd, a company listed on the Australian stock exchange and is an Australian cloud service provider and telecom company whose facilities houses data for the world's biggest hyperscalers, clouds and 42% of the Australian Federal Government. This is reflected in their four distinct businesses – (i) Macquarie Telecom, (ii) Macquarie Cloud Services, (iii) Macquarie Government and (iv) Macquarie Data Centres. Macquarie Technology Group Ltd also stands as the guarantor in respect of the Issuer's obligations under the Subscription Documents. Please refer to paragraph 3(d)(v) below for further details on the guarantee in favour of the Subscriber.

3. PRINCIPAL TERMS OF THE TRANSACTIONS

(a) Consideration and Valuation of the Property

The Manager as well as Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) had commissioned Savills Valuations Pty Ltd ("**Savills**") to value the Property. Savills valued the Property at A\$128.5 million (equivalent to approximately S\$112.3 million²) as at 31 December 2023 using the income capitalisation and discounted cash flow methodologies (the "**Independent Property Valuation**"). The sale consideration in relation to the Property payable by the Purchaser is based on an agreed value of A\$174.0 million (equivalent to approximately S\$152.1 million¹) (the "**Agreed Value**"). The Agreed Value was arrived at on a willing buyer willing seller basis, after taking into account the Independent Property Valuation and the initial acquisition price (including development costs) of the Property (the

2 Unless otherwise stated, A\$ in this announcement have been translated into S\$ based on the illustrative exchange rate of A\$1.00 to S\$0.874.

“**Original Investment**”). The Agreed Value represents a 35.4% premium to the Independent Property Valuation as well as a 148.6% premium to the Original Investment of approximately A\$70.0 million.

In accordance with the trust deed constituting Keppel DC REIT dated 17 March 2011 (as amended, supplemented and/or restated from time to time) (the “**Trust Deed**”), the Manager is entitled to a divestment fee of approximately A\$0.9 million (equivalent to approximately S\$0.8 million), being 0.5% of the Agreed Value, which would be paid in units (the “**Divestment Fee**”).

(b) Valuation of the AU DC Note

The Manager as well as Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT), had commissioned RSM SG Corporate Advisory Pte. Ltd. (formerly known as RSM Corporate Advisory Pte. Ltd.) (“**RSM**”) to value the AU DC Note. RSM has estimated the market value range of the AU DC Note to be A\$106.9 million (equivalent to approximately S\$93.5 million) to A\$109.9 million (equivalent to approximately S\$96.1 million) as at 25 March 2024 using the discounted cash flow methodology.

In accordance with the Trust Deed, the Manager is entitled to an acquisition fee of A\$0.9 million (equivalent to approximately S\$0.8 million), being 1.0% of the Subscription Amount (as defined herein), which would be paid in units (the “**Acquisition Fee**”).

(c) Principal Terms of the Land Sale Agreement

The principal terms of the Land Sale Agreement include, amongst others, the following:

- (i) customary provisions relating to the Divestment, including limited representations and warranties, indemnities and pre-completion covenants;
- (ii) completion of the Divestment is conditional upon all other necessary approvals from, *inter alia*, regulatory bodies being obtained;
- (iii) completion of the Divestment shall occur simultaneously with the completion of the Australia Data Centre Note Subscription; and
- (iv) the Property is sold subject to the usual encroachments and building-related provisions which are customary for such properties in Australia.

(d) Principal Terms of Subscription Documents

The principal terms of the Subscription Documents include, amongst others, the following:

- (i) customary provisions relating to the Australia Data Centre Note Subscription, including limited representations, warranties and indemnities;
- (ii) completion of the Australia Data Centre Note Subscription shall occur simultaneously with the completion of the Divestment;

- (iii) the Subscriber shall pay A\$90.0 million (equivalent to approximately S\$78.7 million) (the “**Subscription Amount**”) in exchange for the AU DC Note issued by the Issuer with a face value equivalent to the Subscription Amount. The Issuer directs the Subscriber to pay the Subscription Amount to the Vendor in settlement of a portion of the consideration payable by the Purchaser under the Land Sale Agreement;
- (iv) the AU DC Note shall bear interest at an initial rate of 6.97% per annum and adjusted in accordance with the formula set out in the Subscription Documents, and shall mature on the date falling 8 years and 6 months after the date of completion of the Australia Data Centre Note Subscription; and
- (v) Macquarie Technology Group Ltd (an indirect holding company of the Issuer) as guarantor irrevocably and unconditionally guarantees to the Subscriber performance by the Issuer of all the Issuer’s obligations under the Subscription Documents, and undertakes with the Subscriber to, among others, pay to the Subscriber immediately on demand as if it was the principal obligor any amount that is due but unpaid by the Issuer under the Subscription Documents.

4. **RATIONALE FOR THE TRANSACTIONS**

The rationale for the Transactions are as follows:

(a) Opportunistic divestment at attractive sale price

The divestment of the Property to the Purchaser for the sale price of A\$174.0 million represents a 35.4% premium to the Independent Property Valuation of A\$128.5 million and a 148.6% premium to the Original Investment of approximately A\$70.0 million. The divestment represents an exit cap rate of approximately 3.6%. The opportunistic divestment is in line with the Manager’s proactive asset management strategy to unlock value from its existing portfolio and optimise returns for Unitholders.

(b) Retain exposure to Australia data centre market

Sale proceeds from the Divestment will be partially recycled into the Australia Data Centre Note Subscription of A\$90.0 million from which Keppel DC REIT will receive a regular income stream commencing at A\$6.3 million per annum, with an initial yield of 6.97% and an annual CPI-linked escalation mechanism, for 8.5 years. The income stream from the AU DC Note mirrors the Property’s rental throughout the tenure of the AU DC Note. A portion of the sale proceeds will be used for the repayment of existing loans for Intellicentre Campus, with the remaining net sale proceeds to be used for repaying debt, funding acquisitions, capital expenditure and/or working capital.

(c) Accretive to DPU

Based on the proposed method of financing and the *pro forma* financial effects of the Transactions on distribution per unit of Keppel DC REIT (“**Unit**”, and the distribution per Unit, the “**DPU**”) and net asset value (“**NAV**”) per Unit for Keppel DC REIT for the financial year ended 31 December 2023, the Transactions are expected to be DPU and NAV per Unit

accretive to Unitholders with the regular income stream from the Australia Data Centre Note Subscription and the cessation of property expenses and financing costs associated with the Property. Aggregate leverage post-Transactions is expected to improve to 36.6% from 37.4%. Please refer to paragraph 6 of this announcement for the *pro forma* financial effects of the Transactions.

5. COSTS OF THE TRANSACTIONS AND USE OF PROCEEDS

(a) Costs of the Transactions

The total costs of the Transactions (the “**Total Transaction Cost**”) are estimated to be A\$108.5 million (equivalent to approximately S\$94.8 million), which includes (i) withholding tax arising from the capital gains incurred in connection with the Divestment, (ii) the Divestment Fee payable to the Manager in relation to the Divestment, (iii) the Subscription Amount payable by the Subscriber, (iv) the Acquisition Fee payable to the Manager in relation to the Australia Data Centre Note Subscription and (v) other transaction expenses and professional fees relating to the Transactions.

(b) Net Transaction Proceeds and Use of Proceeds

The net proceeds from the Transactions (the “**Net Transaction Proceeds**”), after taking into account the Total Transaction Cost and repayment of the existing loans which had been drawn down to fund the Original Investment, are estimated to be A\$22.3 million (equivalent to approximately S\$19.5 million)³. The Net Transaction Proceeds will be used at the Manager’s discretion for repaying debt, funding acquisitions, capital expenditure and/or working capital.

6. PRO FORMA FINANCIAL EFFECTS

The *pro forma* financial effects of the Transactions on the DPU and the NAV per Unit presented below are strictly for illustrative purposes only and are prepared based on the audited financial statements of Keppel DC REIT for the financial year ended 31 December 2023 (“**FY2023**”) and the respective assumptions set out below.

(a) Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Transactions on the DPU for FY2023, as if the Transactions were completed on 1 January 2023, are as follows:

| | Before the Transactions | After the Transactions |
|---|-------------------------|------------------------|
| Net Profit before Tax (S\$’000) | 137,778 | 138,555 ⁽¹⁾ |
| Distributable Income (S\$’000) ⁽²⁾ | 167,718 | 168,890 ⁽¹⁾ |

³ The Net Transaction Proceeds are computed based on the Agreed Value of A\$174.0 million (equivalent to approximately S\$152.1 million) to be received as the sale consideration from the Divestment, less (a) the estimated repayment of A\$43.2 million (equivalent to approximately S\$37.7 million) in relation to existing loans which had been drawn down to fund the Original Investment and (b) the Total Transaction Cost.

| | Before the Transactions | After the Transactions |
|---|-------------------------|------------------------|
| Units entitled for distribution ('000) ⁽³⁾ | 1,721,430 | 1,721,703 |
| DPU (Singapore cents) ⁽⁴⁾ | 9.383 | 9.446 ⁽³⁾ |
| Accretion (%) | - | 0.7 ⁽³⁾ |

Notes:

- (1) Based on an illustrative exchange rate of A\$1.00 to S\$0.883.
- (2) Distributable income includes capital expenditure set aside for certain properties ("**Capex Reserves**").
- (3) Before the Transactions, 100% of the management fees relating to the Property were paid by way of issue of Units. 100% of the management fees relating to the AU DC Note have been assumed to be paid in cash as part of the *pro forma* financial effects of the Transactions. If 100% of the management fees relating to the AU DC Note are assumed to be paid in Units, the *pro forma* DPU and accretion would be higher at 9.469 cents and 0.9% respectively.
- (4) DPU is computed based on the distributable income to Unitholders after the deduction of Capex Reserves that has been set aside.

(b) Pro Forma NAV per Unit

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Transactions on the NAV per Unit as at 31 December 2023, as if the Transactions were completed on 31 December 2023, are as follows:

| | Before the Transactions | After the Transactions |
|--------------------------------------|-------------------------|------------------------|
| NAV (S\$'000) | 2,310,980 | 2,335,571 |
| Units in issue ('000) ⁽¹⁾ | 1,721,430 | 1,721,703 |
| NAV per Unit (S\$) | 1.34 | 1.36 ⁽¹⁾ |

Note:

- (1) Before the Transactions, 100% of the management fees in relation to the Property were paid by way of issue of Units. 100% of the management fees relating to the AU DC Note have been assumed to be paid in cash as part of the *pro forma* financial effects of the Transactions. If 100% of the management fees relating to the AU DC Note are assumed to be paid in Units, the *pro forma* NAV per Unit would be the same at S\$1.36.

(c) Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Transactions on the Keppel DC REIT's aggregate leverage on 31 December 2023, assuming that the Transactions were completed on 31 December 2023, are as follows:

| | Before the Transactions | After the Transactions ⁽¹⁾ |
|------------------------|-------------------------|---------------------------------------|
| Aggregate leverage (%) | 37.4 | 36.6 |

Note:

- (1) Assuming that part of the sale consideration received from the Divestment is (a) recycled into funding the Australia Data Centre Note Subscription and (b) used to repay the existing loans which had been drawn down to fund the Original Investment.

7. DISCLOSEABLE TRANSACTION

(a) Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Keppel DC REIT. Such transactions are classified into the following categories: (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases or comparison set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual:

- (a) NAV of the assets to be disposed of, compared with the issuer’s NAV;
- (b) the net profits attributable to the assets acquired or disposed of, compared with the issuer’s net profits; and
- (c) the aggregate value of the consideration given or received, compared with the issuer’s market capitalisation.

(b) The Transactions

The relative figures for the Transactions using the applicable bases of comparison described above are set out in the table below.

| Comparison of: | Transactions (S\$ million) | Keppel DC REIT (S\$ million) | Relative Figures (%) |
|--|---|------------------------------------|---|
| Rule 1006(a) NAV of the assets to be disposed of, compared with Keppel DC REIT’s NAV ⁽¹⁾ | Divestment: 112.3 | 2,311.0 | Divestment: 4.9% |
| Rule 1006(b) Net profits attributable to the assets acquired or disposed of, compared with Keppel DC REIT’s net profits ⁽¹⁾ | Divestment: 4.3 ⁽²⁾ Australia Data Centre Note Subscription: 5.0 ⁽²⁾ Transactions: 9.3 ⁽²⁾ | 137.8 | Divestment: 3.1% Australia Data Centre Note Subscription: 3.7% Transactions: 6.8% |
| Rule 1006(c) Aggregate value of the consideration to be given or received, compared with Keppel DC REIT’s market capitalisation based on the total number of issued Units ⁽³⁾ | Divestment: 152.1 Australia Data Centre Note Subscription: 78.7 Transactions: 230.8 | 2,949.0 | Divestment: 5.2% Australia Data Centre Note Subscription: 2.7% Transactions: 7.9% |

Notes:

- (1) Based on the audited financial statements of Keppel DC REIT Group for FY2023.
- (2) Based on an illustrative exchange rate of A\$1.00 to S\$0.883
- (3) Based on 1,722.6 million Units in issue and the weighted average price of S\$1.7119 per Unit on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 12 April 2024, being the market day preceding the date of entry into the Land Sale Agreement and Subscription Documents.

Accordingly, as the relative figures as computed on the bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual exceed 5.0% but do not exceed 20.0%, the Transactions are collectively classified as a discloseable transaction under Chapter 10 of the Listing Manual.

8. OTHER INFORMATION

(a) Interests of Directors and Substantial Unitholders⁴

As at the date of this announcement and to the best of the Manager's knowledge, based on information available to the Manager as at the date of this announcement, save for the unitholding interests in Keppel DC REIT held by certain director(s) of the Manager and Substantial Unitholders, none of the directors of the Manager or the Substantial Unitholders has an interest, direct or indirect, in the Transactions.

(b) Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Transactions or any other transactions contemplated in relation to the Transactions.

(c) Documents Available for Inspection

Copies of the following documents are available for inspection with prior appointment⁵ during normal business hours at the registered office of the Manager at 1 Harbourfront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 from the date of this announcement or from the date of such document's execution (whichever is the later) up to and including the date falling three months after the date of this announcement:

- (i) the Land Sale Agreement;
- (ii) the Subscription Documents;
- (iii) the report by Savills setting out the Independent Property Valuation; and
- (iv) the report by RSM setting out the estimated valuation of the AU DC Note.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Keppel DC REIT is in existence.

4 A "**Substantial Unitholder**" means a person who has an interest in Units constituting not less than 5.0% of the total number of Units in issue.

5 Please contact Investor Relations at +65 6803 1679.

BY ORDER OF THE BOARD
Keppel DC REIT Management Pte. Ltd.
(UEN 199508930C)
as manager of Keppel DC REIT

Chiam Yee Sheng / Darren Tan
Company Secretaries
16 April 2024

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events. The past performance of Keppel DC REIT and the Manager are not necessarily indicative of the future performance of any of them.

The value of 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.