Keppel REIT

Investor Presentation

19 May 2021

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Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

Constituent of:

FTSE ST Large & Mid Cap Index

FTSE EPRA Nareit Global Developed Index

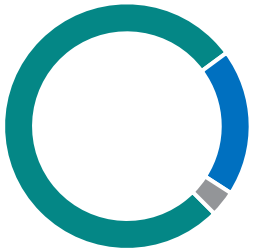
GPR 250 Index Series

MSCI Singapore Small Cap Index

Sustainable Pan-Asian Portfolio with Income Resilience

$8.9b

Grade A commercial portfolio with strong committed occupancy to an established and diversified tenant base



ESG Awards

- **BCA Green Mark Platinum** award for all Singapore assets
- 5 Stars and above in the **NABERS Energy** rating for most Australian assets

ESG Benchmarking

- **ISS ESG corporate rating** – Prime status
- **Global Real Estate Sustainability Benchmark (GRESB)** – Green Star status

ESG Indices

- iEdge SG ESG **Transparency** Index
- iEdge SG ESG **Leaders** Index

Note: Information as of 31 Mar 2021 and assuming the inclusion of Keppel Bay Tower in Singapore which was announced on 23 Dec 2020 and completed on 18 May 2021. Excluding Keppel Bay Tower, assets under management was $8.3b.

Grade A Portfolio with High Occupancy and Long WALE

$8.9 billion portfolio in key business districts of Singapore, Australia and South Korea enhances income diversification and long-term stability

Australia 19.2%

Pinnacle Office Park, Sydney
100% Interest
Occupancy: 90.0%

8 Chifley Square, Sydney
50% Interest
Occupancy: 100%

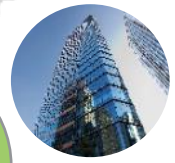
8 Exhibition Street, Melbourne
50% Interest
Occupancy: 96.0%

Victoria Police Centre, Melbourne
50% Interest
Occupancy: 100%

275 George Street, Brisbane
50% Interest
Occupancy: 90.6%

David Malcolm Justice Centre, Perth
50% Interest
Occupancy: 100%

South Korea 3.4%



T Tower, Seoul
99.4% Interest
Occupancy: 98.6%

Singapore 77.4%

Ocean Financial Centre
79.9% Interest
Occupancy: 98.3%

Marina Bay Financial Centre
33.3% Interest
Occupancy: 97.3%

One Raffles Quay
33.3% Interest
Occupancy: 94.0%

Keppel Bay Tower
100% Interest
Occupancy: 97.7%

Note: Information as of 31 Mar 2021 and assuming the inclusion of Keppel Bay Tower in Singapore which was announced on 23 Dec 2020 and completed on 18 May 2021. Excluding Keppel Bay Tower, assets under management was $8.3b.

Key Highlights

$51.6m

1Q 2021 distributable income from operations[1]

Up 22.0% y-o-y

$270.0m

Gross proceeds raised from the private placement[2] that was approximately 4.6 times covered

35.2%

Aggregate leverage as at 31 Mar 2021

Low all-in interest rate of 2.01% p.a.

96.5%

High portfolio committed occupancy as at 31 Mar 2021

6.7 years

Long portfolio weighted average lease expiry (WALE) as at 31 Mar 2021

Top 10 tenants' WALE was 11.8 years

Pinnacle Office Park

Commencement of income contribution in 1Q 2021, after acquisition completion on 31 Dec 2020

Keppel Bay Tower

Acquisition of Grade A office building in the Keppel Bay waterfront precinct has been completed on 18 May 2021

(1) *Includes advanced distribution of $32.2m (0.94 cents per Unit) for the period from 1 Jan 2021 to 28 Feb 2021 that was paid to eligible Unitholders on 31 Mar 2021, in connection with the private placement launched on 18 Feb 2021. Distribution for the period from 1 Mar 2021 to 30 Jun 2021, as well as any distribution of capital gains for 1H 2021 will be disclosed at the 1H 2021 results announcement.*

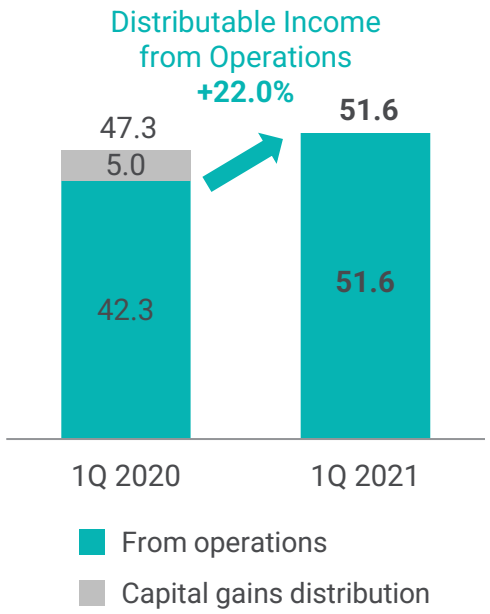
(2) *238.9m new Units were issued on 1 Mar 2021 pursuant to the private placement that was launched on 18 Feb 2021.*

Financial Performance

Achieved year-on-year growth in distributable income from operations due mainly to:

- Contributions from Victoria Police Centre and Pinnacle Office Park, higher one-off income as well as lower borrowing costs
- Offset by the impact of slightly lower portfolio occupancy

Distributable Income ($m)



	1Q 2021	1Q 2020	+/(-)
Property Income[1]	$51.1m	$38.7m	+32.0%
Net Property Income (NPI)	$40.7m	$30.2m	+34.8%
Less: Attributable to Non-controlling Interests	($4.3m)	($4.3m)	-
NPI Attributable to Unitholders	$36.4m	$25.9m	+40.5%
Share of Results of Associates[2]	$24.9m	$19.0m	+31.1%
Share of Results of Joint Ventures[3]	$7.7m	$6.9m	+11.6%
Distributable Income from Operations	**$51.6m**[4]	**$42.3m**	**+22.0%**
Capital Gains Distribution	N.a.[5]	$5.0m	N.m.

N.m. = Not meaningful

(1) Property income relates to income from directly-held properties including Ocean Financial Centre, 50% interest in 275 George Street, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, T Tower, Victoria Police Centre after it achieved practical completion on 9 Jul 2020, and Pinnacle Office Park after it was acquired on 31 Dec 2020.

(2) Share of results of associates relates to Keppel REIT's one-third interests in One Raffles Quay and Marina Bay Financial Centre.

(3) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

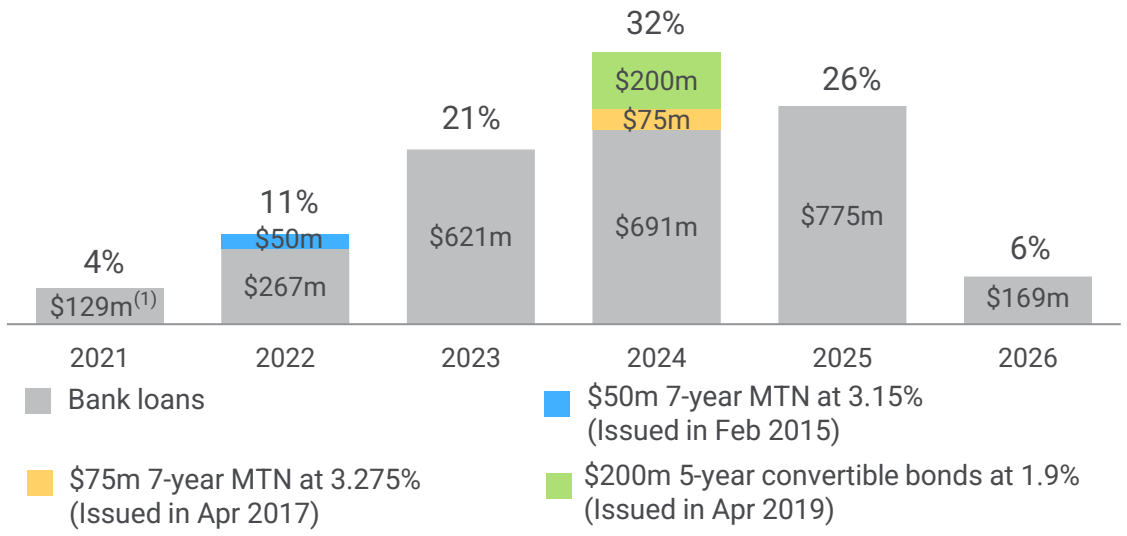
(4) Includes advanced distribution of $32.2m (0.94 cents per Unit) for the period from 1 Jan 2021 to 28 Feb 2021 that was paid to eligible Unitholders on 31 Mar 2021, in connection with the private placement launched on 18 Feb 2021. Distribution for the period from 1 Mar 2021 to 30 Jun 2021 will be disclosed at the 1H 2021 results announcement.

(5) Any distribution of capital gains for 1H 2021 will be disclosed at the 1H 2021 results announcement.

Prudent Capital Management

- All-in interest rate reduced year-on-year to 2.01% p.a. from 2.58% p.a.
- Successful private placement of 238.9m new Units to partially fund the acquisition of Keppel Bay Tower, as well as increase Keppel REIT's free float and liquidity
- Green loans represented approximately 25% of Keppel REIT's attributable share of total borrowings, including the additional A$50m green loan facility obtained in 1Q 2021

Debt Maturity Profile (As at 31 Mar 2021)



As at 31 Mar 2021	
Adjusted NAV per Unit(2)	$1.29
Interest Coverage Ratio(3)	3.7x
All-in Interest Rate	2.01% p.a.
Aggregate Leverage	35.2%(4)
Weighted Average Term to Maturity	3.0 years
Borrowings on Fixed Rates	85%
Undrawn Credit Facilities	$1,059m ($592m committed)

(1) Obtained loan facilities to refinance all outstanding loans in 2021 as at the date of announcement.
(2) Excluded the distributable income for the period 1 Mar 2021 to 31 Mar 2021 to be paid in Aug 2021.
(3) Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.
(4) Assuming the acquisition of Keppel Bay Tower was completed as at 31 Mar 2021, the aggregate leverage would have been 39.4%.

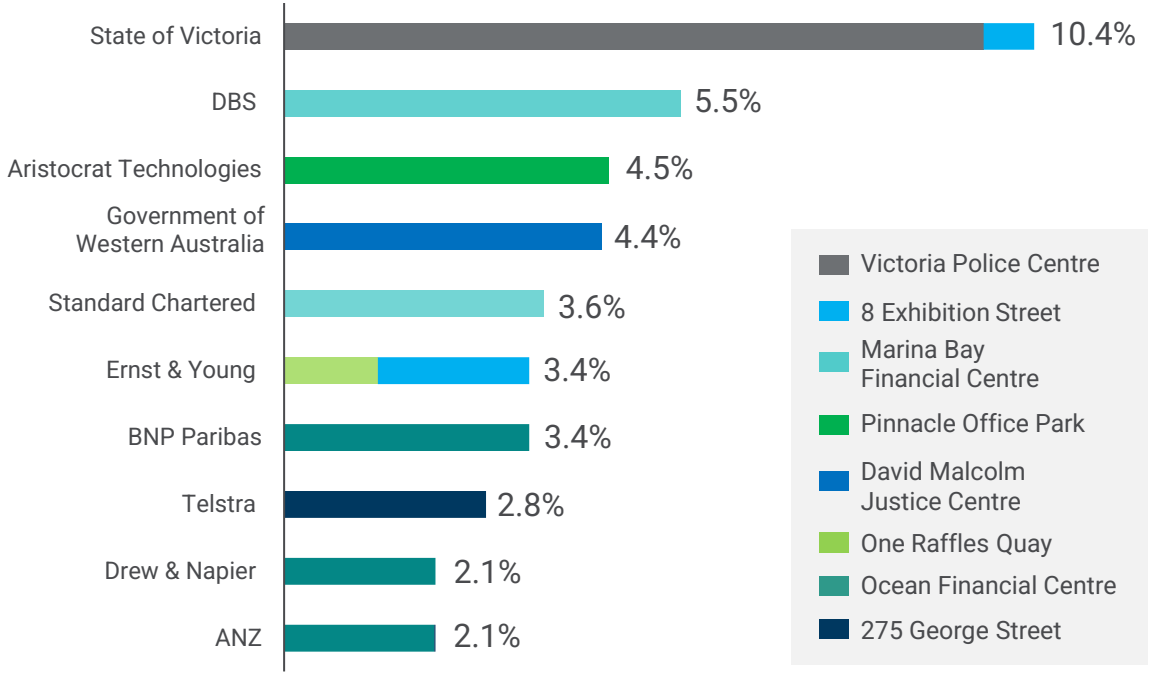
Established and Diversified Tenant Base

- Keppel REIT has a diversified tenant base of 354[1] tenants, many of which are established blue-chip corporations
- Top 10 tenants take up 42.2% of NLA and contribute 37.3% of gross rent

Tenant Business Sector

Banking, insurance and financial services	32.0%
Government agency	16.3%
Technology, media and telecommunications	15.8%
Legal	7.4%
Energy, natural resources, shipping and marine	6.5%
Real estate and property services	4.9%
Accounting and consultancy services	4.8%
Services	4.6%
Manufacturing and distribution	4.2%
Retail and food & beverage	2.8%
Others	0.7%
Total	**100%**

Top 10 Tenants



Note: All data as at 31 Mar 2021 and based on portfolio committed NLA.
(1) Tenants with multiple leases were accounted as one tenant.

1Q 2021 Portfolio Update

Managing the COVID-19 Situation:

- Keppel REIT's quality office portfolio and high-quality tenant profile continue to provide income stability and resilience
- The Manager will continue to implement strict safe management measures and leverage technology at Keppel REIT's properties to provide a safe and conducive work environment for building occupants

Rental collection[1]

99%

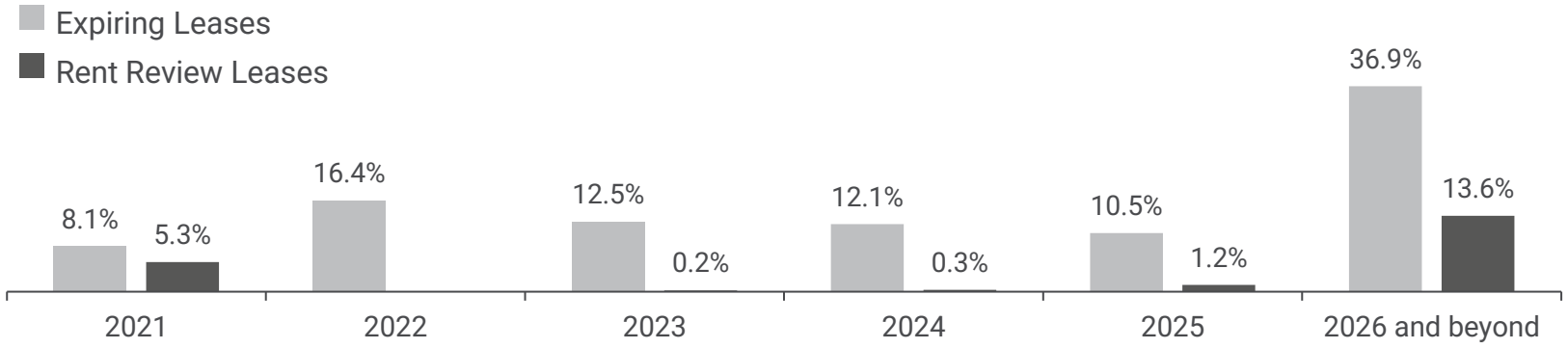
in 1Q 2021

Tenant relief measures

Approx. $0.1m

granted in 1Q 2021

Lease Expiries and Rent Reviews[2]



- Average signing rent for Singapore office leases concluded in 1Q 2021 was $10.64[3] psf pm
- Average expiring rents[4] of Singapore office leases (psf pm): $9.98 in 2021, $10.27 in 2022 and $10.96 in 2023

(1) Rent deferrals are excluded from rental collection in 1Q 2021.
(2) Based on committed attributable area.
(3) Based on a weighted average calculation. Simple average signing rent was $10.94 psf pm.
(4) Weighted average based on attributable NLA of office lease expiries and reviews in Singapore.

Operating in the New Environment

Wellness

Strong hygiene, air quality and safe management measures to enhance well-being and safety

Flexibility

Incorporation of flexibility into office design and work arrangement to facilitate collaboration and increase resilience

Technology

Robust IT infrastructure and smart building technology to support tenant requirements, enhance workplace safety and optimise energy consumption

Ocean Financial Centre (pictured):
Singapore's first commercial building to achieve the WELL Health-Safety rating by the International WELL Building Institute

Keppel REIT will continue to optimise the portfolio and calibrate its leasing strategy to meet tenants' evolving business needs

- Build a robust portfolio with strong operational excellence which would be well sought after by tenants in view of health, environmental and business continuity considerations
- Proactive tenant engagement to develop mutually beneficial lease arrangements, as well as position Keppel REIT for the next leasing cycle

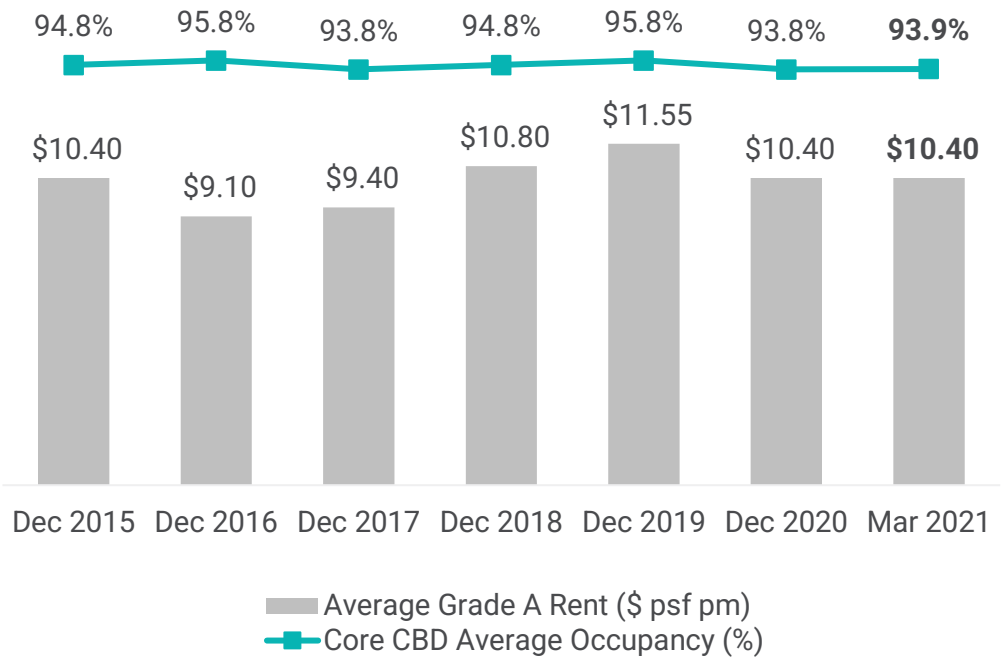
Market Review

T Tower,
Seoul

Singapore Office Market

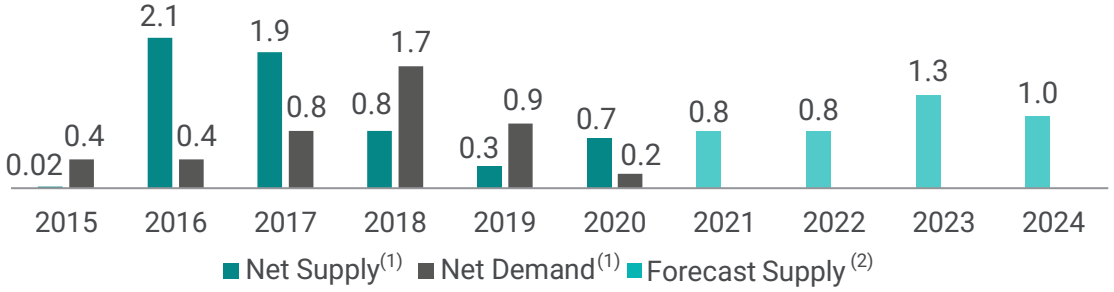
- Average core CBD Grade A office rents remained stable at $10.40 psf pm in 1Q 2021 while average occupancy in core CBD increased slightly to 93.9%

Grade A Rent and Core CBD Occupancy



Source: CBRE, 1Q 2021.

Demand and Supply



Key Upcoming Supply in CBD(2)		sf
2021	Afro-Asia i-Mark CapitaSpring	140,000 635,000
2022	Guoco Midtown Hub Synergy Point Redevelopment	650,000 131,200
2023	Central Boulevard Towers	1,258,000
2024	Keppel Towers Redevelopment Shaw Towers Redevelopment	522,800 435,600

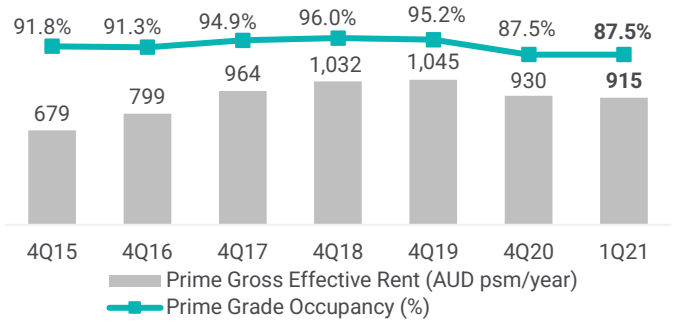
(1) Based on URA data on historical net demand and supply of office space in Downtown Core and Rest of Central Area. Supply is calculated as net change of stock over the year and may include office stock removed from market due to demolitions or change of use.

(2) Based on CBRE data on CBD Core and CBD Fringe.

Australia Office Market

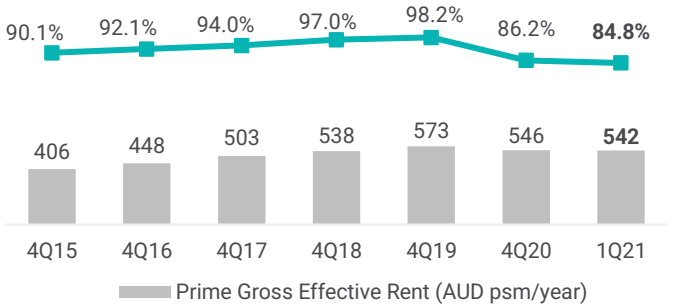
Sydney CBD

Prime Grade occupancy was stable at 87.5%



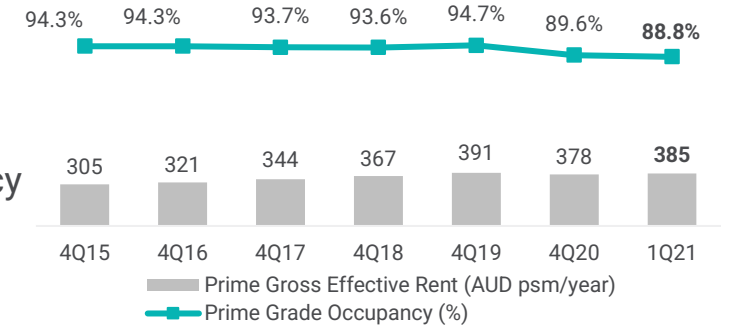
Melbourne CBD

Prime Grade occupancy was lower at 84.8%



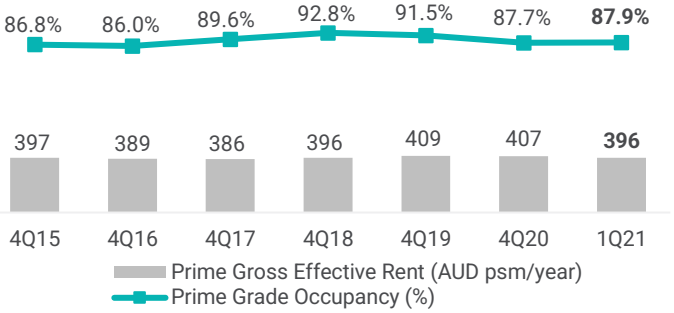
Macquarie Park

Prime Grade occupancy was lower at 88.8%



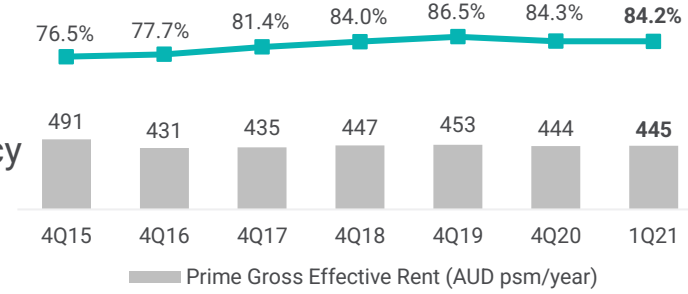
Brisbane CBD

Prime Grade occupancy was higher at 87.9%



Perth CBD

Prime Grade occupancy was lower at 84.2%

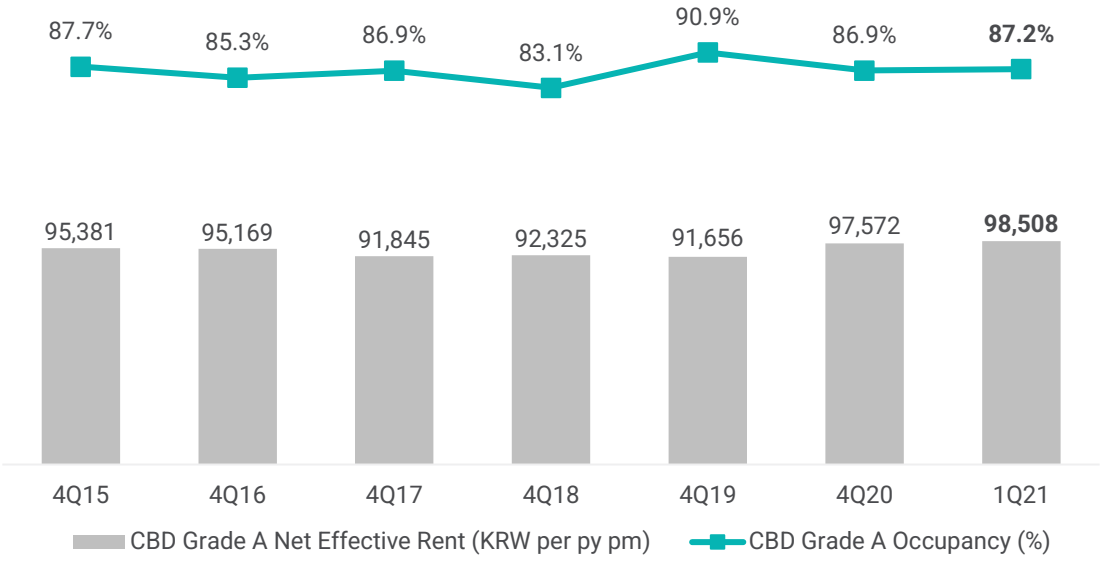


Source: JLL Research, 1Q 2021.

Seoul Office Market

- CBD Grade A occupancy increased to 87.2% in 1Q 2021

CBD Grade A Rent and Occupancy



Source: JLL Research, 1Q 2021.

Committed to Delivering Stable Income & Sustainable Returns

Portfolio Optimisation

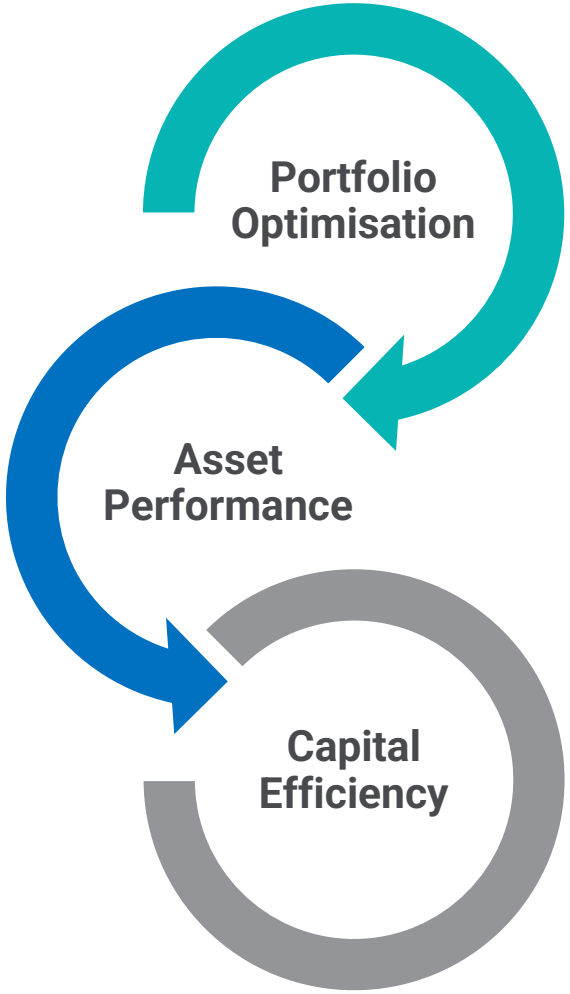
- Portfolio optimisation to improve yield, while maintaining exposure to Singapore CBD
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

Asset Performance

- Drive individual asset performance with proactive leasing and cost management strategies
- Implement initiatives to future proof assets and enhance sustainability

Capital Efficiency

- Optimise capital structure to reduce borrowing costs and improve returns
- Manage debt maturities and hedging profiles to reduce risk



Additional Information

One Raffles Quay,
Singapore

Portfolio Information: Singapore

As at 31 Mar 2021	Ocean Financial Centre	Marina Bay Financial Centre[4]	One Raffles Quay	Keppel Bay Tower
Attributable NLA	699,959 sf	1,023,412 sf	441,392 sf	386,600 sf
Ownership	79.9%	33.3%	33.3%	100.0%
Principal tenants[1]	BNP Paribas, ANZ, Drew & Napier	DBS Bank, Standard Chartered Bank, Barclays	Deutsche Bank, Ernst & Young, TikTok	Keppel Group, BMW Asia, Mondelez International
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104[5] and 7 Mar 2106[6]	99 years expiring 12 Jun 2100	99 years expiring 30 Sep 2096
Purchase Price (on acquisition)	S$1,838.6m[3]	S$1,426.8m[5] S$1,248.0m[6]	S$941.5m	S$657.2m
Valuation[2]	S$2,066.2m	S$1,665.0m[5] S$1,277.3m[6]	S$1,240.0m	S$665.0m[9] S$667.3m[10]
Capitalisation rates	3.50%	3.45%[7]; 4.25%[8]; 3.63%[6]	3.45%	3.65%[9] 3.60%[10]

1) *On committed gross rent basis.*
2) *Valuation as at 31 Dec 2020 based on Keppel REIT's interest in the respective properties, except for Keppel Bay Tower which was acquired on 18 May 2021.*
3) *Based on Keppel REIT's 79.9% of the historical purchase price.*
4) *Comprises Marina Bay Financial Centre (MBFC) Towers 1, 2 and 3 and Marina Bay Link Mall (MBLM).*
5) *Refers to MBFC Towers 1 and 2 and MBLM.*
6) *Refers to MBFC Tower 3.*
7) *Refers to MBFC Towers 1 and 2.*
8) *Refers to MBLM.*
9) *Refers to the valuation as at 30 Nov 2020, carried out by JLL (commissioned by Trustee). Takes into account rental support of up to S$3.2m for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is S$664.0m.*
10) *Refers to the valuation as at 30 Nov 2020, carried out by Cushman & Wakefield (commissioned by Manager). Takes into account rental support of up to S$3.2m for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is S$665.0m.*

Portfolio Information: Australia & South Korea

As at 31 Mar 2021	8 Chifley Square, Sydney	Pinnacle Office Park, Sydney	8 Exhibition Street[3], Melbourne	Victoria Police Centre, Melbourne	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	T Tower, Seoul
Attributable NLA	104,055 sf	378,164 sf	244,659 sf	364,180 sf	224,537 sf	167,784 sf	226,949 sf
Ownership	50.0%	100.0%	50.0%	50.0%	50.0%	50.0%	99.4%
Principal tenants[1]	Corrs Chambers Westgarth, Quantium, QBE Insurance	Aristocrat Technologies, Konica Minolta, Coles Supermarkets	Ernst & Young, Amazon, Minister for Finance - State of Victoria	Minister for Finance - State of Victoria	Telstra, Queensland Gas Company, The State of Queensland[6]	Minister for Works - Government of Western Australia	Hankook Corporation, SK Communications, Philips Korea
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold
Purchase Price (on acquisition)	A$165.0m S$197.8m	A$306.0m S$289.9m	A$168.8m S$201.3m[3]	A$347.8m S$350.1m	A$166.0m S$209.4m	A$165.0m S$208.1m	KRW252.6b S$292.0m
Valuation[2]	A$234.5m S$231.5m	A$306.1m S$302.1m	A$259.5m S$256.2m[3]	A$385.0m S$380.0m	A$245.0m S$241.8m	A$232.5m S$229.5m	KRW260.2b S$314.3m
Capitalisation rates	4.63%	5.25%	5.13%[4]; 4.50%[5]	4.50%	5.25%	5.38%	4.25%

1) *On committed gross rent basis.*
2) *Valuation as at 31 Dec 2020 based on Keppel REIT's interest in the respective properties and on the exchange rates of A$1 = S$0.9871 and KRW 1,000 = S$1.208.*
3) *Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and a 100% interest in the three adjacent retail units.*
4) *Refers to Keppel REIT's 50% interest in the office building.*
5) *Refers to Keppel REIT's 100% interest in the three adjacent retail units.*
6) *Refers to the Department of Housing and Public Works – The State of Queensland.*

Thank You

For more information, please visit:
www.keppelreit.com

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Victoria Police Centre,
Melbourne