

Proposed Acquisition of 50% Equity Interest in Marina East Water Pte. Ltd. which owns the Keppel Marina East Desalination Plant

18 November 2024



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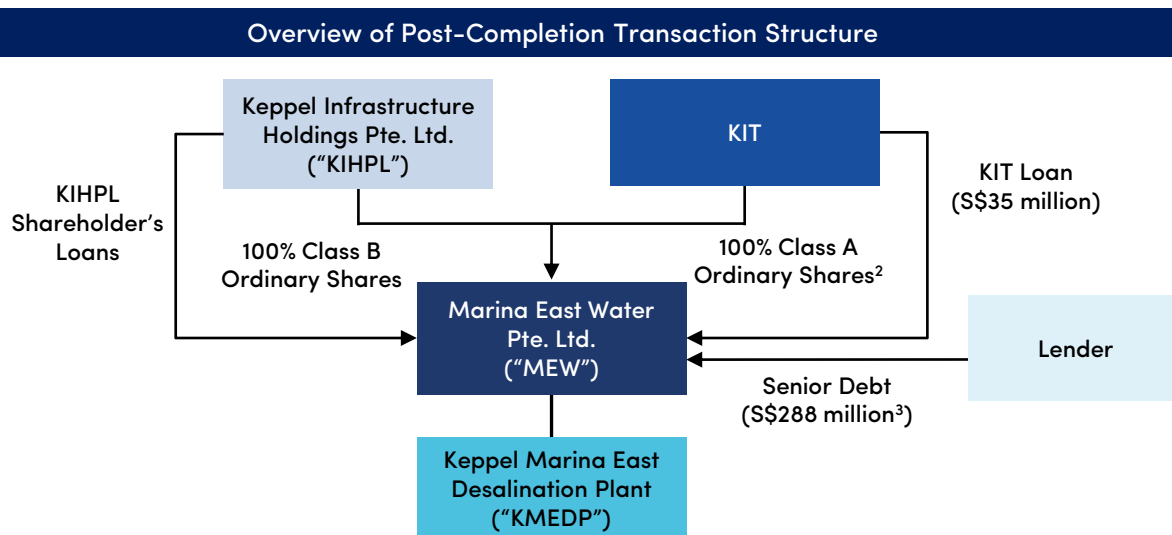
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Overview



Transaction Overview

- Proposed acquisition of 50% equity interest in Marina East Water Pte. Ltd. ("MEW") which owns Keppel Marina East Desalination Plant ("KMEDP"); the enterprise value of MEW is approximately S\$323m.
- Following completion, Keppel Infrastructure Holdings Pte. Ltd. ("KIHPL") and KIT will each hold a 50% joint-controlling equity interest in MEW, with KIT receiving the entire economic benefit from MEW.
- On 25 Apr 2022, MEW had drawn down S\$315.0 million on a term loan facility¹, which has since commenced amortisation. As at the date of announcement on 18 Nov 2024 of entry into the proposed acquisition on 15 Nov 2024 ("Announcement"), S\$288.2 million remains outstanding on the facility. At completion, KIT will extend a non-interest bearing shareholder's loan of S\$35.0 million to MEW.



1. No further amounts may be drawn down under this facility as the availability period for further drawdowns has lapsed, and this facility will not be repaid at completion.

2. Following completion, KIT will hold 100% of the Class A Ordinary Shares in MEW. Class A Ordinary Shares entitle the holder to the entire economic benefit from MEW.

3. Amount outstanding on the term loan facility as at the date of Announcement based on the amortisation of the term loan facility.

Overview of KMEDP

Description	<ul style="list-style-type: none"> ▪ Singapore's fourth desalination plant ▪ First and only dual-mode desalination plant in Singapore capable of treating seawater and reservoir water
Capacity	137,000m ³ per day
Owner	MEW, a wholly-owned subsidiary of KIHPL
Customer / Offtaker	The Public Utilities Board ("PUB"), Singapore's national water agency
Contract Terms	<p>Commenced commercial operations on 29 June 2020</p> <ul style="list-style-type: none"> ▪ 25-year concession until 29 June 2045 ("Concession Period")
Operations & Maintenance Operator	<p>Marina East Water O&M Pte. Ltd. ("MEWOM"), a wholly-owned subsidiary of KIHPL</p> <ul style="list-style-type: none"> ▪ Provides operation, maintenance and repair ("O&M") services to MEW in respect of KMEDP and certain ancillary facilities throughout the Concession Period
Awards	<ul style="list-style-type: none"> ▪ Desalination Plant of the Year, Global Water Awards 2021 ▪ ABC Waters Certification (Gold) by PUB in 2019



Key Investment Highlights



Key Investment Highlights



1

Accretive acquisition which
secures long term and
stable cash flows



2

Deepens exposure to water
treatment solutions in
Singapore, enhancing the
strength and resilience of
KIT's portfolio



3

High quality and
energy-efficient asset

Accretive Acquisition Securing Long Term and Stable Cash Flows

FY 2023 *pro forma* Distribution per Unit (DPU) to increase by 0.4%¹

Long term and stable cash flows which enhances KIT's cash flow visibility

- ✓ Water Purchase Agreement ("WPA") with PUB, Singapore's national water agency
- ✓ Long term concession until 2045 ensures visibility of contributions
- KIT benefits from stable cash flow backed by AAA-rated Singapore sovereign credit⁶

Operational stability ensured with existing O&M operator

- ✓ Existing O&M operator MEWOM continues to be responsible for overall day-to-day operations, maintenance and repair of the plant
- ✓ O&M services to be provided until the expiry of the concession period, ensuring operational stability as KIT benefits from proven water operations capabilities of O&M operator

Funds from Operations¹

▲ 3.6%

From S\$287.9m² in FY2023 to S\$298.4m
pro forma post Proposed Acquisition

DPU (S\$ cents)¹

▲ 0.4%

From 3.86 cents³ in FY2023 to 3.87 cents^{4,5}
pro forma post Proposed Acquisition

Net Gearing¹

▲ 0.4pp

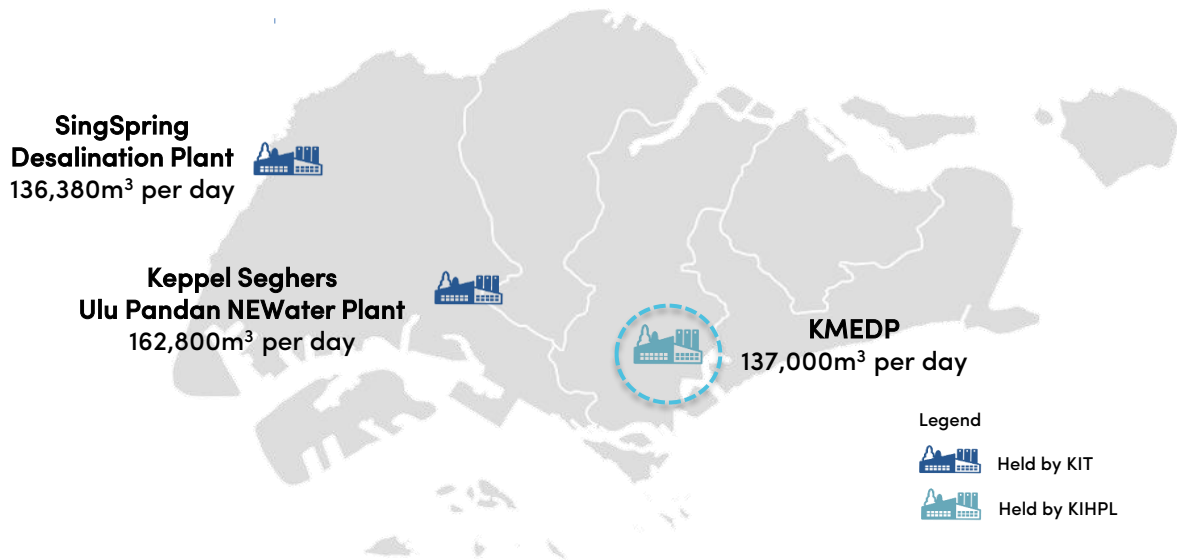
From 39.8% as at 31 Dec 2023 to 40.2%
pro forma post Proposed Acquisition

1. Please refer to section 5 of the Announcement on the assumptions used in the preparation of the *pro forma* financial effects of the Proposed Acquisition.
2. Excluding effects of the Ixom capital optimisation which was distributed as a special distribution to Unitholders.
3. Based on DPU declared for FY2023, excluding special distribution of 2.33 cents paid in Nov 2023.
4. Assuming all distributable income generated by MEW will be distributed to KIT. The *pro forma* DPU following the Proposed Acquisition set out herein should not be interpreted as being representative of the future DPU.
5. Assuming cash distribution received from MEW, net of corporate expenses, is fully distributed to Unitholders.
6. Singapore sovereign credit is rated AAA and Aaa by Standard & Poor's and Moody's, respectively.

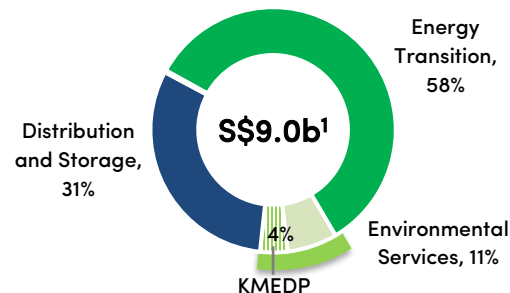
Deepen Exposure to Water Treatment and Enhances Portfolio Resilience

Allows KIT to continue to play a critical role in contributing to Singapore's water security

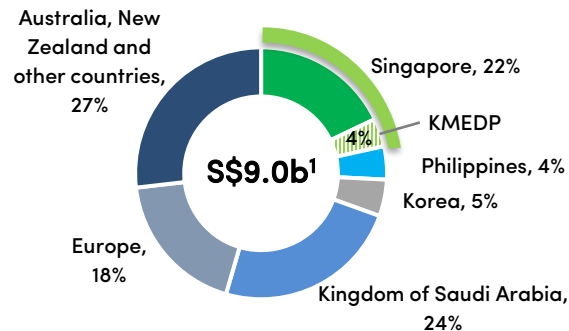
- Strategic addition of KMEDP deepens KIT's exposure to water treatment solutions in Singapore, enhancing the strength and resilience of its portfolio
- Upon Completion, KIT's AUM contribution from the Environmental Services segment increases to 11%, from 7% as at 30 Sep 2024, with AUM contribution from Singapore increasing to 22% from 19% as at 30 Sep 2024



AUM by Business and Assets



AUM by Geography

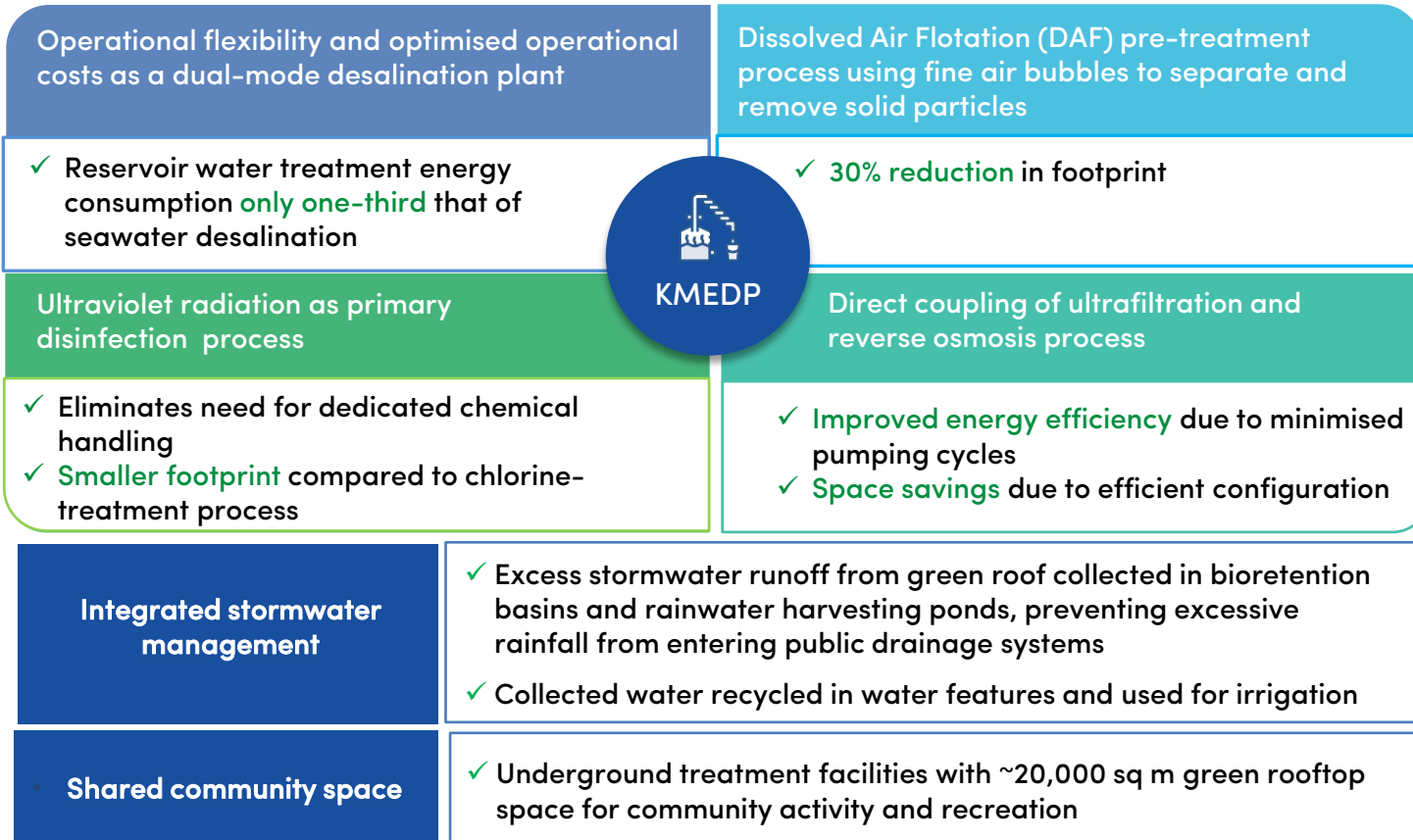


1. Based on Assets under Management (AUM) as at 30 Sep 2024. Please refer to 3Q 2024 Operational Updates presentation slides announced on 23 Oct 2024 for more information. Represents KIT's economic interest in the enterprise value of its investments plus cash held at the Trust.



High Quality and Energy-Efficient Asset

State of the art, innovative and award-winning facility with one of the most compact footprint



EGM Timetable





Extraordinary General Meeting (EGM) – Indicative Timetable

Approval sought for Ordinary Resolution

Proposed acquisition of a 50% equity interest in MEW that will entitle KIT to the entire economic benefit from MEW, which owns KMEDP, as an interested person transaction

Indicative Timetable¹

Date	Action
18 November 2024	▪ Announcement of the Proposed Acquisition
Late November 2024	▪ EGM Notice and despatch of Circular
December 2024	▪ Expected date of KIT's EGM
By 1Q 2025	▪ Expected completion of the Proposed Acquisition

1. The timeline above is indicative only and subject to change. Please refer to the circular to be despatched and future SGXNet announcement(s) by the Trustee-Manager for the exact dates of these events.

Thank You

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