

# **Second Half and Full Year 2022 Financial Results**

30 January 2023

# Outline

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## Constituent of:



MSCI Singapore  
Small Cap Index



FTSE ST Large  
& Mid-Cap Index

## Awards and Accreditations<sup>1</sup>:

Signatory of:



1. Keppel Infrastructure Fund Management Pte Ltd is a signatory to the United Nations-supported Principles for Responsible Investment, under the membership of Keppel Capital.

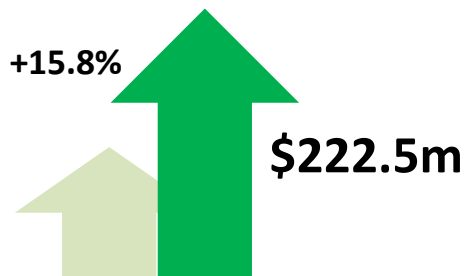
## 2H and FY 2022 Highlights



# FY 2022 Highlights

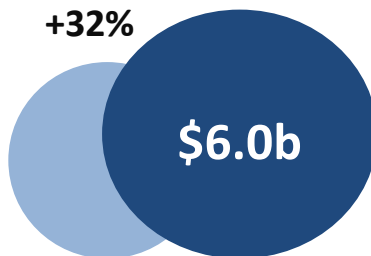
Strong performance supported by portfolio growth and transformation

## Distributable income



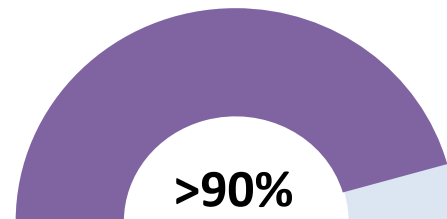
Supported by higher contributions from Ixom and distributions from Aramco Gas Pipelines Company (AGPC)

## Total Assets



Enlarged footprint with investments in AGPC, wind farm assets in Europe and leading waste platform in South Korea

## Well-insulated from inflation



>90% of businesses and assets with cost pass through mechanism and availability-based revenue model

### Higher EBITDA

**+26.6%**

Higher FY 2022 EBITDA of \$402.0m<sup>1</sup>

### DPU growth

**3.82 cents**

for FY 2022, 1% higher than FY 2021's 3.78 cents

### Portfolio Revaluation

**\$7.3b in AUM<sup>2</sup>**

Appointed EY for inaugural annual portfolio revaluation

### Loans hedged

**72.0%<sup>3</sup>**

of floating interest rates hedged as at 31 Dec 2022

1. Excludes gain on Ixom's divestment of Fiji business (\$S0.5m), one-off acquisition related cost incurred for new investments (\$S58.8m), impairment loss on the Lista onshore wind farm in Norway (\$S7.7m) and investment in Philippine Coastal (\$68.1m), unrealized exchange gain (\$S0.4m), and fair value gain on the investment in AGPC (\$S20.8m). Group adjusted EBITDA would be \$S289.1m without the adjustments.

2. Represents KIT's equity stake in the Enterprise Value of its investments plus cash held at the Trust.

3. Excluding the equity bridge loans utilised in 2022 to partially fund the acquisitions of EMK and BKR2, loans hedged would be ~90%.

# Driving Portfolio Growth through New Acquisitions

Expanding presence to AA and AAA-rated countries in Asia and Europe

2019

2021

2022: Increased Total Assets by 32% to \$6.0b as at end-Dec 2022

**Feb 2019**  
Acquired 100%  
stake in **Ixom**



**Jan 2021**  
Acquired 50%  
interest in  
**Philippine Coastal**



**Feb 2022**  
Acquired 49%  
stake in **Aramco  
Gas Pipelines  
Company** as part  
of a consortium



**Jun 2022**  
Signed MOU with  
Jinko Power to  
**explore solar farm  
and energy storage  
investments**



**Jun 2022**  
Entered term sheet  
to acquire 100%  
economic interest  
in **Keppel Marina  
East Desalination  
Plant (KMEDP)**<sup>1</sup>



**Jun 2022**  
Bought remaining  
30% stake in the  
**SingSpring  
Desalination Plant**



**Sep 2022**  
Acquired a 13.4%  
interest in a **European  
Onshore Wind  
Platform**, with three  
wind farms across  
Norway and Sweden



**Oct 2022**  
Acquired a 52%  
interest in **Eco  
Management Korea**,  
an integrated waste  
platform in South  
Korea



**Dec 2022**  
Acquired a 20.5%  
interest in **BKR2**,  
an offshore wind  
farm in Germany



1. Proposed acquisition of 50% stake in Marina East Water, owner of KMEDP. Transaction structure results in KIT becoming beneficiary of 100% economic interest in KMEDP.

# Completed Three Acquisitions in 2H 2022

Accretive acquisitions that support long-term DIPU growth



**European Onshore Wind Platform**



**BKR2 – German Offshore Wind Farm**



**EMKH – Integrated Waste Platform**

	European Onshore Wind Platform	BKR2 – German Offshore Wind Farm	EMKH – Integrated Waste Platform
<b>Description</b>	<ul style="list-style-type: none"> <li>258MW operating onshore wind assets in Sweden and Norway, with 1.3GW<sup>1</sup> of pipeline opportunity across Sweden and the UK</li> </ul>	<ul style="list-style-type: none"> <li>465MW operating offshore wind farm in the North Sea off the coast of Germany, an area with strong wind resource</li> </ul>	<ul style="list-style-type: none"> <li>Leading integrated waste management player in South Korea</li> </ul>
<b>Operating partner</b>	<ul style="list-style-type: none"> <li>Fred Olsen Renewables AS (FORAS): one of the largest renewables independent power producers in Northern Europe with 788MW of operating wind farms and ~3.5GW pipeline in Scandinavia &amp; UK as at 31 Mar 2022</li> </ul>	<ul style="list-style-type: none"> <li>Ørsted AS: the largest developer and operator of offshore wind farms in the world with 7.5GW installed capacity and ~3.5GW under construction as at 7 Jul 2022</li> </ul>	<ul style="list-style-type: none"> <li>In-house O&amp;M: best-in-class maintenance capabilities with value-add potential</li> </ul>
<b>Key highlights</b>	<ul style="list-style-type: none"> <li>✓ Built-in growth potential through de-risked asset dropdowns from FORAS</li> </ul>	<ul style="list-style-type: none"> <li>✓ Predictable cashflows substantially de-risked by FiT regime</li> <li>✓ Receives higher of the FiT or capture price</li> </ul>	<ul style="list-style-type: none"> <li>✓ Evergreen business<sup>2</sup> with high barriers to entry, and increasing stricter regulations favoring incumbent players with scale</li> </ul>
<b>KIT equity contribution and effective stake</b>	<ul style="list-style-type: none"> <li>€131.2m (~\$191.6m)<sup>3</sup></li> <li>13.4%<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>€250m (~\$365m)<sup>3</sup></li> <li>20.5%<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>₩296.7b (~\$316.2m)</li> <li>52.0%</li> </ul>

1. As of 31 Mar 2022. FORAS is committed to inject and investors are committed to invest in 49% of eligible FORAS pipeline projects, up to the FundCo capital commitment of EUR480m or within 5 years from the entry into the Subscription Agreement.

2. Landfill business commenced in Jan 2022 with a useful life of approx. 10 years.

3. KIT invests as part of JVCo with KRI, where KIT contributes 82% share of the JVCo's required equity commitment. Total effective stake acquired by the JVCo is 16.3% in the European Onshore Wind Platform and 25.0% in BKR2. €131.2m represents the full capital commitment of which \$51.6m has been called.

# Sustainability at the Core

On track to achieve ESG targets



## Expanded portfolio in the Energy Transition and Environmental Services segments

- Progressing with decarbonisation roadmap: carbon emission intensity reduced by 21% YoY to approx. 8,700 tCO<sub>2</sub>e/\$m, an approx. 20% drop from 2019's level
- Increased exposure to renewables from 0% to approx. 10% of AUM as at 31 Dec 2022



## Further leadership commitment to ESG

- Formed dedicated Board ESG Committee
- KIFM is a signatory to the UN-supported Principles for Responsible Investment, under the membership of Keppel Capital
- Greater transparency on climate-related risks and opportunities: progressive implementation of the Taskforce on Climate-related Financial Disclosures (TCFD) framework



## Continue to promote workplace diversity and develop human capital

- Maintained at least 30% of female directors on the Board
- Achieved at least 75% in employee engagement score; achieved >23 training hours per employee
- Contributed > 1,000 volunteering hours, together with Keppel Capital

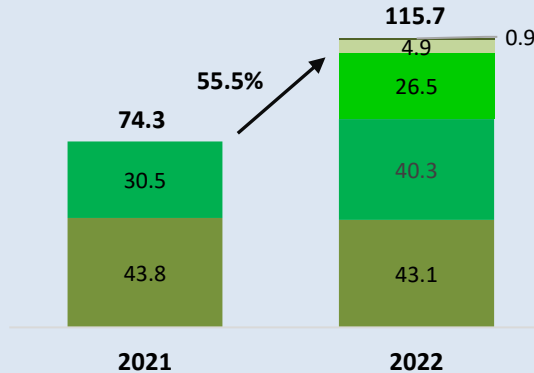
## Business Updates





# Energy Transition

Distributable Income (\$m)



- BKR2 (completed on 22 Dec 2022)
- European Onshore Wind Platform (completed on 8 Sep 2022)
- AGPC (completed on 23 Feb 2022)
- City Energy
- KMC

- Higher DI mainly due to the over recovery at City Energy, as well as maiden contributions from AGPC and wind farm assets

## ■ European renewable energy investments

- **European Onshore Wind Platform** and **BKR2** continue to benefit from higher electricity prices
- Continue to monitor the energy regulatory policies in Europe

## ■ City Energy

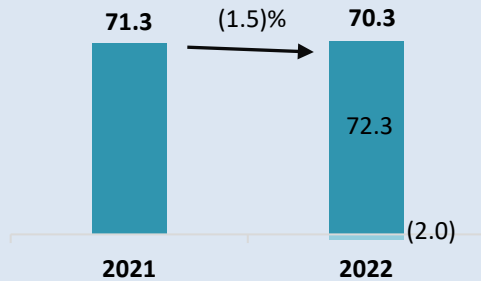
- Customer base grew 2% YoY to 886,000 as at Dec 2022 with significant recovery from the F&B sector
- Optimised capital structure with \$400m loan facility in Jan 2023
- Continue to grow the EV charging business with new sites secured; expanding suite of smart home solutions

## ■ KMC

- Achieved 97.8% contracted availability for FY 2022
- No tariff exposure to the Singapore wholesale electricity market and no exposure to fluctuations in fuel prices

# Environmental Services

## Distributable Income (\$m)



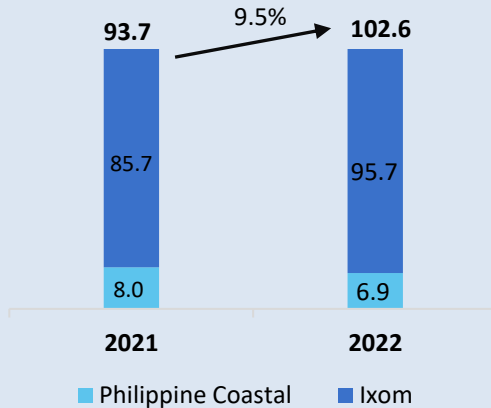
- Singapore waste and water assets
- EMK (completed on 20 Oct 2022)

- Lower DI mainly due to an initial negative contribution from EMK as a result of regular maintenance and growth capex incurred for an incineration plant post-acquisition

- **Eco Management Korea Holdings (EMK)**
  - Re-appointed CEO; business integration in progress
  - Maintained full utilization of incineration business; oil refining and landfill business remained healthy
- **Singapore waste and water assets:** fulfilled contractual obligations; operations remained stable
- Signed MOU with Keppel Infrastructure to explore low carbon water solutions at the **SingSpring Desalination Plant** and the **Ulu Pandan NEWater Plant**
- Higher electricity costs at the **Keppel Seghers Ulu Pandan NEWater Plant**, offset by gains from energy efficiency at the **SingSpring Desalination Plant** which is fully passed through
- **Senoko WTE Plant** and **Keppel Seghers Tuas WTE Plant** generate their own electricity and have no exposure to energy price volatility

# Distribution & Storage

Distributable Income (\$m)



- Higher DI from Ixom due mainly to continued strong performance across all business sectors
- Lower DI from Philippine Coastal due mainly to higher capex incurred on tank conversion

## ▪ Ixom

- Completed three bolt-on acquisitions in FY 2022: Bituminous Products, Aromatic Ingredients and Pure Ingredients
- Robust performance with healthy demand across sectors
- Strategic review in progress, on track for conclusion by 1H 2023

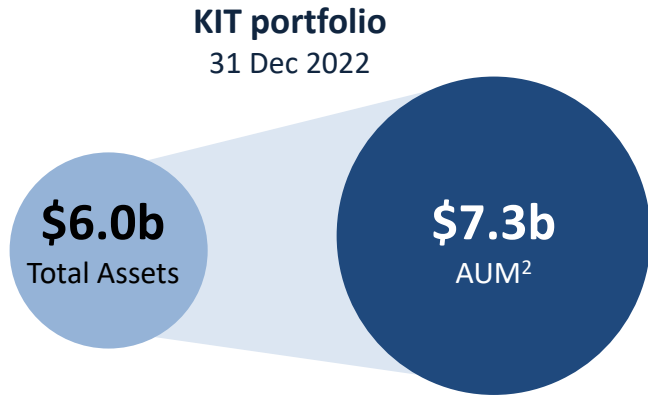
## ▪ Philippine Coastal

- Utilisation rate of 90.5% as at end-Dec 2022, up from 81% as at end-Sep 2022, supported by the reopening of the economy
- Completed tank conversion to support economic recovery and the increasing demand for economical grade gasoline
- Seeking expansion opportunities, including building new tanks in the Subic Bay Area

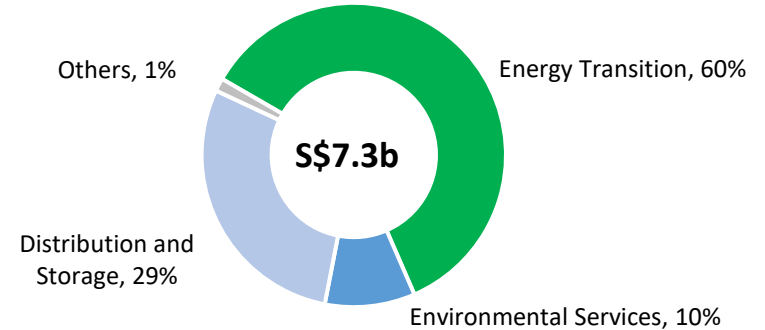
# Inaugural Portfolio Revaluation

AUM of \$7.3b as at 31 Dec 2022

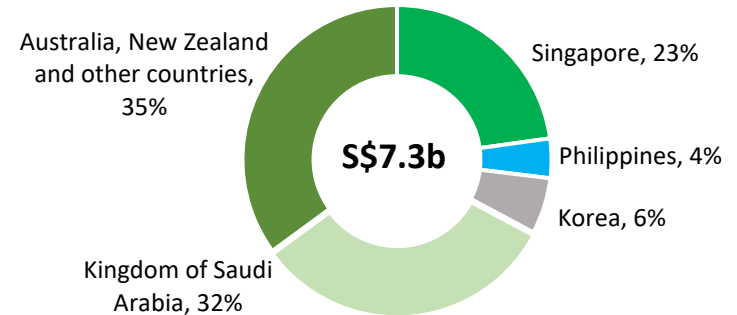
- Improve portfolio transparency and better reflect asset values
- Conducted by independent third-party valuer, Ernst & Young<sup>1</sup>
- Reflects enlarged portfolio AUM of \$7.3b as at 31 Dec 2022



## By Business and Assets



## By Geography



1. Ixom's valuation is based on KIT's internal valuation, while valuations of the European Onshore Wind Platform, BKR2 and EMK are based on the enterprise value of the acquisitions.

2. Represents KIT's equity stake in the enterprise value of its investments plus cash held at the Trust.

# Finance and Capital Management



# Distributable Income

Stronger performance supported by portfolio growth





S\$'000	2H 2022	2H 2021	+ /(-) %	FY 2022	FY 2021	+ /(-) %
<b>Energy Transition</b>	<b>78,916</b>	31,285	>100.0	<b>115,667</b>	74,376	55.5
- City Energy	<b>26,506</b>	10,805	>100.0	<b>40,274</b>	30,528	31.9
- Aramco Gas Pipelines Company	<b>26,533</b>	-	NM	<b>26,533</b>	-	NM
- KMC	<b>20,132</b>	20,480	(1.7)	<b>43,115</b>	43,848	(1.7)
- European Onshore Wind Platform	<b>4,875</b>	-	NM	<b>4,875</b>	-	NM
- BKR2	<b>870</b>	-	NM	<b>870</b>	-	NM
<b>Environmental Services</b>	<b>32,827</b>	35,386	(7.2)	<b>70,291</b>	71,331	(1.5)
- Singapore waste and water assets	<b>34,807</b>	35,386	(1.6)	<b>72,270</b>	71,331	1.3
- EMK	<b>(1,979)</b>	-	NM	<b>(1,979)</b>	-	NM
<b>Distribution &amp; Storage</b>	<b>58,980</b>	51,220	15.2	<b>102,610</b>	93,705	9.5
- Ixom	<b>55,841</b>	46,955	18.9	<b>95,678</b>	85,678	11.7
- Philippine Coastal	<b>3,139</b>	4,265	(26.4)	<b>6,392</b>	8,027	(13.6)
<b>Subtotal</b>	<b>170,723</b>	117,891	44.8	<b>288,568</b>	239,412	20.5
<b>KIT and Holdco<sup>1</sup></b>	<b>(35,798)</b>	(26,330)	(36.0)	<b>(66,075)</b>	(47,202)	(40.0)
<b>Distributable Income<sup>2</sup></b>	<b>134,925</b>	91,561	47.4	<b>222,493</b>	192,210	15.8

1. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs. The higher costs were due to the issuance of the Series 2 perpetual securities on 9 Jun 2021 as well as the Series 3 and 4 Medium Term Notes on 1 Dec 2021 and 5 May 2022 respectively.
2. "Free Cash Flow to Equity" has been re-named to "Distributable Income (DI)", with no change to computation, i.e. DI is computed as Funds from Operations less mandatory debt repayment and other charges, credits or adjustments as deemed appropriate by the Trustee-Manager.

# Balance Sheet

## Building a strong balance sheet to support growth plans

- Comfortable debt headroom for growth: Approx. \$300m to 45% net gearing level
- Undrawn committed credit facilities: \$184m
- Mitigating impact of currency fluctuations: 70.5% foreign distributions hedged
- Weighted average term to maturity: Approx. 2.6 years for debt profile

	Balance Sheet (S\$'m)	31 Dec 2022	31 Dec 2021
 <b>Net gearing</b> 39.8%	<b>Cash</b>	536	817
 <b>Weighted average interest rate</b> 3.7%	<b>Borrowings</b>	2,907	1,730
 <b>Net debt / EBITDA</b> 5.1x	<b>Net debt</b>	2,371	913
 <b>Loans hedged</b> 72.0%	<b>Total assets</b>	5,963	4,501
	<b>Total liabilities</b>	4,056	2,761
	<b>Annualised Group EBITDA</b>	465 <sup>1,2,4</sup>	318 <sup>3,4</sup>

1. Excludes gain on Ixom's divestment of Fiji business (S\$0.5m), one-off acquisition related cost incurred for new investments (S\$58.8m), impairment loss on the Lista onshore wind farm in Norway (S\$7.7m) and investment in Philippine Coastal (\$68.1m), unrealized exchange gain (S\$0.4m), fair value gain on the investment in AGPC (S\$20.8m). Group annualised EBITDA would be S\$352.1m without the adjustments.

2. Includes annualised share of profits from BKR2 and European Onshore Wind Platform based on equity accounting.

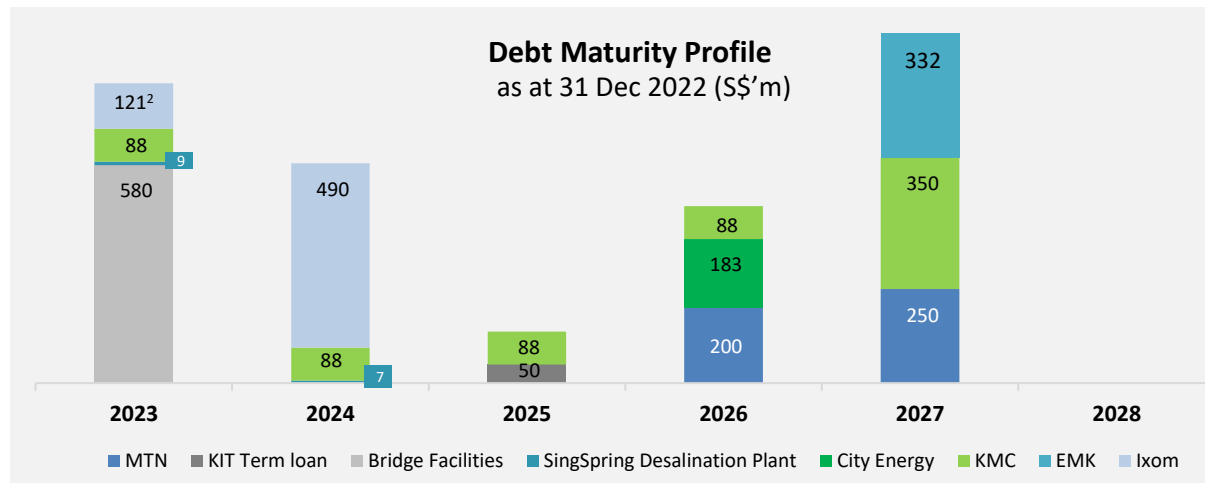
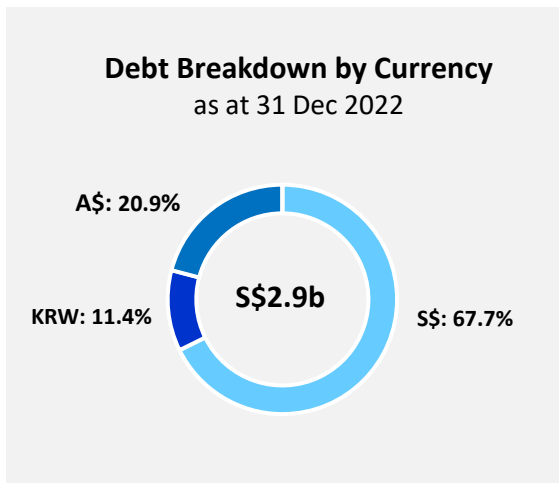
3. Excludes loss on derecognition of Basslink following the voluntary administration (S\$161.9m), one-off acquisition related cost incurred and expenses related to a fair value review exercise undertaken by Ixom following its acquisitions of assets and businesses (S\$6.5m), impairment loss on Ixom's assets mainly in relation to the cessation of operations of a long-term customer (S\$21.7m). Group EBITDA is S\$127.5m without the adjustments.

4. Includes annualised share of profits from Philippine Coastal based on equity accounting.

# Capital Management

## Well-diversified debt maturity profile

- Utilised \$580m of equity bridge loans (EBL) in 2022 to partially fund the acquisition of EMK and investment in BKR2: To tap the debt and equity markets for repayment within the year
- Approx. 72% of floating interest rates hedged<sup>1</sup> as at 31 Dec 2022, 90% excluding EBL
  - a 100 bps change in interest rate would have an ~4% impact to FY 2022's Distributable Income; ~1% impact excluding EBL
- Optimised capital structure: City Energy obtained \$400m loan facility in Jan 2023
- Reviewing KMC's capital structure, including the \$700m sustainability-linked loan which will commence amortisation in 2023



1. Based on a consolidated group debt, including the EBL.  
2. The maturity of the Ixom RCF facility is in February 2024.



# Commitment to Sustainability

# Advancing Sustainability, Driving Performance

Committed to achieving operational excellence that is led by our environmental, social and governance strategy and sustainability initiatives



2 WTE plants with a combined capacity to **treat approx. 40% of Singapore's incinerable waste**, and diverting waste from landfill



Capable of **processing up to 19% of desalinated water** and **36% of NEWater supply** in Singapore



Published KIT's first Sustainability Report for FY2016 in accordance with the Global Reporting Initiative (GRI) guidelines



Keppel Capital supports the United Nations (UN) Global Compact



KIT's first sustainability-linked loans for the Keppel Merlimau Cogen Plant



Align sustainability approach with nine out of 17 UN Sustainable Development Goals



Expanded reporting to include business air travel activities under Scope 3 emissions for FY2020



Formed dedicated Board Environmental, Social, and Governance (ESG) Committee



Set ESG targets



Alignment with the Task Force on Climate-Related Financial Disclosures

2022



2024

2030

## Key environmental targets



30% carbon intensity reduction by 2030 from 2019 levels



Increase exposure to renewable energy by up to 25% of equity-adjusted AUM by 2030



# Continued Community Engagements

Uplifting communities wherever we operate

- Keppel Capital dedicated more than 1,000 volunteering hours to support community outreach efforts in FY 2022

Tree planting at the Labrador Nature Reserve, as part of Keppel's pledge to plant 10,000 trees in Singapore over the next 5 years to enhance biodiversity and beautify the city.



Resumed outings with beneficiaries from the Muscular Dystrophy Association (Singapore) (MDAS): Visited River Wonders and Art Science Museum; organised activities such as ice-cream making and year-end carnival



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# Additional Information



# Portfolio Overview as at 31 Dec 2022

		Description	Customer and contract terms	Primary source of cash flows	Total Assets (\$S'm)
Energy Transition		<b>City Energy</b> Sole producer and retailer of piped town gas	Over 886,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumer	3,002.9
		<b>Keppel Merlimau Cogen</b> 1,300MW combined cycle gas turbine power plant	Capacity Tolling Agreement with Keppel Electric until 2030 with option for 10-year extension (land lease till 2035, with 30-year extension)	Fixed payments for meeting availability targets	
		<b>Aramco Gas Pipelines Company</b> Holds a 20-year lease and leaseback agreement over the usage rights of Aramco's gas pipelines network	20 years quarterly tariff from Aramco, one of the largest listed companies globally (A1 credit rating)	Quarterly tariff payments backed by a minimum volume commitment for 20 years with built in escalation	
		<b>European Onshore Wind Platform</b> Initial Portfolio of three wind farm assets in Sweden and Norway with a combined capacity of 258 MW	All electricity produced sold to local grid	Sale of electricity to the local grid	
		<b>BKR2</b> A 465 MW operating offshore wind farm located in the North Sea off the coast of Germany	20-year power purchase agreement with Orsted till 2038	Operates under the German EEG 2014 with an attractive Feed-in-Tariff and guaranteed floor price till 2038	

# Portfolio Overview as at 31 Dec 2022

		Description	Customer and contract terms	Primary source of cash flows	Total Assets (S\$'m)
Environmental Services		<b>Senoko WTE Plant</b> Waste-to-energy plant with 2,310 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2024 (Singapore - AAA credit rating)	Fixed payments for availability of incineration capacity	1,262.9
		<b>Tuas WTE Plant</b> Waste-to-energy plant with 800 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2034 (Singapore - AAA credit rating)	Fixed payments for availability of incineration capacity	
		<b>Ulu Pandan NEWater Plant</b> One of Singapore's largest NEWater plants, capable of producing 148,000m <sup>3</sup> /day <sup>(1)</sup>	PUB, Singapore government agency - concession until 2027 (Singapore - AAA credit rating)	Fixed payments for the provision of NEWater production capacity	
		<b>SingSpring Desalination Plant</b> Singapore's first large-scale seawater desalination plant, capable of producing 136,380m <sup>3</sup> /day of potable water	PUB, Singapore government agency - concession until 2025 (land lease till 2033) (Singapore - AAA credit rating)	Fixed payments for availability of output capacity	
		<b>EMK</b> Leading integrated waste management services player in South Korea	Variety of customers including government municipalities and large industrial conglomerates	Payments from customers for delivery of products and provision of services based on agreed terms	
Distribution & Storage		<b>Ixom</b> Manufacturer and distributor of water treatment chemicals, industrial and specialty chemicals in Australia and New Zealand	Over 8,000 customers comprising municipals and blue-chip companies	Payments from customers for delivery of products and provision of services based on agreed terms	1,496.0
		<b>Philippine Coastal</b> The largest petroleum products storage facility in the Philippines, located in the tax-friendly Subic Bay Freeport Zone	Blue-chip customers	USD-denominated "take-or-pay" contracts with no direct exposure to petroleum price and volume risk	

# Diversified Portfolio with Maiden Investment in the Middle East

## Completed the investment in Aramco Gas Pipelines Company

- Part of a global consortium to acquire a 49% stake in Aramco Gas Pipelines Company, which holds a 20-year lease-and-lease-back agreement over the usage rights of Aramco's gas pipelines network
- Aramco Gas Pipelines Company will receive quarterly tariff payments backed by a minimum volume commitment from Aramco, which will retain full ownership and operational control of the gas pipelines network
- World's largest energy infrastructure deal in 2021, investing alongside leading infrastructure investors including BlackRock Real Assets and Saudi-based Hassana Investment Company

### Investment merits:

- ✓ Invest in a strong and growing business backed by favourable gas demand dynamics
- ✓ Top-tier counterparty with strong operational track record
- ✓ Strongly contracted nature of investment with downside protection
- ✓ Supports the transition of the Saudi economy towards a more sustainable energy future
- ✓ Enhances resiliency of KIT's portfolio



**Lease Perimeter**

Aramco's gas pipelines and related critical assets

**KIT's Equity Investment**

US\$250m



# Making Headway in the Renewable Energy Market in Europe

Attractive portfolio of windfarm assets across the Nordics and UK

- Acquired a 49% stake in onshore wind platform with KLP, MEAG and Keppel Corp
- Initial Portfolio with 258MW of operating projects and 1.3GW of pipeline potential<sup>1</sup> across the Nordics and UK
- Prudent transaction structure with attractive risk allocation, enabling KIT to further optimise its portfolio risk-adjusted returns
- Accretive investment that enhances cash flow resiliency

## Key Terms of Proposed Investment

<b>Seller</b>	Fred. Olsen Renewables AS (FORAS), a strong and reputable operating partner
<b>Equity Commitment</b>	Investment of €160m (\$\$233.6m) for KIT and KRI, of which €58.7m (\$\$85.7m) for Initial Portfolio

1. As of 31 Mar 2022. FORAS is committed to inject, and investors are committed to invest in 49% of eligible FORAS pipeline projects, up to the FundCo capital commitment of EUR480m or within 5 years from the entry into the Subscription Agreement.

2. As of 31 Mar 2022. Consented projects are pipeline projects that obtained all permits.

3. Based on current expectations.

4. As of 31 Mar 2022. Include other onshore wind development projects in Sweden or the UK owned and controlled directly or indirectly 100% by FORAS which have a reasonable prospect of reaching FID within 5 years from the entry into the Subscription Agreement.

## Initial Portfolio

Lista, Norway	Högaliden, Sweden	Fäbodliden, Sweden
		
71.3 MW COD 2012	107.5 MW COD 2021	79.2 MW COD 2015

## Consented portfolio<sup>2</sup>

**5** Projects with combined capacity of 305MW, expecting to reach FID within next 3 years<sup>3</sup>

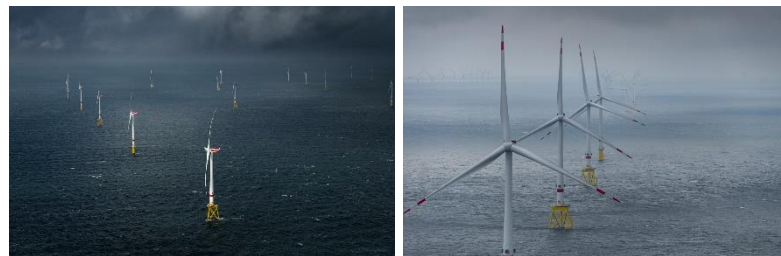
## Additional pipeline<sup>4</sup>

**10** Additional eligible Projects with combined capacity of 955MW

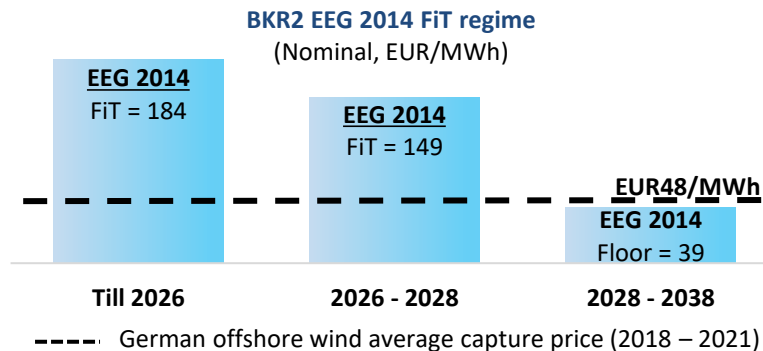
# Increased Exposure in Renewables with Offshore Wind Investment

Well-located windfarm in Germany backed by an attractive Feed-In Tariff (FiT) regime

- Jointly investing with Keppel Corporation to acquire a 25%<sup>1</sup> stake in BKR2, a 465MW operating German offshore wind farm with a remaining useful life of 31 years<sup>2</sup> until 2053
- BKR2 is operated by Ørsted through a 20-year operation and maintenance (O&M) agreement until 2038: operational costs largely fixed, covering scheduled maintenance
- Located next to Wadden Sea where new wind farms are unlikely to be built as it is an UNESCO World Heritage site
- High wind resource availability in the North Sea: high capacity factor of >40% with low variability of <10% between P90 and P50



Fixed FiT underpinned by the German renewable energy law is significantly above the average wind capture price



## Key Terms of Proposed Investment

<b>Seller</b>	Gulf Energy Development
<b>Purchase Consideration</b>	Total: €305.0m (\$\$445.3m) <sup>3</sup> (KIT: €250.1m (\$\$365.1m))

1. KIT will hold an effective stake of approx. 20.5% and Keppel Corporation will hold an effective stake of approximately 4.5% in the BKR2 wind farm through Keppel Renewable Investments (KRI). KRI is a wholly owned subsidiary of Keppel Corporation.
2. Assuming successful extension of the initial 25-year offshore permit.
3. Excluding acquisition and transaction costs. Based on EUR/SGD of 1.46.

# Acquisition of a Leading Waste Platform in South Korea

Draw on proprietary expertise across Keppel ecosystem to value-add and grow EMK

- Jointly acquired Eco Management Korea (EMK) with Keppel entities; KIT holds 52% majority interest
- Rare opportunity to acquire a waste management platform of scale in South Korea
- Waste management market supported by strong tailwinds
- Capitalise on EMK's strong market position and industrial track record for capacity expansion and pursue bolt-on acquisitions

EMK is a leading integrated waste management player in South Korea



**Solid**  
**3rd largest**

incineration capacity in South Korea (404 tons/day)



**Liquid**  
**Largest**

waste oil refining player in South Korea (154 tons/day)



**Landfill**  
**4<sup>th</sup> largest**

landfill capacity in South Korea, and 2<sup>nd</sup> largest in Yeongnam area

## Key Terms of Proposed Acquisition

<b>Seller</b>	IMM Investment and Korea Development Bank Private Equity
<b>Purchase Consideration</b>	Total: KRW 570.6b (approx S\$608.1m <sup>1</sup> ) KIT's interest: KRW 296.7b (approx S\$316.2m <sup>1</sup> )

1. Based on an exchange rate of S\$1 : KRW 940.

## 2H 2022: Distributable Income

\$\$'000	Energy Transition	Environmental Services	Distribution & Storage	Corporate <sup>1</sup>	Group
<b>Profit after tax</b>	26,509	(7,550)	30,648	(56,780)	(7,173)
<b>Add/(less) adjustments:</b>					
Reduction in concession / lease receivables	28	31,005	-	-	31,033
Transaction costs in relation to acquisition <sup>2</sup>	-	759	13,636	12,600	26,995
Tax paid	(1,053)	(1,566)	(11,066)	(2)	(13,687)
Maintenance capex	(7,459)	(2,714)	(15,148)	-	(25,321)
Non-cash interest	387	1,393	1,354	150	3,284
Income tax expense	2,198	(4,167)	14,676	(705)	12,002
Depreciation and amortisation	41,816	9,536	30,341	-	81,693
Share of results of joint venture	2,274	-	(2,625)	-	(351)
QPDS interest expenses to KIT	35,313	10,414	-	(45,727)	-
Perp securities holder	-	-	-	(13,687)	(13,687)
FFO from joint venture	6,582	-	3,837	-	10,419
Payment of upfront fee and legal fees	(200)	-	-	-	(200)
Other adjustments	(26,694)	(46)	(4,737)	68,353	36,876
NCI	(785)	-	(1,236)	-	(2,021)
<b>Funds from Operations</b>	<b>78,916</b>	<b>37,064</b>	<b>59,680</b>	<b>(35,798)</b>	<b>139,862</b>
Less: Mandatory debt repayment	-	(4,237) <sup>3</sup>	(700)	-	(4,937)
<b>Distributable Income</b>	<b>78,916</b>	<b>32,827</b>	<b>58,980</b>	<b>(35,798)</b>	<b>134,925</b>

1. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

2. Due to one-off acquisition related cost incurred for new investments which are reversed through "Transaction costs in relation to acquisition" to reflect actual funds from operations

3. 100% of SingSpring debt repayment

## 2H 2021: Distributable Income

S\$'000	Energy Transition	Environmental Services	Distribution & Storage	Corporate <sup>1</sup>	Group
<b>Profit/(loss) after tax</b>	(33,448)	(1,373)	41,167	(129,694)	(123,348)
<b>Add/(less) adjustments:</b>					
Reduction in concession / lease receivables	24	30,096	-	-	30,120
Transaction costs in relation to acquisition <sup>2</sup>	-	-	4,078	-	4,078
Tax paid	(2,011)	(1,591)	(7,988)	(7)	(11,597)
Maintenance capex	(10,173)	(10)	(16,324)	-	(26,507)
Non-cash interest	373	6	2,168	60	2,607
Income tax expense	(1,585)	(119)	13,230	(9)	11,517
Depreciation and amortisation	41,731	3,715	40,725	-	86,171
Share of results of joint venture	-	-	(1,136)	-	(1,136)
QPDS interest expenses to KIT	35,312	9,923	-	(45,235)	-
Perp securities holder	-	-	-	(13,685)	(13,685)
FFO from joint venture	-	-	4,935	-	4,935
Payment of upfront fee and legal fees	-	-	-	-	-
Other adjustments <sup>5</sup>	(263)	145	1,299	162,240	163,421
NCI	1,325	(2,441)	(587)	-	(1,703)
<b>Funds from Operations</b>	<b>31,285</b>	<b>38,351</b>	<b>81,567</b>	<b>(26,330)</b>	<b>124,873</b>
Less: Basslink's FFO	-	-	(29,677) <sup>3</sup>	-	(29,677)
Less: Mandatory debt repayment	-	(2,965) <sup>4</sup>	(670)	-	(3,635)
<b>Distributable Income</b>	<b>31,285</b>	<b>35,386</b>	<b>51,220</b>	<b>(26,330)</b>	<b>91,561</b>

1. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

2. Due to one-off acquisition related cost incurred for Ixom acquisitions which are reversed through "Transaction costs in relation to acquisition" to reflect actual funds from operations at Ixom

3. Not dependent on Basslink's cash flows for distribution

4. 70% of SingSpring debt repayment

5. Other adjustments include loss on the derecognition of Basslink following its voluntary administration on 12 Nov 2021

# FY2022: Distributable Income

S\$'000	Energy Transition	Environmental Services	Distribution & Storage	Corporate <sup>1</sup>	Group
<b>Profit after tax</b>	(4,064)	(9,523)	66,324	(55,566)	(2,829)
<b>Add/(less) adjustments:</b>					
Reduction in concession / lease receivables	54	61,848	-	-	61,902
Transaction costs in relation to acquisition <sup>2</sup>	-	759	18,757	39,304	58,820
Tax paid	(2,062)	(3,082)	(34,754)	(5)	(39,903)
Maintenance capex	(12,538)	(2,764)	(25,429)	-	(40,731)
Non-cash interest	762	1,398	2,802	254	5,216
Income tax expense	3,062	(3,807)	26,856	202	26,313
Depreciation and amortisation	82,285	13,252	61,148	-	156,685
Share of results of joint venture	2,274	-	(6,661)	-	(4,387)
QPDS interest expenses to KIT	70,049	20,659	-	(90,708)	-
Perp securities holder	-	-	-	(27,150)	(27,150)
FFO from joint venture	6,582	-	8,311	-	14,893
Payment of upfront fee and legal fees	(200)	-	-	(758)	(958)
Other adjustments <sup>4</sup>	(27,725)	24	(10,920)	68,352	29,731
NCI	(2,812)	-	(2,443)	-	(5,255)
<b>Funds from Operations</b>	<b>115,667</b>	<b>78,764</b>	<b>103,991</b>	<b>(66,075)</b>	<b>232,347</b>
Less: Mandatory debt repayment	-	(8,473) <sup>3</sup>	(1,381)	-	(9,854)
<b>Distributable Income</b>	<b>115,667</b>	<b>70,291</b>	<b>102,610</b>	<b>(66,075)</b>	<b>222,493</b>

1. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

2. Due to one-off acquisition related cost incurred for new investments which are reversed through "Transaction costs in relation to acquisition" to reflect actual funds from operations

3. 100% of SingSpring debt repayment

4. Other adjustments include reversal of fair value gain on the investment in AGPC and impairment loss on the investment in Philippine Coastal

# FY2021: Distributable Income

S\$'000	Energy Transition	Environmental Services	Distribution & Storage	Corporate <sup>1</sup>	Group
<b>Profit/(loss) after tax</b>	(59,400)	(2,390)	27,117	(98,707)	(133,380)
<b>Add/(less) adjustments:</b>					
Reduction in concession / lease receivables	46	60,400	-	-	60,446
Transaction costs in relation to acquisition <sup>2</sup>	-	-	4,803	-	4,803
Tax paid	(4,008)	(3,018)	(19,064)	(39)	(26,129)
Maintenance capex	(13,603)	(31)	(25,783)	-	(39,417)
Non-cash interest	735	12	4,763	110	5,620
Income tax expense	160	(208)	15,974	9	15,935
Depreciation and amortisation	83,464	7,430	86,124	-	177,018
Share of results of joint venture	-	-	(885)	-	(885)
QPDS interest expenses to KIT	70,049	19,684	-	(89,733)	-
Perp securities holder	-	-	-	(21,531)	(21,531)
FFO from joint venture	-	-	8,697	-	8,697
Payment of upfront fee and legal fees	(248)	-	-	-	(248)
Other adjustments <sup>5</sup>	(2,893)	264	39,379	162,689	199,439
NCI	74	(4,880)	(1,434)	-	(6,240)
<b>Funds from Operations</b>	<b>74,376</b>	<b>77,263</b>	<b>139,691</b>	<b>(47,202)</b>	<b>244,128</b>
Less: Basslink's FFO	-	-	(45,316) <sup>3</sup>	-	(45,316)
Less: Mandatory debt repayment	-	(5,932) <sup>4</sup>	(670)	-	(6,602)
<b>Distributable Income</b>	<b>74,376</b>	<b>71,331</b>	<b>93,705</b>	<b>(47,202)</b>	<b>192,210</b>

1. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

2. Due to one-off acquisition related cost incurred for Ixom acquisitions which are reversed through "Transaction costs in relation to acquisition" to reflect actual funds from operations at Ixom

3. Not dependent on Basslink's cash flows for distribution

4. 70% of SingSpring debt repayment

5. Other adjustments include fair value movements on long term interest rate hedge and loss on the derecognition of Basslink following its voluntary administration on 12 Nov 2021

# FY2022: Businesses and Assets Results Summary

## City Energy

SS'000	FY2022	FY2021	Change %
<b>Revenue</b>	389,528	321,356	21.2
<b>Other income</b>	1,780	1,735	2.6
<b>Other (losses)/gains - net</b>	(216)	73	N/M
<b>Expenses</b>			
Operating costs	(305,144)	(253,511)	20.4
Staff costs	(24,171)	(22,070)	9.5
Depreciation and amortisation	(3,824)	(3,396)	12.6
Finance costs	(30,613)	(30,600)	0.0
<b>Profit before tax</b>	27,340	13,587	>100.0
Income tax expense	(5,135)	(2,554)	>100.0
<b>Net profit after tax</b>	22,205	11,033	>100.0
<b>Funds from operations attributable to KIT</b>	40,274	30,528	31.9
<b>EBITDA</b>	61,578 <sup>1</sup>	47,447	29.8

## KMC

SS'000	FY2022	FY2021	Change %
<b>Revenue</b>	132,226	132,272	(0.0)
<b>Other income</b>	66	46	42.1
<b>Other (losses)/gains - net</b>	(365)	19	N/M
<b>Expenses</b>			
Operating costs	(29,339)	(26,454)	10.9
Staff costs	-	-	-
Depreciation and amortisation	(78,461)	(80,068)	(2.0)
Finance costs	(98,474)	(98,642)	(0.2)
<b>Loss before tax</b>	(74,347)	(69,965)	6.3
Income tax credit	9,120	2,394	>100.0
<b>Net loss after tax</b>	(65,227)	(67,572)	(3.5)
<b>Funds from operations attributable to KIT</b>	43,114	43,848	(1.7)
<b>EBITDA</b>	105,402 <sup>2</sup>	105,836	(0.4)

1. Exclude unrealized exchange gain (S\$0.2m)
2. Exclude unrealized exchange gain (S\$0.02m)



# FY2022: Businesses and Assets Results Summary

## Singapore waste and water assets

S\$'000	FY2022	FY2021	Change %
<b>Revenue</b>	103,249	91,932	12.3
<b>Other income</b>	739	1,403	(47.4)
<b>Expenses</b>			
Operating costs	(81,256)	(66,863)	21.5
Staff costs	-	-	-
Depreciation and amortisation	(7,465)	(7,430)	0.5
Finance costs	(21,478)	(21,641)	(0.8)
<b>Loss before tax</b>	(6,211)	(2,599)	>100.0
Income tax (expense)/credit	(1,077)	209	N/M
<b>Net loss after tax</b>	(7,288)	(2,390)	>100.0
<b>Funds from operations attributable to KIT</b>	80,744	77,263	4.5
<b>EBITDA</b>	22,490	26,444	(15.0)

## EMK

KRW'000,000	For the 2 months ended 31 Dec 2022
<b>Revenue</b>	19,372
<b>Other income</b>	575
<b>Other (losses)/gains - net</b>	(514)
<b>Expenses</b>	
Operating costs	(10,171)
Staff costs	(3,177)
Depreciation and amortisation	(5,398)
Finance costs	(7,327)
<b>Loss before tax</b>	(6,640)
Income tax credit	4,556
<b>Net loss after tax</b>	(2,084)
<b>Funds from operations attributable to KIT</b>	(1,846)
<b>EBITDA</b>	6,320 <sup>1</sup>

1. Exclude one-off acquisition related cost incurred during the period (KRW 513.4m)

# FY2022: Businesses and Assets Results Summary

## Ixom

A\$'000	FY2022	FY2021	Change %
<b>Revenue</b>	1,386,745	1,016,750	36.4
<b>Other (expense)/income</b>	192	2,111	(90.9)
<b>Other (losses)/gains - net</b>	465	(14,268)	N/M
<b>Expenses</b>			
Operating costs	(1,046,174)	(733,296)	42.7
Staff costs	(160,383)	(140,692)	14.0
Depreciation and amortisation	(63,583)	(69,627)	(8.7)
Finance costs	(27,298)	(23,909)	14.2
<b>Profit before tax</b>	89,964	37,069	>100.0
Income tax expense	(27,926)	(15,777)	77.0
<b>Net profit after tax</b>	62,038	21,292	>100.0
<b>Funds from operations attributable to KIT</b>	99,488	84,619	17.6
<b>EBITDA</b>	199,053 <sup>1</sup>	158,438	25.6

1. Exclude one-off acquisition related costs incurred (A\$19.5m), unrealized exchange gain (A\$0.6m) and gain on Ixom's divestment of Fiji business (A\$0.5m)

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