



KEPPEL INFRASTRUCTURE FUND MANAGEMENT Pte Ltd
(as Trustee-Manager of Keppel Infrastructure Trust)
(Co Reg No. 200803959H)

1 HarbourFront Avenue Tel: (65) 6803 1818
Level 2 Keppel Bay Tower Fax: (65) 6803 1717
Singapore 098632
www.kepinfratrust.com

MEDIA RELEASE

Keppel Infrastructure Trust Unaudited Results for the Second Half and Full Year ended 31 December 2021

26 January 2022

The Directors of Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust, advise the following results of Keppel Infrastructure Trust for the second half and full year ended 31 December 2021.

For more information, please contact:

Media

Mr Ang Lai Lee
Deputy General Manager
Group Corporate Communications
Tel: (65) 6413 6427
Email: lailee.ang@kepcorp.com

Investor Relations

Ms Emmulin Wee
Senior Manager
Investor Relations
Tel: (65) 6803 1857
Email: emmulin.wee@kepcapital.com

Keppel Infrastructure Trust
declared higher DPU of 3.78 cents for FY 2021

Results Highlights

- Achieved Group EBITDA of \$317.6 million¹ and free cash flow to equity (FCFE)² of \$192.2 million
- Declared DPU of 1.92 cents for 2H 2021, bringing FY 2021 DPU to 3.78 cents, a first-time increase from the 3.72 cents annual payout since 2016
- Unveiled key target sectors for growth, focusing on core and core plus infrastructure assets and businesses in the developed APAC and EMEA markets
- Setting up of a dedicated Board Environmental, Social and Governance (ESG) Committee to focus sustainability efforts and aspirations
- Commit to implement and align with the Task Force on Climate-Related Financial Disclosures (TCFD) framework over the next few years, and to achieve 30% carbon intensity reduction by 2030 from 2019 levels

Financial Performance

Keppel Infrastructure Trust (KIT) delivered Group EBITDA and FCFE² of \$317.6 million¹ and \$192.2 million respectively in FY 2021, lower as compared to FY 2020 due mainly to the under recovery of fuel cost as a result of the timing difference inherent in the fuel price pass through gas tariff mechanism of City Energy.

KIT declared Distribution per Unit (DPU) of 1.92 cents for 2H 2021, bringing total DPU for FY 2021 to 3.78 cents or a 1.6% increase year-on-year. This is a first-time increase from the Trust's historical annual payout of 3.72 cents since FY 2016, supported by the strong and stable performance at Ixom since its acquisition in 2019 and the resilient cashflow contribution by the KIT portfolio in the last two years. The FY 2021 DPU translates to a distribution yield of 6.9%, based on KIT's closing price of \$0.545 as at 31 December 2021.

A segmental breakdown of KIT's financial performance is tabled below and excludes cash flows from Basslink, which is in voluntary administration.

Segmental Performance	Free Cash Flow to Equity ²					
	2H 2021 \$ '000	2H 2020 \$ '000	Change (%)	FY 2021 \$ '000	FY 2020 \$ '000	Change (%)
Distribution & Network	62,025	67,572	(8.2)	124,233	136,009	(8.7)
Energy	20,480	24,526	(16.5)	43,848	46,133	(5.0)
Waste & Water	35,386	36,905	(4.1)	71,331	73,124	(2.5)
KIT and Holdco ³	(26,330)	(16,647)	(58.2)	(47,202)	(29,592)	(59.5)
Free Cash Flow to Equity	91,561	112,356	(18.5)	192,210	225,674	(14.8)

Operational Performance

In the Distribution & Network segment, City Energy's customer base grew 0.7% year-on-year (YoY) to approximately 872,000 as at end-December 2021. Despite the increase in its customer base, City Energy saw

1 Excludes loss on derecognition of Basslink following the voluntary administration (\$\$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 (\$\$6.5m), impairment loss on Ixom's assets mainly in relation to the cessation of operations of a long-term customer (\$\$21.7m). Group EBITDA is \$\$127.5m without the adjustments.

2 FCFE is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, management fees and financing costs.

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

slightly lower gas demand YoY in FY 2021, due mainly to the lower consumption from Commercial & Industrial customers amid the prolonged COVID-19 restrictions.

Since its acquisition in January 2021, Philippine Coastal Storage and Pipeline Corporation (Philippine Coastal) saw increased fuel storage utilisation rate from 66.4% as at end-June 2021 to 72.1% as at end-December 2021, with the commencement of new contracts. Being the largest petroleum products storage facility in the country, Philippine Coastal is expected to experience stronger fuel storage demand as the Philippines economy recovers gradually from the COVID-19 pandemic.

Ixom delivered a record performance in FY 2021, driven by contributions from various segments, including the manufactured chemicals, construction, mining, dairy, and water treatment segments. To expand its product offerings, Ixom acquired SCR Solutions, a producer of AdBlue[®], a product which is added to diesel in trucks to reduce harmful emissions. Based in New Zealand, SCR Solutions is a leading player in the sector.

In the Energy segment, the Keppel Merlimau Cogen plant achieved 99.6% contractual availability as at end-December 2021.

In the Waste & Water segment, operations at the Senoko Waste-to-Energy (WTE), Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring Desalination plants remained stable, achieving availability above their contractual obligations in FY 2021. In July 2021, KIT announced that it will acquire the remaining 30% stake in SingSpring Desalination Plant for \$12 million. The DPU-accretive acquisition will enhance the operational and business continuity of the asset. Pending regulatory approval, KIT expects to complete the acquisition in 1H 2022⁴.

Capital Management

In December 2021, KIT issued the S\$200 million 3% notes as part of the \$2 billion Multicurrency Debt Issuance Programme to refinance borrowings as well as fund potential acquisitions and asset enhancement works.

The Trust ended the period with a healthy net gearing of 20.3% as at 31 December 2021, which provides a comfortable debt headroom to pursue growth opportunities. The Trustee-Manager continues to monitor risk exposures and safeguards against evolving market conditions. To mitigate against fluctuating interest rates, approximately 93% of KIT's total loans are hedged as at 31 December 2021.

Positioned for Growth

Following a strategic review, the Trustee-Manager has unveiled key target sectors for growth, focusing on core and core plus infrastructure assets and businesses in the developed APAC and EMEA markets.

Beyond the traditional asset classes that provide long-term utility-like contracted cash flows such as utilities, and transmission and distributions assets, the Trustee-Manager has also identified key asset classes that will

- (i) **benefit from the low-carbon and decarbonisation economy**, which include energy transition, environmental and renewables sectors;
- (ii) **support the digital economy** such as the digital and communications sector, as well as
- (iii) **socio-economic infrastructure that furthers economic growth and enhances social well-being** such as the transportation and social infrastructure sectors.

Commitment to ESG Excellence

KIT plays an important role in building the infrastructural foundation for a sustainable future, and sustainability management is imperative to the continued success of the Trust and its ability to create value. To further its

⁴ Acquisition is subject to lenders' and regulatory approvals.

leadership commitment to sustainability, the Trustee-Manager established a dedicated Board ESG Committee in 2022, to provide an oversight of KIT's ESG strategy and sustainability initiatives.

The Trustee-Manager has also committed to implement and align with the TCFD framework over the next few years, and to achieve 30% carbon intensity reduction by 2030 from 2019 levels, amongst other ESG targets that are set out below:

Environmental Stewardship	Responsible Business	People and Community
<ul style="list-style-type: none"> ▪ Climate Change Adaptation: Commit to implementing the TCFD Recommendations over the next few years 	<ul style="list-style-type: none"> ▪ Asset Quality and Safety: Fulfil contractual obligations and minimise operational disruptions due to equipment or facility problems 	<ul style="list-style-type: none"> ▪ Employee Health and Wellbeing: Maintain zero workplace fatalities
<ul style="list-style-type: none"> ▪ Emissions: Achieve 30% carbon intensity reduction by 2030 based on 2019 levels, with a commitment to work towards setting an absolute emissions reduction target in the longer term 	<ul style="list-style-type: none"> ▪ Corporate Governance: Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders 	<ul style="list-style-type: none"> ▪ Human Capital Management: Achieve at least 20 hours of training hours per employee in 2022; achieve at least 75% in employee engagement score in 2022
<ul style="list-style-type: none"> ▪ Energy: Increase exposure to renewable energy by up to 25% of Equity-adjusted AUM by 2030 	<ul style="list-style-type: none"> ▪ Economic Sustainability: Build a resilient portfolio of assets and businesses that deliver long-term sustainable growth and Unitholder value 	<ul style="list-style-type: none"> ▪ Diversity and Inclusion: Maintain at least 30% female directors on the Board
<ul style="list-style-type: none"> ▪ Environmental Protection: Maintain zero incident of non-compliance with environmental laws and regulations 	<ul style="list-style-type: none"> ▪ Ethics and Integrity: Maintain high standards of ethical business conduct and compliance best practices, with zero incident of fraud, corruption, bribery 	<ul style="list-style-type: none"> ▪ Community Development and Engagement: Engage with local communities and contribute to Keppel Capital's target of >500 hours of staff volunteerism in 2022
<ul style="list-style-type: none"> ▪ Waste Management: Divert at least 90% of waste from landfills annually; recover at least 70% of scrap metal from bottom ash annually 	<ul style="list-style-type: none"> ▪ Cybersecurity and Data Privacy: Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure to minimise cyber attack incidents 	
<ul style="list-style-type: none"> ▪ Water: Zero incidents of trade effluent discharge leading to regulatory actions 	<ul style="list-style-type: none"> ▪ Sustainable Supply Chain Management: Ensure that all major suppliers (providing products or services valued at \$200,000 or more in a calendar year) adopt responsible business practices 	

	<ul style="list-style-type: none"> ▪ Physical Security of Assets: To achieve zero physical security breach affecting plant operations 	
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KIT's commitment to sustainable growth is further reflected in its 'A' rating by the MSCI ESG Ratings assessment, which was designed to measure a company's resilience to long-term, industry material ESG risks.

With ESG at the core of its business and strategy, the Trustee-Manager will continue to actively manage the Trust's portfolio and create value to achieve sustainable growth.

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About Keppel Infrastructure Trust (www.kepinfratrust.com)

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with over \$4.0 billion in assets under management. Its goal is to deliver sustainable and growing returns to Unitholders, through a combination of recurring distributions and capital growth.

KIT's portfolio of strategic infrastructure businesses and assets provide essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., a premier asset manager in Asia. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and infrastructure solutions and services.

IMPORTANT NOTICE

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 Trustee-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 Trustee-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. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This announcement may contain forward-looking statements that involve assumptions, 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 developments or companies, 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.