



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

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MEDIA RELEASE

Keppel Infrastructure Trust Unaudited Results for the First Half ended 30 June 2022

27 July 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 first half ended 30 June 2022.

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**Keppel Infrastructure Trust recorded
2.7% YoY growth in DPU to 1.91 cents for 1H 2022**

Results Highlights

- DPU growth supported by higher Group EBITDA, which increased by 10.2% year-on-year (YoY) to \$172.6 million¹ in 1H 2022
- Making headway into the renewable energy market with the proposed investment in an onshore wind energy portfolio across the Nordics and the United Kingdom, marking KIT's first investments in Europe
- Completed the acquisition of the remaining 30% stake in the SingSpring Desalination Plant and signed non-binding term sheet to acquire 50% interest in the Keppel Marina East Desalination Plant
- Diversified funding with the issuance of \$250 million notes in May 2022 as part of the \$2 billion Multicurrency Debt Issuance Programme
- Portfolio well-positioned against inflation and higher energy prices due to cost pass through mechanism and availability-based revenue model

Stable Financial Performance

Keppel Infrastructure Trust (KIT) delivered Group EBITDA of \$172.6 million, 10.2% higher than 1H 2021 due mainly to continued strong performance at Ixom. Accordingly, the Trust declared higher Distribution per Unit (DPU) of 1.91 cents for 1H 2022, a 2.7% increase YoY, supported by the stable cashflow contributed by the KIT portfolio. The 1H 2022 DPU translates to a distribution yield of 6.7%, based on KIT's closing price of \$0.570 as at 30 June 2022.

Distributable Income of \$87.6 million in 1H 2022 was lower compared to 1H 2021, due mainly to higher trust expenses as well as the under recovery of fuel costs at City Energy as a result of timing differences, which will be recovered through higher tariffs in future. A segmental breakdown of KIT's financial performance is tabled below:

Segmental Performance	Distributable Income ²		
	1H 2022	1H 2021	Change
	\$ '000	\$ '000	(%)
Energy Transition	36,751	43,090	(14.7)
Environmental Services	37,464	35,945	4.2
Distribution & Storage	43,630	42,485	2.7
Operational Cash Flows	117,845	121,520	(3.0)
KIT and Holdco	(30,277)	(20,872)	(45.1)
Distributable Income	87,568	100,648	(13.0)

Portfolio Growth

KIT continues to expand its portfolio, making headway into the renewable energy market. In its maiden investment in Europe, KIT is investing in an onshore wind energy portfolio across Norway, Sweden and the United Kingdom sponsored by Fred. Olsen Renewables AS (FORAS). The initial portfolio comprises three operating wind farms in Sweden and Norway with a combined generation capacity of 258 MW. KIT and its co-investors will also have a five-year exclusive right to co-invest in 49% of all FORAS' eligible pipeline of onshore

¹ Exclude Basslink, which entered Voluntary Administration on 12 November 2021. The operations of Basslink is presently under the control of the receiver and manager appointed by the lenders.

² "Free Cash Flow to Equity" has been renamed to "Distributable Income", with no change to computation, i.e. Distributable Income is computed as Funds from Operations less mandatory debt repayment and other charges, credits or adjustments as deemed appropriate by the Trustee Manager.

wind energy assets across Sweden and the United Kingdom. This investment will contribute towards KIT's environmental targets, growing the Trust's renewables exposure to approximately 4% of assets under management.

In Singapore, KIT signed a non-binding term sheet with its sponsor, Keppel Infrastructure Holdings Limited, to acquire a 50% interest in the Keppel Marina East Desalination Plant (KMEDP), and receive 100% of the economic interest from KMEDP upon the completion of the acquisition. Operational since June 2020, KMEDP is Singapore's fourth desalination plant, capable of producing 137,000 cubic metres (about 30 million gallons) of fresh drinking water per day. Backed by a long-term contract with a strong counterparty, the acquisition of KMEDP will enhance KIT's cash flow visibility.

Strong Operational Performance

KIT continues to deliver high availability and strong operational performance across its businesses and assets. The Trust is largely insulated from higher energy prices and inflation with the cost passed through mechanism and availability-based model.

Energy Transition

City Energy's customer base grew 0.9% Yoy to approximately 881,000 as at end-June 2022. While gas demand remained below pre-COVID levels, City Energy saw gradual improvements in demand from the Commercial & Industrial customers in 1H 2022, following the lifting of dining restrictions in Singapore.

In 1H 2022, Keppel Merlimau Cogen plant achieved 99.2% contractual availability, and the plant continued to benefit from lower interest rates, following the achievement of pre-set carbon emission targets as part of the 7-year S\$700 million sustainability-linked loan.

Environmental Services

In the Environmental Services segment, operations at the Senoko Waste-to-Energy (WTE), Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring Desalination plants remained stable, fulfilling their contractual obligations in 1H 2022. KIT completed the acquisition of the remaining 30% stake in SingSpring Desalination Plant in June 2022. The acquisition will support KIT's distributable income accretion and enhance the operational and business continuity of the asset.

Distribution & Storage

The Philippine Coastal Storage and Pipeline Corporation continued to see higher fuel storage utilisation rate, up from 72.1% as at end-December 2021, to 78.3% as at end-June 2022, with the commencement of new contracts. The conversion of several gas oil tanks to support the increase in storage demand for economical grade gasoline remains on track for completion in 4Q 2022.

Ixom continued to deliver strong performance in 1H 2022, driven by contributions from the manufactured chemicals, construction, mining, dairy, and water treatment segments. To expand its product offerings in its life sciences segment, Ixom acquired Aromatic Ingredients, a Melbourne-based wholesaler, blender and contract manufacturer of essential oils, in May 2022. The strategic review of Ixom is ongoing, and the Trustee-Manager targets to conclude the review by 1H 2023.

Prudent Capital Management

In May 2022, KIT issued \$250 million 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 31.1% as at 30 June 2022, 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 90% of KIT's total loans are hedged as at 30 June 2022.

Commitment to ESG Excellence

Anchored by a portfolio of critical infrastructure businesses and assets, the Trust sees sustainability management as imperative to its continued success and ability to create value. In this regard, the Trust continues to move forward its sustainability agenda through growing its Energy Transition segment, by increasing its exposure to the renewable energy market, to capture opportunities and thrive in a low carbon economy.

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 approximately \$4.7 billion in assets under management as at 30 June 2022. 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.