

ANNOUNCEMENT

PROPOSED INVESTMENT IN GERMAN OFFSHORE WIND FARM AND PROPOSED EQUITY FUND RAISING

1. INTRODUCTION

Keppel Infrastructure Fund Management Pte. Ltd. (the "**KIT Trustee-Manager**"), acting in its capacity as trustee-manager of Keppel Infrastructure Trust ("**KIT**"), is pleased to announce that Neptune1 Infrastructure Holdings Pte. Ltd. ("**JVCo**"), a joint venture company established together with Keppel Renewable Investments Pte. Ltd. ("**KRI**") (a wholly-owned subsidiary of Keppel Corporation Limited ("**KCL**")), has entered into a sale and purchase agreement (the "**SPA**") and related documentation with Gulf International Holding Pte. Ltd., a subsidiary of Gulf Energy Development Public Company Limited (the "**Seller**" or "**Gulf**") to acquire 50.01% of the share capital of Borkum Riffgrund 2 Investor Holding GmbH (the "**SPVCo**" and the acquisition, the "**BKR2 Acquisition**"). Gulf, one of Thailand's largest private power producers, currently wholly owns the SPVCo and will retain the remaining 49.99% stake in the SPVCo after completion of the BKR2 Acquisition ("**Completion**").

The BKR2 Acquisition is for the purposes of investing in Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG (the "**Target**" or "**BKR2**"), in which SPVCo owns 50% of the partnership interest. Ørsted Wind Power A/S ("**Ørsted**"), a global leader in offshore wind power with over 30 years of experience, owns the remaining 50% partnership interest in the Target. Following the Completion, it is contemplated that KIT will indirectly hold 20.5% of the partnership interests in the Target. See paragraph 4.1 of this announcement and the Annex for further details on the structure of the BKR2 Acquisition.

The KIT Trustee-Manager, acting in its capacity as trustee manager, KRI and the JVCo have entered into a shareholders' agreement in relation to the joint venture to undertake the BKR2 Acquisition (the "**Joint Venture**") and governance of affairs in JVCo. The Joint Venture is an interested person transaction under Chapter 9 of the Listing Manual. It is intended that the shareholding of JVCo shall be maintained in the proportion as set out in the table below:

Shareholder	Percentage shareholding of JVCo
KIT (through the KIT Trustee-Manager)	82%
KRI	18%

The KIT Trustee-Manager has determined that the BKR2 Acquisition is in the ordinary course of KIT's business and does not constitute a "transaction" as defined under Chapter 10 of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

2. THE TARGET

Operating since 2019, BKR2 owns an offshore wind farm ("**BKR2 Wind Farm**") located 59km off the coast of Lower Saxony in the North Sea, Germany, an area with high wind availability as reflected in the high average capacity factors of more than 40%. The region is next to the Wadden Sea, a UNESCO World Heritage site. Hence, it is unlikely for wind farms to be built at the Wadden Sea area, mitigating potential reduction in wind availability to the BKR2 Wind Farm. BKR2's operations comprise 56 MHI Vestas V164-8.3MW wind turbine generators with a total capacity of 465 MW and an export capacity of up to 450 MW.

Following Completion (which is subject to satisfaction of certain customary closing conditions, including any required merger control and other regulatory approvals), KIT and KRI will indirectly hold 20.5% and 4.5% of the partnership interests in the Target respectively. The remaining 75.0% of the partnership interests in the Target will be indirectly held by the Seller and Ørsted.

The net profit and earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") of the SPVCo and Target¹ for the financial year ended 31 December 2021 was EUR5.5 million (approximately SGD8.0 million²) and EUR113.6 million (approximately SGD165.9 million) respectively.

The book value and net tangible asset value of the Target as at 31 December 2021 was EUR356.2 million (approximately SGD520.1 million). The net liabilities value and net

¹ Computed based on the aggregate of the SPVCo's net profit and EBITDA and 50% of the Target's net profit and EBITDA.

² Unless otherwise stated, an illustrative exchange rate of EUR1:SGD1.46 is used for all conversions into Singapore Dollar amounts in this announcement.

tangible liabilities value of the SPVCo as at 31 December 2021 was EUR108.1 million (approximately SGD157.8 million)³.

3. RATIONALE FOR THE BKR2 ACQUISITION⁴

3.1. Favourable tailwinds supporting positive renewable energy outlook

The renewable energy outlook for Germany is expected to be positive, driven by decarbonisation and the German government's push to increase offshore wind capacity. Electricity demand in Germany is expected to increase, supported by the decarbonisation and electrification of key sectors arising from net zero commitments. To meet its climate commitments, Germany has been rapidly growing its renewable energy market, and has committed to phasing out coal and nuclear power. In February 2022, Germany brought forward its 100% renewables target by 15 years to 2035, and announced the country's plan to triple the pace of capacity expansion for wind and solar. There is strong regulatory support to increase offshore wind capacity by 3.3x, from the current 8.3 GW to 27.1 GW in 2030. The closure of 31.3 GW of coal and 4.3 GW of nuclear plants in alignment with Germany's renewable target also supports the renewable energy outlook.

3.2. Offshore wind farm with highly visible, secure long term cash flows underpinned by a stable and attractive feed-in tariff regime

The BKR2 Acquisition is expected to provide attractive, highly visible, long-term cash flows to KIT.

- BKR2 is located in a region with strong and consistent wind availability, which is reflected in the high average historical capacity factors of over 40%.
- Operating under the German Erneuerbare-Energien-Gesetz (EEG) 2014 market premium mechanism, BKR2 receives a guaranteed feed-in tariff and floor price until 2038. During this period, BKR2 receives the higher of the feed-in tariff or the spot capture price. Legislation prohibits the German government from retrospectively amending the awarded feed-in tariff and floor price to the detriment of beneficiaries.
- The project also holds a 20-year power purchase agreement and a 20-year operations and maintenance agreement ("**OMA**") with Ørsted until 2038. The long-term OMA provides BKR2 with a largely fixed operational cost base.

³ The combined book value and net asset value of the SPVCo and the Target are not available as the accounts of the SPVCo and the Target have not been prepared on a consolidated and equity method basis.

⁴ The statements made in this section in relation to the Target are made as of the date of this announcement.

These together provide significant cost certainty and cash flow visibility, further de-risking the asset. As the 50% shareholder of BKR2, Ørsted will continue to operate BKR2 with strong alignment of interest.

- BKR2 has a remaining useful life span of 31 years until 2053⁵.

3.3. Strong operating partner with a proven track record

KIT, through the BKR2 Acquisition, is partnering with Ørsted, the leading player in the offshore wind industry globally with over 30 years of experience. It is one of the largest utilities player globally and operates 28 offshore wind farms, including the world's first large-scale offshore wind farm in Denmark and the world's largest operational offshore wind farm in the United Kingdom.

With an established track record in the development and operation of offshore wind farms, Ørsted has four operational wind farms (including the BKR2 Wind Farm) and is constructing two wind farms, in this particular location of the North Sea alone, amounting to a combined power generation capacity of 2,512 MW. Located within Ørsted's offshore wind farm cluster in the North Sea, the BKR2 Wind Farm also stands to benefit from operational efficiencies.

3.4. Attractive returns and Distributable Income Per Unit accretive for Unitholders

Based on the assumed method of financing and the *pro forma* financial effects of the BKR2 Acquisition on the Distributable Income per Unit ("DIPU") for the financial year ended 31 December 2021, the BKR2 Acquisition is expected to support overall DIPU accretion for the interest of Unitholders. Please refer to paragraph 7 of this announcement for the financial effects of the BKR2 Acquisition.

3.5. Enhances resiliency of KIT's portfolio

In addition to the proposed investment in the European onshore wind platform announced on 13 July 2022, the investment in BKR2 will be KIT's second acquisition in Europe, and first investment in an offshore wind farm. The BKR2 Acquisition will enhance KIT's income diversification in terms of geography and asset classes, as well as provide greater income stability in the long term. Upon Completion, KIT's assets under management will grow from SGD4.7 billion as at 30 June 2022 to approximately SGD5.0 billion. Including the investment in Wind Fund and the EMKH Acquisition (each as defined in paragraph 6.2(a) and (b) respectively), KIT's assets under management will grow to approximately SGD6.1 billion.

⁵ Assuming the successful extension of the initial 25-year offshore permit.

The BKR2 Acquisition is also in line with the KIT Trustee-Manager's investment and business strategy of acquiring and investing in good quality core and core plus infrastructure businesses and assets that generate long-term stable cash flows with potential for growth.

3.6. Supports KIT's environmental targets

The BKR2 Acquisition is in line with KIT's focus on and commitment to sustainability and the transition towards a low-carbon future. In addition to the proposed investment in the European onshore wind platform announced on 13 July 2022, the BKR2 Acquisition will increase KIT's exposure to renewable energy assets from 4% to 11% of its assets under management ("**AUM**") and almost triple KIT's renewable energy portfolio from 258 MW to 723 MW, supporting KIT's long term commitment to increase exposure to renewable energy assets by up to 25% of equity-adjusted AUM by 2030.

4. THE BKR2 ACQUISITION

4.1. Structure

In connection with the BKR2 Acquisition, it is intended that KIT will acquire an indirect 20.5% stake in the Target through the JVCo as follows:

- KIT will directly own 82% of the shares in the JVCo. The remaining shares in the JVCo will be held by KRI.
- As part of the BKR2 Acquisition, the JVCo will acquire 50.01% of the shares in the SPVCo (the "**Sale Shares**"), together with certain shareholder loans owing by the SPVCo to the Seller (the "**Shareholder Loan Receivables**").
- The SPVCo in turn holds 50% of the partnership interests in the Target.

Please refer to the Annex for a diagram of the structure of the BKR2 Acquisition. The JVCo has entered into the SPA and related documentation in relation to the BKR2 Acquisition of the Sale Shares and the Shareholder Loan Receivables.

4.2. Consideration

The aggregate consideration for the Sale Shares and the Shareholder Loan Receivables under the BKR2 Acquisition (the "**Total Purchase Consideration**") is EUR305.0 million (approximately SGD445.3 million), subject to any adjustments at Completion. The Total Purchase Consideration will be payable by the JVCo in cash on the date of Completion (subject to any adjustments at Completion). The portion that is payable by

KIT shall be in accordance with its shareholding proportion in the JVCo as at the date of Completion which is 82%. Accordingly, the estimated aggregate amount payable by KIT is EUR250.1 million (approximately SGD365.1 million) (the "**Estimated KIT Purchase Consideration**"), subject to any adjustments at Completion, which KIT will fund by way of capital contributions to the JVCo. KRI will also fund its *pro rata* portion of the Total Purchase Consideration by way of capital contributions to the JVCo.

The Total Purchase Consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations, taking into consideration, among others, the rationale for and benefits of the BKR2 Acquisition as set out in paragraph 3.

4.3. Conditions to Completion

Completion is conditional on, *inter alia*, the receipt of certain regulatory approvals.

4.4. Terms

Under the SPA, the JVCo is required to, prior to or on Completion:

- (a) provide a replacement bank guarantee, issued for the benefit of Ørsted, for the guaranteed amount of EUR17,455,089 (approximately SGD25.5 million) (the "**Guaranteed Amount**") covering the JVCo's *pro rata* share of the SPVCo's obligation to counter-indemnify Ørsted for payments under a cost counter guarantee provided by Ørsted in relation to decommissioning costs for the BKR2 Wind Farm; and
- (b) partially replace the letters of credit ("**Letters of Credit**"), which were provided by the Seller in connection with the SPVCo's issuance of senior notes to finance its obligation to fund the construction, operation and maintenance of the BKR2 Wind Farm, *pro rata* to its shareholding interest in the SPVCo by means of issuance of replacement letters of credit (the "**Replacement Letters of Credit**").

In addition, the SPA contains customary provisions relating to the BKR2 Acquisition, including representations and warranties and pre-Completion covenants regarding SPVCo and the Target, limitations of the Seller's liabilities and other commercial terms.

5. KIT CAPITAL COMMITMENT

KIT's commitment to contribute capital to the JVCo, taking into account its shareholding in the JVCo, is EUR255.8 million (approximately SGD373.5 million), including for transaction costs incurred in connection with BKR2 Acquisition.

In connection with the BKR2 Acquisition:

- (a) each of KIT and Kepventure Pte Ltd (a wholly-owned subsidiary of KCL) shall provide a guarantee to the Seller to secure the JVCo's payment obligations under the SPA, in each case *pro rata* to KIT's and KRI's shareholding interests in the JVCo respectively; and
- (b) each of KIT and KRI shall, upon request by the JVCo, provide a bank guarantee to Ørsted covering such proportion of the Guaranteed Amount and a Replacement Letter of Credit covering such proportion of the amount covered by the Letters of Credit, in each case *pro rata* to their respective shareholding interests in the JVCo.

6. METHOD OF FINANCING AND POTENTIAL EQUITY FUND RAISING

6.1. Estimated KIT Purchase Consideration

The KIT Trustee-Manager intends to fund the Estimated KIT Purchase Consideration with a combination of internal sources of funds, equity and/or debt capital market issuances and/or external borrowings.

6.2. Potential Equity Fund Raising

The KIT Trustee-Manager refers to its announcements dated:

- (a) 13 July 2022, relating to the investment in a joint investment vehicle, Wind Fund I AS ("**Wind Fund**"), by Windy EU Holdings Pte. Ltd. ("**WEH**"), a joint venture company established by KIT together with KRI. Wind Fund will initially hold a 49% interest in each of three operating onshore wind farms (the "**Wind Fund Initial Portfolio**") in Sweden and Norway with a combined generating capacity of 258 MW, and have a five-year exclusive right and obligation to further co-invest 49% in a pipeline of onshore wind projects across Sweden and the United Kingdom with Fred. Olsen Renewables AS, up to Wind Fund's capital commitment of EUR480 million (approximately SGD700.8 million). KIT's total commitment in respect of such investments in Wind Fund, taking into account its shareholding of 82% in WEH, is approximately EUR131.2 million (approximately SGD191.6 million) ("**KIT Investment Commitment Amount in Wind Fund**"), of which approximately EUR48.1 million (approximately SGD70.2 million) will be used to fund the Wind Fund Initial Portfolio; and
- (b) 8 August 2022, relating to the entry by KIT, Keppel Infrastructure Holdings Pte. Ltd. ("**KIHPL**") and Keppel Asia Infrastructure Fund LP (together with a co-

investor, "**KAIF**") (acting through their respective subsidiaries, where applicable) into a sale and purchase agreement on 5 August 2022 (the "**EMKH SPA**") with Kabod Co., Ltd. for the acquisition (the "**EMKH Acquisition**") of all issued and outstanding shares of common stock of Eco Management Korea Holdings Co., Ltd. ("**EMKH**"). KIT, KIHPL and KAIF propose to establish, and assign their rights under the EMKH SPA, to a joint venture company (the "**EMKH Acquisition JVCo**"), which will be held by KIT, KIHPL and KAIF in the proportions 52%, 18% and 30% respectively. The purchase consideration for the EMKH Acquisition is estimated at KRW626.1 billion (approximately SGD666.1 million⁶), subject to certain post-completion adjustments, payable by KIT, KIHPL and KAIF in accordance with their respective shareholding proportion in the EMKH Acquisition JVCo. Accordingly, KIT will pay an estimated KRW325.6 billion (approximately SGD346.4 million) of the purchase consideration (part of which will be funded by debt facilities taken up by the EMKH Acquisition JVCo), being 52% of the purchase consideration for the EMKH Acquisition,

(together with the BKR2 Acquisition mentioned in paragraph 1 above, the "**Acquisitions**").

The estimated total commitment amount (which, in relation to the investment in Wind Fund, only includes the commitment amount relating to the Wind Fund Initial Portfolio) and costs relating to the Acquisitions (excluding estimated costs in connection with the proposed Equity Fund Raising (as defined below)) payable by KIT will be approximately SGD727.9 million (the "**Total Acquisition Cost**"). As set out in the KIT Trustee-Manager's announcements relating to the Acquisitions, the KIT Trustee-Manager intends to fund the Total Acquisition Cost with a combination of internal sources of funds, equity and/or debt capital market issuances and/or external borrowings, as the KIT Trustee-Manager may determine at the appropriate time. The final decision regarding the funding mix and the proportion of debt and equity to be employed to fund the Total Acquisition Cost will be made by the KIT Trustee-Manager at the appropriate time taking into account the then prevailing market conditions, interest rate environment and availability of funding options.

Accordingly, the KIT Trustee-Manager is proposing to undertake an Equity Fund Raising of new units in KIT (units in KIT, "**Units**", and such new Units, "**New Units**"), the proceeds of which shall be utilised towards partial payment of the Total Acquisition Cost (including the full or partial repayment of any debt facilities taken out to initially finance the Total Acquisition Cost).

⁶ Unless otherwise stated, an illustrative exchange rate of SGD1:KRW940 is used for all conversions into Singapore Dollar amounts in this announcement.

6.3. Structure and Timing of Potential Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined. If and when the KIT Trustee-Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the KIT Trustee-Manager's discretion, comprise either:

- (a) a private placement of New Units to institutional and other investors (the "**Placement**"); or
- (b) the Placement and a non-renounceable preferential offering of New Units to eligible Unitholders on a *pro rata* basis (the "**Preferential Offering**"),

as the KIT Trustee-Manager deems appropriate in the circumstances and having considered the then prevailing market conditions (the "**Equity Fund Raising**").

The issue price at which the New Units will be offered and issued pursuant to the Equity Fund Raising will be determined closer to the date of the launch of the Equity Fund Raising, and will comply with Rules 811(1)⁷ and 811(5)⁸ and, as the case may be, Rule 816(2)⁹ of the Listing Manual. In the event the Equity Fund Raising comprises the Placement and the Preferential Offering, New Units may be offered at different issue prices under the Placement and the Preferential Offering.

6.4. Additional Listing Application and Unitholders' Approval for the New Units

The KIT Trustee-Manager intends to submit an additional listing application (the "**Listing Application**") to the SGX-ST for the listing and quotation of up to 758,763,838 New Units (representing approximately 15.2% of the existing number of

⁷ Rule 811(1) of the Listing Manual: An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full Market Day, the weighted average price must be based on the trades done on the preceding Market Day up to the time the placement agreement is signed.

⁸ Rule 811(5) of the Listing Manual: In the case of REITs and business trusts, for the purpose of Rule 811, the discount or premium of the issue price may be computed with reference to the weighted average price excluding declared distributions for trades done for the underlying units on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed, provided that the placees are not entitled to the declared distributions.

⁹ Rule 816(2) of the Listing Manual:

- (a) An issuer can undertake non-renounceable rights issues:

- (i) subject to specific shareholders' approval; or
- (ii) in reliance on the general mandate to issue rights shares in a non-renounceable rights issue if the rights shares are priced at not more than 10% discount to the weighted average price for trades done on the SGX-ST for the full Market Day on which the rights issue is announced. If trading in the issuer's shares is not available for a full Market Day, the weighted average price must be based on the trades done on the preceding market day up to the time the rights issue is announced.

- (b) The non-renounceable rights issue must comply with Part V of Chapter 8 except Rule 816(1).

issued Units as at the date of this announcement) to be issued pursuant to the proposed Equity Fund Raising.

Accordingly, the KIT Trustee-Manager intends to also seek Unitholders' approval at an extraordinary general meeting ("EGM") for, among others, the issuance of up to 758,763,838 New Units pursuant to the Equity Fund Raising. Details of the proposed EGM will be set out in a circular to be issued by the KIT Trustee-Manager to Unitholders in due course.

Unitholders should note that such maximum number of 758,763,838 New Units for purposes of the Listing Application is purely illustrative and is intended to represent a higher number than the actual number of New Units that may be issued pursuant to the Equity Fund Raising (if any), in order to provide a buffer against fluctuations in the market price of the Units and/or market conditions. The actual number of New Units to be issued pursuant to the Equity Fund Raising will depend on, among others, (a) the final structure of the Equity Fund Raising and (b) the issue price at which such New Units will be offered, each as to be determined closer to the date of the launch of the Equity Fund Raising, as described in paragraph 6.3 above.

6.5. Use of Proceeds from the Equity Fund Raising

In the event the proposed Equity Fund Raising is undertaken, the KIT Trustee-Manager intends to utilise the net proceeds of up to SGD404.8 million¹⁰ from the proposed Equity Fund Raising to partially finance the Total Acquisition Cost of SGD727.9 million (including the full or partial repayment of any debt facilities taken out to initially finance the Total Acquisition Cost).

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but any or all of the Acquisitions do not proceed for whatever reason, the KIT Trustee-Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes,

¹⁰ Based on the estimated gross proceeds amount of up to SGD411.3 million and net of the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by KIT for the Equity Fund Raising.

For the avoidance of doubt, SGD411.3 million is the maximum amount of gross proceeds that may be raised through the Equity Fund Raising, calculated based on the maximum number of 758,763,838 New Units for purposes of the Listing Application and an illustrative issue price of SGD0.542 per New Unit (the "**Illustrative Issue Price**"). Please refer to paragraph 6.4 of the announcement in respect of the Listing Application. Unitholders should also note that the Illustrative Issue Price is purely illustrative and the actual New Units to be issued pursuant to the Equity Fund Raising (if any) may be issued at a price lower, equal to, or higher than the Illustrative Issue Price.

Please refer to paragraph 7 below of this announcement for the *pro forma* financial effects of the Acquisitions and the Aramco Gas Acquisition (as defined below) based on an assumption of gross proceeds of SGD272.3 million to be raised pursuant to the Equity Fund Raising.

including without limitation, the repayment of existing indebtedness, for funding capital expenditures and other general working capital purposes.

The KIT Trustee-Manager will make periodic announcements on the utilisation of the gross proceeds of the Equity Fund Raising via SGXNet as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated.

7. FINANCIAL EFFECTS

7.1. Assumptions

FOR ILLUSTRATIVE PURPOSES ONLY: The intended method of financing of the Total Acquisition Cost (including the Estimated KIT Purchase Consideration) is with an optimum combination of internal sources of funds, proceeds from equity and/or debt capital market issuances and/or external borrowings. The *pro forma* financial effects of the Acquisitions and the acquisition of Aramco Gas Pipelines Company ("**Aramco Gas**")¹¹ presented below are strictly for illustration purposes and, because of its nature, may not give a true picture of (i) what the net asset value ("**NAV**") per Unit and net gearing of KIT and its subsidiaries (the "**Group**") would have been if the Acquisitions and the Aramco Gas Acquisition had been completed as at 31 December 2021; (ii) what the Distributable Income per Unit ("**DIPU**") and funds from operations¹² ("**FFO**") of the Group for the financial year ended 31 December 2021 ("**FY2021**") would have been if the Acquisitions and the Aramco Gas Acquisition had been completed with effect from 1 January 2021; and (iii) the actual method and combination of financing to be utilised. The *pro forma* financial effects in paragraphs 7.2, 7.3, 7.4 and 7.5 have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2021 (being the latest audited

¹¹ As set out in the KIT Trustee-Manager's announcement dated 8 February 2022, the KIT Trustee-Manager, acting in its capacity as trustee-manager of KIT, invested in a limited partnership (the "**Investment SPV**") for the purposes of acquiring an indirect minority and non-controlling interest in Aramco Gas. In this regard, certain investors had formed a special purpose vehicle which entered into a conditional share sale and purchase agreement with Saudi Arabian Oil Company for the purchase of 49% of the share capital of Aramco Gas (the "**Aramco Gas Acquisition**") for a consideration of USD15.5 billion. As at the date of the above announcement, the portion of the consideration payable by KIT for the Aramco Gas Pipelines Acquisition, in accordance with its indirect shareholding interests in Aramco Gas held through the Investment SPV as at the date of completion of the Aramco Gas Acquisition, is USD250 million (SGD337.5 million) (the "**KIT Aramco Gas Consideration**").

The Aramco Gas Acquisition was completed on 23 February 2022, as set out in the KIT Trustee-Manager's announcement dated 24 February 2022. The *pro forma* financial effects of the Aramco Gas Acquisition have been presented below in this announcement to provide Unitholders with a full and fair comparison of the *pro forma* financial effects of the Aramco Gas Acquisition, in addition to the Acquisitions.

¹² "**FFO**" is computed based on profit after tax adjusted for reduction in concession or lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interest adjustments.

financial statements of the Group) (the "**Audited FY2021 Financial Statements**"), and takes into account estimated transaction expenses and:

(a) assumes that in relation to the BKR2 Acquisition, that the Estimated KIT Purchase Consideration is funded by:

- (i) existing free cash of SGD169.0 million; and
- (ii) the remainder of SGD214.7 million with debt facilities,

including paying the estimated professional and other fees and expenses incurred or to be incurred by KIT in connection with the BKR2 Acquisition;

(b) in relation to the BKR2 Acquisition, includes adjustments to the FY2021 revenue of the Target based on historical gross production for the financial year ended 31 December 2020 and the 6-month period ending June 2022 with the implied average sale price in the financial year ended 31 December 2021. The adjustments have been made to reflect a normalised production basis for FY2021 because in FY2021, all wind farms in Europe were affected by a wind drought that occurred in the summer and early autumn. The wind drought resulted in Europe experiencing the lowest wind speed in 60 years and consequently, lower gross production by all wind farms in Europe;

(c) assumes that in relation to the Acquisitions, the Total Acquisition Cost of SGD727.9 million is funded by:

- (i) debt facilities of SGD291.1 million (representing an illustrative 40% of the Total Acquisition Cost);
- (ii) existing free cash of SGD169.0 million; and
- (iii) gross proceeds of approximately SGD272.3 million raised from the issue of approximately 502.3 million Units at the Illustrative Issue Price pursuant to the proposed Equity Fund Raising (representing the remainder of the Total Acquisition Cost after subtracting debt funding of SGD291.1 million and the existing free cash of SGD169.0 million, and adding the estimated costs in connection with the proposed Equity Fund Raising (based on the *pro forma* size of the Equity Fund Raising)),

including paying the estimated professional and other fees and expenses incurred or to be incurred by KIT in connection with the Acquisitions;

(d) assumes that in relation to the Aramco Gas Acquisition, the KIT Aramco Gas Consideration and related transaction costs are funded by debt facilities of SGD366.7 million; and

- (e) in relation to the Aramco Gas Acquisition, the FFO and DIPU for FY2021 are based on annualised distributions receivable in connection with KIT's interest in Aramco Gas for the period from 23 February 2022 (being the date of completion of the Aramco Gas Acquisition) to 31 March 2022, adjusting for reserves for tax, debt servicing expenses and other expenses.

7.2. Pro Forma Funds from Operation

The table below sets out the *pro forma* financial effects of the Acquisition(s) and the Aramco Gas Acquisition on KIT's FFO for the financial year ended 31 December 2021, as if the Acquisition(s) and the Aramco Gas Acquisition (as the case may be) were completed on 1 January 2021, and KIT indirectly held the interests acquired pursuant to the Acquisition(s) and Aramco Gas Acquisition (as the case may be) through to 31 December 2021:

	Actual	Adjusted for the BKR2 Acquisition ⁽¹⁾	% Change	Adjusted for the Acquisitions ⁽²⁾	% Change	Adjusted for the Acquisitions ⁽²⁾ and Aramco Gas Acquisition ⁽³⁾	% Change
FFO (SGD million)	198.8 ¹³	255.9	28.7%	270.8	36.2%	287.5	44.6%

Notes:

- (1) Assuming the Estimated KIT Purchase Consideration is fully funded by existing cash and external debt.
- (2) Assuming the Acquisitions are funded applying the following funding sequence: (i) 40% debt funding; (ii) existing free cash; then (iii) remaining balance by equity funding.
- (3) Assuming the KIT Aramco Gas Consideration and related transaction costs are fully funded by debt.

7.3. Pro Forma Distributable Income per Unit¹⁴

The table below sets out the pro forma financial effects of the Acquisition(s) and the Aramco Gas Acquisition on KIT's DIPU for the financial year ended 31 December 2021, as if the Acquisition(s) and the Aramco Gas Acquisition (as the case may be) were completed on 1 January 2021, and KIT indirectly held the interests acquired pursuant to the Acquisition(s) and the Aramco Gas Acquisition (as the case may be) through to 31 December 2021:

¹³ Excludes the FFO contribution from Basslink, which is in voluntary administration.

¹⁴ Rule 1010(9) of the Listing Manual requires that the issuer disclose the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year. The effect of the BKR2 Acquisition on the distributable income per Unit is used instead as it is a more appropriate measure for a business trust.

	Actual	Adjusted for the BK2 Acquisition ⁽¹⁾	% Change	Adjusted for the Acquisitions ⁽²⁾	% Change	Adjusted for the Acquisitions ⁽²⁾ and Aramco Gas Acquisition ⁽³⁾	% Change
Distributable income per Unit (SG cents) ¹⁵	3.85	4.01	4.2%	3.91	1.6%	4.22	9.6%

Notes:

- (1) Assuming the Estimated KIT Purchase Consideration is fully funded by existing cash and external debt.
- (2) Assuming the Acquisitions are funded applying the following funding sequence: (i) 40% debt funding; (ii) existing free cash; then (iii) remaining balance by equity funding.
- (3) Assuming the KIT Aramco Gas Consideration and related transaction costs are fully funded by debt.

7.4. Pro Forma NAV

The table below sets out the pro forma financial effects of the Acquisition(s) and the Aramco Gas Acquisition on the NAV per Unit as at 31 December 2021, as if the Acquisition(s) and the Aramco Gas Acquisition (as the case may be) were completed on 31 December 2021:

	Actual	Adjusted for the BKR2 Acquisition ⁽¹⁾	% Change	Adjusted for the Acquisitions ⁽²⁾⁽³⁾	% Change	Adjusted for the Acquisitions ⁽²⁾⁽³⁾ and Aramco Gas Acquisition ⁽⁴⁾	% Change
NAV per Unit (SG cents) ¹⁵	22.3	22.3	-	24.8	11.2%	24.3	9.0%

Notes:

- (1) Assuming the Estimated KIT Purchase Consideration is fully funded by existing cash and external debt.
- (2) Assuming the Acquisitions are funded applying the following funding sequence: (i) 40% debt funding; (ii) existing free cash; then (iii) remaining balance by equity funding.
- (3) Assuming KIT Investment Commitment Amount in Wind Fund less the commitment amount relating to the Wind Fund Initial Portfolio is funded by external debt.
- (4) Assuming the KIT Aramco Gas Consideration and related transaction costs are fully funded by debt.

¹⁵ Excludes Basslink, which is in voluntary administration.

7.5. Pro Forma Net Gearing¹⁶

The table below sets out the pro forma financial effects of the Acquisition(s) and the Aramco Gas Acquisition on the net gearing of the Group for the financial year ended 31 December 2021, as if the Acquisition(s) and the Aramco Gas Acquisition (as the case may be) were completed on 31 December 2021:

	Actual	Adjusted for the BKR2 Acquisition ⁽¹⁾	% Change	Adjusted for the Acquisitions ^{(2) (3)}	% Change	Adjusted for the Acquisitions ^{(2) (3)} and Aramco Gas Acquisition ⁽⁴⁾	% Change
Net Gearing (%)	20.3	27.0	33.0%	31.3	54.2%	36.8	81.3%

Notes:

- (1) Assuming the Estimated KIT Purchase Consideration is fully funded by existing cash and external debt.
- (2) Assuming the Acquisitions are funded applying the following funding sequence: (i) 40% debt funding; (ii) existing free cash; then (iii) remaining balance by equity funding.
- (3) Assuming the KIT Investment Commitment Amount in Wind Fund less the commitment amount relating to the Wind Fund Initial Portfolio is funded by external debt.
- (4) Assuming the KIT Aramco Gas Consideration and related transaction costs are fully funded by debt.

8. INTERESTED PERSON TRANSACTION

8.1. Application of the Rules relating to Interested Person Transactions under the Listing Manual

Pursuant to Chapter 9 of the Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than SGD100,000, with the same interested person during the same financial year) is equal to or more than 3% of the Group's latest audited consolidated net tangible assets ("NTA"), an immediate announcement of the transaction must be made, and if the value is equal to or exceeds 5% of the Group's latest audited consolidated NTA, unitholders' approval must be obtained.

8.2. The Joint Venture

¹⁶ Net gearing means net debt of the Group divided by the total assets of the Group.

Based on the latest audited financial statements of KIT for the financial year ended 31 December 2021, the latest audited consolidated NTA of KIT is SGD827.0 million as at 31 December 2021.

In respect of the Joint Venture:

- (a) KIT is the "entity at risk" for the purposes of Chapter 9 of the Listing Manual; and
- (b) KRI is the "interested person" for the purposes of Chapter 9 of the Listing Manual, by virtue of KRI being a wholly-owned subsidiary of KCL, which is a "controlling unitholder" of KIT with a deemed interest in approximately 18.21% of the total number of Units in issue. By virtue of the foregoing, KCL is also regarded as an "interested person" for the purposes of Chapter 9 of the Listing Manual.

Accordingly, the Joint Venture would constitute an "interested person transaction" under the Listing Manual, the value of which is more than 5% of the latest audited consolidated NTA of the Group, when aggregated with other transactions entered into with the same interested person during the same financial year.

8.3. Exception under Rule 916(2) of the Listing Manual

Under Rule 916(2) of the Listing Manual, compliance with Rule 906 and approval of the Unitholders are not required for entering into the Joint Venture because the following conditions are satisfied:

- (a) the risks and rewards to KIT and KRI are in proportion to their equity in the JVCo;
- (b) the Audit and Risk Committee of the KIT Trustee-Manager has confirmed that it is of the view that the risks and rewards of the Joint Venture is in proportion to the equity of KIT and KRI, and the terms of the Joint Venture are not prejudicial to the interests of KIT and its minority Unitholders; and
- (c) KRI does not have an existing equity interest in the JVCo prior to KIT becoming a shareholder in the JVCo.

8.4. Aggregate Value of Interested Person Transactions¹⁷

¹⁷ Based on management information to be reviewed by KIT's internal auditor and the Audit and Risk Committee pursuant to renewal of KIT Unitholders' Mandate for Interested Person Transactions approved by Unitholders on 19 April 2022.

- (a) The aggregate value of all interested person transactions between KIT and KCL and its subsidiaries (including KRI) and associates for the current financial year ending 31 December 2022 as at 31 July 2022 is approximately SGD631.5 million; and
- (b) The aggregate value of all interested person transactions of KIT and its entities at risk for the current financial year ending 31 December 2022 as at 31 July 2022 is approximately SGD909.6 million.

9. OTHER INFORMATION

9.1. Directors' Service Contracts

No person is proposed to be appointed as a director of the KIT Trustee-Manager in connection with the BKR2 Acquisition or any other transactions contemplated in relation to the BKR2 Acquisition.

9.2. Interests of Directors and Controlling Unitholders

As at the date of this announcement and to the best of the KIT Trustee-Manager's knowledge, based on information available to the KIT Trustee-Manager as at the date of this announcement, save for the unitholding interests in KIT held by certain directors of the KIT Trustee-Manager and by the controlling Unitholders and as disclosed in this announcement, none of the directors of the KIT Trustee-Manager or the controlling Unitholders has an interest, direct or indirect, in the BKR2 Acquisition.

9.3. Disclosure under Rule 1006 of the Listing Manual

The relative figures¹⁸ for the BKR2 Acquisition under Rule 1006(b) and Rule 1006(c) of the Listing Manual are as follows:

	BKR2 Acquisition (SGD million)	Group (SGD million)	Percentage (%)
<u>Rule 1006(b)</u>	34.5	92.5	37.3%

¹⁸ (a) In relation to the relative figure in Rule 1006(b) of the Listing Manual, SGX-ST has ruled that KIT is permitted to use FFO as the base for the calculation, on the basis of KIT's submissions that FFO of the Group is more reflective (than net profits) of the underlying business performance of the Group.

(b) The relative figure under Rule 1006(d) of the Listing Manual in relation to the number of Units issued by KIT as consideration for the BKR2 Acquisition, compared with the number of Units previously in issue, is not applicable to the BKR2 Acquisition as the KIT Purchase Consideration will be paid entirely in cash.

FFO attributable to the Target compared with the FFO of the Group, in each case, for the six-month period ended 30 June 2022			
<u>Rule 1006(c)</u> Estimated KIT Purchase Consideration compared with KIT's market capitalisation as at 10 August 2022	365.1	2,870.3	12.7%

9.4. Document for Inspection

Copies of the SPA are available for inspection during normal business hours at the registered office of the KIT Trustee-Manager (prior appointment with the KIT Trustee-Manager will be required) at 1 Harbour Front Avenue, #18-01 Keppel Bay Tower, Singapore 098632 from the date of this announcement up to and including the date falling three months from the date of this announcement.

BY ORDER OF THE BOARD
KEPPEL INFRASTRUCTURE FUND MANAGEMENT PTE. LTD.
(Company Registration Number: 200803959H)
As Trustee-Manager of Keppel Infrastructure Trust

Tan Wei Ming, Darren
Company Secretary
12 August 2022

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 KIT 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 KIT 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. 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, shifts in expected levels of occupancy rate, property rental income, charge out collections, 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 KIT Trustee-Manager's current view on future events.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units in the United States. This Announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Units referred to herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "**US Securities Act**"), or the securities laws of any state of the United States or other jurisdiction, and the Units may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the US Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

ANNEX TRANSACTION STRUCTURE

