



# Proposed Investment in a Solar Portfolio in Germany

21 December 2023

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# Deepen renewables exposure with first solar portfolio investment

Attractive portfolio backed by 20-year lease contracts with German households

- To acquire a 45% stake in a German solar portfolio comprising > 60,000 bundled solar photovoltaic (PV) systems, including > 55,000 battery storage systems and > 30,000 EV charging equipment, backed by 20-year contracts
- Jointly acquiring with Equitix, a global infrastructure developer and fund manager, and their co-investors
- Monitoring and maintenance of assets within the portfolio will continue to be handled by Enpal



Assets under Management

**\$8.4b**

Up by 15.1% from  
\$7.3b in FY 2022



Renewables Exposure

**1.3GW**

Up from 740MW<sup>1</sup>



Accretive investment

**2.0%<sup>2</sup>**

Based on 3.82 cents proforma  
for FY 2022



Carbon emissions avoidance

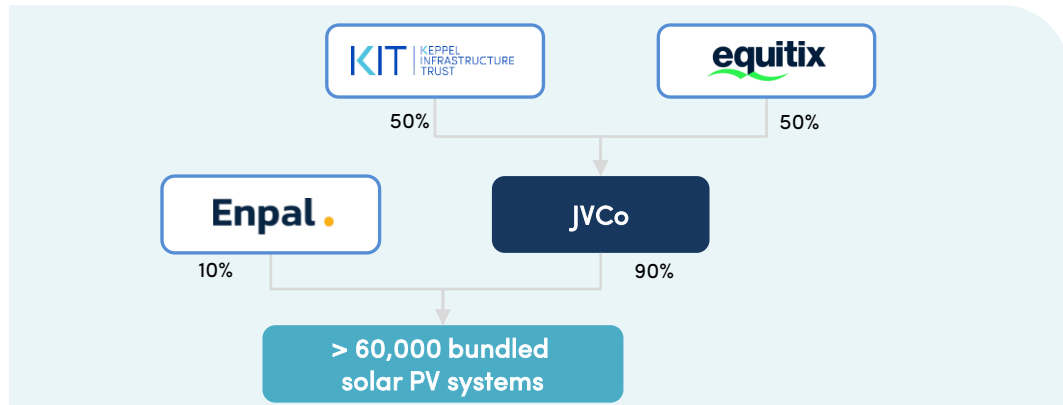
**115k tonnes<sup>3</sup>**

per annum

1. Includes the proposed investment in Fäbodliden II which is expected to be completed in 4Q 2023.  
2. Based on the first closing of 53,500 systems which is expected in end-2023.  
3. Based on conversion factor of 349 gCO<sub>2</sub>/KWh per IEA emissions factors.

# Key terms of proposed investment

Opportunity to invest in the competitive solar energy segment



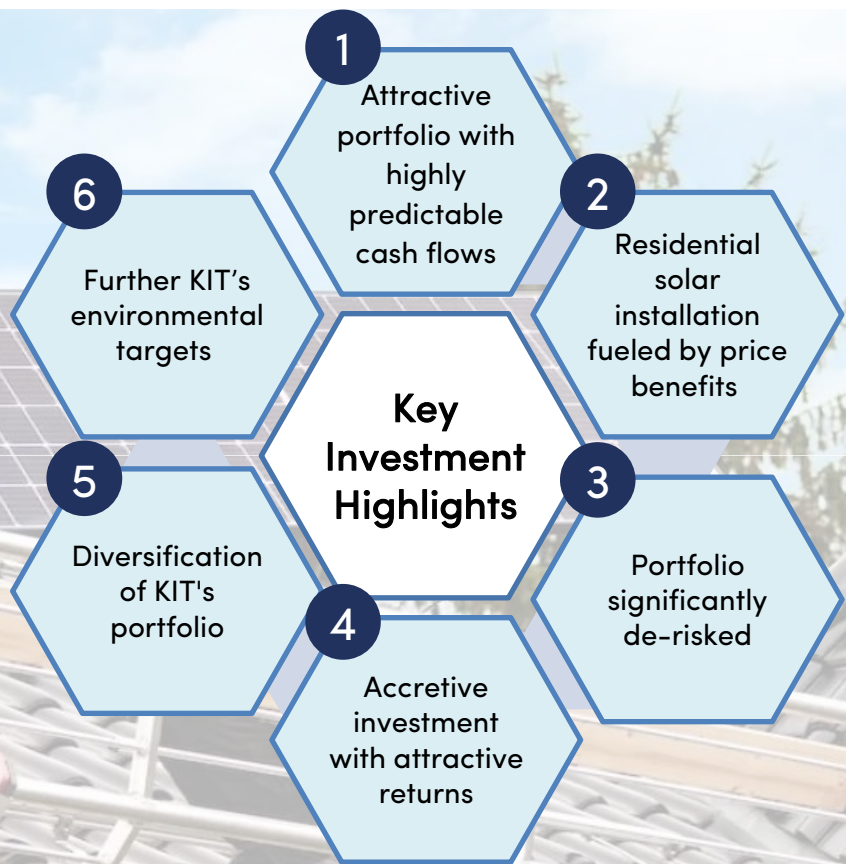
## Key Terms

|  |   |
|--|---|
| <b>Seller</b>                          | Enpal GmbH, the largest provider of solar solutions to residential homes in Germany |
| <b>Purchase Consideration</b>          | €109m (S\$159m) <sup>1</sup>  |
| <b>Enterprise Value</b>                | €733m (S\$1.1b) <sup>1</sup>  |
| <b>Proposed Funding</b>                | Internal sources of funds and/or external borrowings                                |
| <b>Expected Completion<sup>2</sup></b> | First 53,500 systems: End-2023<br>Remaining 6,500 systems: By end-Jun 2024          |

1. Based on EUR/SGD of 1.465. Purchase consideration exclude acquisition and transaction costs.

2. To be completed in four phases: First close of 53,500 systems in end-2023; second close of 2,100 systems in 1Q 2024; third close of 4,400 systems in 2Q 2024; where applicable, the fourth closing shall take place as an adjustment to meet the guaranteed internal rate of return by end-Jun 2024.

# Key investment highlights



1

# Attractive portfolio with highly predictable cash flows

20-year lease contracts with German households providing fixed monthly rental fees



## > 19.2 years

Weighted Average Contract Expiry  
based on number of systems as of Dec 2023



**Long-term lease agreements:** Revenues backed by 20-year<sup>1</sup> contracts, providing strong cash flow visibility



**Supported by strong regulatory framework** in Germany and robust contracts with strict customer selection criteria



**Enpal, continues to be responsible for operations and maintenance** as well as ongoing services e.g. purchasing and monitoring

1. Solar lease agreements with households are entered into for a fixed 20-year contract.

## Strong and reputable partners

**Enpal.**

One of the fastest growing energy company in Germany

> 200

Local craftsmen teams

> 60,000

Customers in Germany

**equitix**

A global infrastructure investor, developer and fund manager

> £300m

Solar PV  
investments deployed

> £10.5b

Assets under  
management

## Residential solar installation fueled by price benefits

Further supported by Germany's climate protection goals

Highly beneficial for homeowners  
to lease solar PV systems

- Save on electricity bills
- Earn additional income on electricity sold



Customers avoid

~€120

For an average household, based on  
~€0.41/kWh in monthly electricity bills<sup>1</sup>



Customers earn

~€0.082/kWh

for any excess electricity generated and fed  
into the grid, based on a locked-in FiT<sup>2</sup>

Supported by Germany's  
climate protection goals

- Germany to replace nuclear and fossil fuels with renewable energy to achieve carbon neutrality by 2045
- Germany to increase total solar PV capacity to 215GW by 2030 and 400GW by 2040

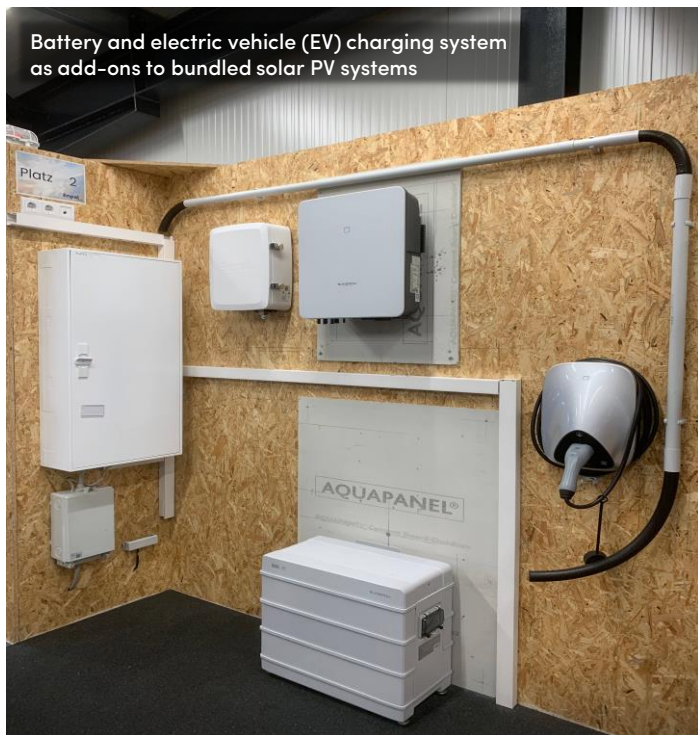


1. Average household electricity prices in 1H 2023 excluding the Electricity Price Brake, based on an annual electricity consumption of 3,500kWh.  
2. Feed-in-Tariff (FiT) as of Nov 2023 for small-scale solar roof top installations.

3

## Portfolio significantly de-risked

Supported by a diversified portfolio across Germany



### No refinancing and interest rate risks

Loans locked in at attractive rates

### No merchant risk

Portfolio not exposed to energy price fluctuations; revenue not linked to energy generation

### Low historical default rate

Option to sell generated electricity to the grid in the event of a customer default

### Quality equipment

Equipment supplied by Tier 1 manufacturers, supported by long-term warranties

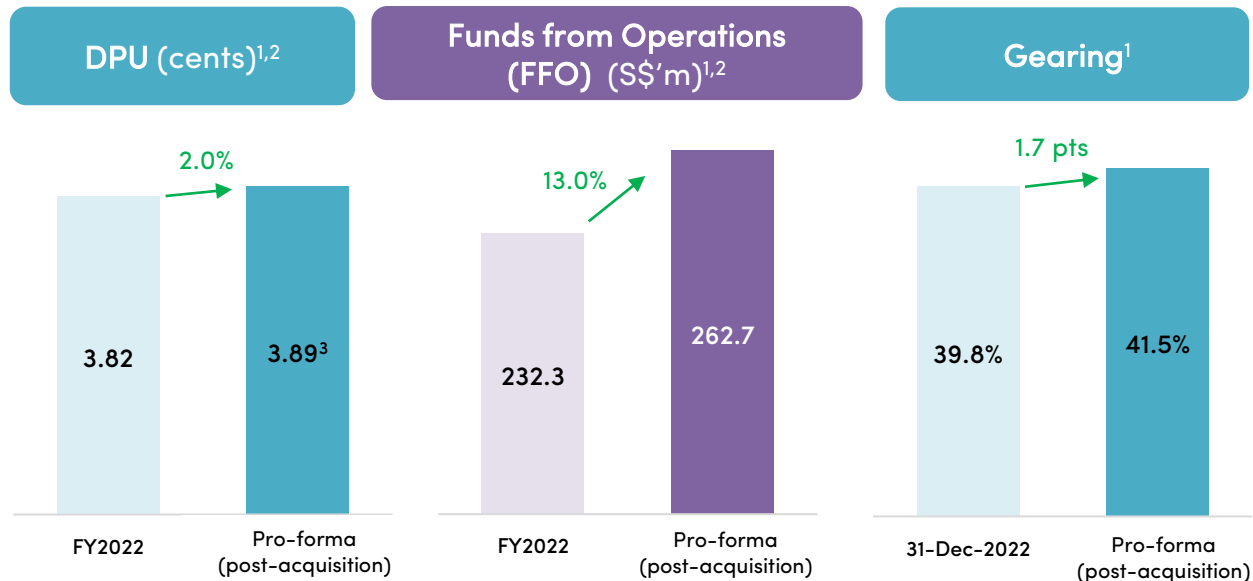


# Accretive investment with attractive returns

## Support DPU-accretion to Unitholders



- DPU and FFO boost with proposed investment:



1. Pro-forma figures assume the estimated transaction expenses and purchase consideration are fully funded by internal sources of funds and/or debt facilities.

2. Based on the first closing of 53,500 systems which is expected in end-2023. Please refer to sections 6.2 and 6.3 in the related SGX announcement for more details.

3. Assumed cash distribution received from the investment, net of corporate expenses, is fully distributed to unitholders. The pro-forma DPU post-investment set out herein should not be interpreted as being representative of the future DPU.

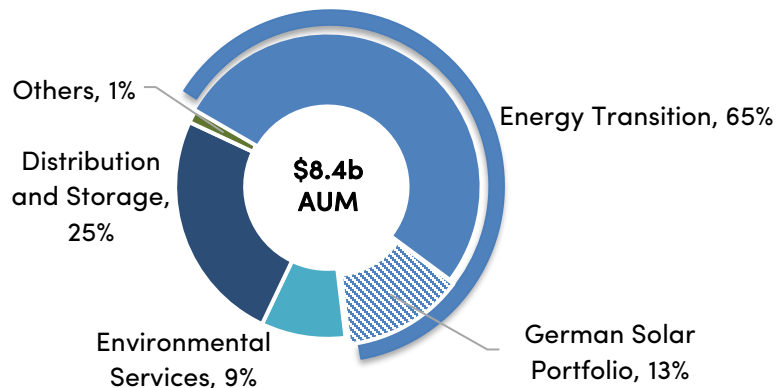
# Contribute to an enlarged and diversified portfolio

KIT's AUM to grow from \$7.3b in FY 2022 to ~\$8.4b<sup>1</sup> post-investment

Deepen renewables exposure  
with first solar portfolio investment

## Diversification by Asset (%)

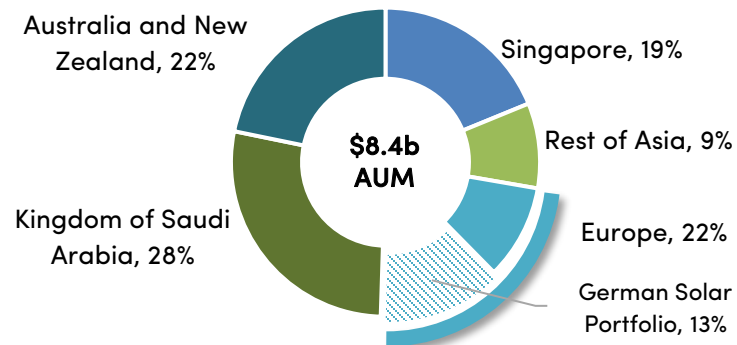
### Pro-forma Post-Investment



Expand KIT's portfolio in Germany;  
22% of KIT's AUM in Europe

## Diversification by Geography (%)

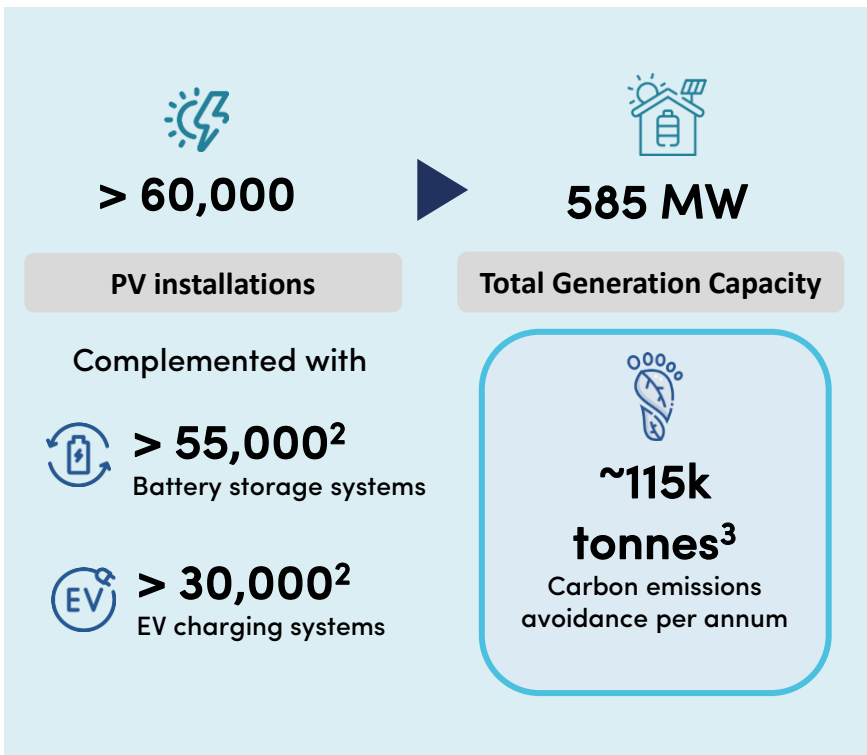
### Pro-forma Post-Investment



1. Represents KIT's equity interest of enterprise value of its portfolio investments, plus cash held at the Trust, of \$7.3b for FY 2022; including the \$1.1b enterprise value of the proposed investment (adjusted for KIT's equity interest).

# Further environmental targets with increased renewables exposure

Reduces KIT's emission intensity and contribute to renewables target



- Progressing KIT's decarbonisation roadmap, reducing carbon emission intensity by 4.8% from 2022's level
- Increase KIT's renewable energy portfolio to ~1.3GW
- Increase exposure to renewable energy to 22%<sup>1</sup> of AUM

**KIT's carbon emissions intensity by 4.8%**

### Carbon emissions intensity

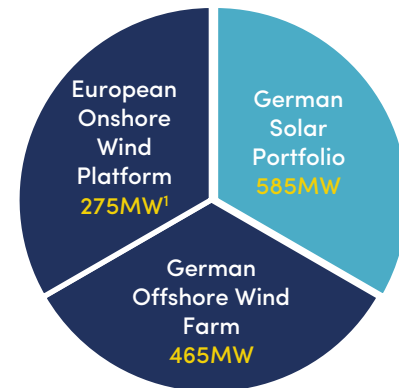
Carbon emissions ('000t CO<sub>2</sub>) / Distributable Income (\$\$m)

8.6 → 8.2<sup>1</sup> (4.8% decrease)

31 Dec 2022

Post-investment

**KIT's renewable energy portfolio to 1.3GW**



1. Includes the proposed investment in Fäbodliden II which is expected to be completed in 4Q 2023.

2. Add-on services for battery storage or EV charging systems as part of PV installations.

3. Based on conversion factor of 349 gCO<sub>2</sub>/KWh per IEA emissions factors.

# Thank You

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