

# Investor Presentation

November 2021

## Important Notice

The past performance of Keppel Pacific Oak US REIT is not necessarily indicative of its future performance. Certain statements made in this release may not be based on historical information or facts and may be “forward-looking” statements due to 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel Pacific Oak US REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak US REIT (the Manager) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel Pacific Oak US REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel Pacific Oak US REIT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (SGX-ST). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

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## Content Outline

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## Constituent of:



MSCI Singapore Small Cap Index



FTSE EPRA Nareit Developed Index  
FTSE All World Small Cap Index  
FTSE ST Singapore Shariah Index

# Overview

105 Edgeview  
Denver, Colorado



# Keppel Pacific Oak US REIT (KORE)

First choice US office SREIT focused on the fast-growing tech sector across key growth markets in the US

Unique exposure to key US growth markets

Benefitting from the defensive sectors of tech and healthcare

Tax advantaged structure

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|   |  |
|---|--|
| Sponsors                                    | <ul style="list-style-type: none"><li>Keppel Capital and KORE Pacific Advisors (“KPA”)</li></ul>   |
| US Asset Manager                            | <ul style="list-style-type: none"><li>Pacific Oak Capital Advisors LLC, also advisor for Pacific Oak Strategic Opportunity REIT</li></ul>  |
| Manager                                     | <ul style="list-style-type: none"><li>Keppel Pacific Oak US REIT Management Pte. Ltd.</li></ul>  |
| Investment mandate                          | <ul style="list-style-type: none"><li>To invest in a diversified portfolio of income-producing commercial assets and real estate-related assets in <b>key growth markets of the US with favourable economic and office fundamentals</b></li></ul>  |
| Distribution Policy & Distribution Currency | <ul style="list-style-type: none"><li>Semi-annual distributions</li><li>Distributions declared in US dollars; Unitholders have the option to receive distributions in Singapore or US dollars (by submitting a ‘Currency Election Form’) and opting out of CDP’s Currency Conversion Service</li></ul> |

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# Successful Execution of Growth Strategy



**9 Nov 2017:** Listed on SGX IPO with 11 office buildings and business campuses across 7 key growth markets



**Jan 2019**  
Strengthened foothold in the strong Maitland submarket with acquisition of **Maitland Promenade 1** in Orlando, Florida



**Aug 2021**  
Completed the strategic acquisitions of **Bridge Crossing** in Nashville, Tennessee, and **105 Edgeview** in Denver, Colorado



Maiden acquisition of **The Westpark Portfolio** in Seattle – Redmond, Washington



**Nov 2018**



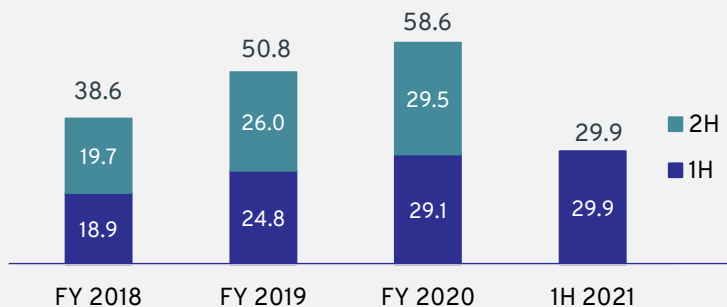
Extended footprint into new key growth market with the acquisition of **One Twenty Five** in Dallas, Texas



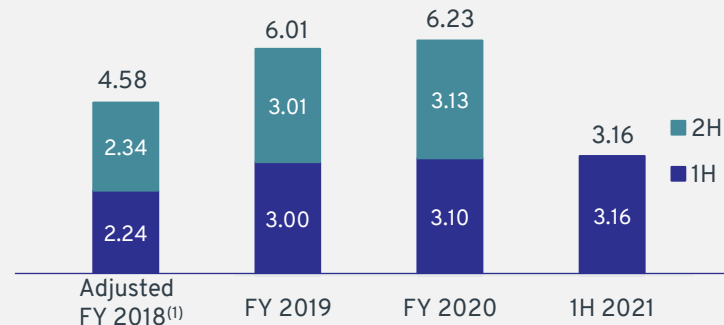
**Nov 2019**



**Distributable Income (US\$ million)**



**DPU (US Cents)**



# Key Growth Markets Driven By Tech And Innovation



91.8%  
Portfolio  
Committed Occupancy

KORE's strategic exposure to tech hubs and tech-tenancy provides income resilience as businesses accelerate their digital transformation strategies.

## SEATTLE - BELLEVUE/REDMOND, Washington



The Plaza Buildings  
Occupancy: 93.9%



Bellevue Technology Center  
Occupancy: 94.6%



The Westpark Portfolio  
Occupancy: 95.9%



## ATLANTA, Georgia



Powers Ferry  
Occupancy: 84.3%



Northridge Center I & II  
Occupancy: 83.5%

## DENVER, Colorado



Westmoor Center  
Occupancy: 90.1%



105 Edgeview <sup>(1)</sup>  
Occupancy: 100%



## SACRAMENTO, California



Iron Point  
Occupancy: 87.0%

## AUSTIN, Texas



Great Hills Plaza  
Occupancy: 100%



Westtech 360  
Occupancy: 76.0%



## HOUSTON, Texas



1800 West Loop South  
Occupancy: 79.9%



Bellaire Park  
Occupancy: 90.3%



## NASHVILLE, Tennessee



Bridge Crossing <sup>(1)</sup>  
Occupancy: 100%

## ORLANDO, Florida

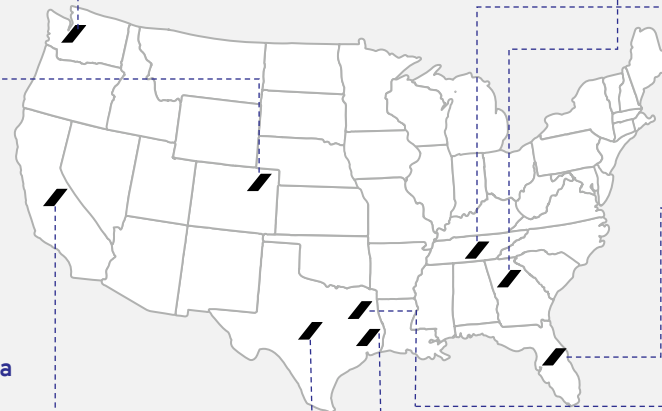


Maitland Promenade I & II  
Occupancy: 94.1%

## DALLAS, Texas



One Twenty Five  
Occupancy: 96.5%



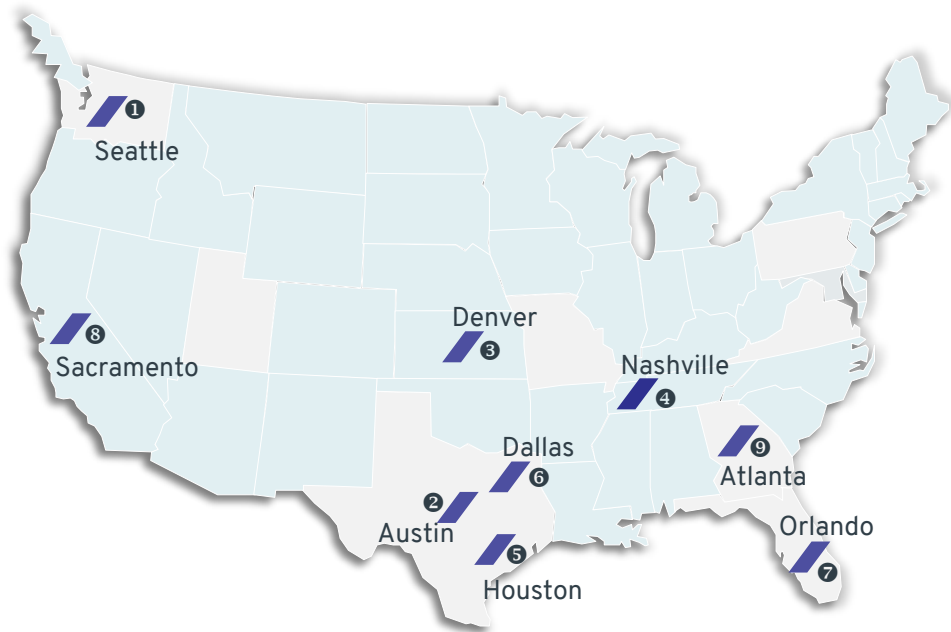
Tech hub



Healthcare hub <sup>(1)</sup>

# KORE's Presence In Magnet Cities

Popular in-migration destinations due to attractive lifestyle, culture and employment opportunities



|   |   |  |  |  |  |     |
|---|---|--|--|--|--|-----|
| 1 | Seattle, Washington   |  |  |  |  | #6  |
|   | <ul style="list-style-type: none"> <li>The Plaza Buildings</li> <li>Bellevue Technology Center</li> <li>The Westpark Portfolio</li> </ul> |  |  |  |  |     |
| 2 | Austin, Texas   |  |  |  |  | #2  |
|   | <ul style="list-style-type: none"> <li>Westtech 360</li> <li>Great Hills Plaza</li> </ul>   |  |  |  |  |     |
| 3 | Denver, Colorado  |  |  |  |  | #13 |
|   | <ul style="list-style-type: none"> <li>Westmoor Center</li> <li>105 Edgeview</li> </ul>   |  |  |  |  |     |
| 4 | Nashville, Tennessee  |  |  |  |  | #3  |
|   | <ul style="list-style-type: none"> <li>Bridge Crossing</li> </ul>   |  |  |  |  |     |
| 5 | Houston, Texas  |  |  |  |  |     |
|   | <ul style="list-style-type: none"> <li>1800 West Loop South</li> <li>Bellaire Park</li> </ul>   |  |  |  |  |     |
| 6 | Dallas, Texas   |  |  |  |  | #4  |
|   | <ul style="list-style-type: none"> <li>One Twenty Five</li> </ul>   |  |  |  |  |     |
| 7 | Orlando, Florida  |  |  |  |  |     |
|   | <ul style="list-style-type: none"> <li>Maitland Promenade I &amp; II</li> </ul>   |  |  |  |  |     |
| 8 | Sacramento, California  |  |  |  |  |     |
|   | <ul style="list-style-type: none"> <li>Iron Point</li> </ul>  |  |  |  |  |     |
| 9 | Atlanta, Georgia  |  |  |  |  | #11 |
|   | <ul style="list-style-type: none"> <li>Powers Ferry</li> <li>Northridge Center I &amp; II</li> </ul>                                      |  |  |  |  | #8  |

KORE's Properties

Magnet Cities<sup>(1)(3)</sup>



Super Sun-Belt Cities<sup>(1)</sup>



18-Hour Cities<sup>(1)</sup>



#x Top 20 US Markets to Watch, 2021<sup>(1)(4)</sup>



#x Top 20 Best Tech Cities for IT Jobs 2020<sup>(2)(5)</sup>

# Strategic Presence in some of the Fastest Growing States

| Top 20 Fastest Growing States in the US |                | % Change in Resident Population in 2021 |
|---|----------------|---|
| 1                                       | Utah           | 19.3                                    |
| 2                                       | Idaho          | 18.4                                    |
| 3                                       | Nevada         | 17.9                                    |
| 4                                       | Texas*         | 17.8                                    |
| 5                                       | Arizona        | 17.4                                    |
| 6                                       | Colorado*      | 16.8                                    |
| 7                                       | Florida*       | 16.4                                    |
| 8                                       | Washington*    | 15.6                                    |
| 9                                       | North Dakota   | 14.1                                    |
| 10                                      | South Carolina | 13.9                                    |
| 11                                      | Oregon         | 11.8                                    |
| 12                                      | North Carolina | 11.8                                    |
| 13                                      | Georgia*       | 11.5                                    |
| 14                                      | Delaware       | 10.1                                    |
| 15                                      | South Dakota   | 9.9                                     |
| 16                                      | Montana        | 9.5                                     |
| 17                                      | Tennessee*     | 9.3                                     |
| 18                                      | Minnesota      | 7.5                                     |
| 19                                      | Virginia       | 7.2                                     |
| 20                                      | Nebraska       | 6.7                                     |



# Commitment to ESG Excellence

Sustainability is at the heart of our strategy and we are committed to delivering sustainable distributions to Unitholders

## Environmental Stewardship



Implement energy optimisation strategies to reduce greenhouse gas emissions.



Adopt water-efficient technologies to optimise consumption across portfolio.



Recognition from global awards serves as a distinguishing factor:

- Leadership in Energy and Environmental Design (LEED) certification
- Energy Star Rating
- WELL Health-Safety Rating

## Responsible Business



Ranked 2<sup>nd</sup> in the GIFT 2021; 10<sup>th</sup> in the SGTI 2021.



Strive for operational excellence and reduce operational risks through stringent checks and practices.



Diverse board committee to ensure fair considerations when making key decisions.



Maintain zero incidents of non-compliance and corruption.

## People & Community



Invest in employees' training, development and well-being to build a collaborative work culture.



Engage with local communities to offer philanthropic donations and build harmonious relations.

# 3Q 2021 Key Business and Operational Updates

*Tenant lounge  
The Westpark Portfolio  
Redmond, Seattle, Washington*



# Robust Financial Performance

## Financial Highlights

|   | 3Q 2021<br>(US\$ 'm) | 3Q 2020<br>(US\$ 'm) | %<br>Change | 9M 2021<br>(US\$ 'm) | 9M 2020<br>(US\$ 'm) | %<br>Change |
|---|----------------------|----------------------|-------------|----------------------|----------------------|-------------|
| <b>Gross Revenue</b>  | 36.0                 | 34.5                 | 4.5         | 104.4                | 105.0                | (0.5)       |
| <b>Net Property Income (NPI)</b>  | 21.7                 | 20.5                 | 5.6         | 62.3                 | 62.4                 | (0.2)       |
| <b>Adjusted NPI</b><br>(excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions) | 21.7                 | 20.1                 | 7.6         | 62.5                 | 60.4                 | 3.6         |
| <b>Income Available for Distribution<sup>(1)</sup></b>  | 15.9                 | 14.7                 | 8.4         | 45.9                 | 43.8                 | 4.7         |

**Distributable Income for 3Q2021 was up 8.4% year-on-year to US\$15.9m, supported by:**

- The recently completed acquisitions of Bridge Crossing in Nashville and 105 Edgeview in Denver in August 2021.
- Stronger performance from the existing portfolio.

**Strong balance sheet with significant liquidity**

- Aggregate leverage of 37.7% with no long-term refinancing requirements until November 2022.
- Cash and undrawn facilities of US\$165.5m as at 30 September 2021.



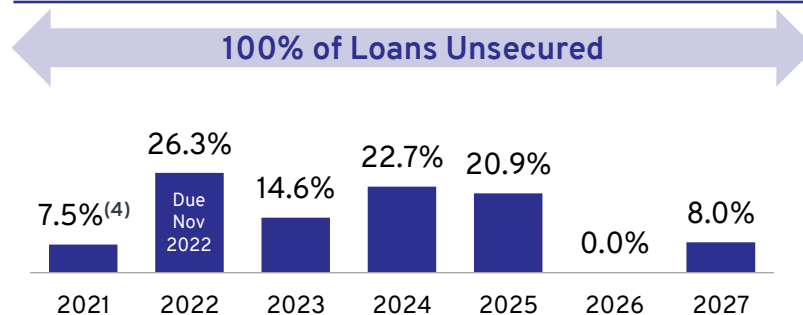
# Stable Financial Position

Healthy aggregate leverage and 100% unsecured loans provide greater financial flexibility

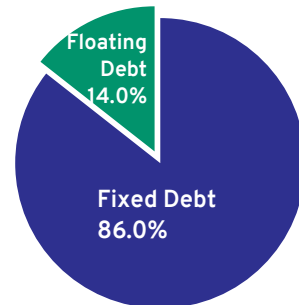
As at 30 September 2021

|  |  |
|--|--|
| <b>Total Debt</b>                                | <ul style="list-style-type: none"> <li>• US\$549.9 m of external loans</li> <li>• 100% unsecured</li> </ul>  |
| <b>Available Facilities</b>                      | <ul style="list-style-type: none"> <li>• US\$75.8m of term loan facility</li> <li>• US\$50.0m of revolving credit facility</li> <li>• US\$9.0m of uncommitted revolving credit facility</li> </ul> |
| <b>Aggregate Leverage<sup>(1)</sup></b>          | 37.7%  |
| <b>All-in Average Cost of Debt<sup>(2)</sup></b> | 2.81 % p.a.  |
| <b>Interest Coverage<sup>(3)</sup></b>           | 5.0 times  |
| <b>Average Term to Maturity</b>                  | 2.5 years  |

## Debt Maturity Profile



## Interest Rate Exposure



## Sensitivity to LIBOR<sup>(5)</sup>

Every +50bps in LIBOR translates to -0.054 US cents in DPU p.a.

1) Calculated as the total borrowings and deferred payments (if any) as a percentage of the total assets.

2) Includes amortisation of upfront debt financing costs.

3) Interest Coverage Ratio (ICR) disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020. After adjusting for management fees taken in Units, the ICR would be 5.5 times.

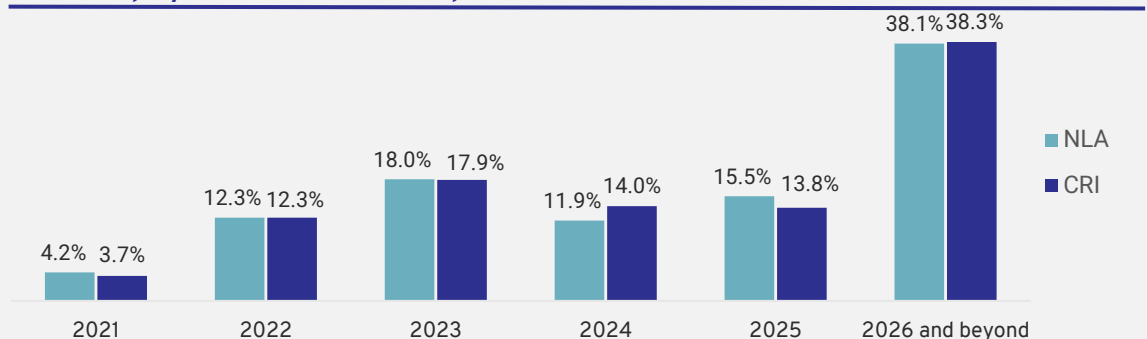
4) Refers to the US\$41 million uncommitted revolving credit facility drawn.

5) Based on the 14.0% floating debt, US\$41 million uncommitted revolving credit facility drawn which are unhedged and the total number of Units in issue as at 30 September 2021.

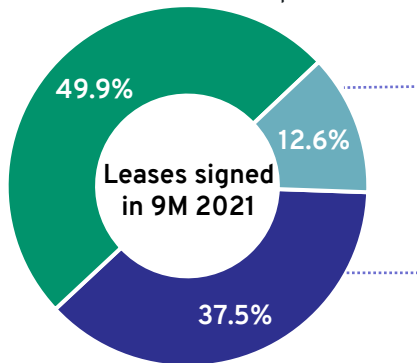
# Steady Income with Visible Organic Growth



Lease Expiry Profile (as at 30 September 2021)



■ New ■ Renewal ■ Expansion



## New leasing demand and expansions from:

|                                      |       |
|--------------------------------------|-------|
| TAMI <sup>(1)</sup>                  | 40.8% |
| Professional Services <sup>(2)</sup> | 35.1% |
| Finance and Insurance                | 10.4% |
| Medical and Healthcare               | 8.4%  |
| Others                               | 5.3%  |

**~480,165 sf**

Leased spaces for 9M 2021, equivalent to 9.4% of portfolio NLA. Portfolio WALE of 3.4 years<sup>(3)</sup> by CRI.

**8.3%**

Positive rent reversion<sup>(4)</sup> for 9M 2021. Average rent collection was ~99% in 9M 2021 and rent deferment requests amounted to only ~1% of NLA.

**~7%**

In-place rents are ~7% below asking rents, which provides an avenue for organic growth.

**~2.6%**

Built-in average annual rental escalation across the portfolio.

(1) TAMI stands for technology, advertising, media, and information

(2) Professional Services comprises tenants who provide management consulting, legal, real estate, engineering, manufacturing and educational services.

(3) Based on NLA, portfolio WALE was 3.5 years.

(4) Rental reversion is calculated based on net rent for net leases and gross rent for full-service gross leases.

# Tech Focused Tenant Composition and Industry Exposure



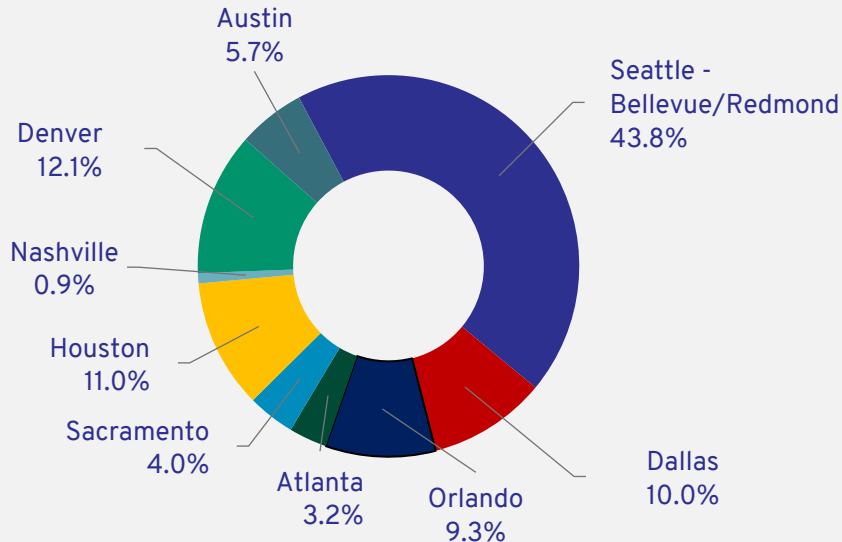
KORE's buildings and business campuses in the tech hubs of Seattle - Bellevue/Redmond, Austin and Denver contribute ~62% of NPI<sup>(1)</sup>



~43% of KORE's portfolio NLA comprises of high-quality tenants from the growing and defensive sectors of TAMI<sup>(3)</sup> and medical/healthcare

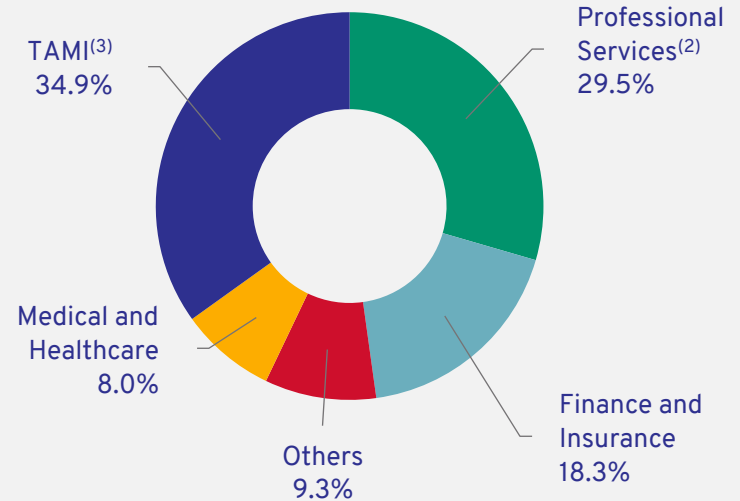
## Geographic Diversification by NPI<sup>(1)</sup>

as at 30 September 2021



## Industry Diversification by NLA

as at 30 September 2021



# Low Tenant Concentration Risk



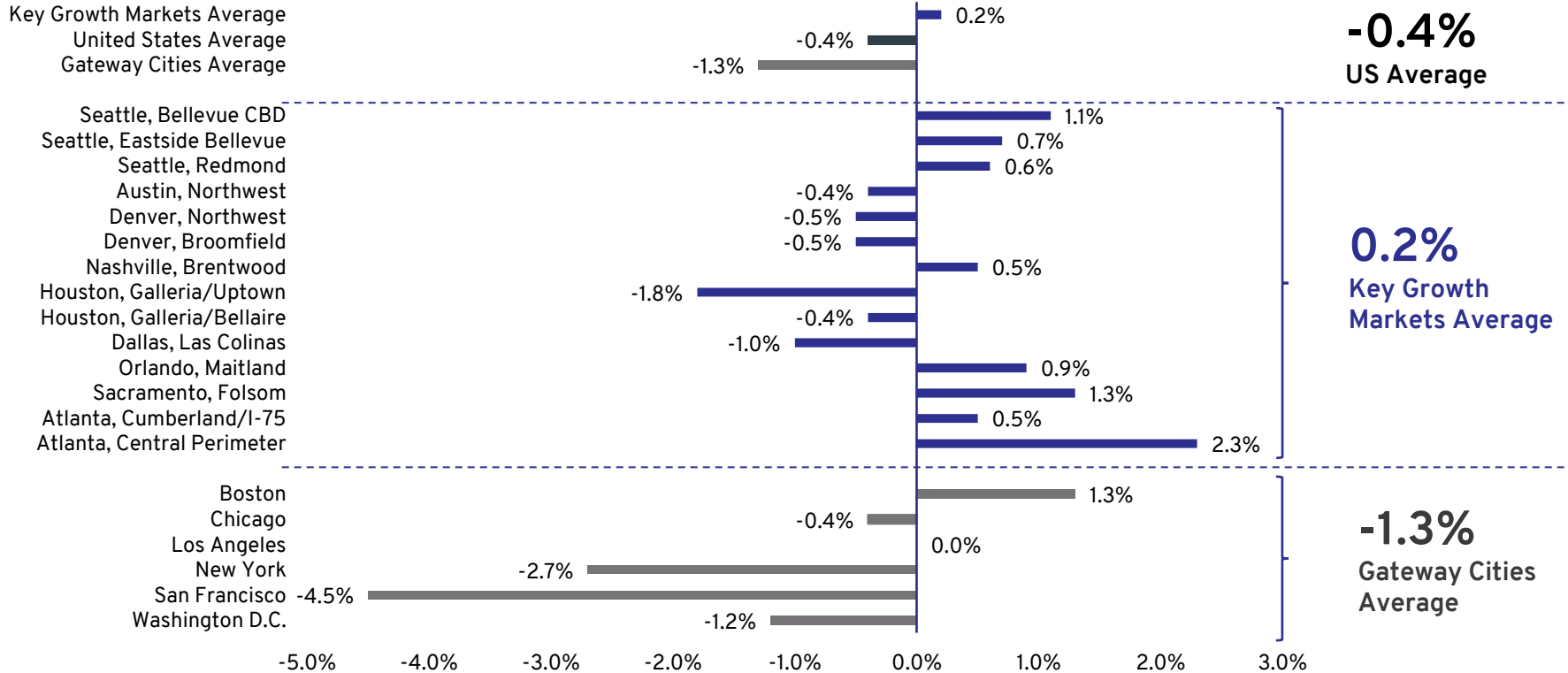
Top 10 tenants contribute only 22% of CRI

Majority of top 10 tenants are established tech companies located in the fast-growing tech hubs of Seattle – Bellevue/Redmond, Denver and Nashville.

As at 30 September 2021

| Top 10 Tenants                 | Sector               | Asset                     | Location                   | % of CRI         |
|--------------------------------|----------------------|---------------------------|----------------------------|------------------|
| Comdata Inc                    | Technology           | Bridge Crossing           | Nashville                  | 3.3              |
| Ball Aerospace                 | Technology           | Westmoor Center           | Denver                     | 2.8              |
| Lear Cooperation               | Technology           | The Plaza Buildings       | Seattle – Bellevue/Redmond | 2.6              |
| Gogo Business Aviation         | Technology           | 105 Edgeview              | Denver                     | 2.6              |
| Oculus VR                      | Technology           | The Westpark Portfolio    | Seattle – Bellevue/Redmond | 2.2              |
| Zimmer Biomet Spine            | Technology           | Westmoor Center           | Denver                     | 1.9              |
| Spectrum                       | Media & Information  | Maitland Promenade I & II | Orlando                    | 1.8              |
| Bio-Medical Applications       | Medical & Healthcare | One Twenty Five           | Dallas                     | 1.6              |
| Auth0                          | Technology           | The Plaza Buildings       | Seattle – Bellevue/Redmond | 1.6              |
| U.S. Bank National Association | Finance & Insurance  | The Plaza Buildings       | Seattle – Bellevue/Redmond | 1.6              |
| <b>Total</b>                   |                      |                           |                            | <b>22.0</b>      |
| <b>WALE by NLA</b>             |                      |                           |                            | <b>5.2 years</b> |
| <b>WALE by CRI</b>             |                      |                           |                            | <b>5.2 years</b> |

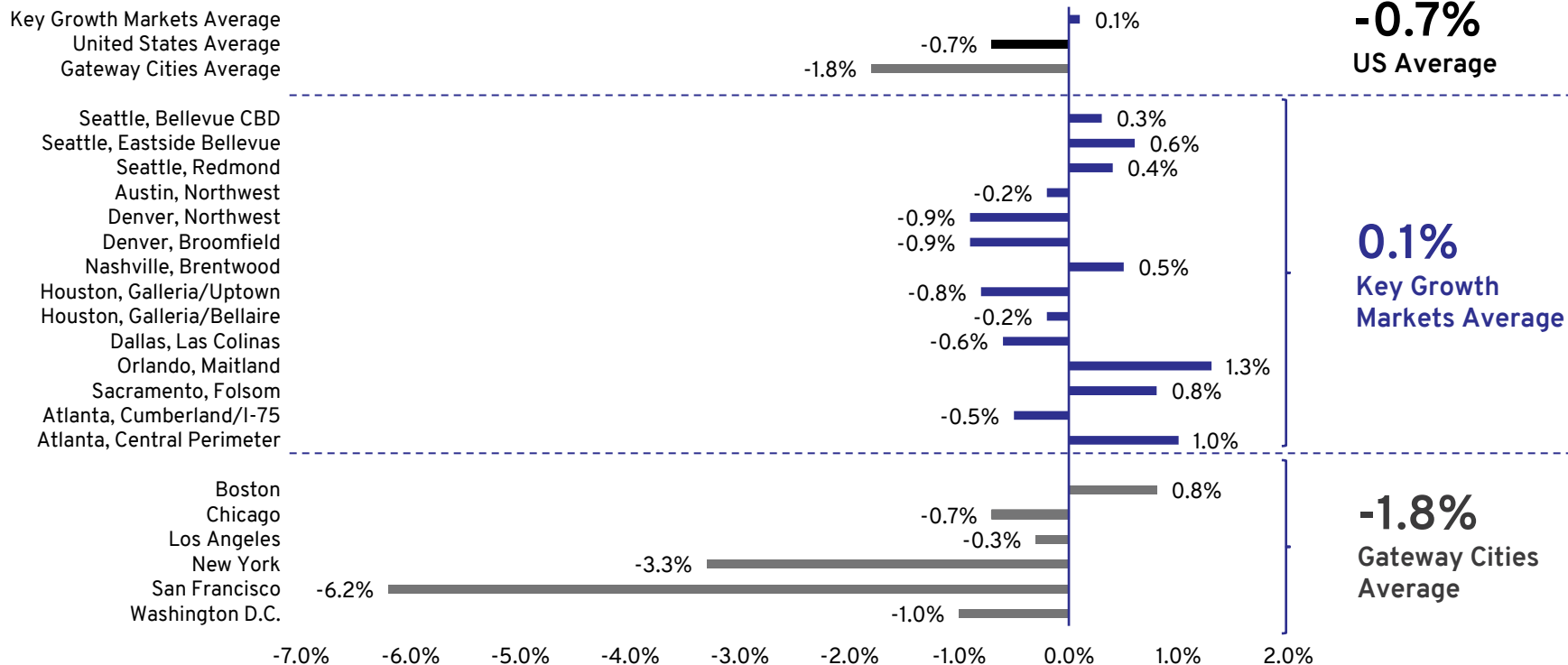
# Last 12 Months Rent Growth





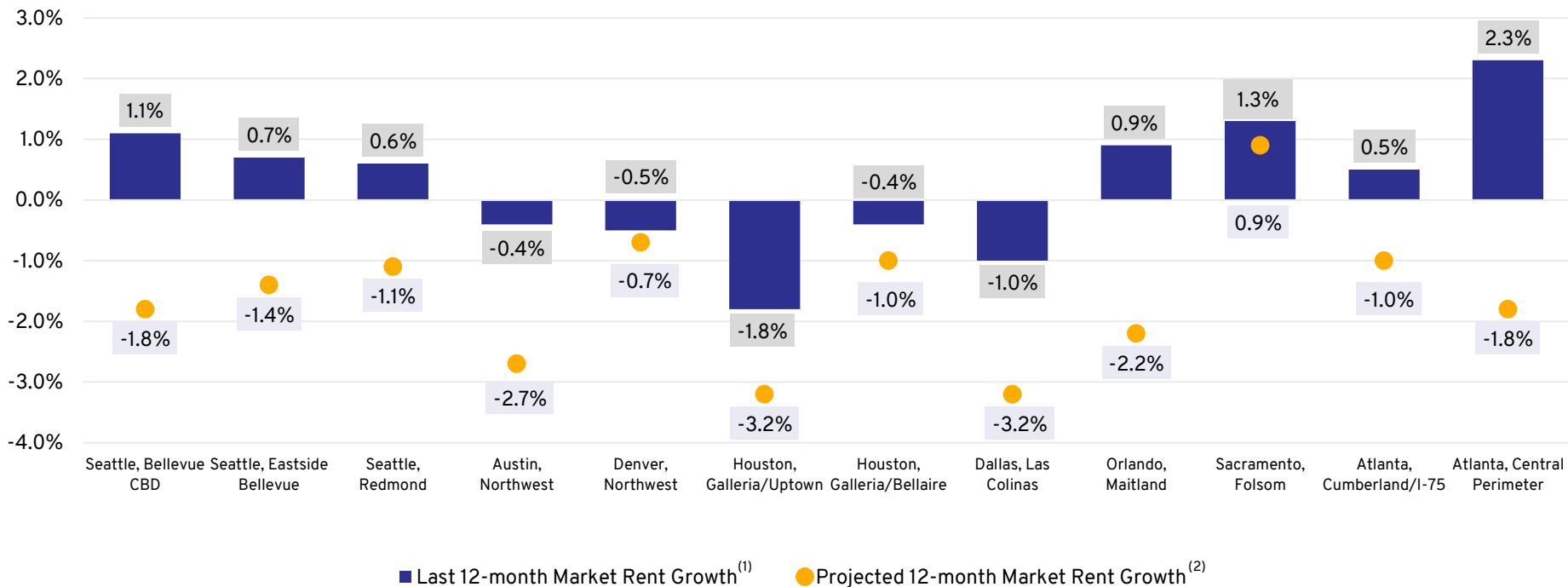
# Projected 12-Month Rent Outlook

KORE's average in-place rents are ~7% below asking rents, which will continue to drive organic growth



# Actual Against Projected 12-Month Market Rent Growth

Last 12 months rental growth\* outperformed projections



(1) Based on CoStar Office Report, 30 September 2021

(2) Based on Costar Office Report, 5 October 2020

\*Excludes Denver, Broomfield (105 Edgeview) and Nashville, Brentwood (Bridge Crossing)

# US Office Market Overview

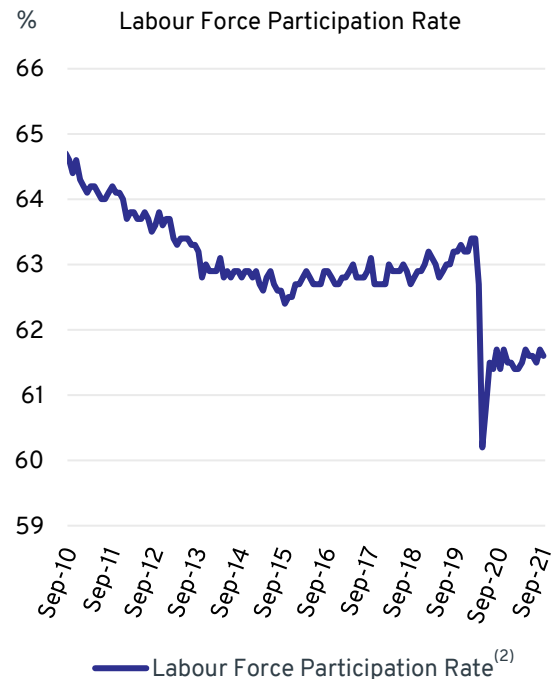
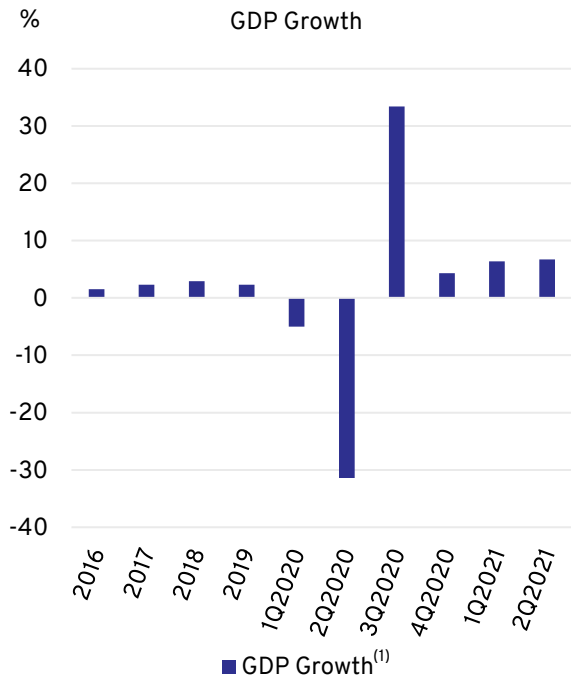
*Tenant lounge,  
1800 West Loop South  
Houston, Texas*



# US Economic Development

## Economic growth surpassed consensus expectations

- US Real GDP increased 6.7% q-o-q in 2Q 2021 reflecting the continued economic recovery, reopening of establishments, and continued government response related to the COVID-19 pandemic<sup>(1)</sup>.
- Unemployment rate was 4.8% in September 2021, down from the high of 14.8% in April 2020<sup>(2)</sup>.
- Labour force participation rate was 61.6% in September 2021<sup>(2)</sup>.
- Progression in vaccination rate raises assurance to ease employees back to the office.



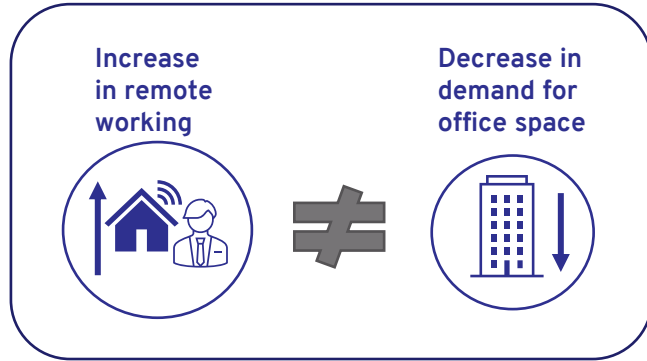
(1) Source: U.S. Bureau of Economic Analysis, September 2021.

(2) Source: U.S. Bureau of Labor Statistics, October 2021.

(3) <https://www.cnbc.com/2021/09/09/biden-to-detail-new-six-pronged-plan-to-increase-us-covid-vaccination-rates-fight-virus.html>

# Office Sees Boost in Demand

The effects of the pandemic is not slowing down office recovery



- The office market space is seeing employees ease back into the office as demand for office space saw a 15-month high in August<sup>(1)</sup>.
  - New demand for office space inched up to 235% year-on-year<sup>(2)</sup>.
- Tech-driven cities forecast to outperform in terms of GDP growth in 2022<sup>(3)</sup>.

Many people still long for the company of colleagues despite the availability of remote working arrangements.

## Missed aspects of office life<sup>(4)</sup>

*'Real' human interaction*

61%

*Clear boundaries between personal and professional life*

46%

*Collective face-to-face work*

46%

## First choice US office S-REIT focused on the fast-growing tech sector across key growth markets in the US.



Strategic presence in some of the fastest growing states in the US.



Exposure to the fast-growing tech sector provides income resilience and growth.



Highly diversified portfolio with low tenant concentration risk.



Resilient operating metrics with built-in average rental escalations for further organic growth.



Robust financial position to continue pursuing opportunities in key growth markets with a tech focus.

# Additional Information

*Westech 360  
Austin, Texas*



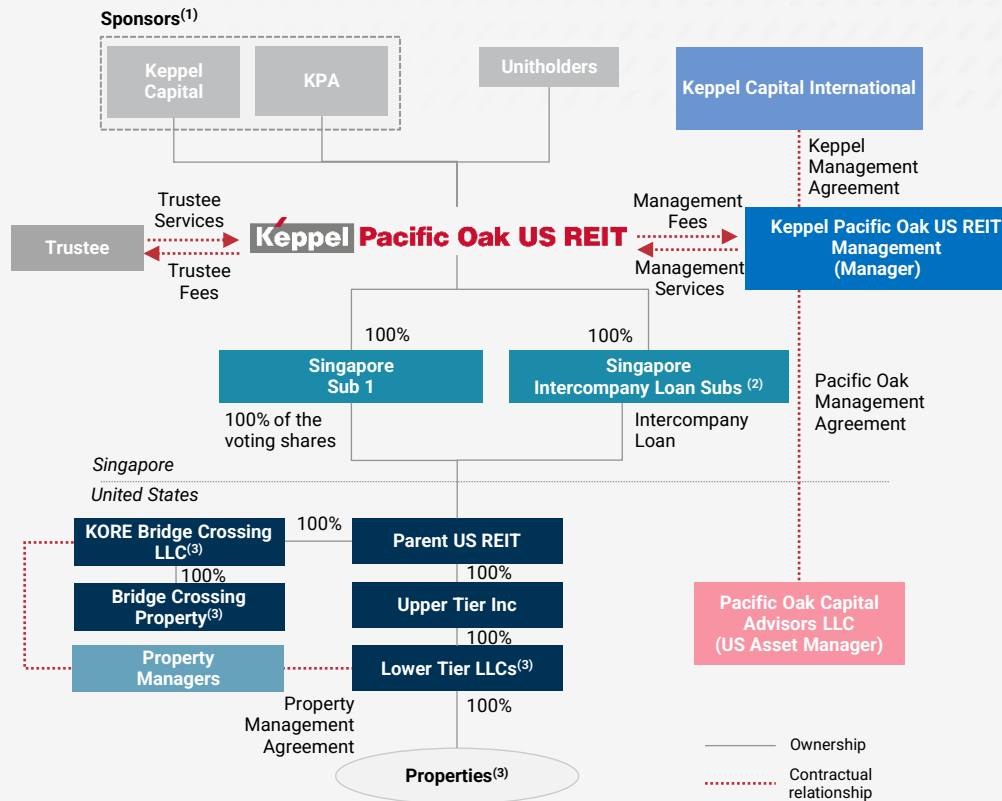
# Trust Structure

## ✓ Tax-efficient structure for holding US properties

- No US corporate tax (21%) and US withholding tax (30%)
- No Singapore corporate tax (17%) and Singapore withholding tax (10%)
- Subject to limited tax

## ✓ Leverage Sponsors' expertise and resources to optimise returns for Unitholders

## ✓ Alignment of interests among Sponsors, Manager and Unitholders



- (1) Keppel Capital holds a deemed 6.9% stake in Keppel Pacific Oak US REIT (KORE). Pacific Oak Strategic Opportunity REIT, Inc. (KPA entity) holds a 6.2% stake in KORE. KPA holds a deemed interest of 0.7% in KORE, for a total of 6.9%.
- (2) There are four wholly-owned Singapore Intercompany Loan Subsidiaries extending intercompany loans to the Parent US REIT.
- (3) Bridge Crossing Property is held under KORE Bridge Crossing LLC, which in turn is held directly under Parent US REIT. The other properties in the portfolio are held under the various Lower Tier LLCs respectively.

Information as at 12 Aug 2021. Unitholding in KORE is subject to an ownership restriction of 9.8% of the total Units outstanding.



# Strong Sponsors: Keppel Capital and KORE Pacific Advisors




- **Asset management arm of Keppel Corporation** and a premier manager in Asia
- **US\$28 billion<sup>(1)</sup>**  
Global assets under management as at end-2020
- **~40 cities across key global markets**  
Diversified portfolio of real estate, infrastructure, data centres and alternative assets
- **17 Funds**  
Over 200 professionals managing five listed REITs and business trust and 12 private funds



- Established **commercial real estate investment manager** in the US
- **US\$4.0 billion**  
Assets under management as at end-2020
- **Over 20 markets**  
High quality commercial, single-family, multi-family, hospitality real estate portfolio across the US
- **6 Funds**  
Proven expertise in managing two public REITs and four private funds

# Thank You

For more information,  
please visit [www.koreusreit.com](http://www.koreusreit.com)

Connect with us on: 

*Bridge Crossing  
Nashville, Tennessee*

