

FY 2024 Financial Results

04 February 2025

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.

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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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1. Keppel Pacific Oak US REIT Management Pte. Ltd. is a signatory to the United Nations-supported Principles for Responsible Investment, under the membership of Keppel Capital.

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Constituent of:



FTSE ST REIT Index,
FTSE Global Small Cap Index



iEdge SG ESG Indices

Signatory of:



FY 2024 Key Highlights

*Bridge Crossing
Tenant space
Nashville, Tennessee*



FY 2024 Key Highlights

Portfolio Committed Occupancy

90.0%

as at 31 December 2024.



Portfolio committed occupancy was 88.7% as at 30 September 2024 and 90.3% as at 31 December 2023.

Leasing momentum

938,655 sf

leases signed in FY 2024

This was equivalent to 19.6% of the portfolio net lettable area (NLA).

Leased a total of 217,263 sf of space in 4Q 2024, equivalent to 4.5% of portfolio NLA.

Portfolio Valuation

US\$1.33 billion



Portfolio value remained stable year-on-year (y-o-y) at US\$1.33 billion as at 31 December 2024. Taking into consideration capital expenditures and tenant improvements for 2024, there was a fair value loss of US\$46.7 million.

Aggregate Leverage

43.7%⁽²⁾

Aggregate leverage of 43.7% is within regulatory limits. Interest coverage ratio remains healthy at 2.6 times.

In 4Q 2024, KORE had refinanced a loan facility of US\$20.0 million that were due in 4Q 2024 and early refinanced a loan facility of US\$40.0 million that were originally due in 1Q 2025.

Adjusted Net Property Income (NPI)

US\$83.4 million



Excluding the non-cash adjustments such as amortisation of straight-line rent, lease incentives and amortisation of leasing commissions which have no impact on the income available for distribution, adjusted NPI was 4.7% lower y-o-y at US\$83.4 million mainly due to higher vacancies from The Plaza Buildings and Iron Point as well as increased repair and maintenance expenses. NPI decreased by 9.1% y-o-y to US\$78.3 million.

Income Available For Distribution

US\$47.6 million

Income available for distribution of US\$47.6 million for FY 2024 was 8.8% lower than FY 2023, mainly due to the higher financing costs and lower cash NPI.

No distribution declared for 2H 2024 arising from the recapitalisation plan.

Portfolio Valuation

Property	31 December 2023 (US\$ 'million)	Capex	FV gain/(loss) on Investment Property	31 December 2024 (US\$ 'million)	Change (US\$ 'million)	% Change
The Plaza Buildings <i>Seattle, Bellevue CBD</i>	307.7	13.3	(21.3)	299.7	(8.0)	(2.6)
Bellevue Technology Center <i>Seattle, Eastside Bellevue</i>	140.6	2.4	(3.4)	139.6	(1.0)	(0.7)
The Westpark Portfolio <i>Seattle, Redmond</i>	224.0	2.8	0.2	227.0	3.0	1.3
Great Hills Plaza <i>Austin, Northwest</i>	43.6	0.6	0.8	45.0	1.4	3.2
Westech 360 <i>Austin, Northwest</i>	47.1	3.0	(1.6)	48.5	1.4	3.0
Westmoor Center <i>Denver, Northwest</i>	105.7	3.1	(5.8)	103.0	(2.7)	(2.6)
105 Edgeview <i>Denver, Broomfield</i>	56.7	0.9	(1.7)	55.9	(0.8)	(1.4)
Bridge Crossing <i>Nashville, Brentwood</i>	41.3	-	0.1	41.4	0.1	0.2
1800 West Loop South <i>Houston, Galleria/Uptown</i>	75.6	1.8	(3.1)	74.3	(1.3)	(1.7)
Bellaire Park <i>Houston, Galleria/Bellaire</i>	47.3	3.8	(3.8)	47.3	-	-
One Twenty Five <i>Dallas, Las Colinas</i>	107.0	1.0	(3.0)	105.0	(2.0)	(1.9)
Maitland Promenade I & II <i>Orlando, Maitland</i>	91.5	9.9	0.2	101.6	10.1	11.0
Iron Point <i>Sacramento, Folsom</i>	38.2	4.2	(4.3)	38.1	(0.1)	(0.3)
Total Portfolio Value	1,326.3	46.8	(46.7)	1,326.4	0.1	-

Financial Performance & Capital Management

105 Edgeview

Lobby

Denver, Colorado



Financial Performance

(US\$'000)	2H 2024	2H 2023	% Change	FY 2024	FY 2023	% Change
Gross Revenue	72,065	74,846	(3.7)	146,437	150,757	(2.9)
Net Property Income (NPI)	36,275	42,230	(14.1)	78,290	86,100	(9.1)
Adjusted NPI (excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions)	40,016	43,440	(7.9)	83,442	87,591	(4.7)
Income Available for Distribution	23,813	26,111	(8.8)	47,627	52,223	(8.8)
Other information: Finance and other trust expenses	(15,563)	(14,193)	9.7	(31,131)	(27,969)	11.3
Amount distributed to Unitholders⁽¹⁾	-	-	-	-	26,112	(100.0)
DPU (US cents) for the period⁽¹⁾	-	-	-	-	2.50	(100.0)



Balance Sheet

	As at 31 Dec 2024 US\$'000	As at 31 Dec 2023 US\$'000	% change
Total Assets	1,387,973	1,393,676	(0.4)
Investment Properties	1,326,410	1,326,310	NM
Cash and Cash Equivalents	44,193	43,777	1.0
Other Assets	17,370	23,589	(26.4)
Total Liabilities	671,663	670,472	0.2
Gross Borrowings	607,220	601,920	0.9
Other Liabilities	64,443	68,552	(6.0)
Unitholders' Funds	716,310	723,204	(1.0)
Units in issue and to be issued ('000)	1,044,450	1,044,450	-
NAV per Unit (US\$)	0.69	0.69	-
Unit Price (US\$)	0.205	0.375	(45.3)

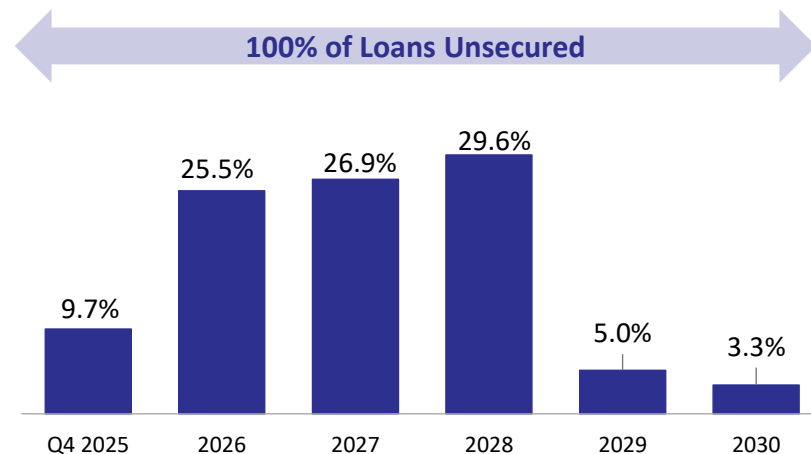
NM – Not meaningful

Financial Position

As at 31 December 2024

Total Debt	• US\$607.2 million of external loans
Available Facilities	• US\$61.0 million of uncommitted revolving credit facility • US\$36.8 million of committed revolving credit facility
Aggregate Leverage⁽¹⁾	43.7%
Average Cost of Debt (Excludes amortisation of upfront debt financing costs)	4.33% p.a.
All-in Average Cost of Debt (Includes amortisation of upfront debt financing costs)	4.45% p.a.
Interest Coverage⁽²⁾	2.6 times
Weighted Average Term to Maturity	2.4 years

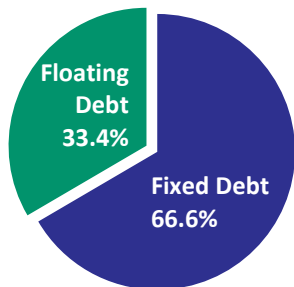
Debt Maturity Profile (as at 31 December 2024)



- (1) Calculated as the total borrowings and deferred payments (if any) as a percentage of the total assets.
 (2) Interest Coverage Ratio (ICR) is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 28 November 2024.

Financial Position (con't)

Interest Rate Exposure



Sensitivity to SOFR⁽¹⁾

Every +/- 50bps in SOFR translates to approx. -/+ US\$1.0 million in income available for distribution p.a.

66.6%⁽²⁾ of the REIT's loans have been hedged through floating-to-fixed interest rate swaps.

Interest Coverage Ratio (ICR)⁽³⁾ Sensitivity

Following the revisions⁽⁴⁾ made to paragraphs 11.1 (i) and (j) of Appendix 6 on the Code on Collective Investment Schemes on 28 November 2024 to rationalise leverage requirements for the Singapore REIT sector, additional disclosures required for the effects of changes in the weighted average interest rate and EBITDA⁽⁵⁾ on ICR are set out below:

	ICR (times)
For the period ended 31 December 2024	2.6
<u>Scenario 1:</u> 100 basis point increase in the weighted average interest rate	2.3
<u>Scenario 2:</u> 10% decrease in the EBITDA ⁽⁵⁾	2.3

(1) Based on the floating debt of 33.4%.

(2) Excludes uncommitted revolving credit facilities.

(3) Interest Coverage Ratio (ICR) is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 28 November 2024.

(4) The stepped-up disclosures will apply for financial periods ending on or after 31 March 2025.

(5) EBITDA is computed as the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation) as defined in Appendix 6 of the Code on Collective Investment Schemes revised on 28 November 2024.

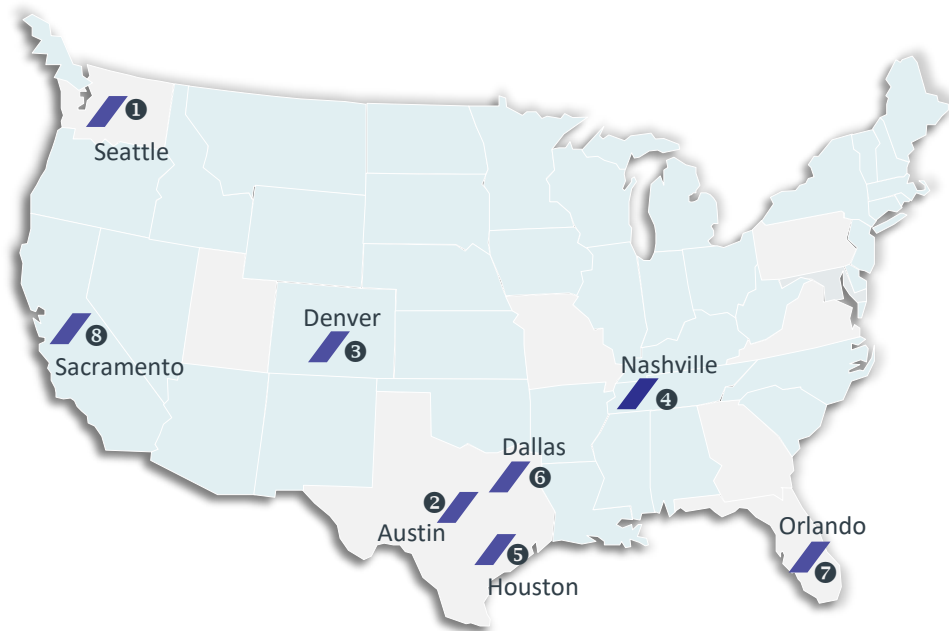
Portfolio Performance

*The Plaza Buildings
Lobby lounge
Seattle – Bellevue, Washington*



Quality Portfolio In Key Growth Markets

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

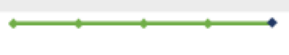
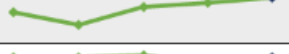


1	Seattle, Washington	❖ The Plaza Buildings ❖ Bellevue Technology Center ❖ The Westpark Portfolio			#10	
2	Austin, Texas	❖ Westech 360 ❖ Great Hills Plaza				#5
3	Denver, Colorado	❖ Westmoor Center ❖ 105 Edgeview				#12
4	Nashville, Tennessee	❖ Bridge Crossing				#1
5	Houston, Texas	❖ 1800 West Loop South ❖ Bellaire Park				#11
6	Dallas, Texas	❖ One Twenty Five				#3
7	Orlando, Florida	❖ Maitland Promenade I & II				#19
8	Sacramento, California	❖ Iron Point				

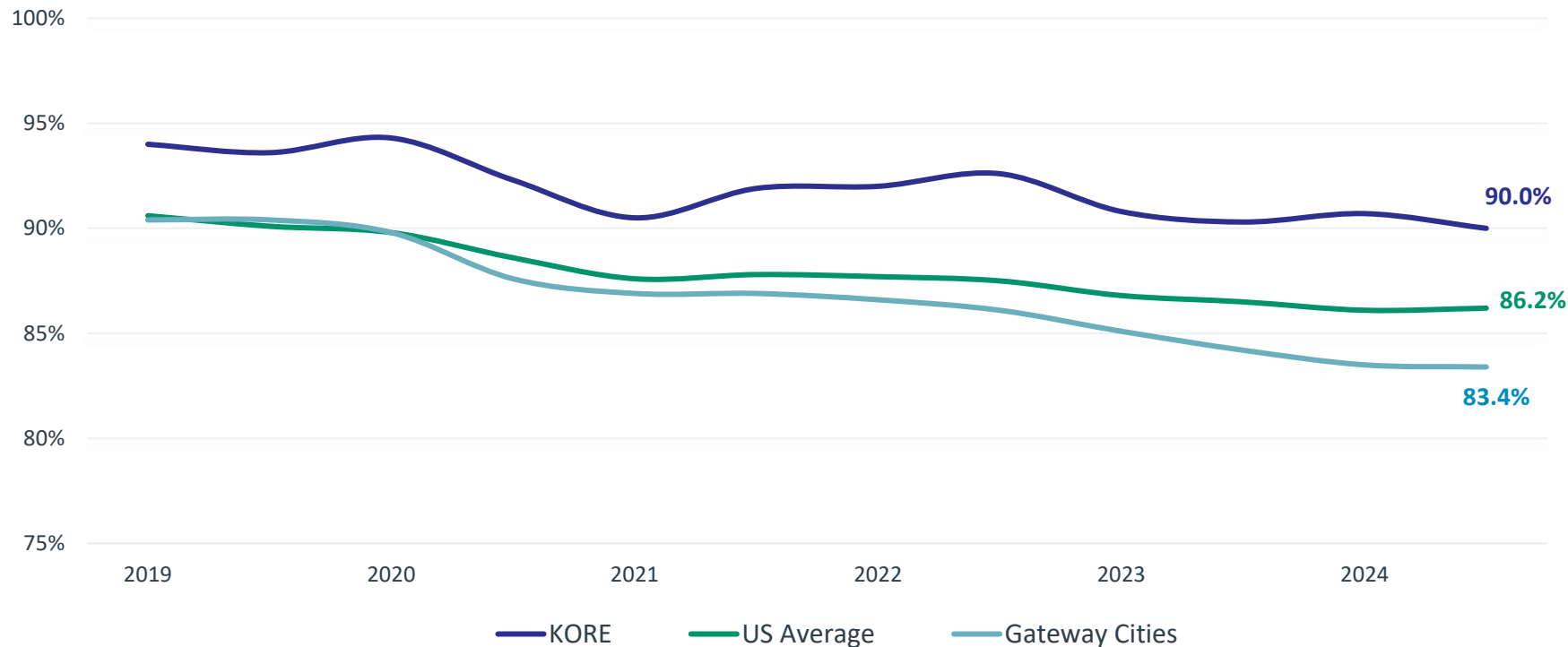


#x Top 20 US Markets to Watch, 2024⁽¹⁾⁽²⁾

Portfolio Occupancy Rates In 4Q 2024

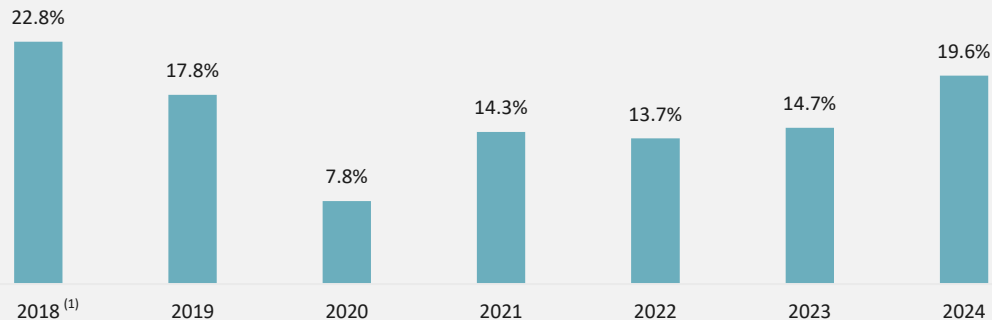
Properties	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	Performance
The Plaza Buildings	91.5%	90.2%	88.5%	80.5%	83.3%	
Bellevue Technology Center	90.7%	90.7%	90.3%	87.3%	95.6%	
The Westpark Portfolio	95.9%	96.7%	97.3%	93.7%	92.9%	
Great Hills Plaza	100.0%	95.3%	95.3%	95.3%	92.1%	
Westech 360	78.0%	70.2%	76.6%	77.1%	78.3%	
Westmoor Center	91.9%	94.5%	94.9%	93.8%	93.8%	
105 Edgeview	94.6%	93.6%	93.6%	88.9%	88.9%	
Bridge Crossing	100.0%	100.0%	100.0%	100.0%	100.0%	
1800 West Loop South	86.8%	83.7%	83.2%	85.3%	83.4%	
Bellaire Park	87.3%	88.3%	86.4%	86.5%	88.2%	
One Twenty Five	92.1%	92.3%	95.0%	95.4%	96.5%	
Maitland Promenade I & II	87.7%	91.7%	91.7%	88.2%	92.8%	
Iron Point	64.2%	60.0%	65.9%	67.2%	68.9%	
Portfolio	90.3%	90.1%	90.7%	88.7%	90.0%	

KORE's Historical Occupancy Against The US Average and Gateway Cities

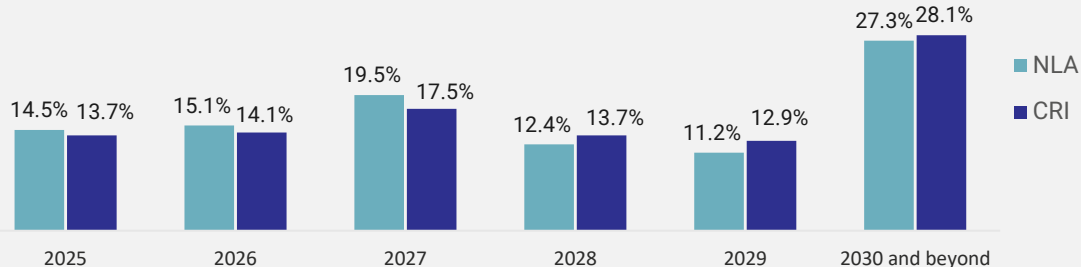


Healthy Leasing Performance

Executed leases (by NLA)



Lease Expiry Profile (as at 31 December 2024)



938,655 sf

Leased spaces for FY2024, equivalent to 19.6% of portfolio NLA. 217,263 sf of space leased in 4Q 2024, equivalent to 4.5% of portfolio NLA. Portfolio WALE of 3.8 years⁽²⁾ by CRI.

2.6%

Built-in average annual rental escalation across the portfolio.

2.7%

In-place rents are 2.7% below asking rents.

(0.5%)

Negative rental reversion for FY2024, mainly affected by renewals at The Plaza Buildings and Westmoor Center. Rental reversion for 4Q 2024 was positive 1.7%.

Diversified Tenant Composition Across Regions and Industries



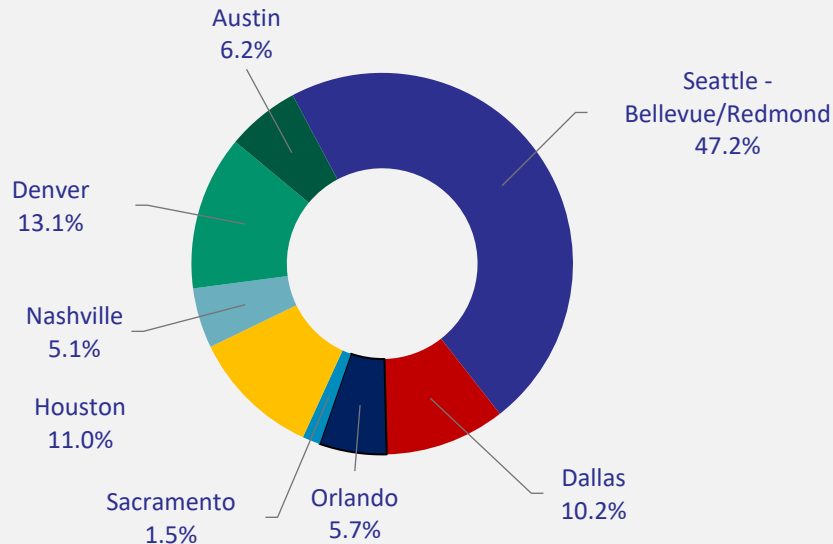
KORE's buildings and business campuses in the tech hubs of Seattle – Bellevue/Redmond, Austin and Denver contribute ~67% of NPI⁽¹⁾



~51% of KORE's portfolio NLA comprises high-quality tenants from the growing and defensive sectors of TAMI, medical and healthcare

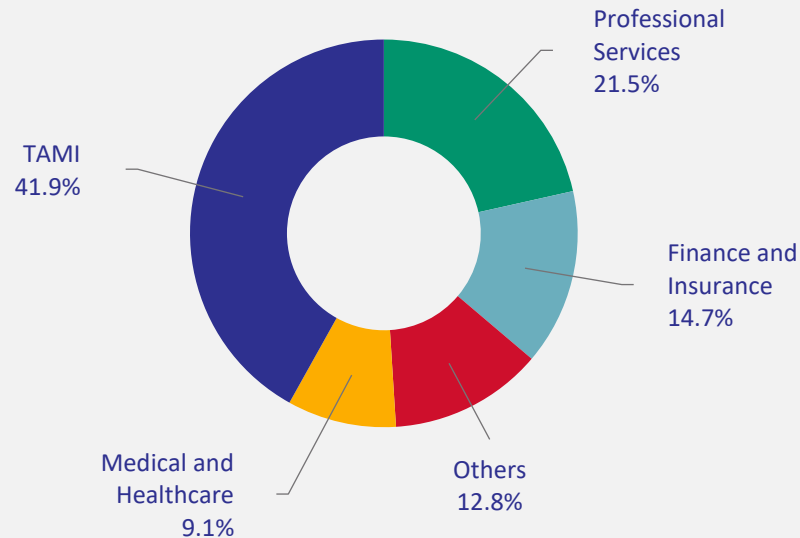
Geographic Diversification by NPI⁽¹⁾

as at 31 December 2024



Industry Diversification by NLA

as at 31 December 2024



Low Tenant Concentration Risk

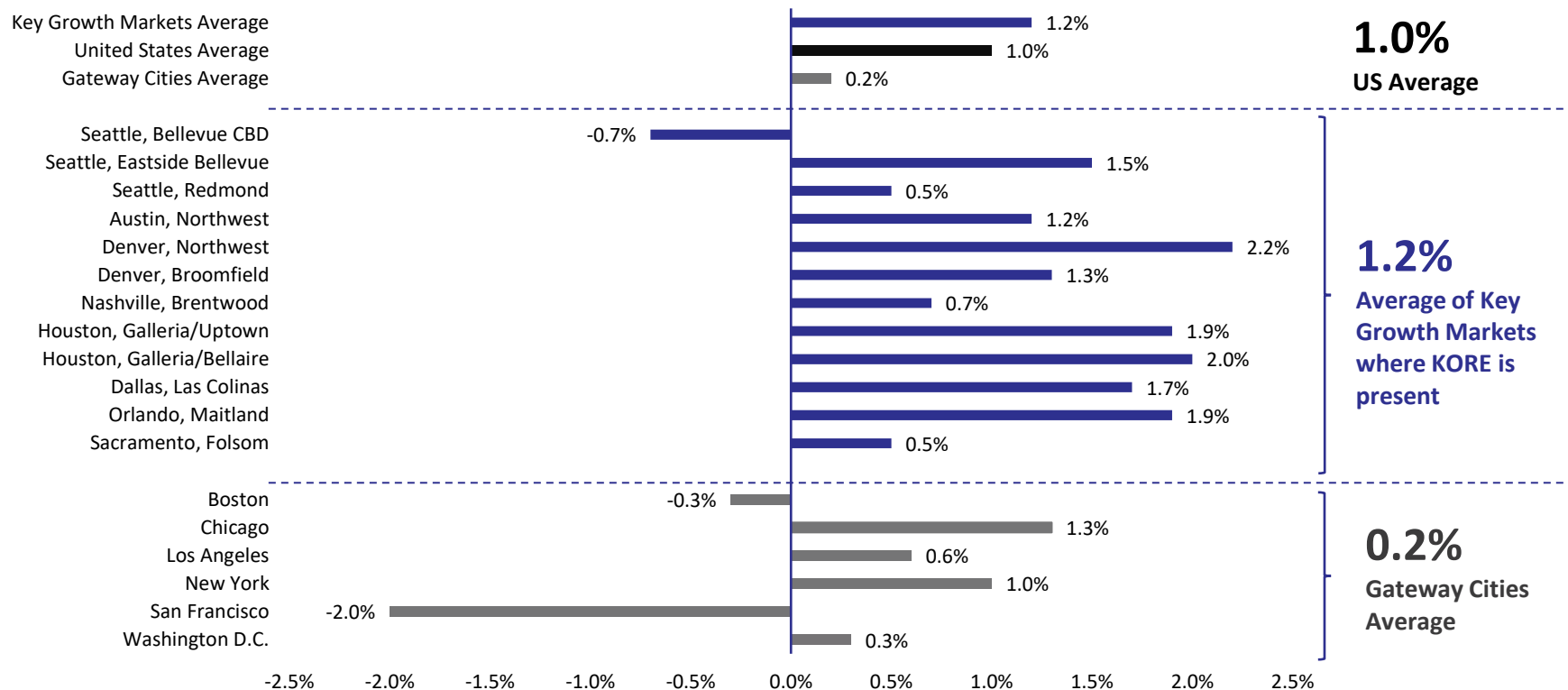
Top 10 Tenants	Sector	Asset	Location	% of	% of
				CRI	NLA
BAE Systems ⁽¹⁾	TAMI	Westmoor Center / Westpark	Denver	4.0%	4.8%
Comdata Inc	TAMI	Bridge Crossing	Nashville	3.9%	3.9%
Spectrum	TAMI	Maitland Promenade I & II	Orlando	3.5%	2.5%
Gogo Business Aviation	TAMI	105 Edgeview	Denver	3.1%	2.5%
Lear Corporation	TAMI	The Plaza Buildings	Seattle – Bellevue/Redmond	3.1%	1.3%
Meta	TAMI	The Westpark Portfolio	Seattle – Bellevue/Redmond	2.9%	2.6%
TerraPower	TAMI	Bellevue Technology Center	Seattle – Bellevue/Redmond	2.7%	2.0%
Highridge Medical ⁽²⁾	TAMI	Westmoor Center	Denver	2.3%	2.2%
United Capital Financial Advisor	Finance & Insurance	One Twenty Five	Dallas	1.9%	1.1%
Bio-Medical Applications	Medical & Healthcare	One Twenty Five	Dallas	1.8%	1.1%
Total				29.2%	24.0%
WALE by NLA				3.9 years	
WALE by CRI				4.0 years	



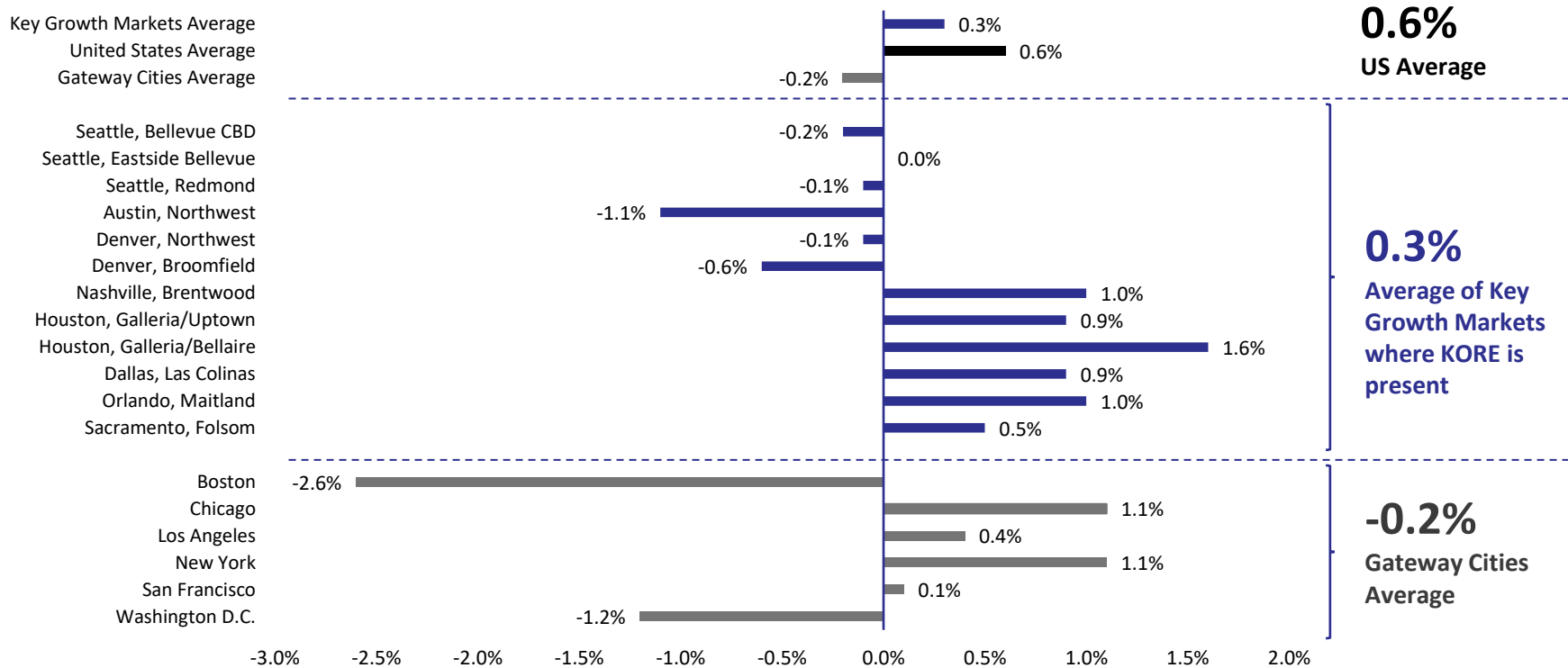
KORE has over 390 distinct tenants with the top 10 tenants contributing only 29.2% of CRI.

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

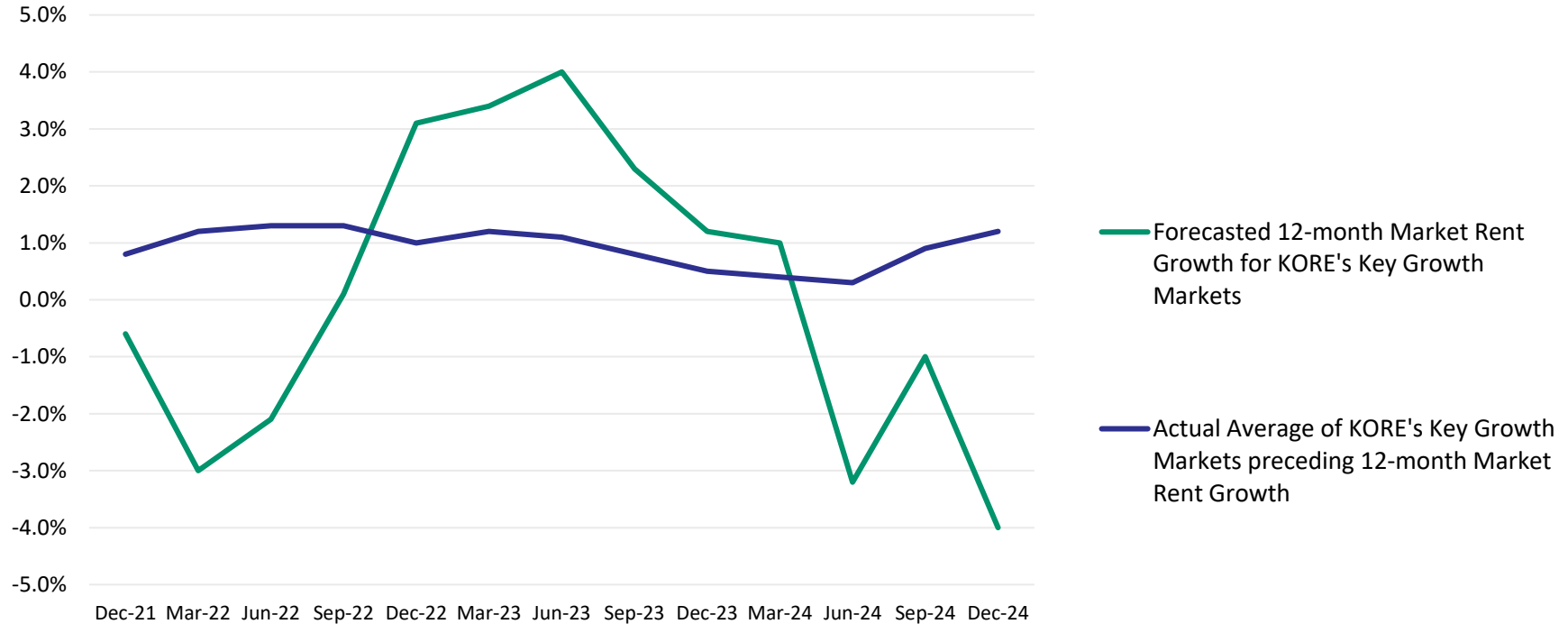
Last 12 Months' Rent Growth



Projected 12-Month Rent Outlook



3-year market rent growth remained stable despite fluctuating forecasted rent growth



Market Outlook

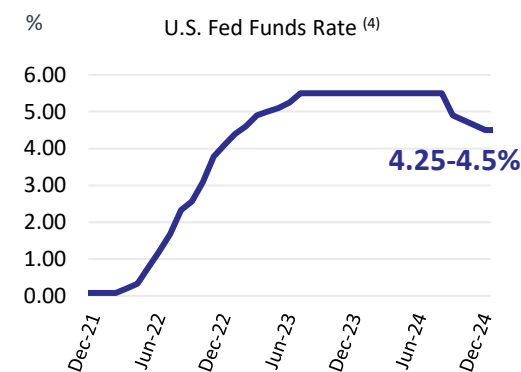
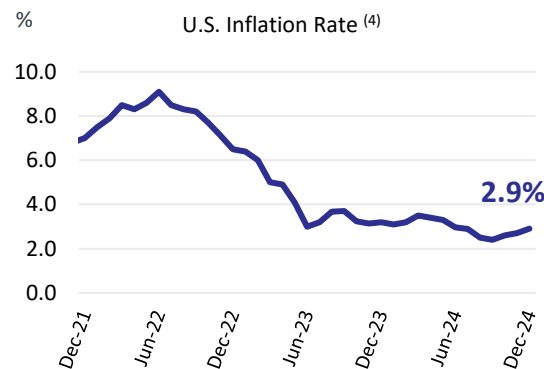
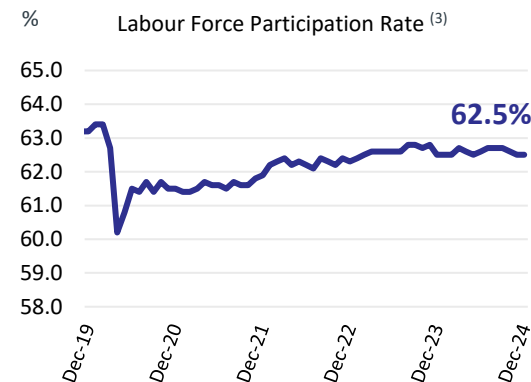
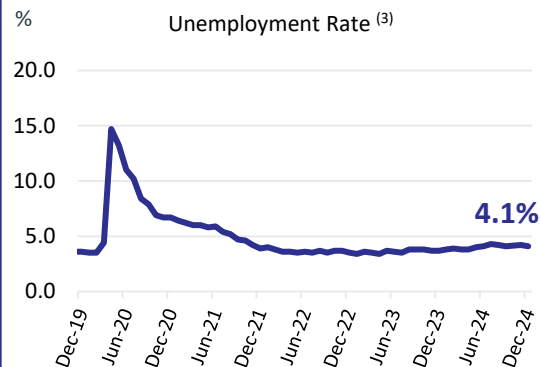
*Bellevue Technology Center
Amenity Building Patio
Seattle – Bellevue, Washington*

THE HUB

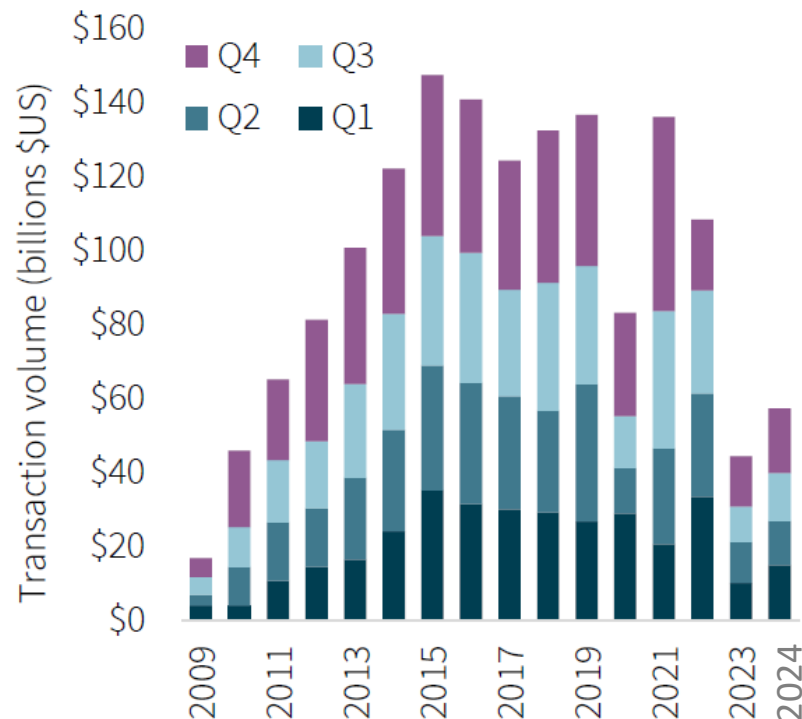


U.S. Economic Updates

- U.S. real GDP increased by 3.1% quarter-on-quarter in 3Q 2024⁽¹⁾.
- US job openings rose to a six-month high in November at 8.1 million. The advance was mainly due to openings at professional and business services – which stand at an almost two-year high – as well as finance and insurance⁽²⁾.
- The annual inflation rate in the US rose for a 3rd consecutive month to 2.9% in December 2024 from 2.7% in November, in line with expectations. The rise is partly influenced by low base effects from last year⁽⁴⁾.
- In January, the Fed held rates steady at 4.25%-4.5%, adopting a "wait and see" stance on Trump's economic policies. This pause follows three consecutive cuts, which lowered the key lending rate by a full percentage point⁽⁵⁾.
- The Fed expressed that "labour market conditions remain solid" but noted "inflation remains somewhat elevated", removing its earlier reference to progress toward the 2% target⁽⁵⁾.



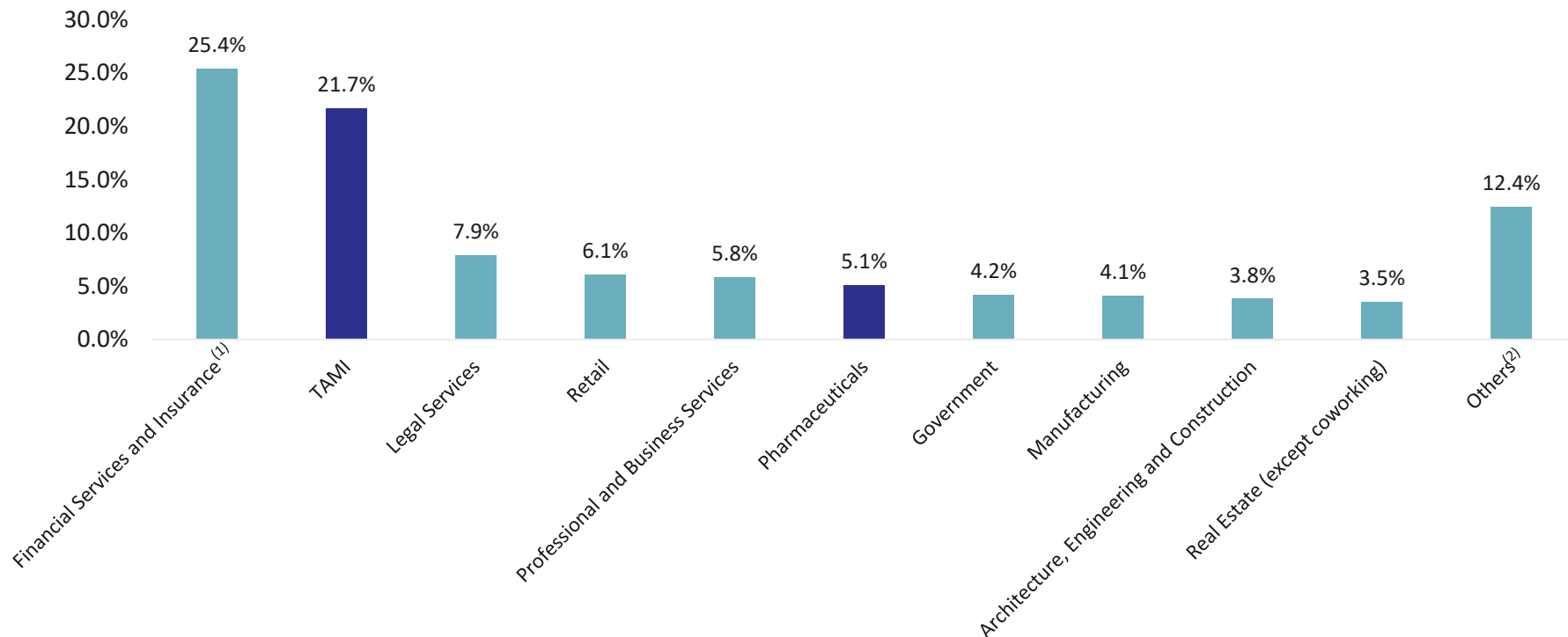
U.S. Office Sales Market Still Not In Recovery Phase



Source: JLL Research⁽²⁾

- Rate cuts have resulted in more liquidity, but capital markets have not recovered.
- The distress pipeline has not yet shown meaningful signs of a plateau in the near term. Office CMBS delinquency rates rose more than 250 bps since Q3, the sharpest increase in recent years as asset valuations remain under extreme pressure⁽¹⁾.
- Overall office investment volume increased by roughly 30% YoY, but a large portion was driven by portfolio sales or office alternatives (e.g. life science, medical office, data center). Excluding those trades, single-asset traditional office sales increased by only 10% YoY, and matched 2010 levels of liquidity⁽¹⁾.

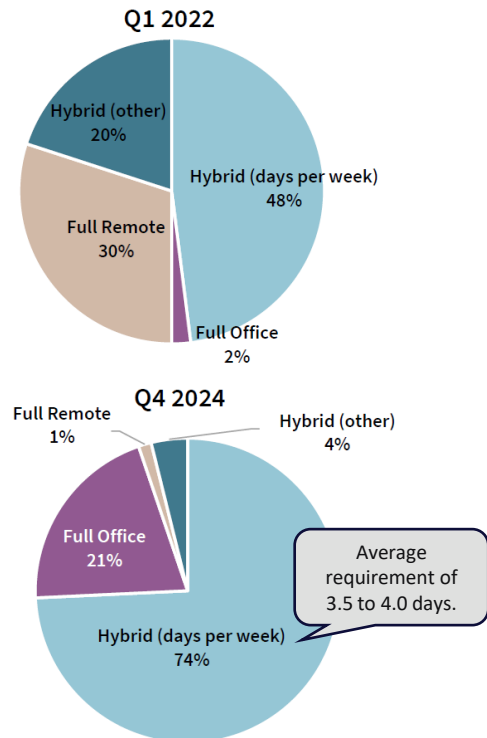
Multiple Sectors Driving Leasing Recovery



Broad-based Leasing Recovery Supported by Return to Office and Organic Growth

- Q4 was the first quarter of positive net absorption since Q4 2021, and the second quarter of occupancy gain since the onset of the pandemic in 2020.⁽¹⁾
- Variance in leasing momentum among different geographic regions is beginning to narrow as the recovery spreads more broadly—while Sun Belt markets still lead with over 95% of pre-pandemic activity over the last six months, gateway markets have recovered to a significant degree as well, reaching 76% of pre-pandemic activity in the second half of the year⁽¹⁾.
- In terms of interstate migration, Sun Belt states—including Texas, North Carolina, South Carolina, Florida and Tennessee continue to be the most popular destinations⁽²⁾.
- With many companies establishing regular office attendance requirements in recent years, downsizing rates have fallen significantly, allowing emerging organic demand growth to drive gains for the overall market⁽¹⁾.
- The Trump administration has on 20 January 2025 issued a memorandum to the heads of federal departments and agencies, to as soon as practicable get their employees back to their respective duty stations full-time⁽³⁾.
- While net new demand is driven mainly by companies in the Artificial Intelligence segment, finance and legal firms have stabilised their footprints in most markets and are beginning to expand in places like the Sun Belt and New York⁽¹⁾.
- US office-using employment continues to be higher than pre-pandemic period⁽⁴⁾.

Fortune 100 Office Attendance Policies⁽¹⁾



(1) JLL Research, U.S. Office Market Dynamics, Q4 2024

(2) Wall Street Journal. The Sanctuary State Migrant Boom, December 2024

(3) <https://www.whitehouse.gov/presidential-actions/2025/01/return-to-in-person-work/>. Accessed on 24 January 2025

(4) Bureau of Labor Statistics

First choice US office S-REIT focused on the fast-growing TAMI, medical and healthcare sectors across key growth markets in the U.S.



Strategic presence in several of the fastest growing states and strongest markets in the U.S.



Exposure to the fast-growing TAMI, medical and healthcare sectors provides income resilience.



Highly diversified portfolio with low tenant concentration risk.



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

Important: Submission Of Relevant Tax Forms

It is important for Unitholders to continue to comply with the relevant documentation requirements or they will be subject to U.S. withholding tax under the IRC, including under FATCA.

- While distributions to Unitholders are expected to be suspended through to the 2H 2025 distribution that would otherwise be paid in 1H 2026, KORE will still receive taxable interest income from its U.S. subsidiaries.
- KORE would have to bear the withholding tax based on the proportion of non-compliant Unitholders who fail to submit the U.S. withholding forms and certificates.
- This would reduce the income retained and negatively affect KORE and its Unitholders.
- **We strongly encourage all Unitholders to submit the relevant tax forms to reduce the withholding tax burden on KORE.**
- When the distributions re-commence, Unitholders with valid U.S. tax forms will continue to receive distributions exempted from U.S. withholding tax deduction.

For further details on the documentation required for U.S. tax exemption, Unitholders can also refer to KORE's website www.koreusreit.com.

Thank You

For more information,
please visit www.koreusreit.com

Connect with us on: 

*Westech 360
Austin, Texas*



Additional Information

*The Plaza Buildings
Seattle – Bellevue, Washington*



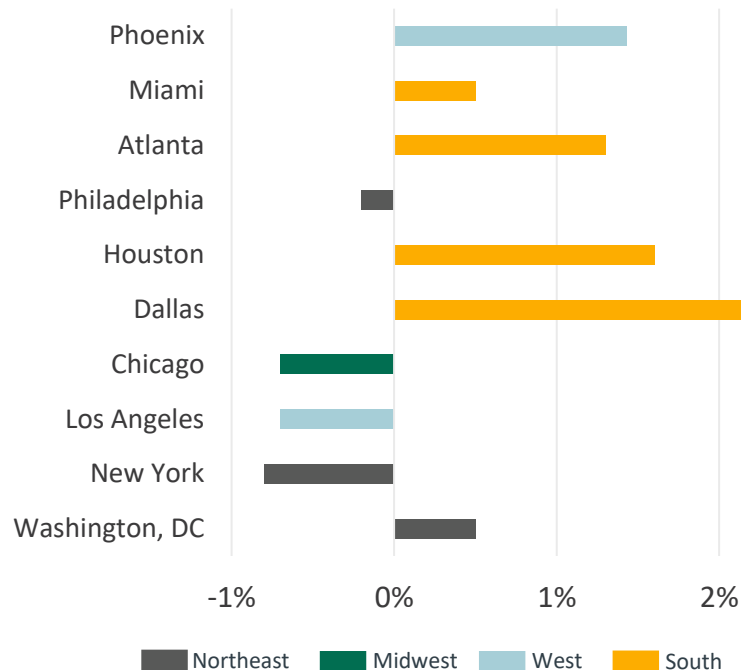
First Choice Submarkets Outlook

Submarket Property	Property Vacancy Rate (%)	Submarket Vacancy Rate (%)	Last 12M Deliveries (sf'000)	Last 12M Absorption (sf'000)	Under Construction (sf'000)	Last 12M Rental Growth (%)	Projected Rental Growth (%)
Seattle, Bellevue CBD <i>The Plaza Buildings</i>	16.7	15.8	1200	823	1485 ^{(1)*}	(0.7)	(0.2)
Seattle, Eastside Bellevue <i>Bellevue Technology Center</i>	4.4	6.7	-	(149)	-	1.5	(0.0)
Seattle, Redmond <i>The Westpark Portfolio</i>	7.1	8.6	2	(29)	3,000 ^{(1)#}	0.5	(0.1)
Austin, Northwest <i>Great Hills Plaza & Westech 360</i>	7.9 ⁽²⁾ & 21.7 ⁽³⁾	20.3	-	249	-	1.2	(1.1)
Denver, Northwest <i>Westmoor Center</i>	6.2	13.6	-	(106)	45	2.2	(0.1)
Denver, Broomfield <i>105 Edgeview</i>	11.1	19.1	-	(323)	63	1.3	(0.6)
Nashville, Brentwood <i>Bridge Crossing</i>	-	12.6	-	(75)	10	0.7	1.0
Houston, Galleria/Uptown <i>1800 West Loop South</i>	16.6	35.1	-	(961)	-	1.9	0.9
Houston, Galleria/Bellaire <i>Bellaire Park</i>	11.8	16.8	-	39	-	2.0	1.6
Dallas, Las Colinas <i>One Twenty Five</i>	3.5	23.4	62	108	919 ⁽¹⁾	1.7	0.9
Orlando, Maitland <i>Maitland Promenade I & II</i>	7.2	14.1	-	291	-	1.9	1.0
Sacramento, Folsom <i>Iron Point</i>	31.1	7.0	33	107	123	0.5	0.5

Continued Exodus From America's Gateway Cities

- Most of the gateway cities continue to face a tough future.
 - New York continues to lead the country in population loss and outmigration⁽¹⁾ with more than 400,000 people relocated in the last two years.
 - California lost 352 companies from 2018 to 2021 with 207 moving to states that KORE invests in⁽²⁾.
 - Over the last five years, Chicago lost at least 249,000 people with only New York and San Francisco seeing bigger population declines⁽³⁾.
 - From 2020 to 2021, gross income losses stemming from people leaving the state were 29.1 billion in California, 24.5 billion in New York and 10.5 billion in Illinois⁽⁴⁾.
- Beneficiaries of outmigration of these gateway cities are key growth markets including those where KORE is present.

2021-2022 POPULATION CHANGE AMONG THE TOP 10 LARGEST METRO AREAS AND WASHINGTON, DC⁽¹⁾



(1) Census Bureau, December 2022.

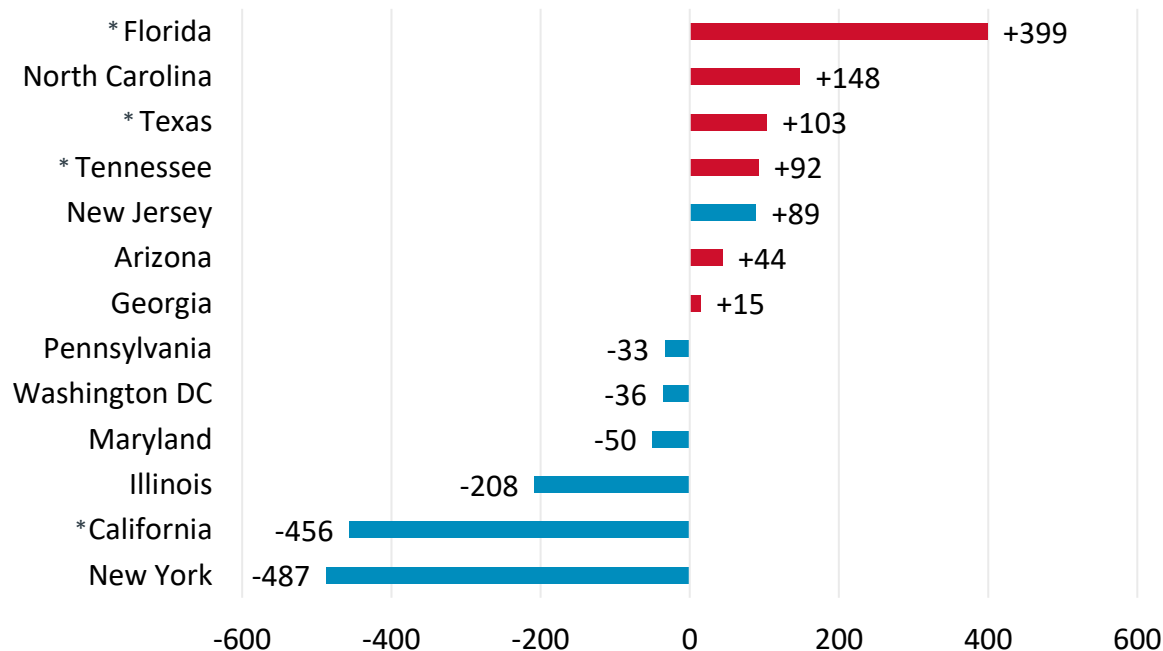
(2) Hoover Institution, Why Company Headquarters Are Leaving California in Unprecedented Numbers, September 2022.

(3) ABC News, Chicago metropolitan area population decline being addressed through revitalization projects, May 2023.

(4) WSJ, The Blue State Exodus Accelerates, April 2023.

Business Migrations To The South

Net migration of businesses across the United States, 2021^{(1)**}



- Suburban properties continue to attract the most capital.
 - In 1Q 2023, US\$8.1 billion was placed in suburban assets, compared to US\$2.6 billion in CBD locations⁽²⁾.
- Performance and demand differentials between suburban and gateway cities expected to widen as tenants seek out optimal work experience.
- Texas saw a spike in headquarter relocations, more than half of which came from California⁽¹⁾.

(1) U.S. Bureau of Labor Statistics, June 2023.

(2) Colliers, U.S. Office Fundamentals Continue to Weak in Q1 2023, June 2023.

* States where KORE has presence.

** The data only tracked single-establishment firms, which does not take into account the gain and losses from the movement of large firms and headquarters (ie. Citadel, Boeing and Caterpillar).

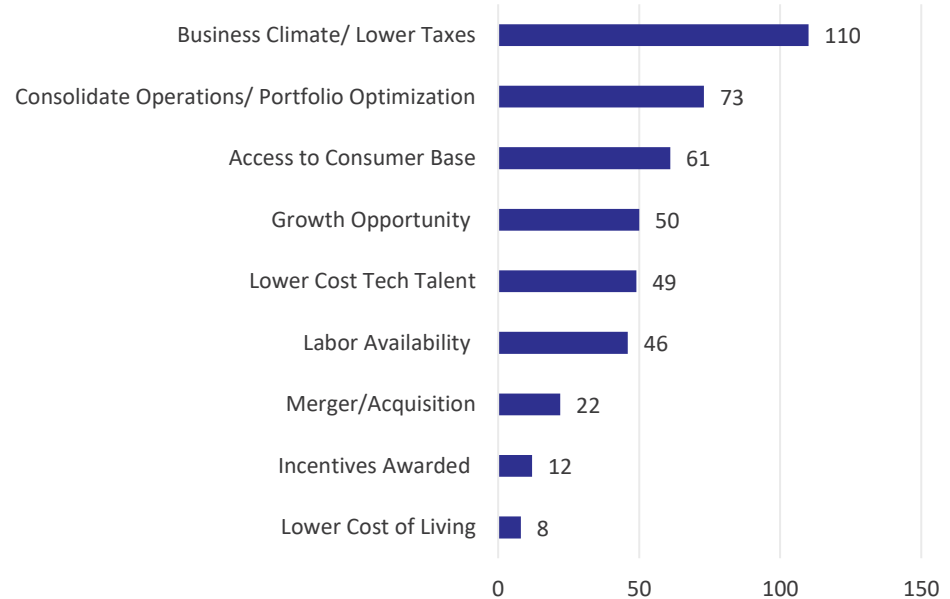
Trends For Business Relocations

Headquarter Relocations⁽¹⁾

Top 5 markets that <u>gained</u> headquarters	Top 5 markets that <u>lost</u> headquarters
*Austin: 66	San Francisco/ San Jose: 79
*Dallas: 32	Los Angeles/ Irvine: 50
*Houston: 25	New York City: 21
*Nashville: 21	San Diego: 11
*Denver: 17	Chicago: 10

- Tech industry (135) has seen the most headquarter relocations since 2018, followed by manufacturing (120)⁽¹⁾.
- Higher capital costs have likely impeded corporations' ability to sell or sublease office assets, tying their relocation timeframes to macroeconomic conditions.

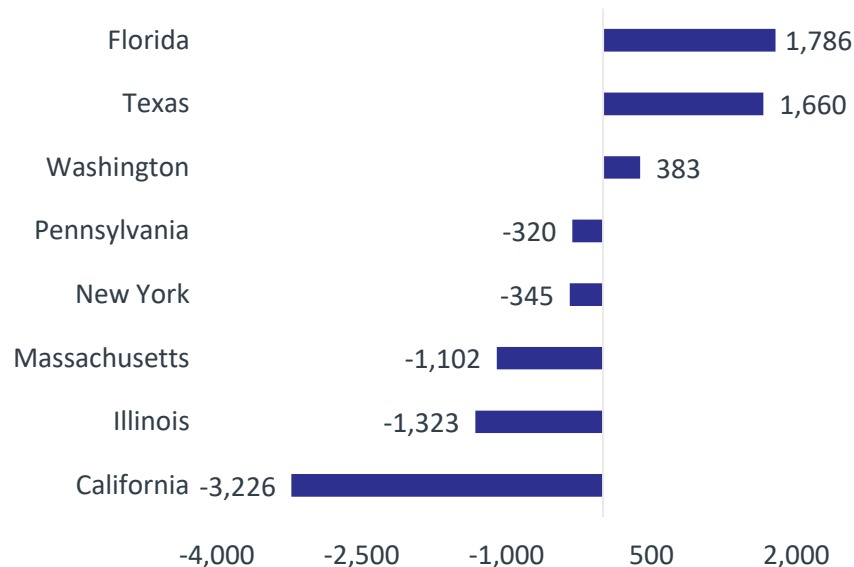
Number of Relocations by Reason⁽²⁾



California Challenges Persists

- Job creation in California has slowed due mainly to the number of people and businesses leaving the state because of its economic climate⁽¹⁾.
- Policies have driven up business and housing costs.
- Damage to high-tax state economies will increase as people leave⁽²⁾.
- California suffers the nation's highest poverty rate, the widest gap between middle and upper-middle income earners, tepid job growth and one of the highest unemployment rates⁽³⁾.
- Exodus of firms that have left California extended to high tech, including Hewlett Packard Enterprise, Oracle, Palantir, Tesla and SpaceX⁽³⁾.

**Net migration of young households
(ages 26 to 35) that earned at least USD\$200k/year⁽²⁾**



Relocations Out of California

Top 10 states for California relocations ⁽¹⁾

Rank	State	Known Relocations
1	Texas	132
2	Tennessee	31
3	Nevada	25
4	Florida	24
5	Arizona	21
6	Colorado	20
7	North Carolina	13
8	Ohio	7
9	Georgia Kentucky Virginia	5 5 5
10	Indiana Missouri Michigan Arkansas Utah	4 4 4 4 4

High Costs

Exorbitant Taxes

Overbearing Regulations

- High cost of buildings driving large corporations away from California.
- Housing affordability crisis another reason for the shrinking population.
- The top states for relocations, several of which KORE is already present in, are popular destinations due to their low taxes and lower cost-of-living.

Investment Headquarters Increasingly Moving South

New York City and California in the past 3 years lost firms that managed close to US\$1 trillion in assets⁽¹⁾

- California confronted with close to US\$32 billion deficit for 2023-24, on pace to have a budget deficit of US\$68 billion in 2024-25⁽²⁾.
- New York City's independent budget monitor projected US\$1.8 billion budget shortfall in 2024⁽³⁾.
- Loss of thousands of high-paying jobs, straining city and state finances by sapping tax revenue.
- From 2020 to March 2023, more than 370 investment companies, equivalent to ~2.5% of the U.S. total who manages US\$2.7 trillion in assets have moved their headquarters to a new state⁽¹⁾.
- Vast majority of the migration was out of high cost-of-living locales in the Northeast and on the West Coast and into Florida, Texas and other Sun Belt states.
 - AllianceBernstein relocated 1,000 jobs in an effort to save US\$80 million a year.
 - Similarly, Charles Schwab moved to Dallas, to save the company up to 15% in costs.

Investment headquarters that left gateway cities, 2020 – 2023⁽⁴⁾

Company	Original Location	Destination
Elliot Management	New York City	Florida
AllianceBernstein	New York City	Nashville
Charles Schwab	California	Dallas Fort Worth
Icahn Capital Management	New York City	Miami

(1) Bloomberg, New York, California Sees Trillions in Assets Flee to Wall Street South, August 2023.

(2) Calmatters, Year in review: California descends into budget deficit, December 2023.

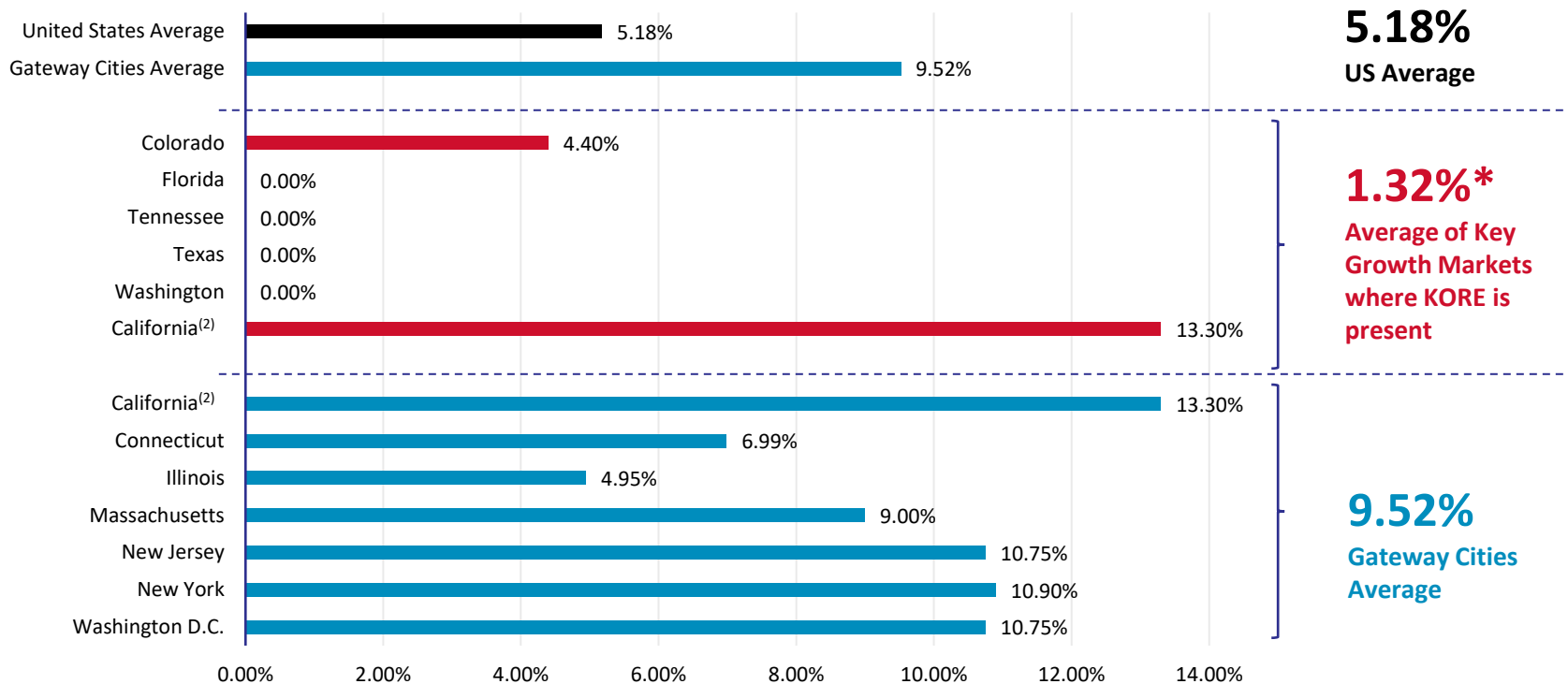
(3) Bloomberg, NYC's Budget Watchdog Pegs City's Deficit at Just \$1.8 Billion, December 2023.

(4) NY Post, New York loses US\$1 trillion in Wall Street businesses as firms flee the city, August 2023.

Low State Personal Income Taxes

Individuals are moving to states with zero or low personal income taxes, accelerating population growth

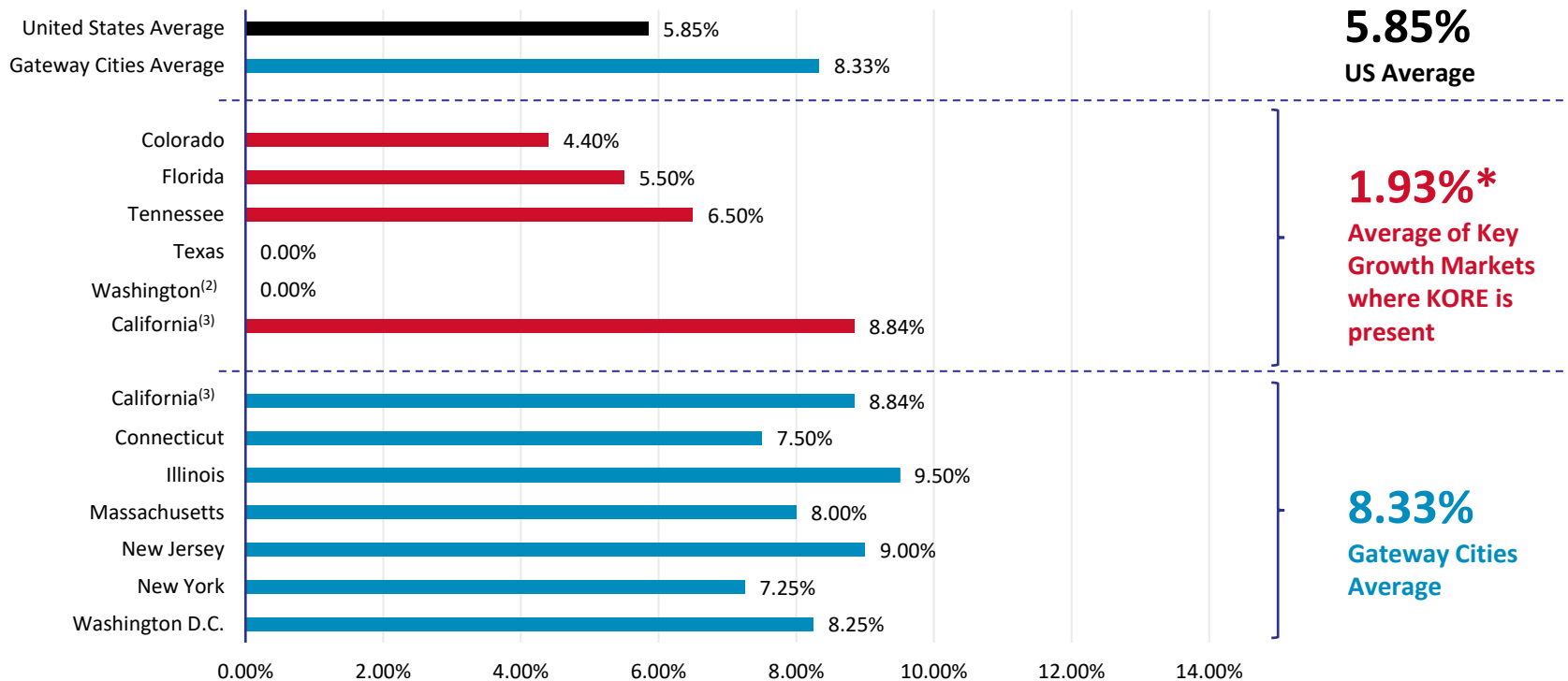
State Individual Tax Rates (as at January 1, 2024)⁽¹⁾



Low State Corporate Income Taxes

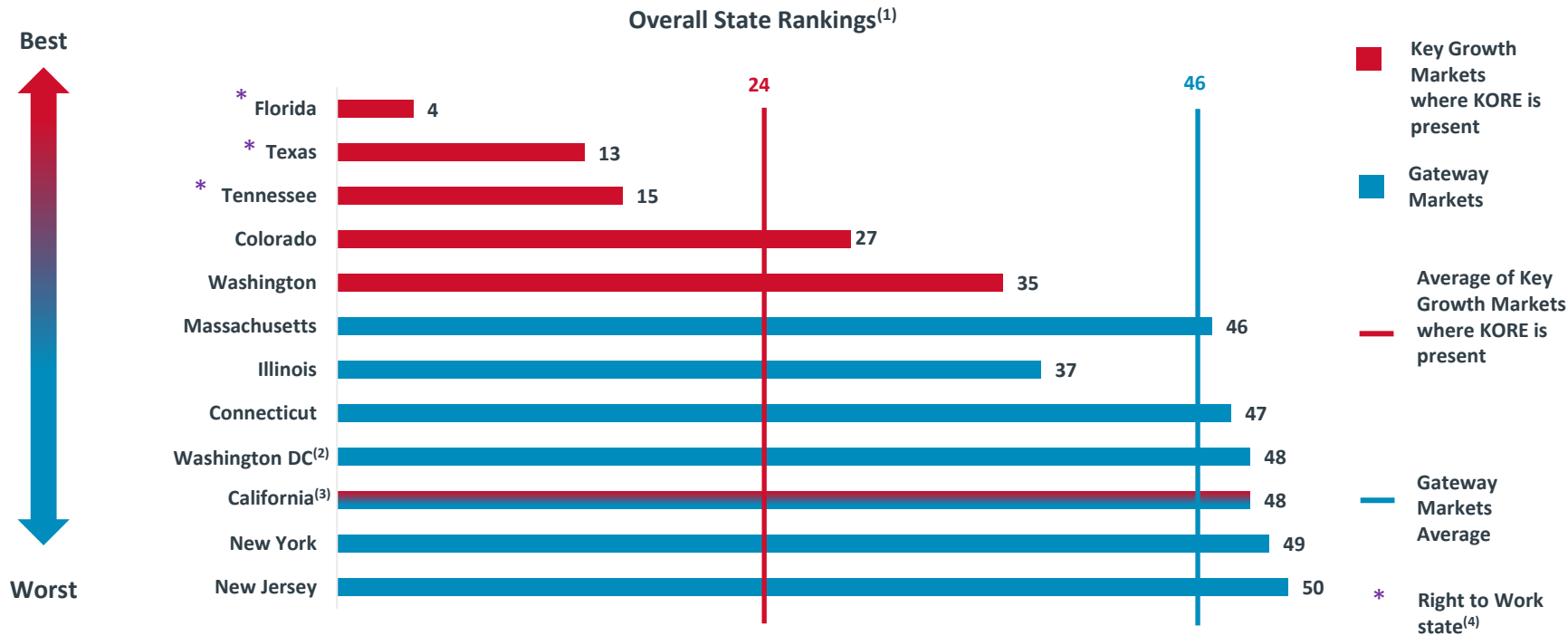
Companies are moving to states with zero or low corporate taxes, accelerating population growth

State Corporate Income Tax Rates (as at January 1, 2024)⁽¹⁾



2024 Rankings for Overall State Taxes

Lower overall tax rates in KORE's key growth markets vs gateway cities



Note: A rank of 1 is best, 50 is worst.

(1) Tax Foundation's 2024 State Business Tax Climate Index.

(2) DC's score and rank do not affect other states.

(3) The state of California encompasses the key growth city of Sacramento and the gateway cities of Los Angeles and San Francisco.

(4) Right to work states indicate that there are laws that allow residents to work without being forced to join a union or pay union fees.

Trust Structure

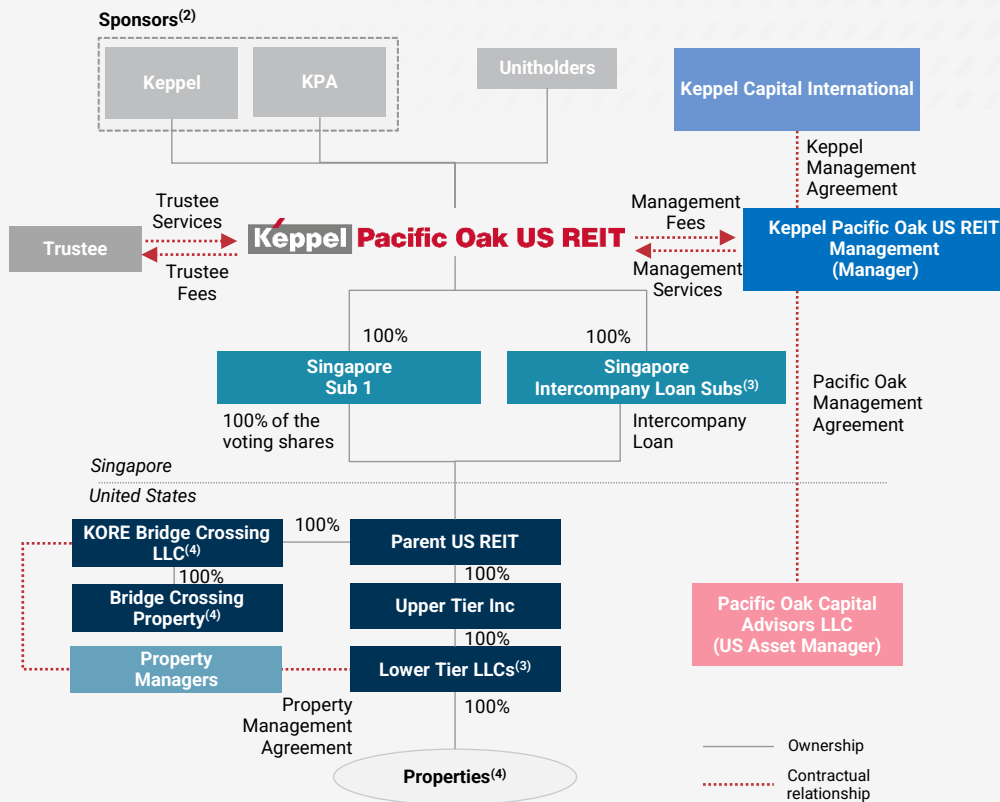
✓ No withholding tax in relation to Section 1446(f)⁽¹⁾

✓ 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 Pacific Oak US REIT (KORE) announced that the US withholding tax under Section 1446(f) of United States Internal Revenue Code should not apply to non-US Unitholders of KORE.

For more details, please refer to the announcement dated [1 January 2023](#).

(2) Keppel Capital holds a deemed 7.2% stake in KORE. Pacific Oak Strategic Opportunity REIT, Inc. (KPA entity) holds a 6.2% stake in KORE. KPA holds a deemed interest of 1.0% in KORE, for a total of 7.2%.

(3) There are four wholly-owned Singapore Intercompany Loan Subsidiaries extending intercompany loans to the Parent US REIT.

(4) 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.

Strong Sponsors: Keppel and KORE Pacific Advisors



- A **global asset manager and operator** with strong expertise in **sustainability-related solutions** spanning the areas of **infrastructure, real estate and connectivity**
- Operates in **more than 20 countries**, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity
- **S\$85 billion⁽¹⁾**
Funds under management as at end-June 2024
- Established **commercial real estate investment manager** in the US
- **Over 20 markets**
High quality commercial, single-family, multi-family, hospitality real estate portfolio across the US
- **US\$4.0 billion**
Assets under management as at end-2022