



(a real estate investment trust constituted on 22 September 2017 in the Republic of Singapore)  
(managed by Keppel Pacific Oak US REIT Management Pte. Ltd.)

## PROPOSED ACQUISITIONS OF BRIDGE CROSSING IN NASHVILLE, TENNESSEE, AND 105 EDGEVIEW IN DENVER, COLORADO, IN THE USA

### 1. INTRODUCTION

Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak US REIT (the “**Manager**”), is pleased to announce that Keppel Pacific Oak US REIT (“**KORE**”), through its indirect wholly-owned subsidiaries, KORE Bridge Crossing, LLC and KORE 105 Edgeview, LLC, has entered into two purchase agreements (the “**Purchase Agreements**”) with two unrelated third-party vendors, BOF TN 5301 Maryland LLC (the “**Bridge Crossing Vendor**”) and 105 Edgeview Owner, LP (the “**105 Edgeview Vendor**”) and together with the 105 Edgeview Vendor, the “**Vendors**”) respectively to acquire two office buildings, namely (a) Bridge Crossing located in Nashville, Tennessee, United States of America (“**Bridge Crossing**”), and (b) 105 Edgeview located in Denver, Colorado, United States of America (“**105 Edgeview**”) and together with Bridge Crossing, the “**Properties**” and each, the “**Property**”) from the Vendors for an estimated aggregate purchase consideration of US\$105.1 million (collectively, the “**Acquisitions**”).

### 2. INFORMATION ON THE PROPERTIES

#### 2.1 Bridge Crossing

Bridge Crossing is a newly refurbished freehold three-storey office building located in the Brentwood submarket in Nashville. To enhance tenants’ experience, the Property was renovated in 2017 to include new common areas and refurbishments were made to the building’s lobby, elevator cabs and restrooms.

Bridge Crossing is situated among Nashville’s most affluent neighbourhoods in Maryland Farms, and close to myriad retail, dining and entertainment destinations. The Property is a 20-minute drive to Downtown Nashville and enjoys convenient access to the major interstate highway, Interstate 65, as well as major thoroughfares such as Franklin Road, Hillsboro Pike and Old Hickory Boulevard. Publicly traded companies including Tractor Supply Company, and those from the technology, as well as medical and healthcare sectors, have set up their headquarters in Maryland Farms.

Offering 199,194 square feet (“**sq ft**”) of space, Bridge Crossing is currently 100% leased to two tenants from the technology sector. The property has a healthy weighted average lease expiry (WALE) of 5.7 years<sup>1</sup> as at 30 June 2021. The anchor tenant, Comdata, occupies 93.2% of the Property’s net lettable area, while the remaining space is occupied by Cognizant Technology Solutions, a global technology consulting company. The leases at

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1 By net lettable area.

Bridge Crossing offer visible organic growth, with an average built-in annual rental escalation of 2.7%.

<b>Purchase Consideration</b>	US\$ 46.0 million <sup>(1)</sup>
<b>Valuation</b>	US\$ 46.6 million <sup>(2)</sup>
<b>NLA</b>	199,194 sq ft
<b>Land Tenure</b>	Freehold
<b>Year Built</b>	1989 (refurbished in 2017)
<b>Occupancy<sup>(3)</sup></b>	100%
<b>Number of Tenants</b>	2
<b>Weighted Average Lease Expiry ("WALE") by NLA (as at 30 June 2021)</b>	5.7 years
<b>Pro forma NPI yield</b>	7.8%

**Notes:**

- (1) Subject to the adjustments and prorations provided for under the purchase agreement with respect to the proposed acquisition of Bridge Crossing ("**Bridge Crossing Purchase Agreement**").
- (2) Based on the valuation report dated 26 July 2021 by JLL Valuation & Advisory Services, LLC ("**JLL**"), an independent property valuer.
- (3) Leased occupancy as at 30 June 2021.

## 2.2 105 Edgeview

Located in the Broomfield submarket in Denver, 105 Edgeview is a freehold asset and is one of the newest, highest quality office buildings in Northwest Denver. The Property has obtained the US Green Building Council's Leadership in Energy and Environmental Design (LEED) Platinum certification, in recognition of its sustainable design features.

105 Edgeview is located in one of Metro Denver's premier office locations, Interlocken Advanced Technology Campus, an advanced technology park that has a high concentration of top technology and telecommunications tenants, including Oracle and Ball Aerospace. The Property is near the highly travelled Denver-Boulder corridor and situated along the major highway route, US 36, providing tenants with easy access to downtown Denver and Boulder.

Offering 186,231 sq ft of space over four storeys, 105 Edgeview is currently 100% leased to eight tenants mainly from the technology and telecommunications sectors, with no expiring lease until 2023 and an average built-in annual rental escalation of 2.7%. As at 30 June 2021, the Property has a long WALE of 6.6 years. Its anchor tenant, Gogo Business Aviation, occupies a majority of the building and its lease will expire only in 2029, which will provide long-term income stability for KORE.

<b>Purchase Consideration</b>	US\$ 59.1 million <sup>(1)</sup>
<b>Valuation</b>	US\$ 59.1 million <sup>(2)</sup>
<b>NLA</b>	186,231 sq ft
<b>Land Tenure</b>	Freehold
<b>Year Built</b>	2012

<b>Occupancy<sup>(3)</sup></b>	100%
<b>Number of Tenants</b>	8
<b>Weighted Average Lease Expiry ("WALE") by NLA (as at 30 June 2021)</b>	6.6 years
<b>Pro forma NPI yield</b>	6.7%

**Notes:**

- (1) Subject to the adjustments and prorations provided for under the purchase agreement with respect to the proposed acquisition of 105 Edgeview ("**105 Edgeview Purchase Agreement**").
- (2) Based on the valuation report dated 26 July 2021 by JLL, an independent property valuer.
- (3) Leased occupancy as at 30 June 2021.

### **3. PRINCIPAL TERMS OF THE ACQUISITIONS**

#### **3.1 Valuation and Aggregate Purchase Consideration**

The aggregate purchase consideration ("**Aggregate Purchase Consideration**") payable for the Acquisitions is US\$105.1 million, comprising US\$59.1 million for 105 Edgeview and US\$46.0 million for Bridge Crossing. The Aggregate Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and is supported by independent valuations.

The Manager and Perpetual (Asia) Limited, in its capacity as trustee of KORE have commissioned an independent property valuer, JLL, to value the Bridge Crossing Property and the 105 Edgeview Property respectively. JLL in its report dated 26 July 2021, stated that the open market value of the Bridge Crossing Property is US\$46.6 million (based on a sales comparison and income approach) and JLL in its report dated 26 July 2021, stated that the open market value of the 105 Edgeview Property is US\$59.1 million (based on a sales comparison and income approach).

#### **3.2 Estimated Total Acquisition Cost**

The estimated total cost of the Acquisitions (the "**Total Acquisition Cost**") is approximately US\$107.1 million, comprising:

- 3.2.1 the Aggregate Purchase Consideration of approximately US\$105.1 million;
- 3.2.2 the acquisition fee of approximately US\$1.1 million payable to the Manager for the Acquisitions pursuant to the trust deed dated 22 September 2017 (as amended) constituting KORE, which the Manager has elected to be paid in cash; and
- 3.2.3 the estimated professional and other transaction fees and expenses incurred or to be incurred by KORE in connection with the Acquisitions of approximately US\$0.9 million.

#### **3.3 Principal Terms of Purchase Agreements**

##### **3.3.1 Bridge Crossing Purchase Agreement**

The principal terms of the Bridge Crossing Purchase Agreement include the following:

- (i) customary provisions relating to the acquisition, including representations and warranties;

- (ii) the Bridge Crossing Purchase Agreement is subject to conditions precedent, including but not limited:
  - (a) the Bridge Crossing Vendor not being in default of the Bridge Crossing Purchase Agreement;
  - (b) all representations and warranties by the Bridge Crossing Vendor are true and correct in all material respects on completion; and
  - (c) the Bridge Crossing Vendor providing a tenant estoppel certificate from each tenant;
- (iii) to the extent that the Bridge Crossing Vendor's obligations under the Bridge Crossing Purchase Agreement survive the closing, they will survive for nine months following the closing date, and the Bridge Crossing Vendor will not have any liability to the buyer for most breaches until the buyer's claims aggregate more than US\$20,000, subject to a cap of US\$750,000.

### **3.3.2 105 Edgeview Purchase Agreement**

The principal terms of the 105 Edgeview Purchase Agreement include the following:

- (i) customary provisions relating to the acquisition, including representations and warranties;
- (ii) the 105 Edgeview Purchase Agreement is subject to conditions precedent, including but not limited:
  - (a) the 105 Edgeview Vendor not being in default of the 105 Edgeview Purchase Agreement; and
  - (b) all representations and warranties by the 105 Edgeview Vendor are true and correct in all material respects on completion; and
  - (c) the 105 Edgeview Vendor providing a tenant estoppel certificate from each tenant;
- (iii) to the extent that the 105 Edgeview Vendor's obligations under the 105 Edgeview Purchase Agreement survive the closing, they will survive for six months following the closing date, and the 105 Edgeview Vendor will not have any liability to the buyer for most breaches until the buyer's claims aggregate more than US\$20,000, subject to a cap of US\$700,000.

## **3.4 Structure of the Acquisitions and Transfer of the 105 Edgeview Purchase Agreement and Bridge Crossing Purchase Agreement**

### **3.4.1 Bridge Crossing Purchase Agreement**

Pacific Oak Capital Advisors, LLC had previously entered into the Bridge Crossing Purchase Agreement with the Bridge Crossing Vendor. Under the terms of the Bridge Crossing Purchase Agreement the purchaser had until 12:59 p.m. on 29 July 2021 (Singapore time) (the "**Bridge Crossing Relevant Time**") to indicate whether it intends to complete the acquisition of Bridge Crossing. Pacific Oak Capital Advisors, LLC issued a notice to the Bridge Crossing Vendor that it intends to complete the acquisition of Bridge Crossing in the third quarter of 2021, pursuant to

which it transferred the Bridge Crossing Purchase Agreement to a wholly-owned subsidiary of KORE, KORE Bridge Crossing, LLC prior to the Bridge Crossing Relevant Time.

#### **3.4.2 105 Edgeview Purchase Agreement**

Pacific Oak Capital Advisors, LLC had previously entered into the 105 Edgeview Purchase Agreement with the 105 Edgeview Vendor. Under the terms of the 105 Edgeview Purchase Agreement the purchaser had until 12:59 p.m. on 28 July 2021 (Singapore time) (the “**105 Edgeview Relevant Time**”) to indicate whether it intends to complete the acquisition of 105 Edgeview. Pacific Oak Capital Advisors, LLC issued a notice to the 105 Edgeview Vendor that it intends to complete the acquisition of 105 Edgeview in the third quarter of 2021, pursuant to which it transferred the 105 Edgeview Purchase Agreement to a wholly-owned subsidiary of KORE, KORE 105 Edgeview, LLC prior to the 105 Edgeview Relevant Time.

## **4. RATIONALE FOR AND BENEFITS OF THE ACQUISITIONS**

The Manager believes that the Acquisitions will bring the following key benefits to Unitholders:

### **4.1 Deepen Presence in Key Growth Markets Driven by Tech and Innovation, which will Enhance Income Resilience**

The Acquisitions will reinforce KORE’s focus on the fast-growing tech sector in key growth markets which are poised to benefit from population migration and suburbanisation trends.

- Nashville and Denver are two of the six new favourite “boomtowns” for the country’s young talent pool in a trend that researchers are calling “the Great American Move”.<sup>2</sup>
- Known as 18-hour Cities, Nashville and Denver are highly coveted destinations due to their lifestyle, culture and employment opportunities. Besides Nashville and Denver, other 18-hour cities include Seattle and Austin, where KORE has presence in.

The Manager believes the Properties’ tech-focused tenancies will provide income resilience with curated exposure to the fast-growing tech sector, which is best placed to benefit from post-pandemic disruption.

- As at 30 June 2021, both Bridge Crossing and 105 Edgeview are 100% and 84.6% leased (by cash rental income (“**CRI**”)) respectively to tenants in the fast-growing and highly defensive tech sectors.
- These include (a) Comdata, an anchor tenant at Bridge Crossing, which is part of the Fleetcor Group, a leading global business payment firm listed on the New York Stock Exchange, (b) Gogo Business Aviation, an anchor tenant at 105 Edgeview, which is listed on NASDAQ and the world’s largest provider of broadband connectivity services for the business aviation market, as well as (c) CesiumAstro Inc., Blue Horseshoe Solutions, Inc and Cognizant Technology Solutions, other significant tech sector tenants at Bridge Crossing and 105 Edgeview.

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2 Source: Emerging trends in Real Estate 2021 by PwC and the Urban Land Institute (ULI).

The Acquisitions will enhance KORE's portfolio scale, income resilience and exposure to the technology sector. Post-Acquisitions,

- As illustrated by the graph below, the majority of KORE's top 10 tenants (by CRI) will continue to be established tech companies located in the fast-growing tech hubs of Seattle–Bellevue/Redmond, Denver and Nashville.

**Top 10 Tenants by CRI<sup>(1)</sup> for Enlarged Portfolio**

Top 10 Tenants	Sector	% of CRI
<b>Comdata Inc</b>	<b>Technology</b>	<b>3.3%</b>
Ball Aerospace & Tech	Technology	2.7%
Lear Corporation	Technology	2.6%
<b>Gogo Business Aviation, LLC</b>	<b>Technology</b>	<b>2.6%</b>
Oculus VR	Technology	2.2%
Zimmer Biomet Spine	Technology	1.9%
Spectrum	Media & Information	1.7%
Unigard Insurance Company	Finance & Insurance	1.6%
Bio-Medical Applications of Texas	Medical & Healthcare	1.6%
Auth0	Technology	1.6%
<b>Total % of CRI</b>		<b>21.8%</b>
<b>WALE (by NLA)</b>		<b>5.4 years</b>
<b>WALE (by CRI)</b>		<b>5.4 years</b>

- Low tenant concentration risk: KORE's top 10 tenants contribute only 21.8% 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



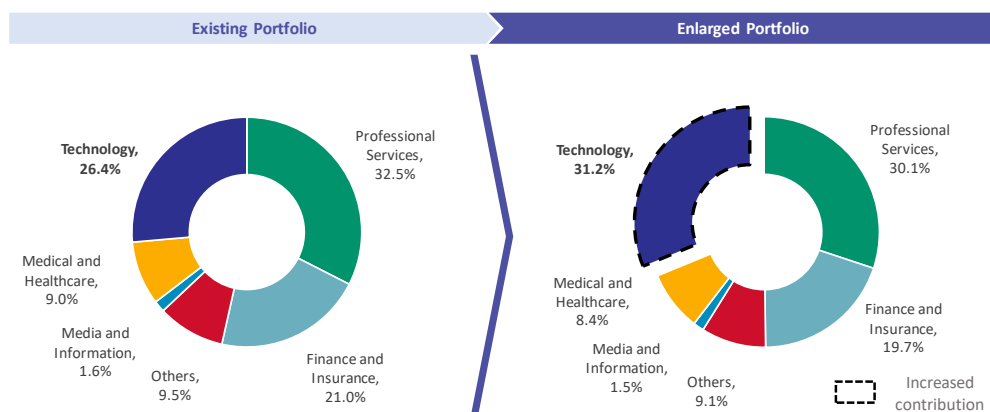
- Anchor tenant at Bridge Crossing, occupying 93.2% of the NLA
- Part of Fleetcor group, a leading global business payment firm, listed on NYSE



- Anchor tenant at 105 Edgeview, occupying about 66% of the NLA
- Listed on Nasdaq and is a leading global aero-communications service provider

- KORE's portfolio committed occupancy will improve from 90.5% to 91.2% as at 30 June 2021.
- As illustrated by the graph below, KORE's exposure to the fast-growing tech sector will increase by 4.8 percentage points from 26.4% to 31.2% as of 30 June 2021 (by CRI).

**Industry Contribution by CRI as at 30 June 2021**



- KORE's portfolio value will also increase by 8.2% from US\$1,305 million to US\$1,412 million on a pro forma 31 December 2020 basis<sup>3</sup> (which amounts to a 68.7% growth in portfolio value since IPO).
- KORE's portfolio WALE (by CRI) will be 3.7 years as at 30 June, and lease expiries will remain well-spread.

3 Assuming the Acquisitions were completed on 31 December 2020.

## 4.2 Prime Locations in Key Submarkets with Limited Upcoming Supply

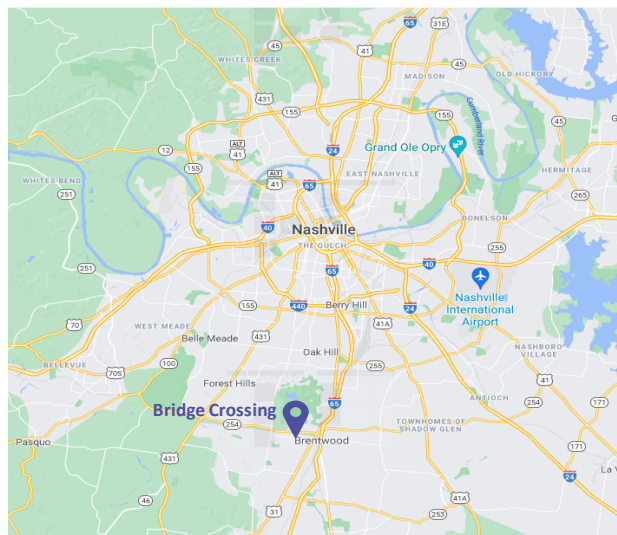
As illustrated in the table below, the Acquisitions will strengthen KORE's presence in the Top 20 Fastest Growing States in the US<sup>4</sup> by CRI contribution from 94.9% to 95.2%.

Top 20 Fastest Growing States in the US from 2010-2020		Change in Resident Population (%)	Representation in KORE's portfolio by CRI contribution	
			Pre-Acquisitions (%)	Post-Acquisitions (%)
1	Utah	18.4		
2	Idaho	17.3		
3	Texas*	15.9	30.0	27.9
4	North Dakota	15.8		
5	Nevada	15.0		
6	Colorado*	14.8	9.4	12.4
7	District of Columbia	14.6		
8	Florida*	14.6	11.3	10.5
9	Washington*	14.6	38.7	35.9
10	Arizona	11.9		
11	South Carolina	10.7		
12	Georgia*	10.6	5.5	5.1
13	Oregon	10.6		
14	Delaware	10.2		
15	South Region	10.2		
16	Montana	9.6		
17	North Carolina	9.5		
18	West Region	9.2		
19	South Dakota	8.9		
20	Tennessee*	8.9	-	3.4
		<b>Total</b>	<b>94.9</b>	<b>95.2</b>

\* States which KORE has a presence in, including Tennessee with the acquisition of Bridge Crossing.

### **Bridge Crossing, Brentwood submarket, Nashville**

Strategic Entry into the Growing Tech Hub of Nashville



Source: Google Maps

- As illustrated by the graph above, Nashville is located on the Cumberland River in north central Tennessee between Knoxville and Memphis, and is the largest metro area in the state.

4 Source: US Census Bureau 2020 results.

- Nashville was ranked as the second hottest job market in 2019 by the Wall Street Journal and according to the Brookings Institute, Nashville has had more job growth in advanced industries since the recession than any other metro area in the country.<sup>5</sup>
- Continued in-migration and capital investments from businesses have resulted in commercial real estate reaping the benefits of low vacancy and rising rental rates.
- The thousands of new jobs created have lured new residents to the region, making Nashville one of the fastest growing metropolitan areas in the USA. Amazon, for example, is investing US\$230 million in Nashville and adding 5,000 jobs at its new operations site at Nashville yard in downtown Nashville.<sup>6</sup>
- As new businesses flock to the region, Nashville's national profile was raised and continues to enjoy its status as the top performer in Tennessee and leading position among its peer cities.<sup>7</sup>

#### Highly Desirable Brentwood Submarket

- Brentwood features some of Nashville's highest quality properties with the most commercial property positioned between Old Hickory Boulevard and Murray Lane along the I-65 corridor.
- The Brentwood submarket is supported by a variety of demand generators, such as desirable "lifestyle" amenities, a highly skilled labor force, and proximity to I-65, Vanderbilt University and the Cool Springs Galleria Super Regional Mall.
- Brentwood continues to be one of Nashville's major suburban office nodes and is located on the fast-growing and affluent southern side of the metro.
- According to CoStar's June 2021 report,<sup>8</sup> 4- & 5-star rent in the Brentwood submarket has grown by about 25.7% since 2015 with vacancies averaging 6.6% over the same period. As illustrated by the graph below, the Brentwood office market has historically maintained above average occupancy and rent levels for the Nashville metro area with occupancy levels above 90%.

#### **Brentwood submarket – Asking Rent (US\$ per sq ft ("psf")) and Vacancy (%)**

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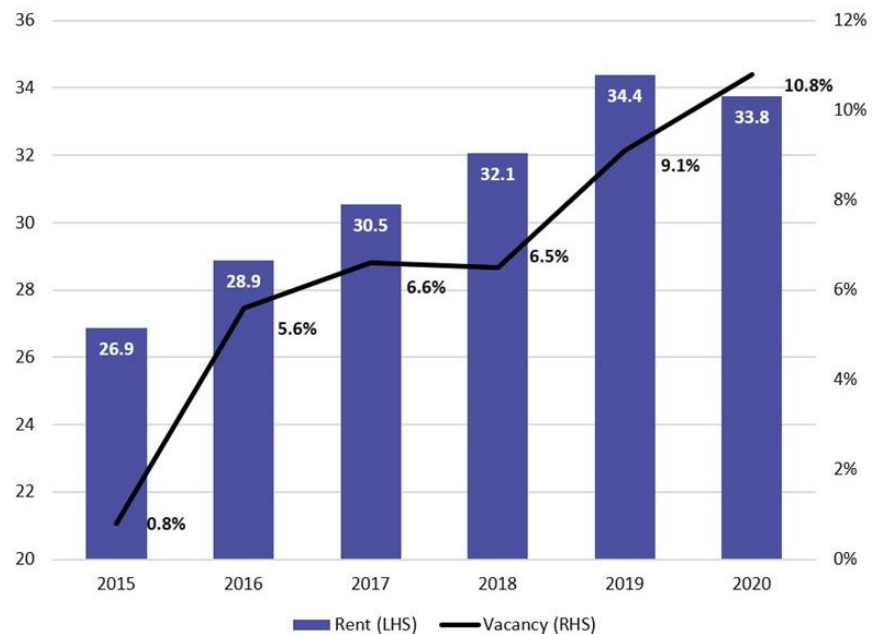
5 Source: US Office Market and Nashville Tennessee Office Market and Brentwood Submarket, by Cushman & Wakefield.

6 Source: US Office Market and Nashville Tennessee Office Market and Brentwood Submarket, by Cushman & Wakefield.

7 Source: US Office Market and Nashville Tennessee Office Market and Brentwood Submarket, by Cushman & Wakefield.

8 Source: June 2021 Office Submarket Report, Brentwood, Nashville – TN, by CoStar.





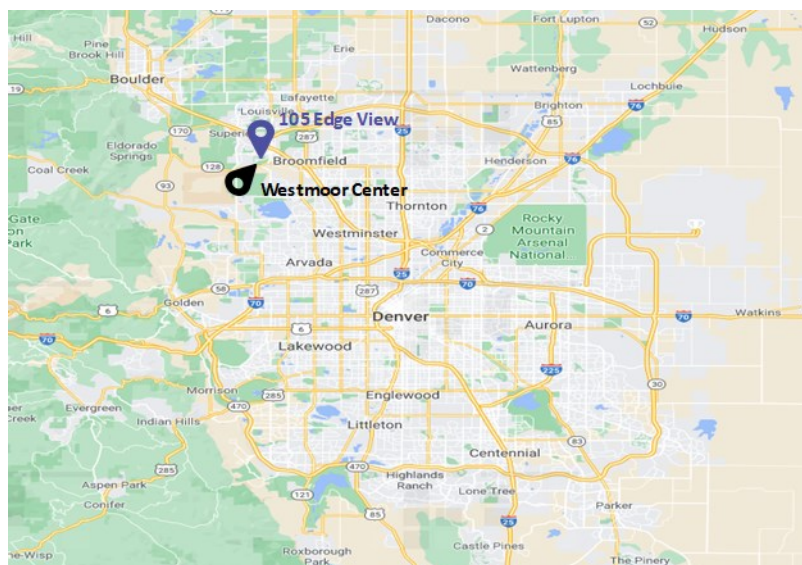
#### Bridge Crossing – Amenity Rich Location in Maryland Farms



- As illustrated by the graph above, Bridge Crossing is located on the south side of Maryland Way, 1.5-miles southwest of the Interstate 65 interchange at Old Hickory Boulevard in Maryland Farms. The local area is in the growth stage of its life cycle with stable population and household growth trends, as well as significantly above average household income levels.
- Maryland Farms, the largest office park in Brentwood, was developed in the early 1980's as a professional office park and has since grown to approximately 5,000,000 square feet including office, hospitality, retail and residential components.

#### **105 Edgeview, Northwest Denver submarket, Denver**

Deepens Presence in Denver with Second Asset



Source: Google Maps

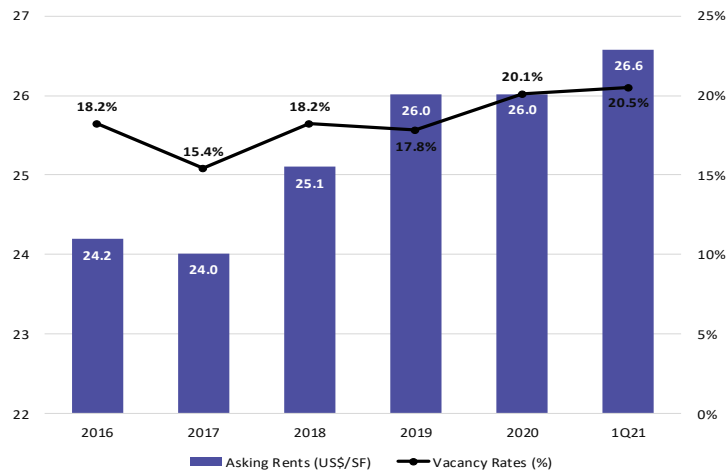
- Denver's growth drivers are mainly attributable to strong infrastructure, high quality of life, favourable demographics and consistent population growth. The region benefits from comparatively higher educated workforce and moderate business costs, relative to the nation.
- Denver's central location in the western US, the presence of large research universities, and its attractive demographic characteristics helps in attracting new businesses, particularly tech-heavy industries which seek out the area's large and growing pool of talented workers.
- Cushman & Wakefield expects continued in-migration of office-using firms and employees in Denver in the near term<sup>9</sup>. The area will continue to benefit from growing tech companies, creating a synergy among office space users.

#### Strong Fundamentals for Northwest Denver Submarket

- Northwest Denver is the fourth largest submarket in Denver with approximately 7.7 million square feet of rentable office space. Due to its location between Denver and Boulder, and connectivity through US Highway 36, this submarket is an attractive alternative for tenants looking outside of Denver's urban core and the pricier Boulder market.
- The submarket is supported by a variety of demand generators, such as desirable "lifestyle" amenities and a highly skilled labor force. Limited new supply in the submarket due to strict growth limits and prohibitive construction costs, continue to drive demand for existing inventory. There have been no new speculative office properties in the market.
- As illustrated by the graph below, average asking rents for Class A office in Northwest Denver submarket have increased from \$24.2 psf in 2016 to \$26.6 psf in the first quarter of 2021.

<sup>9</sup> Source: US Office Market and The Broomfield, CO Market, by Cushman & Wakefield.

### Northwest Denver submarket – Class A Asking Rental (US\$ psf) and Vacancy (%)



### 105 Edgeview – Prime Location in Interlocken

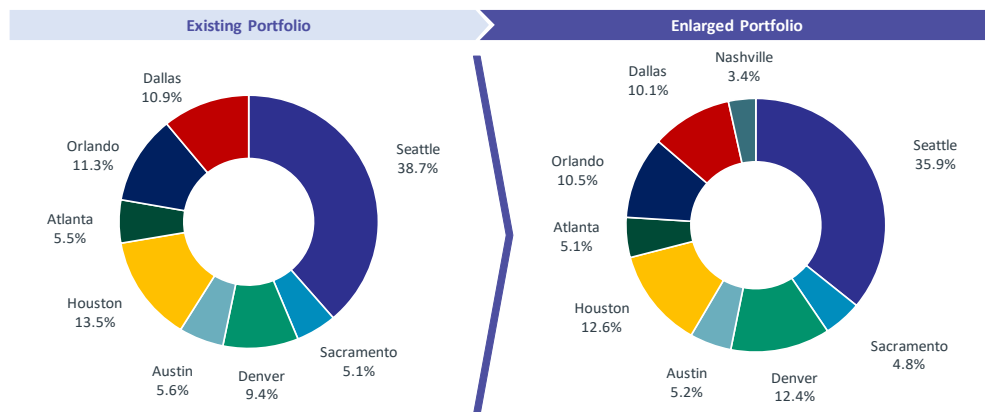


- As illustrated by the graph above, 105 Edgeview is located within the 963-acre Interlocken Advanced Technology Campus, in the northwest sector of the Denver Metropolitan Area (DMA) in the City of Broomfield, which is approximately 13 miles northwest of Denver CBD.
- Interlocken Advanced Technology Campus is a premier business park which attracts high-profile tech firms wishing to locate along US Highway 36, between Denver and Boulder in proximity to a strong research and development environment.
- The local area is a highly desirable residential community consisting of a high-income neighbourhood with plenty of single family and multifamily options for residents. Flatiron Crossing Mall is located 1.7 miles northwest of the property, offering a variety of amenities. 105 Edgeview is strategically located 0.5 miles north of Interlocken Loop, a main arterial that intersects the Denver-Boulder Turnpike to the southeast.

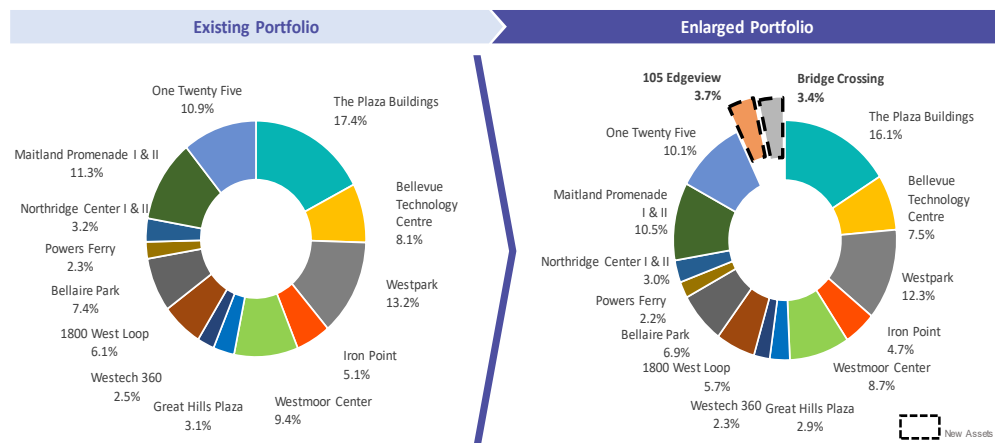
#### 4.3 DPU-Accretive Acquisitions that Strengthen KORE's Distributions and Total Unitholder Returns

- The Acquisitions will create value for Unitholders as they are accretive while ensuring KORE retains a prudent capital structure. Post-Acquisitions, FY2020 pro forma DPU (as defined herein) is expected to increase to 6.28 US cents from 6.23 US cents resulting in an accretion of 0.8%.
- The Acquisitions will also further diversify KORE's presence in key growth markets, extending its portfolio to nine key growth markets and 15 assets across the US.

##### Geographic Contribution by CRI as at 30 June 2021



##### Asset Contribution by CRI as at 30 June 2021



#### 4.4 Augments KORE's Green Footprint

105 Edgeview is a LEED Platinum-certified office building. It is one of the newest and highest quality office assets in Northwest Denver, and built with unique sustainable design elements that set it apart from its peers as set out below:

- Powered by clean and sustainable energy; wind energy provides 35% of the power for the core and shell portion of the building, while the rooftop solar panels power 7-8% of the building. 105 Edgeview also has 18 electric vehicle charging stations.

- Built from sustainable materials; 35% of the building's materials have recycled content, and over 24% of materials are locally sourced from within 500 miles. In addition, over 29% of the installed wood are certified as sustainably harvested.

#### 4.5 Enhances Weightage in Current Indices and Positions for Further Index-Inclusions

The Manager intends to issue up to 90.3 million New Units pursuant to the Private Placement (as defined herein) to partially fund the Acquisitions.

The enlarged market capitalisation, free float and trading liquidity will enhance KORE's weightage in existing indices and positions it for further index inclusions.

### 5. METHOD OF FINANCING AND PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITIONS

#### 5.1 Method of Financing

The Manager intends to finance the Acquisitions with a combination of (a) debt financing and (b) proceeds from a proposed private placement to institutional and other investors (the "**Private Placement**") of new units in KORE ("**Units**", and the new Units, "**New Units**"). (See the announcement titled "Launch of Private Placement to Raise Gross Proceeds of Approximately US\$65.0 million in Keppel Pacific Oak US REIT" dated 28 July 2021 for further details of the Private Placement.)

#### 5.2 Pro Forma Financial Effects of the Acquisitions

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisitions on the distributions per Unit ("**DPU**") and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of KORE and its subsidiaries for the financial year ended 31 December 2020 (the "**KORE Group FY2020 Audited Financial Statements**") and unaudited management accounts for the Properties to be acquired and assuming:

- approximately 88.9 million New Units were issued in the Private Placement at an illustrative Unit price of approximately US\$0.731 (the "**Illustrative Issue Price**") to raise gross proceeds of approximately US\$65.0 million and the net proceeds will be used to partially finance the Total Acquisition Cost; and
- the remainder of the Total Acquisition Cost will be funded by debt of an aggregate amount of approximately US\$43.3 million.

The pro forma financial effects are for **illustrative purposes only** and do not represent KORE's DPU and NAV per Unit following the completion of the Acquisitions.

#### 5.3 Pro Forma DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:**

The pro forma financial effects of the Acquisitions on KORE's DPU for the financial year ended 31 December 2020 ("**FY2020**"), as if the Acquisitions were completed on 1 January 2020 and KORE held and operated the Properties in FY2020 are as follows:

	Effects of the Acquisitions	
	Before the Acquisitions	After the Acquisitions

	Effects of the Acquisitions	
Net Property Income (US\$'000)	82,983	90,496
Distributable Income (US\$'000)	58,628	64,730
Issued Units ('000)	943,056	1,032,722 <sup>(1)</sup>
DPU (US cents)	6.23	6.28
DPU Accretion (%)	-	0.8

**Notes:**

- (1) Includes (a) approximately 88.9 million New Units issued at the Illustrative Issue Price and (b) approximately 0.7 million New Units issued to the Manager as payment of 100% of the base fees in Units in relation to the services rendered to the Properties for the periods 1 January 2020 to 31 March 2020, 1 April 2020 to 30 June 2020 and 1 July 2020 to 30 September 2020, based on the historical issue prices of management fees paid in Units for KORE for such quarters.

#### 5.4 Pro Forma Net Asset Value ("NAV")

**FOR ILLUSTRATIVE PURPOSES ONLY:**

The pro forma financial effects of the Acquisitions on the NAV per Unit as at 31 December 2020, as if the Acquisitions were completed on 31 December 2020, are as follows:

	Before the Acquisitions	After the Acquisitions
NAV represented by Unitholders' funds (US\$'000)	772,070	835,897
Units in Issue and to be Issued ('000)	945,265 <sup>(1)</sup>	1,034,184 <sup>(2)</sup>
NAV represented by Unitholders' funds per Unit (US\$)	0.82	0.81

**Notes:**

- (1) Number of Units in issue and to be issued as at 31 December 2020. Units to be issued refer to management fee units that are issuable but have not been issued.
- (2) The total number of Units at the end of the period used in computing the NAV per Unit comprises 945,264,658 Units in issue and to be issued as at 31 December 2020 as well as approximately 88,919,000 New Units issued at the Illustrative Issue Price under the Private Placement.

#### 5.5 Aggregate Leverage

**FOR ILLUSTRATIVE PURPOSES ONLY:**

The pro forma financial aggregate leverage of KORE's as at 30 June 2021, assuming that the Acquisitions, issuance of New Units under the Private Placement, and drawdown of loan facilities were completed on 30 June 2021, are as follows:

	Effects of the Acquisitions	
	Before the Acquisitions	After the Acquisitions
Aggregate Leverage (%)	37.1	37.4

## 6. OTHER INFORMATION

### 6.1 Disclosure under Rule 1010(13) of the Listing Manual

The relative figures computed on the following bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are set out in the table below.

Comparison of	The Acquisitions (US\$'000)	KORE (US\$'000)	Relative figure (%)
<b>Rule 1006(b)</b> Net property income <sup>(1)</sup> attributable to the assets acquired compared to KORE's net property income	7,513	82,983 <sup>(3)</sup>	9.1
<b>Rule 1006(c)</b> Aggregate value of consideration <sup>(2)</sup> to be given compared with KORE's market capitalisation	105,100	754,009 <sup>(4)</sup>	13.9

**Notes:**

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) For the purposes of computation under Rule 1006(c), the aggregate consideration given by KORE is the purchase consideration for the Properties.
- (3) Based on the KORE Group FY2020 Audited Financial Statements.
- (4) Based on 947,366,724 million Units in issue and volume weighted average price of US\$0.7959 per Unit on the SGX-ST on 27 July 2021, being the market day immediately prior to the date of the Purchase Agreements was transferred to KORE.

The relative figure in Rule 1006(d) in relation to the number of Units issued by KORE as consideration for the Acquisitions, compared with the number of Units previously in issue, does not apply in relation to the Acquisitions as no Units will be issued as consideration for the Acquisitions.

### 6.2 Interests of Directors

Save for the Units in KORE held by the directors, none of the directors of KORE has an interest, direct or indirect, in the Acquisitions.

### 6.3 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisitions or any other transactions contemplated in relation to the Acquisitions.

## 7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager<sup>10</sup> located at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 for a period of three months commencing from the Announcement Date:

- (i) the Purchase Agreements;

<sup>10</sup> Prior appointment would be appreciated.

- (ii) the market valuation report on the Bridge Crossing Property issued by JLL;
- (iii) the market valuation report on the 105 Edgeview Property issued by JLL; and
- (iv) the independent market research reports in relation to the Properties issued by Cushman & Wakefield of GA, LLC, Valuation & Advisory and Cushman & Wakefield Regional, Inc, Valuation & Advisory.

By Order of the Board

Keppel Pacific Oak US REIT Management Pte. Ltd.

(Company Registration Number: 201719652G)

as manager of Keppel Pacific Oak US REIT

Marc Tan / Darren Tan

Company Secretaries

28 July 2021



## **IMPORTANT NOTICE**

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of Keppel Pacific Oak US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

This announcement may contain forward-looking statements that involve 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 companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events. The past performance of Keppel Pacific Oak US REIT and the Manager are not necessarily indicative of the future performance of any of them.

The value of the 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, Perpetual (Asia) Limited, in its capacity as trustee of Keppel Pacific Oak US REIT, Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd., as the sponsors of Keppel Pacific Oak US REIT or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase 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.

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