

Media Release

Keppel Pacific Oak US REIT to expand portfolio with acquisitions of Nashville and Denver assets for US\$105.1 million

- *The distribution per Unit (DPU) accretive acquisitions are in line with KORE's strategy of investing in key growth markets driven by technology and innovation, which will support long-term growth*
- *Bridge Crossing, KORE's first asset in Nashville, extends the REIT's portfolio to nine key growth markets in the United States (US)*
- *105 Edgeview is KORE's second asset in Denver and deepens its presence in the technology hub of Denver*

Singapore, 28 July 2021 – In keeping with its strategy of focusing on the growth and defensive technology sector in key growth markets in the US, Keppel Pacific Oak US REIT Management Pte. Ltd., as Manager of Keppel Pacific Oak US REIT (KORE), is pleased to announce the proposed acquisitions of two office buildings – Bridge Crossing in Nashville, Tennessee, and 105 Edgeview in Denver, Colorado. The estimated aggregate purchase consideration for the proposed acquisitions is US\$105.1 million, comprising US\$46.0 million for Bridge Crossing and US\$59.1 million for 105 Edgeview.

Nashville and Denver are two of the six new favourite 'boomtowns' for young talent pool in the US in a trend that researchers are calling 'the Great American Move'¹. Known also 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.

As at 30 June 2021, Bridge Crossing and 105 Edgeview are 100% leased to tenants mainly in the fast-growing and defensive technology sector. They include the anchor tenant at Bridge Crossing, Comdata, which is part of Fleetcor Group, a leading global business payment firm listed on the New York Stock Exchange, as well as the anchor tenant at 105 Edgeview, Gogo Business Aviation, which is the world's largest provider of broadband connectivity services for the business aviation market.

Mr David Snyder, CEO and CIO of the Manager, said, "KORE's focus of investing in key growth markets driven by technology and innovation has been a cornerstone of our strategy since our listing. Nashville and Denver are key growth markets with positive economic and office fundamentals, as well as significant tech investments. Top companies from different sectors have set up their headquarters or regional offices in these growth markets, especially tech companies in recent years, drawn by factors including the availability of a young and highly-educated workforce, a business-friendly environment, as well as proximity to various retail, dining and lifestyle amenities.

"The strategic addition of two quality assets in some of the strongest markets in the US reinforces our approach and drive to pursue long-term value that will support KORE's growth and strengthen distributions to Unitholders."

¹ Source: Emerging trends in Real Estate 2021 by PwC and Urban Land Institute.

The proposed acquisitions are expected to be completed in 3Q 2021. Post-acquisition, the pro-forma DPU for the financial year ended 31 December 2020² to Unitholders is expected to increase by 0.8% from 6.23 US cents to 6.28 US cents. The pro-forma assets under management as at 31 December 2020³ will grow by 8.0% to approximately US\$1.4 billion, and the pro-forma portfolio committed occupancy as at 30 June 2021⁴ will increase from 90.5% to 91.2%. Following the completion of the proposed acquisitions, KORE's portfolio will consist of 15 freehold office buildings and business campuses across nine key growth markets driven by innovation and technology in the US.

The Manager intends to finance the proposed acquisitions with proceeds from a proposed private placement to institutional and other investors of new Units in KORE and debt financing. Post-acquisition, KORE's pro-forma aggregate leverage as at 30 June 2021 is expected to be 37.4%⁵. The issuance of new Units will increase KORE's market capitalisation, free float and trading liquidity. It will also enhance KORE's weightage in existing indices and is a step towards further index inclusions.

Please refer to the SGX announcement "Proposed Acquisitions of Bridge Crossing in Nashville, Tennessee, and 105 Edgeview in Denver, Colorado, in the USA" dated 28 July 2021 for more details.

Bridge Crossing, Nashville, Tennessee

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 sf 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 years⁶ 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, a global technology consulting company. The leases at Bridge Crossing offer visible organic growth, with an average built-in annual rental escalation of 2.7%.

105 Edgeview, Denver, Colorado

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.

² The pro-forma DPU is computed based on the assumption that the acquisitions were completed on 1 January 2020 and contributed full-year results for the financial year ended 31 December 2020.

³ The pro-forma assets under management as at 31 December 2020 is computed based on the assumption that the acquisitions were completed on 31 December 2020.

⁴ The pro-forma portfolio committed occupancy as at 30 June 2021 is computed based on the assumption that the acquisitions were completed on 30 June 2021.

⁵ The pro-forma aggregate leverage as at 30 June 2021 is computed based on the assumption that the acquisitions, issuance of new Units under the private placement, and drawdown of loan facilities were completed on 30 June 2021.

⁶ By net lettable area.

105 Edgeview is located in one of Metro Denver's premier office locations, Interlocken Advanced Technology Environment, 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 sf 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 years⁶. Its anchor tenant, Gogo Business Aviation, occupies a majority of the building⁶ and its lease will expire only in 2029, which will provide long-term income stability for KORE.

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About Keppel Pacific Oak US REIT (www.koreusreit.com)

Keppel Pacific Oak US REIT (KORE) is a distinctive office REIT listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) on 9 November 2017. KORE's investment strategy is to principally invest in a diversified portfolio of income-producing commercial assets and real estate-related assets in key growth markets of the United States (US) with positive economic and office fundamentals, so as to provide sustainable distributions and strong total returns for Unitholders.

KORE is a technology-focused office REIT with the technology hubs of Seattle – Bellevue/Redmond, Austin and Denver contributing more than half of its net property income. Its portfolio comprises a balanced mix of freehold office buildings and business campuses across key growth markets significantly driven by innovation and technology in the US. These quality properties have a diversified tenant base led by tenants in the growth and defensive sectors such as technology, as well as medical and healthcare.

KORE is managed by Keppel Pacific Oak US REIT Management Pte. Ltd., which is jointly owned by two Sponsors, Keppel Capital and KORE Pacific Advisors (KPA).

Annex

Bridge Crossing, Nashville, Tennessee



From left to right: Bridge Crossing's building exterior and its expansive and modern lobby.

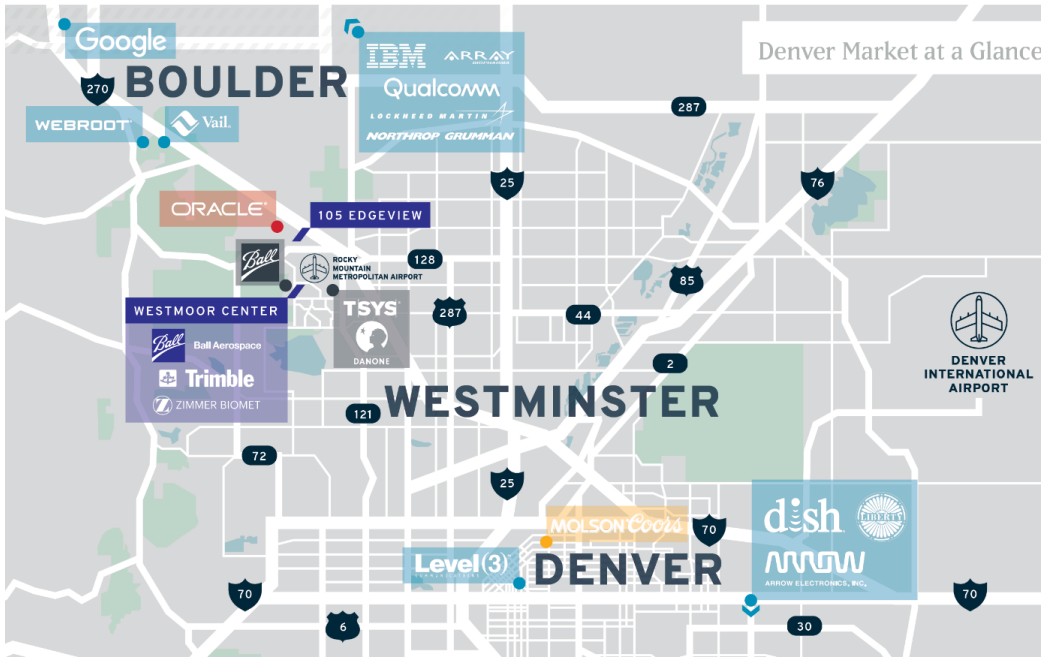


Location map of Bridge Crossing.

105 Edgeview, Denver, Colorado



From left to right: 105 Edgeview's building exterior, fitness centre and solar panels atop the building.



Location map of 105 Edgeview.