

Investor Day 2024

Tokyo

22 August 2024

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.

The information relating to the US office market are extracted from reports prepared by CoStar. CoStar has not consented to the inclusion of the information quoted above and is thereby not liable for such information. Whilst reasonable action has been taken to ensure that the above information is reproduced in its proper form and context, and that the information is extracted fairly and accurately, neither the Manager nor any other party has conducted independent review of the information obtained from CoStar nor verified the accuracy of the contents of the relevant information obtained from CoStar. As such, the information from CoStar may not be comprehensive, and while they are believed to be accurate, such information is not guaranteed to be free from error, omission or misstatement. In addition, the information obtained from CoStar does not purport to contain all the information that may be required to evaluate the business and prospects of KORE or any purchase or sale of the units in KORE. Any potential investor should conduct his, her or its own independent investigation and analysis of the merits and risks of an investment in KORE.

Content Outline

1H 2024 Key Highlights	3
Financial Performance & Capital Management	6
Portfolio Performance	11
Market Outlook	21
Additional Information	29

Constituent of:



FTSE ST REIT Index,
FTSE Global Small Cap Index



iEdge SG ESG Indices

Signatory of:



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.

1H 2024 Key Highlights

*Bridge Crossing
Tenant space
Nashville, Tennessee*



Recapitalisation Plan

Why Recapitalisation Was Necessary

- Leverage had risen post-FY2023 valuation, resulting in lenders being concerned over the U.S. office market.
- KORE had **taken the proactive measure to halt distributions** with the goal of keeping leverage and interest coverage ratio well within the Monetary Authority of Singapore (MAS) requirements and bank expectations.

Recapitalisation Decision

- Several other options such as divestments, equity fund raising and the reduction of distributions were considered. However, these options have limitations and would not generate sufficient capital required.
- The Manager understands many Unitholders rely on the income from KORE's distributions and the reduced cash flow will adversely affect Unitholders.
- Nonetheless, not investing in KORE's portfolio would have a worse long-term effect as properties would lose its attractiveness to current and prospective tenants.

Recapitalisation Plan Goals

- ✓ Refinance loans due in 2024 and 2025 prior to maturity.
- ✓ Maintain leverage within the MAS limits and bank debt covenants.
- ✓ Avoid selling properties at significant discounts to current valuations.
- ✓ Continue to invest in the portfolio in order to maximise net property income and restart distributions in FY 2026.

1H 2024 Key Highlights

Leasing momentum

534,931 sf

leases signed in 1H 2024



This was equivalent to 11.1% of the portfolio net lettable area (NLA). 2Q 2024 leased a total of 199,494 sf of space, equivalent to 4.2% of portfolio NLA. Majority of leases were signed at Seattle – Bellevue/Redmond, Denver and Orlando.

Portfolio Committed Occupancy

90.7%

As at 30 June 2024.

Portfolio committed occupancy was 90.1% and 90.3% as at 31 March 2024 and 31 December 2023, respectively.

Income Available For Distribution

↓ 8.8% Y-o-Y



Income available for distribution of US\$23.8 million for 1H 2024 was lower than 1H 2023 by 8.8%, mainly due to the higher financing costs.

No distribution declared for 1H 2024 arising from the recapitalisation plan.

Interest Coverage Ratio

2.9 times⁽¹⁾

Weighted average term to maturity was 2.3 years as at 30 June 2024.

Net Property Income (NPI)

↓ 4.2% Y-o-Y



NPI decreased by 4.2% y-o-y to US\$42.0 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 1.6% lower y-o-y mainly due to lower recoveries and carpark income.

Aggregate Leverage

42.7%⁽²⁾

Aggregate leverage of 42.7% is within regulatory limits.

On 19 July 2024 and 29 July 2024, KORE early refinanced/ extended loan facilities that were originally due in 4Q 2024 and 3Q 2025, amounting to a total of US\$170.0 million.

Financial Performance & Capital Management

105 Edgeview
Lobby
Denver, Colorado



Financial Performance

(US\$'000)	2Q 2024	2Q 2023	% Change	1H 2024	1H 2023	% Change
Gross Revenue	37,290	38,858	(4.0)	74,372	75,911	(2.0)
Net Property Income (NPI)	21,031	22,717	(7.4)	42,015	43,870	(4.2)
Adjusted NPI (excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions)	21,820	22,627	(3.6)	43,426	44,151	(1.6)
Income Available for Distribution	11,909	13,055	(8.8)	23,814	26,112	(8.8)
Other information: Finance and other trust expenses	(7,835)	(7,043)	11.2	(15,568)	(13,776)	13.0
Amount distributed to Unitholders ⁽¹⁾	-	13,055	(100.0)	-	26,112	(100.0)
DPU (US cents) for the period ⁽¹⁾	-	1.25	(100.0)	-	2.50	(100.0)



Balance Sheet

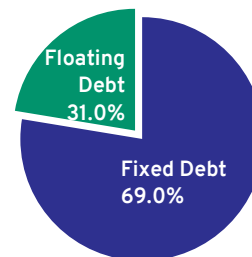
	As at 30 Jun 2024 US\$'000	As at 31 Dec 2023 US\$'000	% change
Total Assets	1,423,011	1,393,676	2.1
Investment Properties	1,355,229	1,326,310	2.2
Cash and Cash Equivalents	41,950	43,777	(4.2)
Other Assets	25,832	23,589	9.5
Total Liabilities	679,390	670,472	1.3
Gross Borrowings	607,220	601,920	0.9
Other Liabilities	72,170	68,552	5.3
Unitholders' Funds	743,621	723,204	2.8
Units in issue and to be issued ('000)	1,044,450	1,044,450	-
NAV per Unit (US\$)	0.71	0.69	2.9
Unit Price (US\$)	0.134	0.375	(64.3)

Financial Position

As at 30 June 2024

Total Debt	US\$607.2 million of external loans
Available Facilities	- US\$50.0 million of uncommitted revolving credit facility - US\$12.8 million of committed revolving credit facility
Aggregate Leverage⁽¹⁾	42.7%
Average Cost of Debt (Excludes amortisation of upfront debt financing costs)	4.36% p.a.
All-in Average Cost of Debt (Includes amortisation of upfront debt financing costs)	4.47% p.a.
Interest Coverage⁽²⁾	2.9 times
Weighted Average Term to Maturity	2.3 years

Interest Rate Exposure

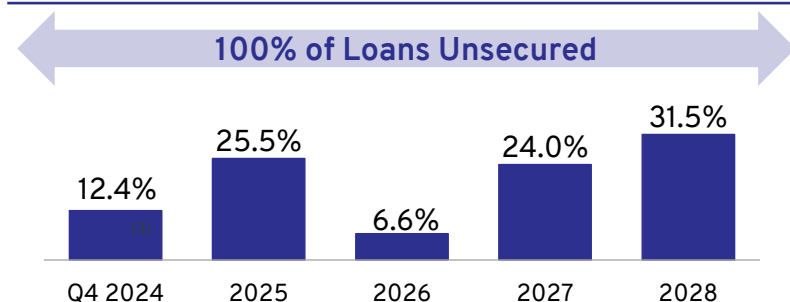


Sensitivity to SOFR⁽³⁾

Every +/- 50bps in SOFR translates to approx. +/- US\$0.9 million in income available for distribution p.a.

69.0%⁽⁴⁾ of the REIT's loans have been hedged through floating-to-fixed interest rate swaps.

Debt Maturity Profile (as at 30 June 2024)



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

(2) Interest Coverage Ratio (ICR) and adjusted ICR is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020. Adjusted ICR of 2.9 times includes the dividends on preferred units.

(3) Based on the floating debt of 31.0% and total number of units issued as at 30 June 2024.

(4) Excludes uncommitted revolving credit facilities.

Financial Position (cont'd)

Early Refinancing and Extension of Loans

- As part of KORE's proactive capital management and its Recapitalisation Plan goals, KORE has engaged with lenders to explore early refinancing.
- KORE has successfully negotiated with lenders to early refinance or include extension options for the majority of its loans expiring in 2024 and 2025.
- KORE has entered into these new loan facilities on 19 July 2024 and 29 July 2024.

As at 30 June 2024

(Pro-forma assuming refinancing and extension of loans)

Average Cost of Debt⁽¹⁾

(Excludes amortisation of upfront debt financing costs) 4.39% p.a.

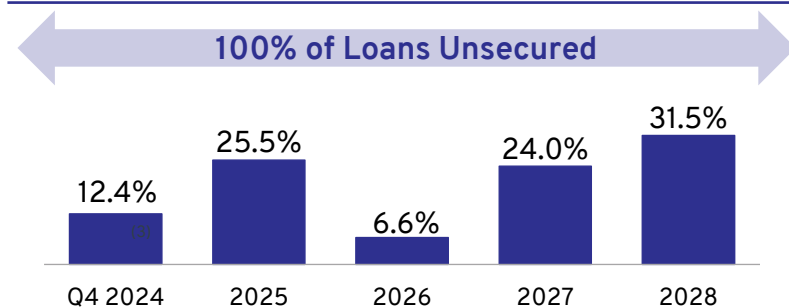
All-in Average Cost of Debt⁽¹⁾

(Includes amortisation of upfront debt financing costs) 4.56% p.a.

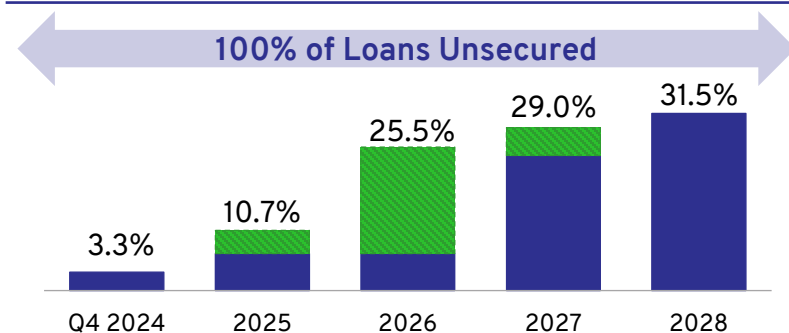
Weighted Average Term to Maturity⁽²⁾

2.6 years

Debt Maturity Profile (as at 30 June 2024)



Debt Maturity Profile (Pro-forma)⁽²⁾



(1) Assuming the refinancing/extension of loans had occurred on 1 January 2024.

(2) Assuming the loans have been refinanced/ extended as at 30 June 2024. The green columns reflects the new debt maturity profile of the refinanced/ extended loans.

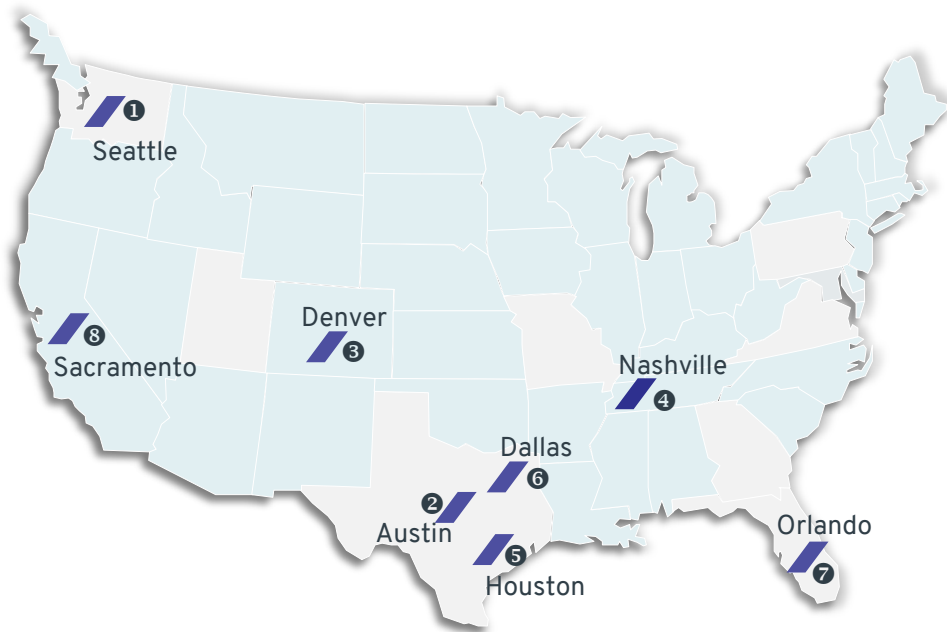
Portfolio Performance

*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



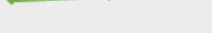
1	Seattle, Washington	❖ The Plaza Buildings ❖ Bellevue Technology Center ❖ The Westpark Portfolio		 #10	
2	Austin, Texas	❖ Westech 360 ❖ Great Hills Plaza			 #5
3	Denver, Colorado	❖ Westmoor Center ❖ 105 Edgeview			 #12
4	Nashville, Tennessee	❖ Bridge Crossing			 #1
5	Houston, Texas	❖ 1800 West Loop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

KORE's Markets
 Magnet Cities⁽¹⁾
 Super Sun-Belt Cities⁽¹⁾
 18-Hour Cities⁽¹⁾
 Supernovas⁽¹⁾

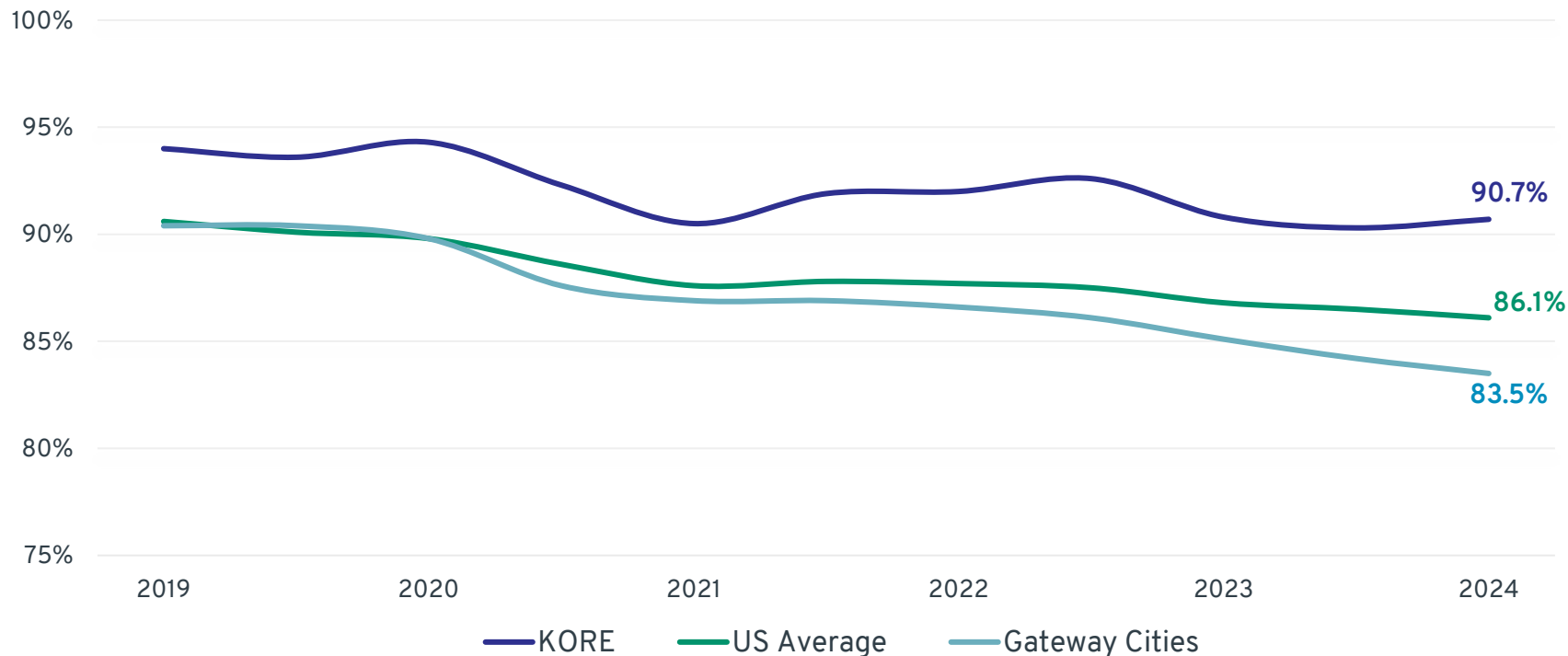
Multitalented Producers⁽¹⁾

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

Increase In Occupancy Rates In 2Q 2024

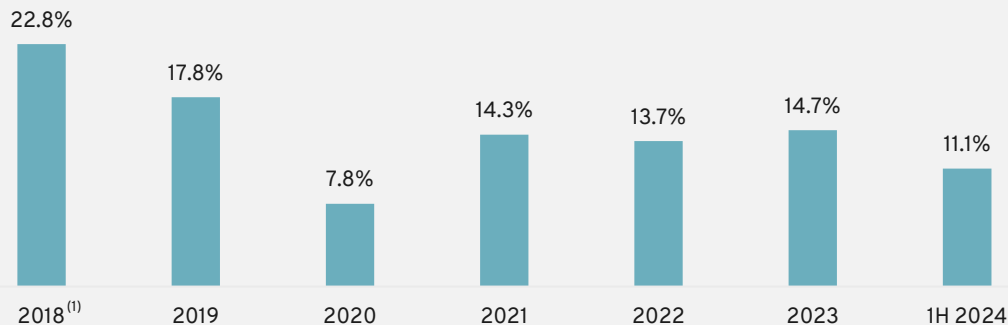
Properties	4Q 2023	1Q 2024	2Q 2024	Performance
The Plaza Buildings	91.5%	90.2%	88.5%	
Bellevue Technology Center	90.7%	90.7%	90.3%	
The Westpark Portfolio	95.9%	96.7%	97.3%	
Great Hills Plaza	100.0%	95.3%	95.3%	
Westech 360	78.0%	70.2%	76.6%	
Westmoor Center	91.9%	94.5%	94.9%	
105 Edgeview	94.6%	93.6%	93.6%	
Bridge Crossing	100.0%	100.0%	100.0%	
1800 West Loop South	86.8%	83.7%	83.2%	
Bellaire Park	87.3%	88.3%	86.4%	
One Twenty Five	92.1%	92.3%	95.0%	
Maitland Promenade I & II	87.7%	91.7%	91.7%	
Iron Point	64.2%	60.0%	65.9%	
Portfolio Committed Occupancy	90.3%	90.1%	90.7%	

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

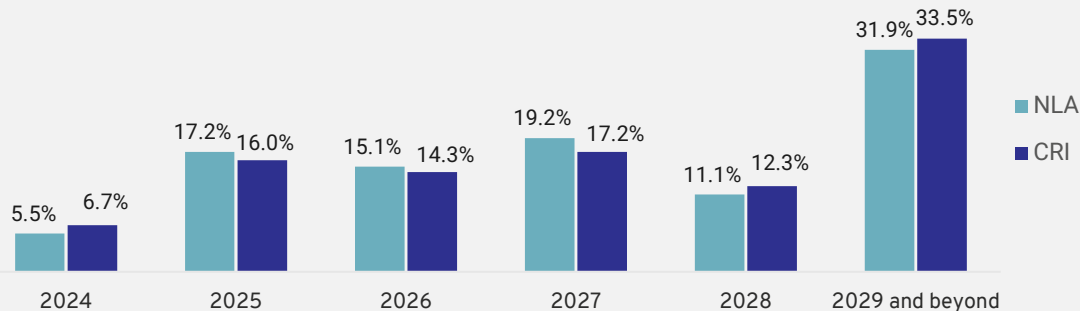


Demonstrating Steady Leasing Performance

Executed leases (by NLA)



Lease Expiry Profile (as at 30 June 2024)



534,931 sf

Leased spaces for 1H 2024, equivalent to 11.1% of portfolio NLA. 199,494 sf of space leased in 2Q 2024, equivalent to 4.2% of portfolio NLA. Portfolio WALE of 3.8 years⁽²⁾ by CRI.

2.6%

Built-in average annual rental escalation across the portfolio.

3.2%

In-place rents are 3.2% below asking rents.

(0.3%)

Negative rental reversion for 1H 2024, mainly affected by renewals at Bellevue Technology Center, Maitland Promenade I&II and Westmoor Center. Rental reversion for 2Q 2024 was positive 1.2%.

Diversified Tenant Composition Across Regions and Industries



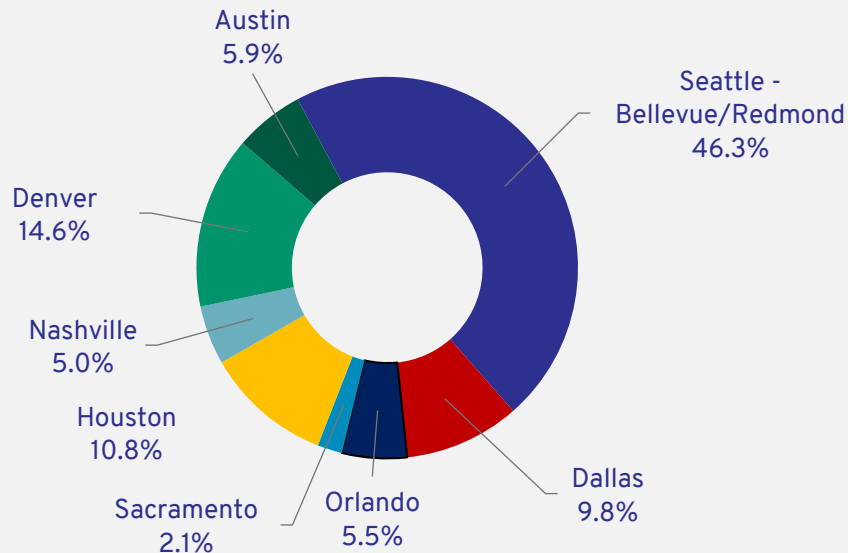
KORE's buildings and business campuses in the tech hubs of Seattle – Bellevue/Redmond, Austin and Denver contribute ~67% of NPI⁽¹⁾



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

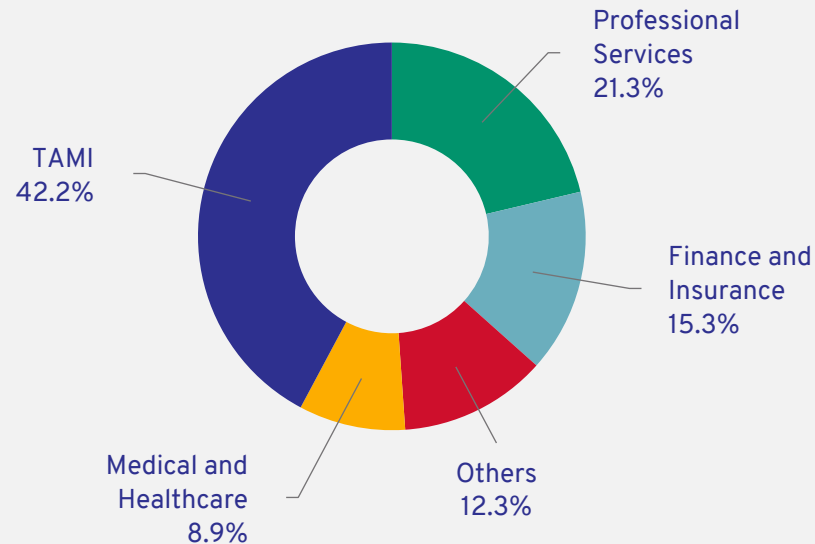
Geographic Diversification by NPI⁽¹⁾

as at 30 June 2024



Industry Diversification by NLA

as at 30 June 2024



Low Tenant Concentration Risk

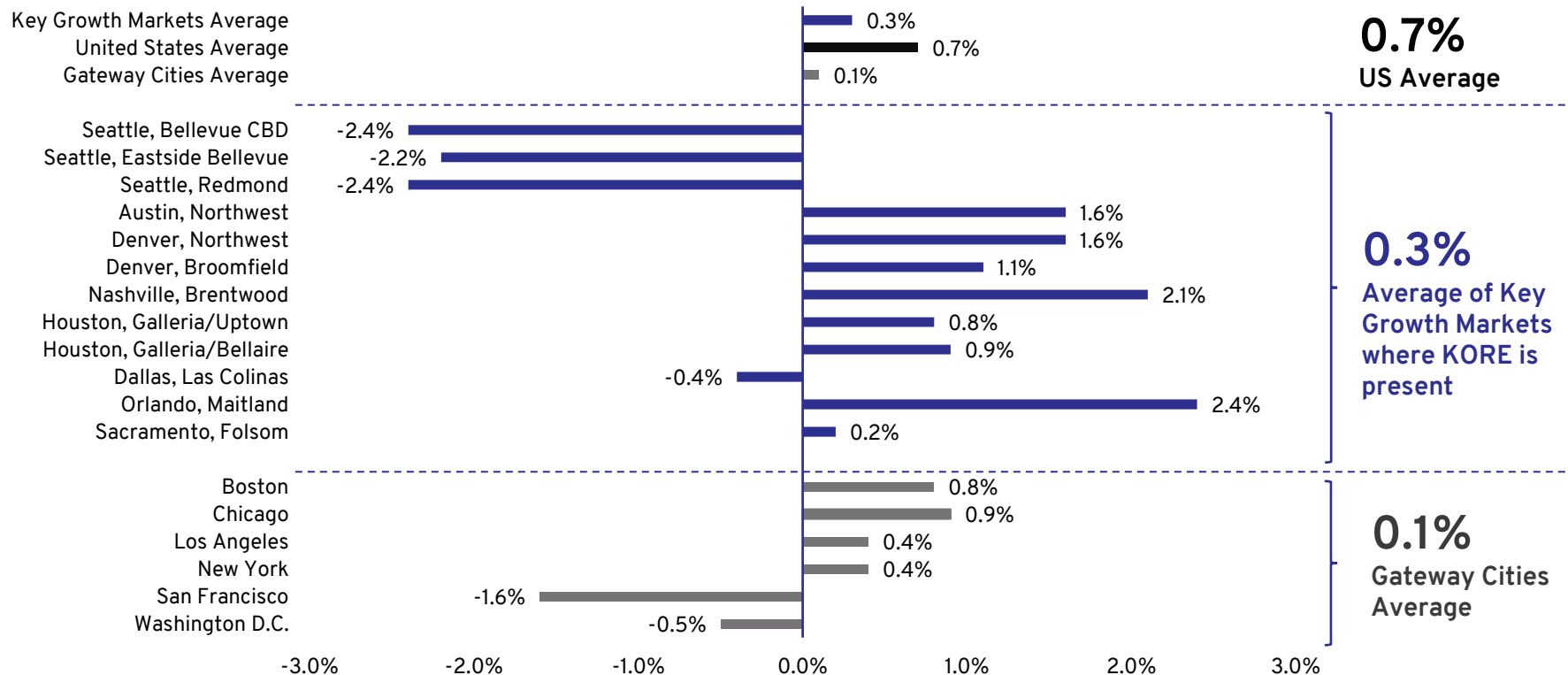
Top 10 Tenants	Sector	Asset	Location	% of CRI	% of NLA
Comdata Inc	TAMI	Bridge Crossing	Nashville	3.8%	3.9%
BAE Systems ⁽¹⁾	TAMI	Westmoor Center / Westpark	Denver	3.8%	4.8%
Spectrum	TAMI	Maitland Promenade I & II	Orlando	3.2%	2.4%
Gogo Business Aviation	TAMI	105 Edgeview	Denver	3.0%	2.5%
Lear Corporation	TAMI	The Plaza Buildings	Seattle – Bellevue/Redmond	3.0%	1.3%
Meta	TAMI	The Westpark Portfolio	Seattle – Bellevue/Redmond	2.9%	2.6%
TerraPower	TAMI	Bellevue Technology Center	Seattle – Bellevue/Redmond	2.6%	2.0%
Zimvie	TAMI	Westmoor Center	Denver	2.2%	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				28.2%	23.9%
WALE by NLA				4.4 years	
WALE by CRI				4.5 years	



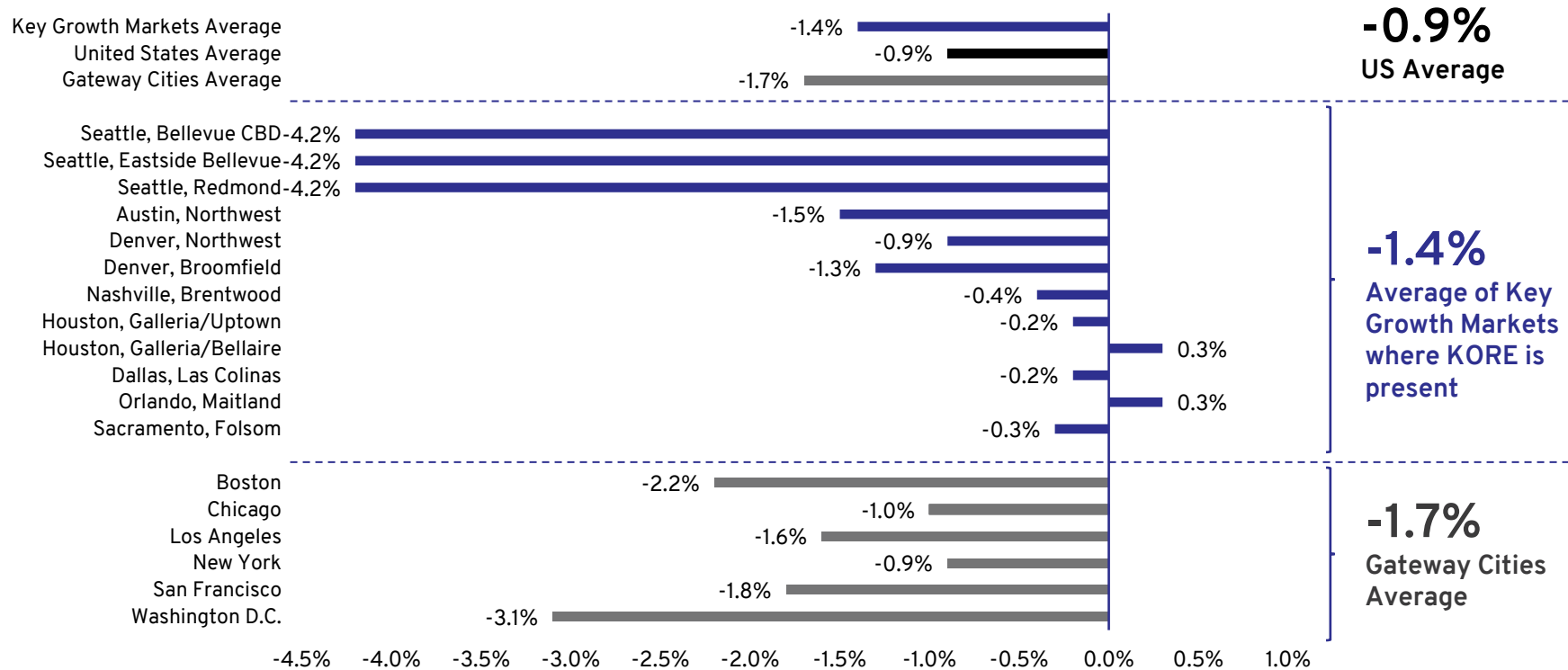
KORE has over 380 distinct tenants with the top 10 tenants contributing only 28.2% of CRI.

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.

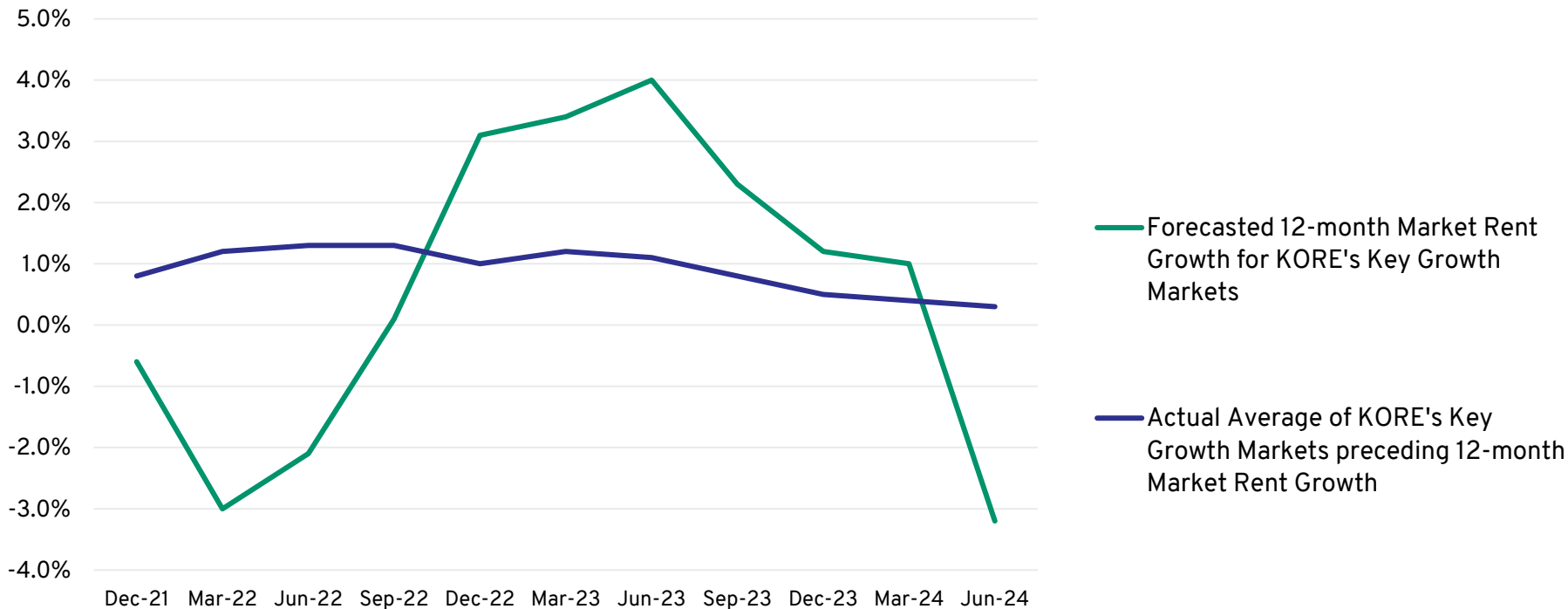
Last 12 Months Rent Growth



Projected 12-Month Rent Outlook



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



Market Outlook

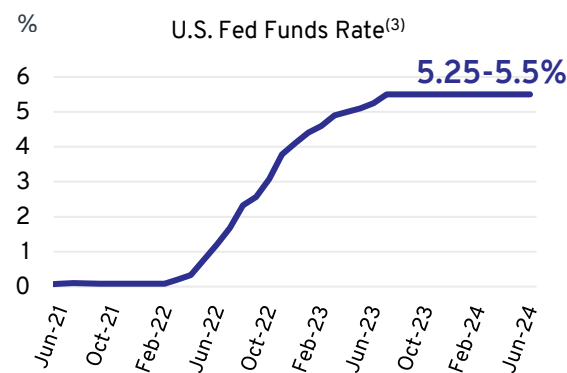
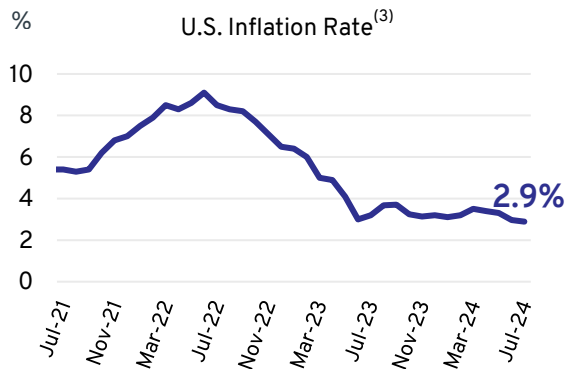
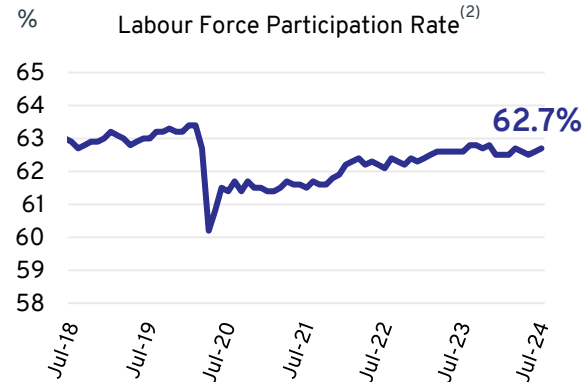
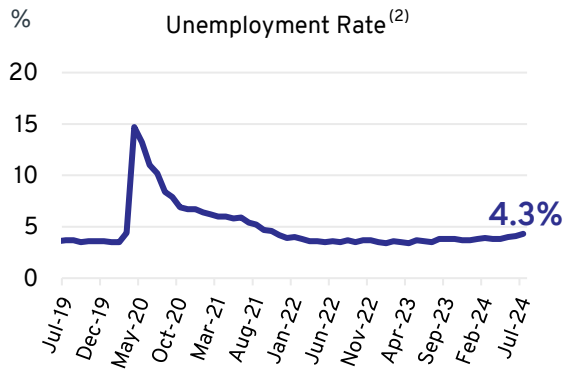
*Bellevue Technology Center
Amenity Building Patio
Seattle - Bellevue, Washington*

THE HUB



U.S. Economic Updates

- U.S. real GDP increased by 2.8% quarter-on-quarter in 2Q 2024⁽¹⁾, with low unemployment rate of 4.3%⁽²⁾.
- U.S. economy added far more jobs than expected in May, countering fears of a slowdown in the labour market.
- Annual inflation rate slowed to 2.9% in July 2024⁽³⁾, the lowest since March 2021.
- U.S. Federal Funds Rate maintained at 5.25%-5.5%, for a 8th consecutive meeting in July 2024⁽³⁾.
- U.S. central bank closer to cutting interest rates, with the first reduction expected in September 2024⁽⁴⁾.



(1) U.S. Bureau of Economic Analysis, July 2024.

(2) U.S. Bureau of Labor Statistics, August 2024.

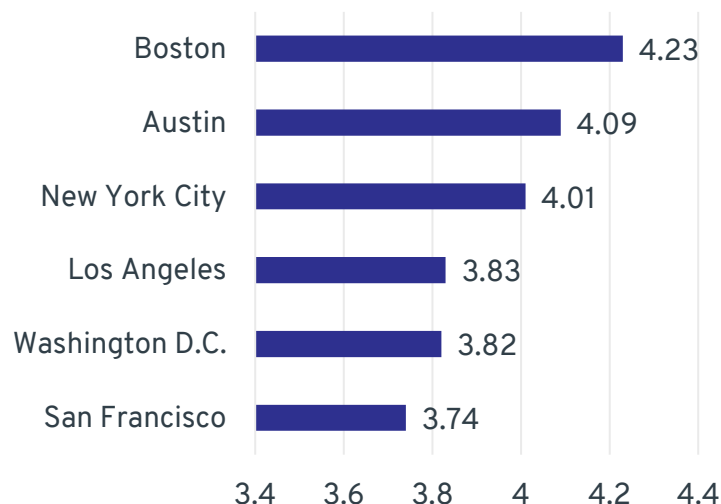
(3) Trading Economics, August 2024.

(4) Reuters, Top Fed officials say they are 'closer' to cutting interest rates, July 2024.

Back To Office Trends

- Gateway cities such as San Francisco and Los Angeles are still seeing physical occupancy rates of below 50% in 1Q 2024⁽¹⁾.
- The share of Manhattan employees that have returned to the office appear to have stabilised at 72% of pre-pandemic attendance⁽²⁾.
 - Real estate sector with highest average daily attendance (83%), followed by law (63%) and financial services (60%).
- Financial Industry Regulatory Authority set to adjust rules for monitoring workplaces, which may signal the end of remote work for many bank traders.
- Citigroup and HSBC are ordering more U.S. employees to report to their offices five days a week⁽³⁾.
- Office-using job growth in 1Q 2024 was strongest in Sun Belt markets – including Raleigh, Las Vegas, Houston and Charlotte⁽⁴⁾.

U.S. cities average rates of return to office (days)⁽⁵⁾



(1) Edge Prop, APAC office occupancy climbs in 1Q 2024 beating EU and North America, June 2024.

(2) Globest, Manhattan's office attendance stats have stabilized, May 2024.

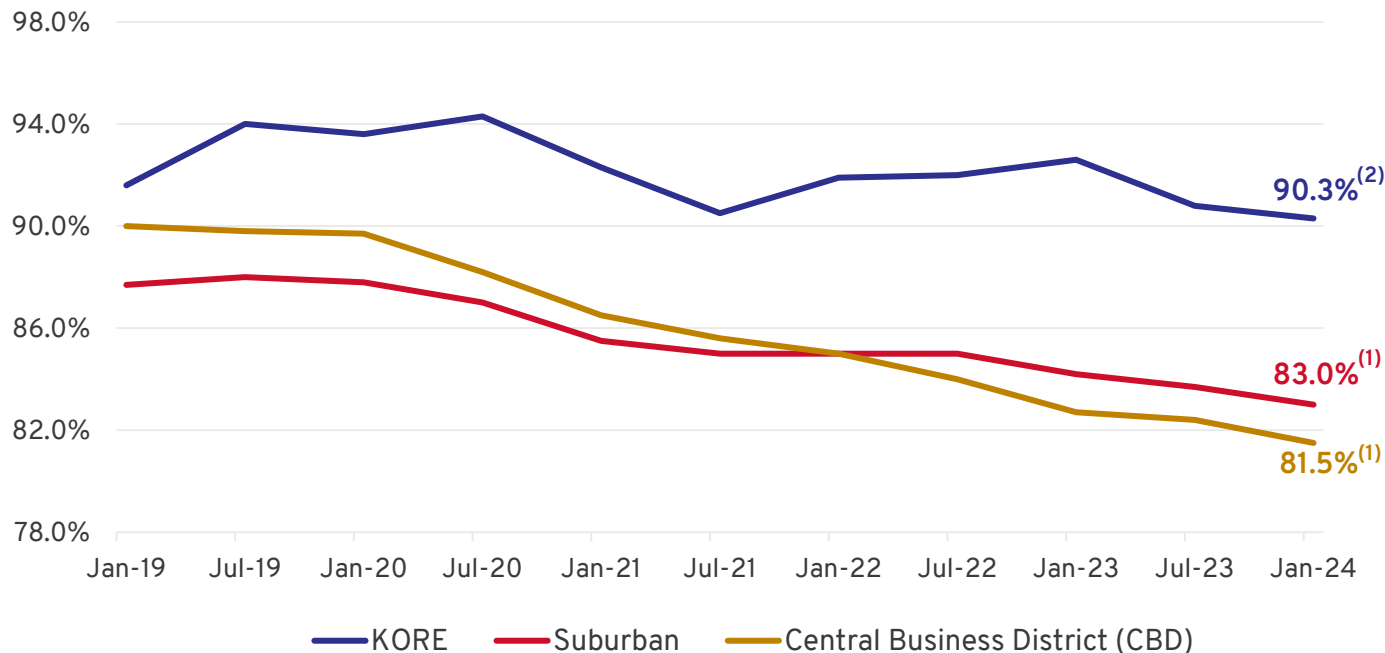
(3) The Straits Times, Citi, HSBC order more US staff to work in offices 5 days a week, May 2024.

(4) CBRE Research, U.S. office figures, May 2024.

(5) The Edge, Time to return to office could impact US, Australian and Singapore REITs, June 2024.

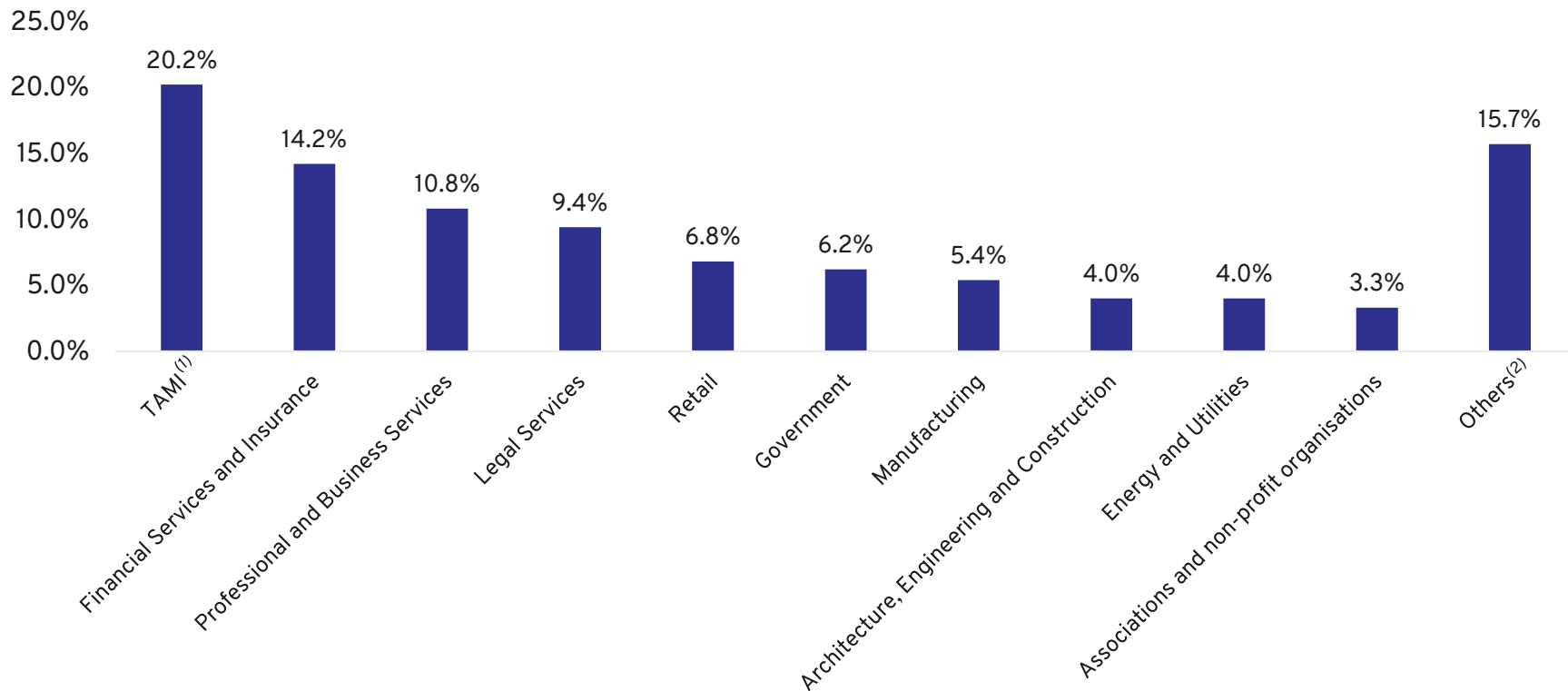
KORE Outperforms CBD Offices

Change in U.S. office occupancy rates⁽¹⁾



- Since the late 1990s, CBD office occupancy rates have decreased, falling below suburban office occupancy.
- Downtown offices have gone from being trophy assets to toxic⁽³⁾.
- Large tenants still want to be downtown, close to large pool of workers, but they are shrinking their real-estate footprints more aggressively⁽³⁾.

TAMI Sector Leads In Leasing Activity; Reinforcing KORE's Investment Thesis



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

(2) Others includes all remaining industries tracked by Savills Research & Data Services and not represented in the top 10.

Source: Savills, State Of The U.S. Office Market 1Q 2024, May 2024.

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 (\$'000)	Last 12M Absorption (\$'000)	Under Construction (\$'000)	Last 12M Rental Growth (%)	Projected Rental Growth (%)
Seattle, Bellevue CBD <i>The Plaza Buildings</i>	11.5	13.5	2600	1800	2025 ^{(1)*}	(2.4)	(4.2)
Seattle, Eastside Bellevue <i>Bellevue Technology Center</i>	9.7	6.1	-	(172)	-	(2.2)	(4.2)
Seattle, Redmond <i>The Westpark Portfolio</i>	2.7	8.9	136	57	3,000 ^{(1)#}	(2.4)	(4.2)
Austin, Northwest <i>Great Hills Plaza & Westech 360</i>	4.7 ⁽²⁾ & 23.4 ⁽³⁾	22.0	-	(126)	-	1.6	(1.5)
Denver, Northwest <i>Westmoor Center</i>	5.1	11.7	-	(91)	45	1.6	(0.9)
Denver, Broomfield <i>105 Edgeview</i>	6.4	15.6	-	11	164	1.1	(1.3)
Nashville, Brentwood <i>Bridge Crossing</i>	-	16.3	-	(47)	10	2.1	(0.4)
Houston, Galleria/Uptown <i>1800 West Loop South</i>	16.8	30.0	-	(90)	-	0.8	(0.2)
Houston, Galleria/Bellaire <i>Bellaire Park</i>	13.6	18.0	-	63	-	0.9	0.3
Dallas, Las Colinas <i>One Twenty Five</i>	5.0	24.2	6	(166)	976 ⁽¹⁾	(0.4)	(0.2)
Orlando, Maitland <i>Maitland Promenade I & II</i>	8.3	15.0	-	(38)	-	2.4	0.3
Sacramento, Folsom <i>Iron Point</i>	34.1	7.4	53	69	-	0.2	(0.3)

2023 Sustainability Highlights

Execute sound fiscal and asset management strategy to drive growth and long-term value for Unitholders

ENVIRONMENTAL STEWARDSHIP

- ✓ Further progress in 2023 to adopt **Taskforce on Climate-related Financial Disclosures** (TCFD) recommendations
- ✓ Achieved **Energy Star Ratings** for buildings at Iron Point, Sacramento

PEOPLE & COMMUNITY

- ✓ Together with Keppel Fund Management & Investment, contributed **>900 community hours**
- ✓ **Female Directors** represent **33.3% of the Board**
- ✓ Achieved **20 training hours** per employee
- ✓ Diverse by **nationality, ethnicity and business experience**
- ✓ Recorded **zero-fatalities**



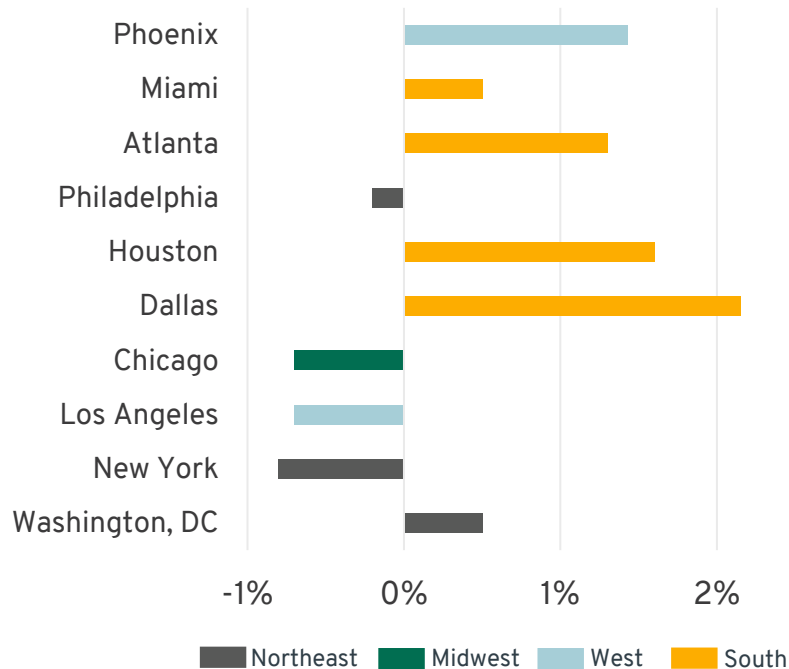
RESPONSIBLE BUSINESS

- ✓ Dedicated **Board ESG Committee**
- ✓ Maintain **high standards of ethical business conduct and compliance best practices**
- ✓ Improved ranking to **8th** from **9th** in the **Singapore Governance and Transparency Index (SGTI)** under the REITs and Business Trusts category
- ✓ **> 700** engagements with analysts and investors in 2023

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.

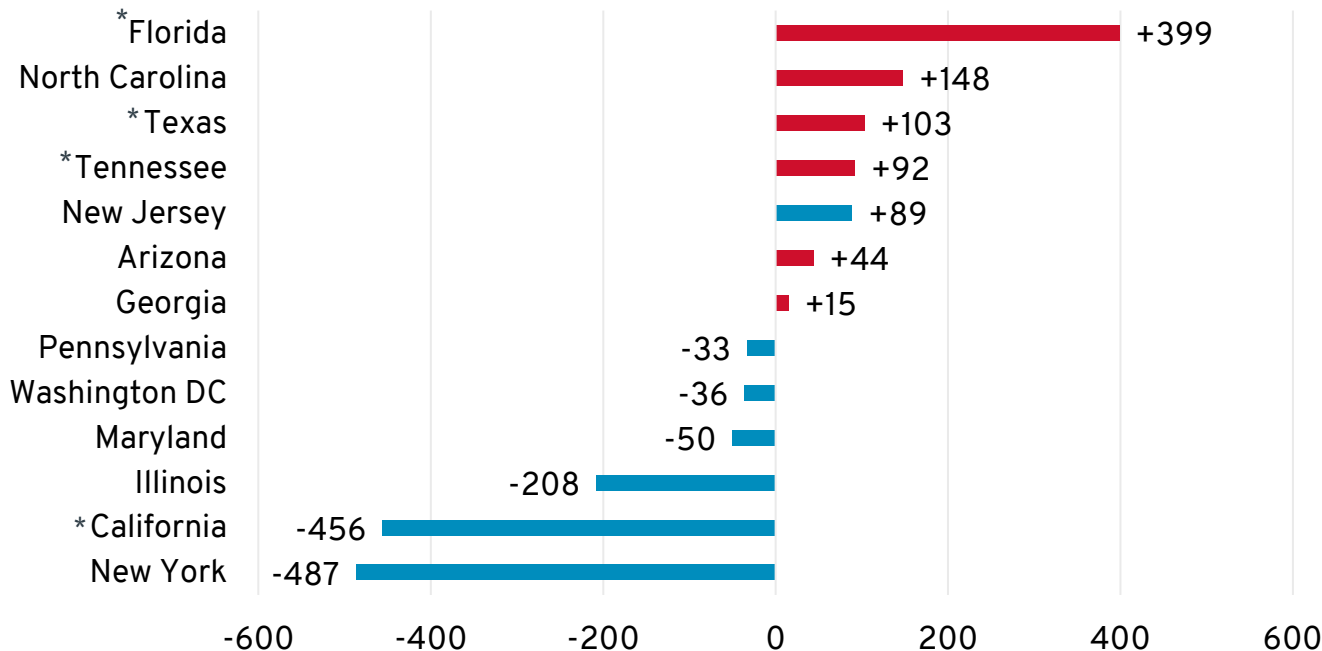
(2) Hoover Institution, Why Company Headquarters Are Leaving California in Unprecedented Numbers, September 2022.

(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).

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 cost of buildings are 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.

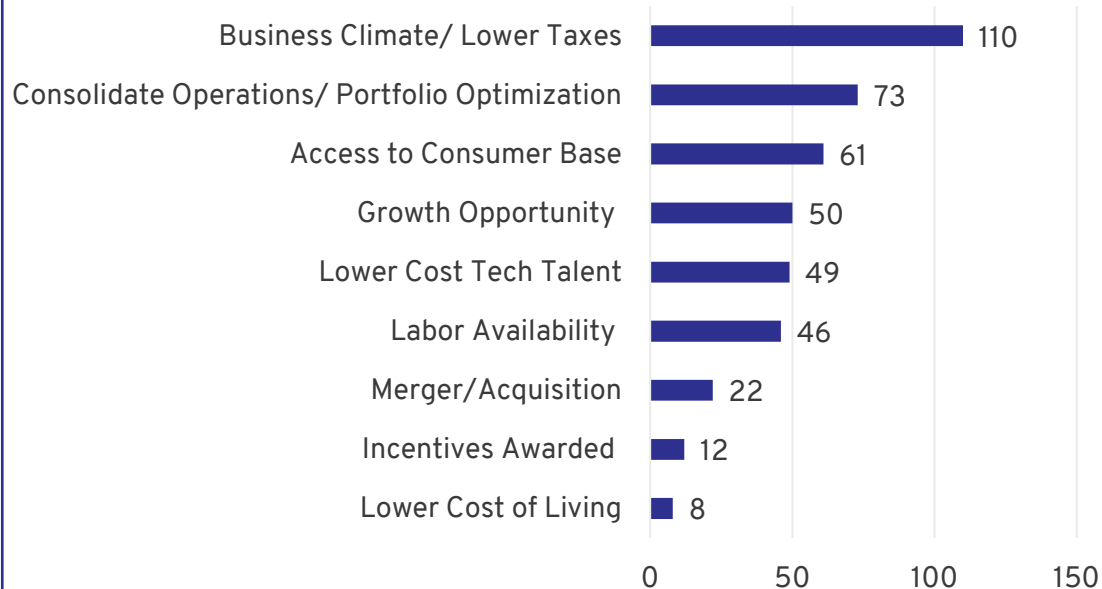
Trends For Business Relocations

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.

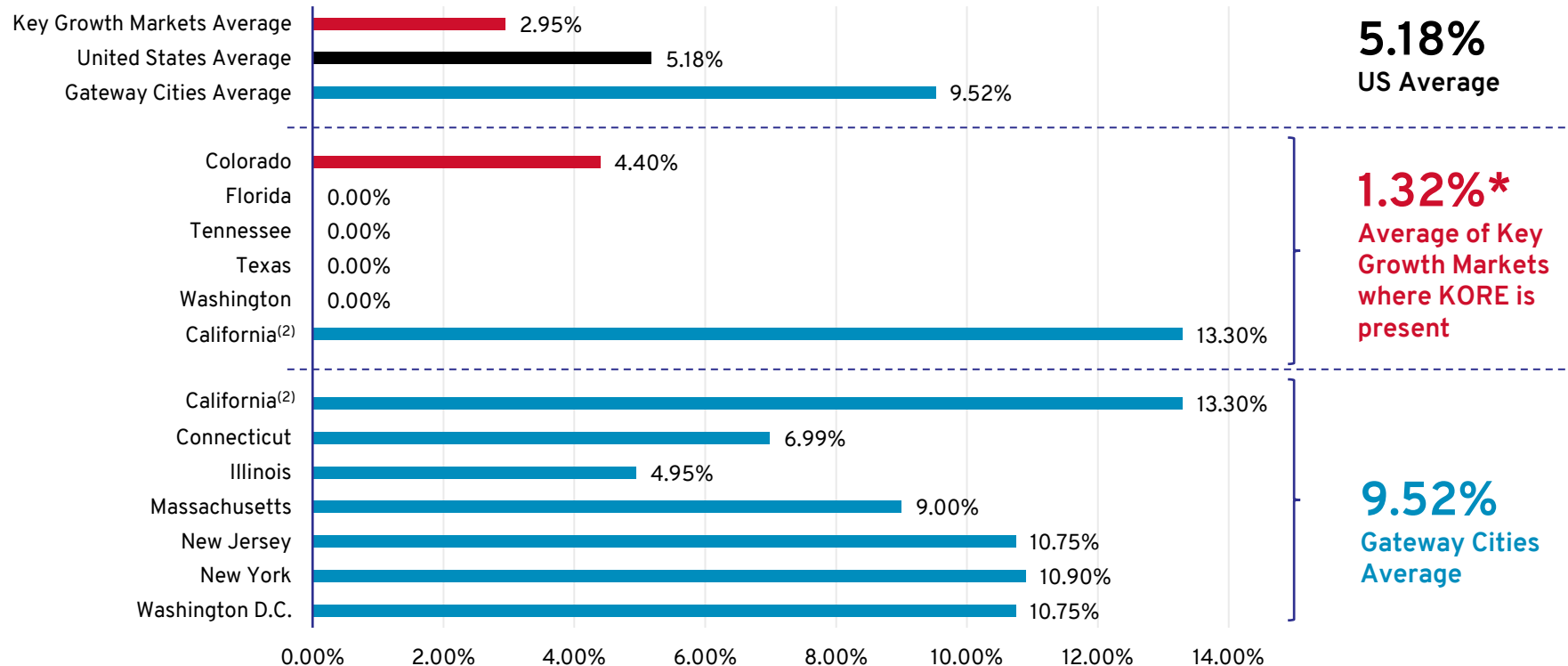
Number of Relocations by Reason⁽²⁾



Low State Personal Income Taxes

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

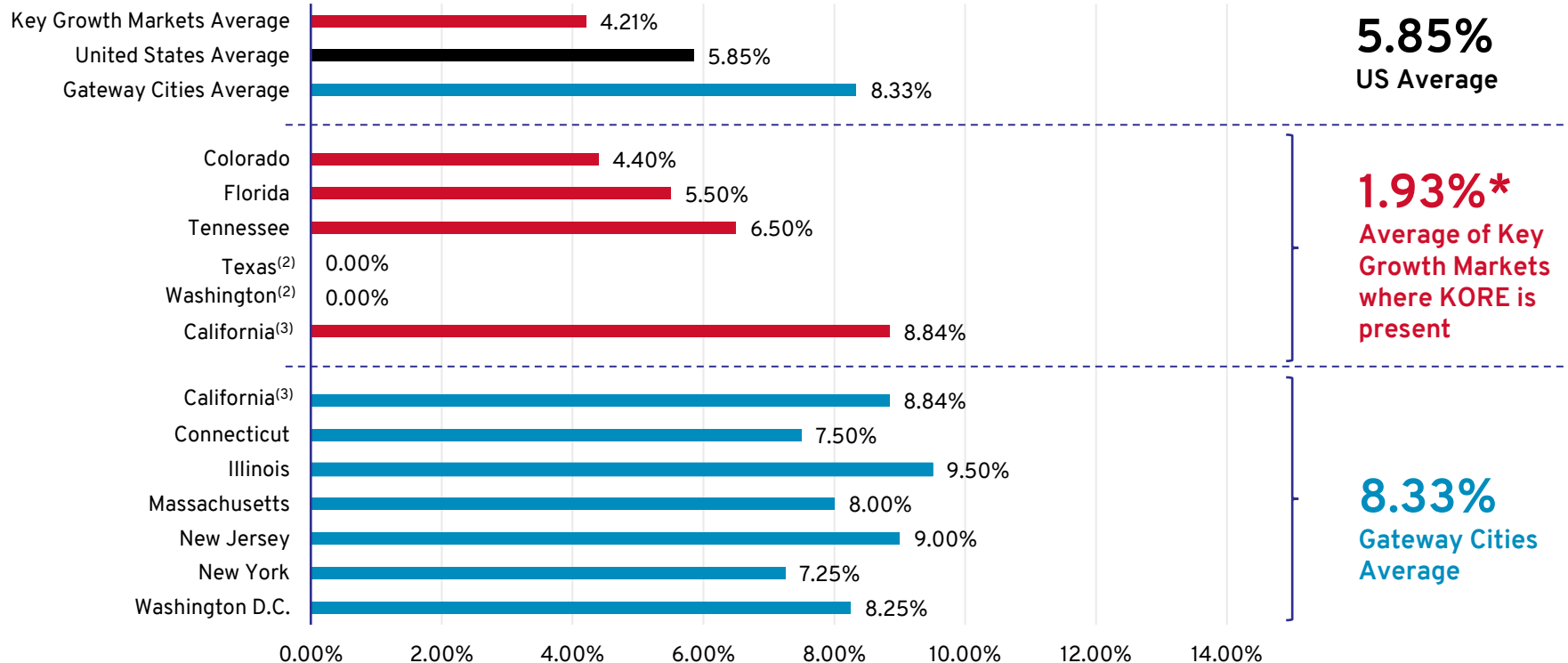
State Individual Tax Rates (as at January 1, 2024)⁽¹⁾



Low State Corporate Income Taxes

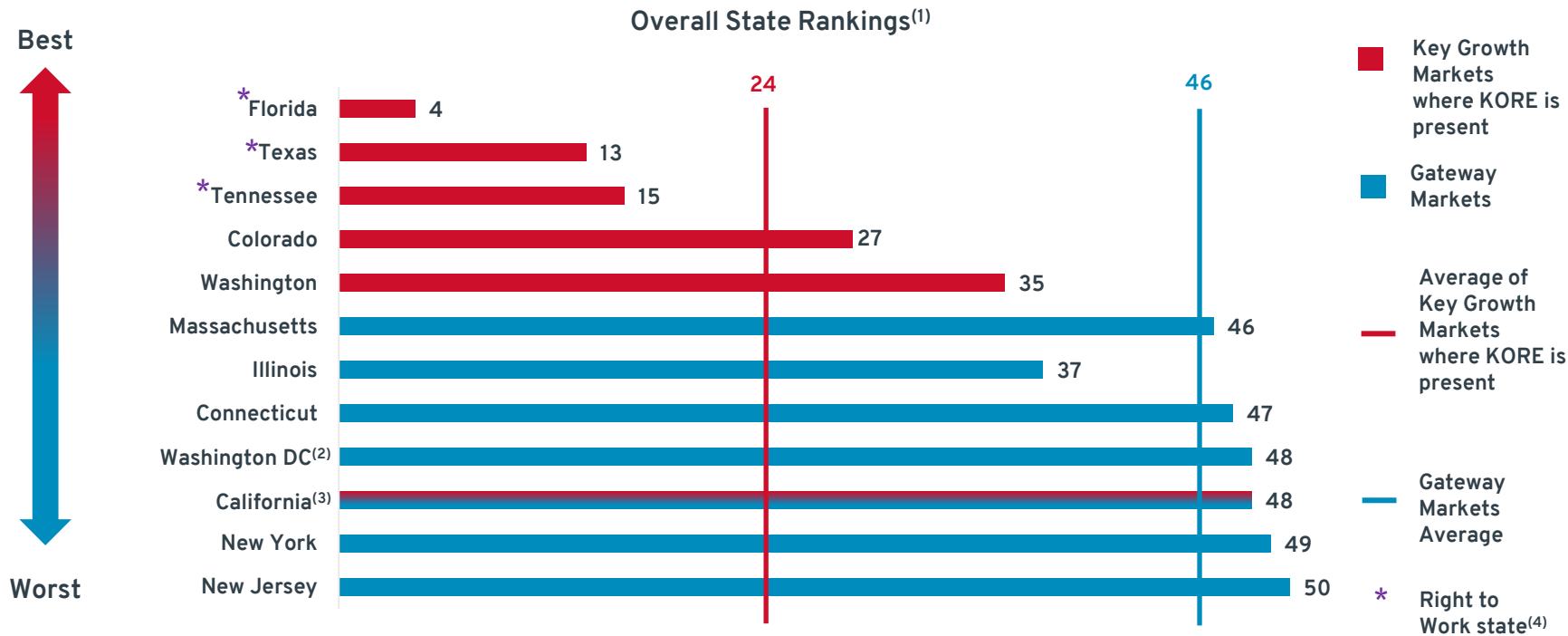
Companies are moving to states with zero or low corporate taxes, accelerating population growth

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.

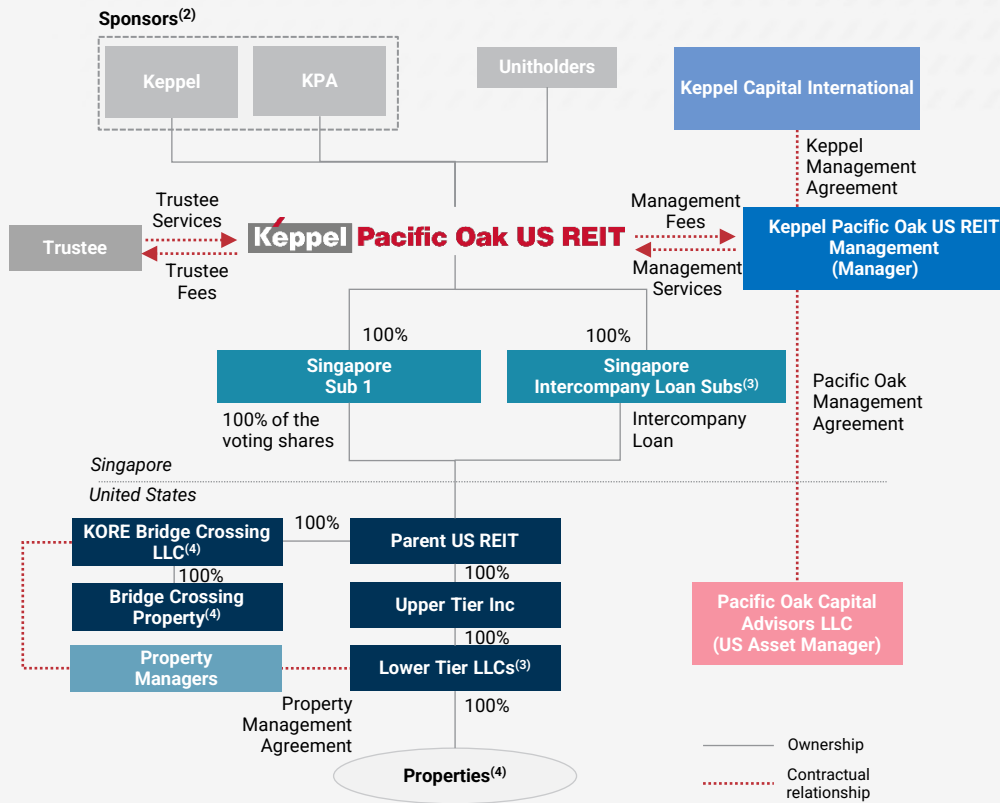
(2) DC's score and rank do not affect other states.

(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\$55 billion⁽¹⁾**
Funds under management as at end-2023



- 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