

First Half 2021 Financial Results

26 July 2021

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Constituent of:



MSCI Singapore Small Cap Index



FTSE All World Small Cap Index
FTSE ST Singapore Shariah Index

Key Highlights

Tenant lounge
The Westpark Portfolio
Redmond, Seattle, Washington



1H 2021 Key Highlights

Continued Growth in Operating Income



Distributable Income
US\$29.9 mil

↑2.8% YoY

DI of US\$29.9 million for 1H 2021 was 2.8% higher y-o-y, supported by positive rental reversions and built-in rental escalations, as well as lower expenses. Average rent collection for 1H 2021 was ~98%.

Distribution per Unit
3.16 US cents

↑1.9% YoY

1H 2021 DPU was 1.9% above 1H 2020 DPU, which translated to a distribution yield of 8.1%⁽¹⁾ as at 30 June 2021.

Stable Income Stream



Positive
Rental Reversion

↑5.4%

Continued positive rental reversions for the whole portfolio, driven mainly by the tech hubs of Seattle – Bellevue/Redmond and Austin. Built-in average rental escalations of ~2.7% across the portfolio.

Limited
Lease Expiries by CRI

7.7% over the rest of 2021

Leased ~302,000 sf of space in 1H 2021, equivalent to 6.4% of the portfolio. Portfolio committed occupancy was 90.5%.

Robust Financial Position



Healthy
Aggregate Leverage

37.1%⁽²⁾

Healthy leverage and 100% unsecured loans provide financial flexibility to continue pursuing opportunities in key growth markets with a tech focus.

Interest
Coverage Ratio

4.9 times⁽³⁾

Weighted average term to maturity was 2.5 years as at 30 June 2021, with no long-term refinancing until November 2022.

(1) Based on the market closing price of US\$0.785 per Unit as at 30 June 2021.

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

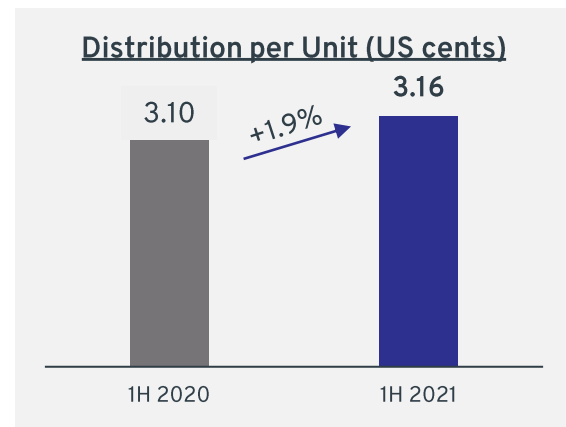
(3) Interest Coverage Ratio (ICR) disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020. After adjusting for management fees taken in Units, the ICR would be 5.3 times.

Financial Performance & Capital Management

*Bellevue Technology Center
Bellevue, Seattle, Washington*



Financial Performance for 1H 2021



Distribution for the period from 1 January to 30 June 2021	
DPU	3.16 US cents
Ex-Date	4 Aug 2021
Record Date	5 Aug 2021
Payment Date	28 Sep 2021

	2Q 2021 (US\$'000)	2Q 2020 (US\$'000)	% Change	1H 2021 (US\$'000)	1H 2020 (US\$'000)	% Change
Gross Revenue	33,798	35,174	(3.9)	68,383	70,500	(3.0)
Net Property Income	20,225	20,921	(3.3)	40,587	41,872	(3.1)
Adjusted NPI (excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions)	20,356	20,254	0.5	40,868	40,231	1.6
Income Available for Distribution⁽¹⁾	15,000	14,697	2.1	29,937	29,109	2.8
DPU (US cents)	1.58	1.56	1.3	3.16	3.10	1.9
Distribution Yield ⁽²⁾	-	-	-	8.1%	8.9%	(80 bps)

Strong Balance Sheet that Supports Growth Ambitions

As at 30 June 2021	(US\$'000)
Total Assets	1,361,752
Investment Properties	1,312,564
Cash and Cash Equivalents	44,970
Other Assets	4,218
Total Liabilities	585,890
Gross Borrowings	505,720
Other Liabilities	80,170
Unitholders' Funds	775,862
Units in issue and to be issued ('000) ⁽¹⁾	949,311
NAV per Unit (US\$)	0.820
Adjusted NAV per Unit (US\$) ⁽²⁾	0.790
Unit Price (US\$)	0.785

Robust Financial Position and Healthy Aggregate Leverage

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

As at 30 June 2021

Total Debt

- US\$505.7m of external loans
- 100% unsecured

Available Facilities

- US\$50.0m of revolving credit facility
- US\$9.0m of uncommitted revolving credit facility

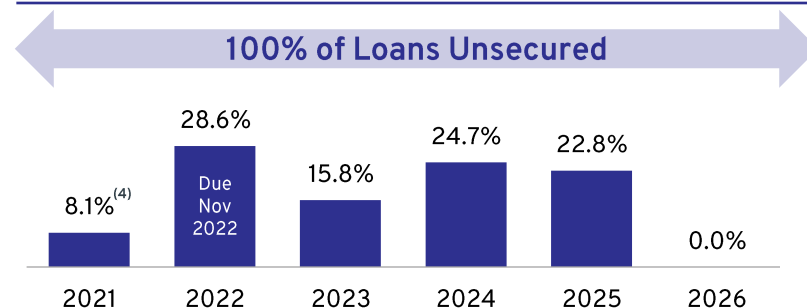
Aggregate Leverage⁽¹⁾ 37.1%

All-in Average Cost of Debt⁽²⁾ 2.82 % p.a.

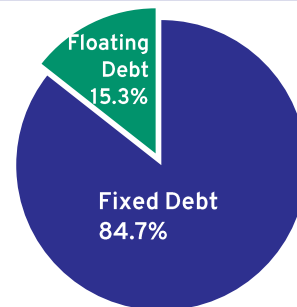
Interest Coverage⁽³⁾ 4.9 times

Average Term to Maturity 2.5 years

Debt Maturity Profile



Interest Rate Exposure



Sensitivity to LIBOR⁽⁵⁾

Every +50bps in LIBOR translates to -0.059 US cents in DPU p.a.

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

(2) Includes amortisation of upfront debt financing costs.

(3) Interest Coverage Ratio (ICR) disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020. After adjusting for management fees taken in Units, the ICR would be 5.3 times.

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

(5) Based on the 15.3% floating debt, US\$41m revolving credit facility drawn which are unhedged and the total number of Units in issue as at 30 June 2021.

Portfolio Performance

*Tenant space at
The Westpark Portfolio
Redmond, Seattle, Washington*



Key Growth Markets Driven By Tech And Innovation

 **90.5% Portfolio Committed Occupancy**

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

SEATTLE – BELLEVUE/REDMOND, Washington



The Plaza Buildings
Occupancy: 91.1%



Bellevue Technology Center
Occupancy: 96.1%



The Westpark Portfolio
Occupancy: 95.2%

ATLANTA, Georgia



Powers Ferry
Occupancy: 80.1%



Northridge Center I & II
Occupancy: 78.4%

DENVER, Colorado



Westmoor Center
Occupancy: 90.1%

SACRAMENTO, California



Iron Point
Occupancy: 92.6%

AUSTIN, Texas



Great Hills Plaza
Occupancy: 100%



Westech 360
Occupancy: 70.0%

HOUSTON, Texas



1800 West Loop South
Occupancy: 78.7%



Bellaire Park
Occupancy: 90.7%

ORLANDO, Florida

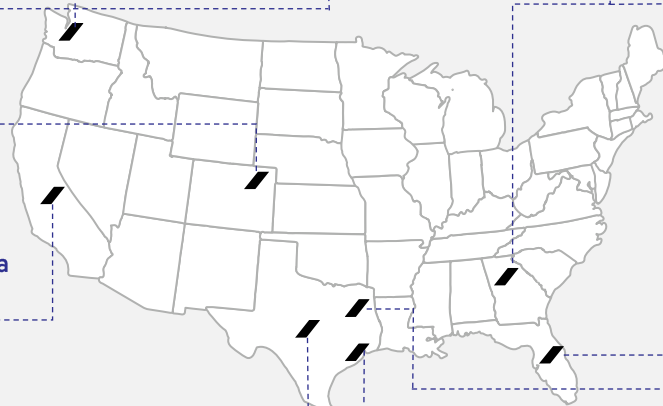


Maitland Promenade I & II
Occupancy: 94.8%

DALLAS, Texas



One Twenty Five
Occupancy: 96.6%



Tech hub



Healthcare hub

All information as at 30 June 2021.

Stable Income with Visible Organic Growth

~302,000 sf

Leased spaces, equivalent to 6.4% of portfolio NLA.

5.4%

Positive rent reversion for 1H 2021. Average rent collection was ~98% in 1H 2021, and rent deferment requests amounted to only ~1% of NLA.

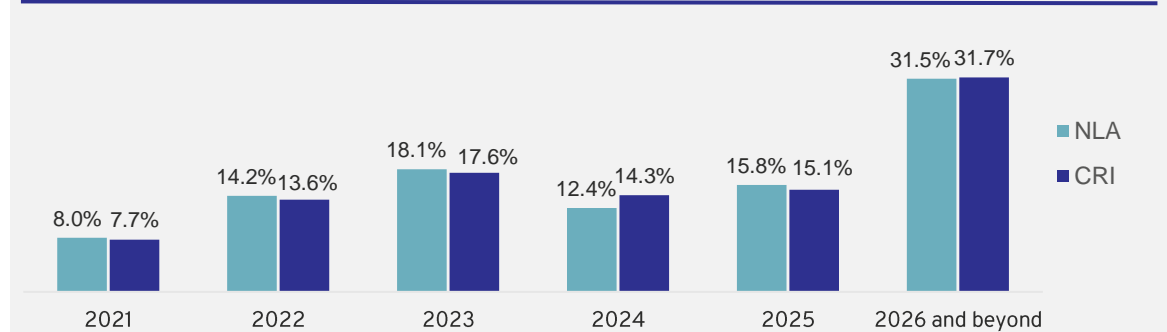
~8%

In-place rents are ~8% below asking rents, which provides an avenue for organic growth.

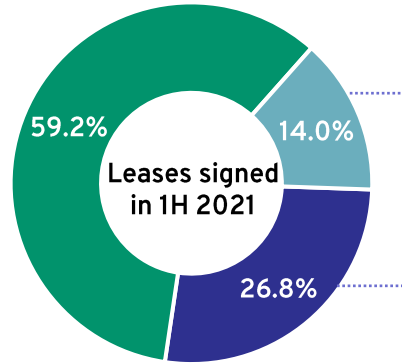
~2.7%

Built-in average annual rental escalation across the portfolio. WALE of 3.5 years⁽¹⁾ by CRI.

Lease Expiry Profile (as at 30 June 2021)



■ New ■ Renewal ■ Expansion



New leasing demand and expansions from:

Professional Services ⁽²⁾	41.0%
Technology	30.0%
Finance and Insurance	13.0%
Medical and Healthcare	9.7%
Others	6.2%

(1) Based on NLA, portfolio WALE was 3.4 years.

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

Tech Focused Tenant Composition and Industry Exposure

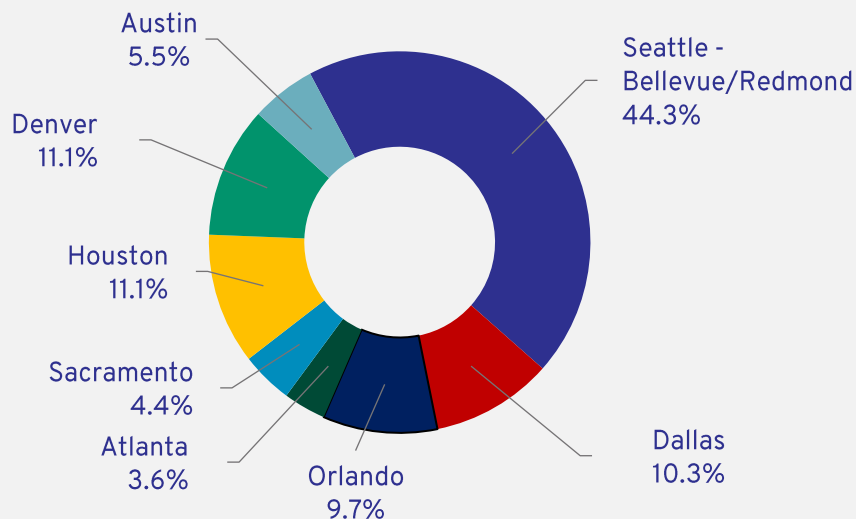


KORE's buildings and business campuses in the tech hubs of Seattle – Bellevue/Redmond, Austin and Denver contribute ~61% of NPI⁽¹⁾

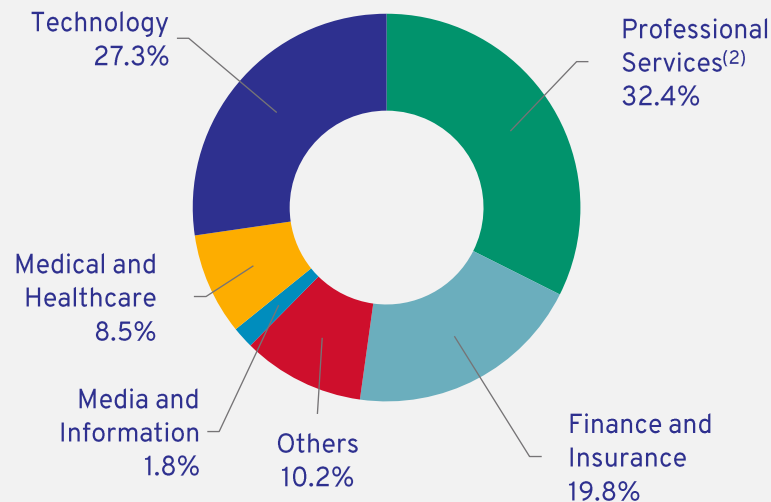


~36% of KORE's portfolio NLA is comprised of high quality tenants from the growing and defensive sectors of technology, and medical/healthcare

Geographic Diversification by NPI⁽¹⁾ contribution as at 30 June 2021



Industry Diversification by NLA as at 30 June 2021



Low Tenant Concentration Risk



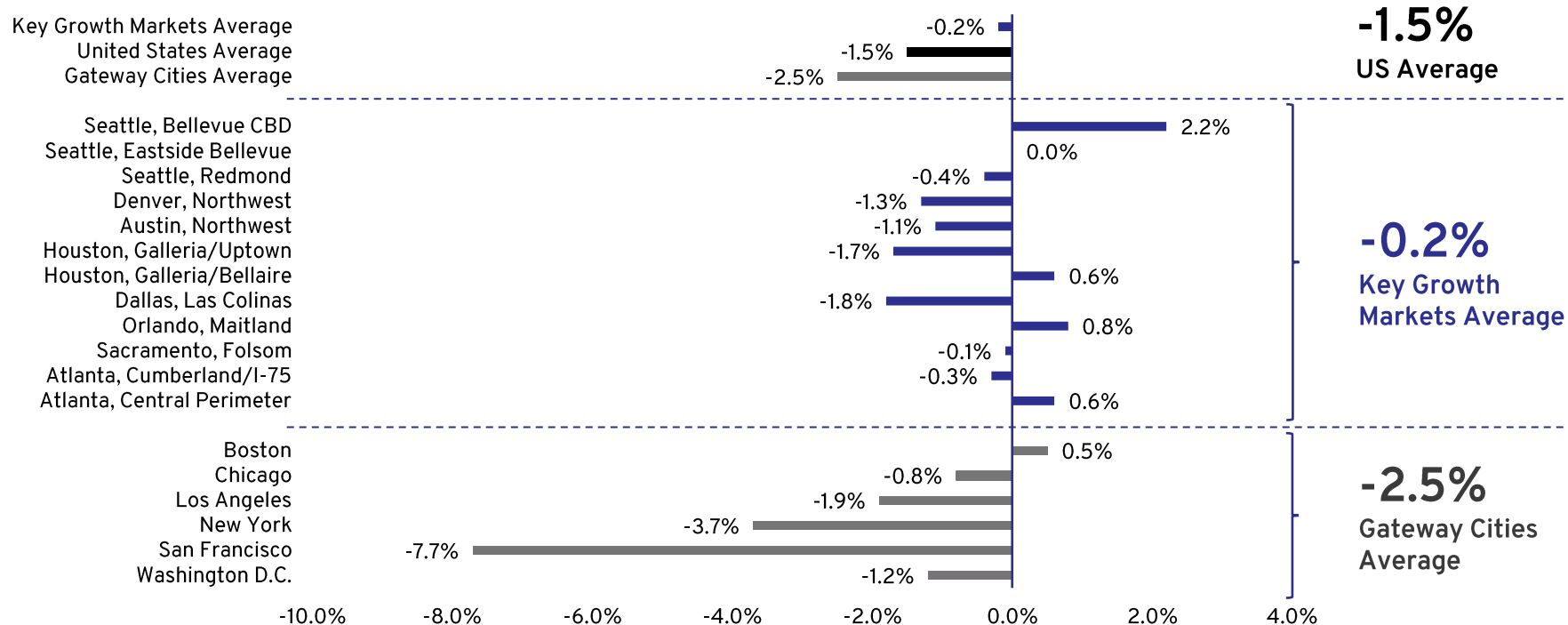
Top 10 tenants contribute only 20.5% of CRI

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

As at 30 June 2021

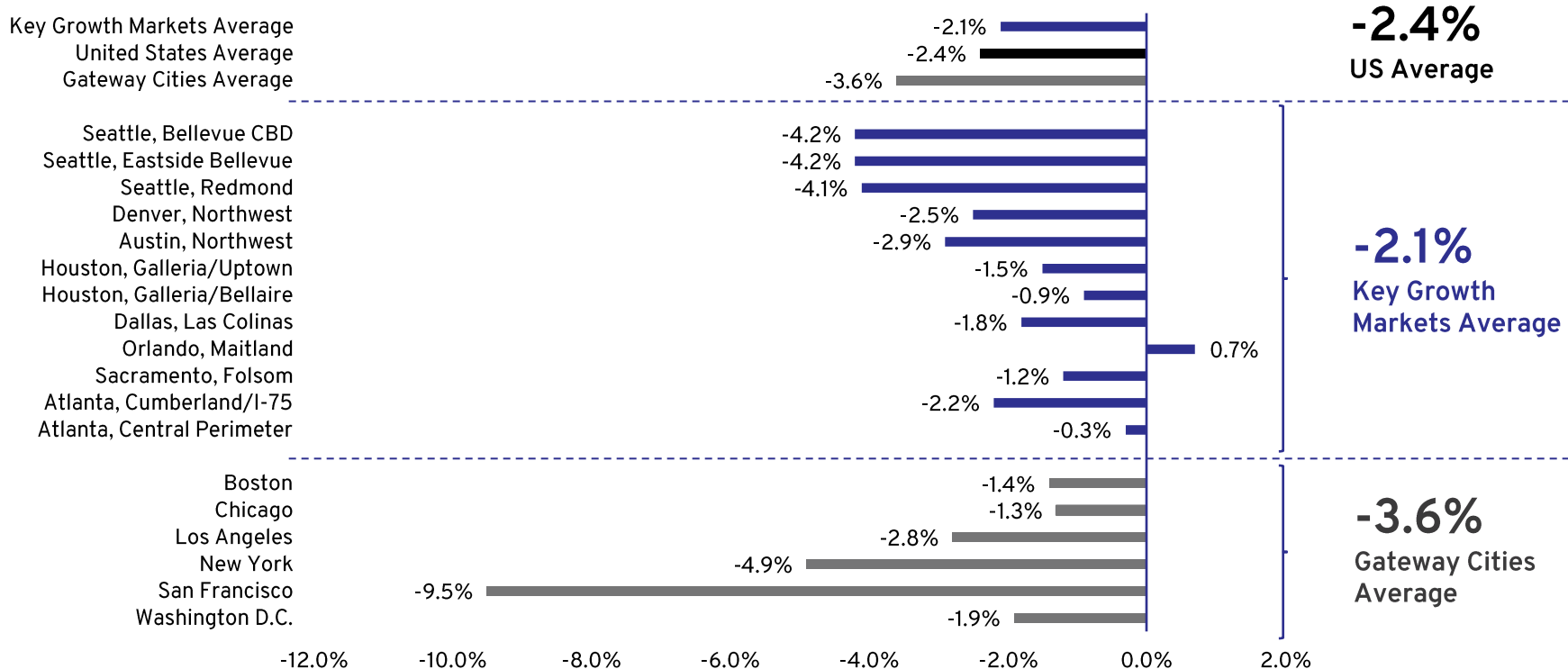
Top 10 Tenants	Sector	Asset	Location	% of CRI
Ball Aerospace	Technology	Westmoor Center	Denver	3.0
Lear	Technology	The Plaza Buildings,	Seattle – Bellevue/Redmond	2.8
Oculus VR	Technology	The Westpark Portfolio	Seattle – Bellevue/Redmond	2.4
Zimmer Biomet Spine	Technology	Westmoor Center	Denver	2.1
Spectrum	Media & Information	Maitland Promenade I & II	Orlando	1.9
Unigard Insurance ⁽¹⁾	Finance & Insurance	Bellevue Technology Center	Seattle – Bellevue/Redmond	1.8
Bio-Medical Applications	Medical & Healthcare	One Twenty Five	Dallas	1.7
Auth0	Technology	The Plaza Buildings	Seattle – Bellevue/Redmond	1.7
US Bank	Finance & Insurance	The Plaza Buildings	Seattle – Bellevue/Redmond	1.7
Nintex USA	Technology	The Plaza Buildings	Seattle – Bellevue/Redmond	1.4
Total				20.5
WALE by (NLA)				4.5 years
WALE by (CRI)				4.5 years

Last 12 Months Rent Growth



Projected 12-Month Rent Outlook

KORE's average in-place rents are ~8% below asking rents, which will continue to drive organic growth



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>	8.9	8.2	-	(465.0)	4,155 ⁽¹⁾	2.2	(4.2)
Seattle, Eastside Bellevue <i>Bellevue Technology Center</i>	3.9	3.6	-	(14.6)	246.6 ⁽¹⁾	0.0	(4.2)
Seattle, Redmond <i>The Westpark Portfolio</i>	4.8	4.1	-	(53.5)	40 ⁽¹⁾	(0.4)	(4.1)
Austin, Northwest <i>Great Hills Plaza & Westech 360</i>	0.0 ⁽²⁾ & 30.0 ⁽³⁾	21.2	50.1	(809.0)	-	(1.1)	(2.9)
Denver, Northwest <i>Westmoor Center</i>	9.9	9.7	141	138.0	14.1 ⁽¹⁾	(1.3)	(2.5)
Houston, Galleria/Uptown <i>1800 West Loop South</i>	21.3	21	70	(616.0)	-	(1.7)	(1.5)
Houston, Galleria/Bellaire <i>Bellaire Park</i>	9.3	11.9	52.3	208.0	-	0.6	(0.9)
Dallas, Las Colinas <i>One Twenty Five</i>	3.4	25.6	32.5	(561.0)	456 ⁽¹⁾	(1.8)	(1.8)
Orlando, Maitland <i>Maitland Promenade I & II</i>	5.2	13	-	(288.0)	-	0.8	0.7
Sacramento, Folsom <i>Iron Point</i>	7.4	5.2	-	(51.8)	-	(0.1)	(1.2)
Atlanta, Cumberland/I-75 <i>Powers Ferry</i>	19.9	15.1	373	(403.0)	60 ⁽¹⁾	(0.3)	(2.2)
Atlanta, Central Perimeter <i>Northridge Center I & II</i>	21.6	19.3	429	(782.0)	-	0.6	(0.3)

Market Outlook

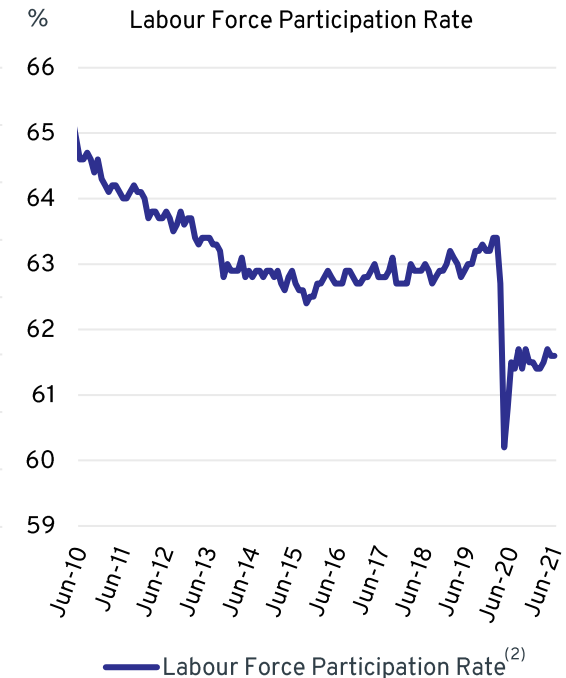
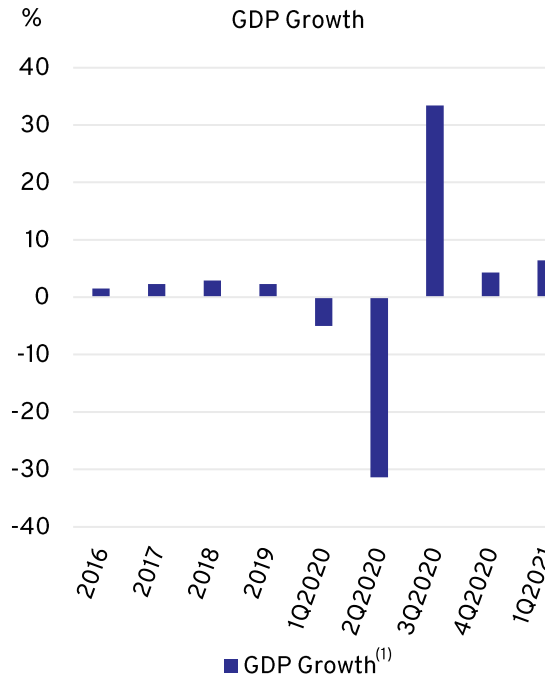
Tenant lounge,
1800 West Loop South
Houston, Texas



US Economy: Recovery Apace

Continued resumption of economic activity in 2021

- US Real GDP increased 6.4% q-o-q in 1Q 2021 reflecting the continued economic recovery, reopening of establishments, and continued government response related to the COVID-19 pandemic⁽¹⁾.
- Unemployment rate was 5.9% in June 2021, down considerably from its high of 14.8% in April 2020⁽²⁾.
- Labour force participation rate was 61.6% in June 2021, with 6.4 million persons seeking jobs⁽²⁾.
- Economy will continue to benefit from the US government's support:
 - US\$1.9 trillion COVID-19 stimulus package announced in March 2021⁽³⁾.



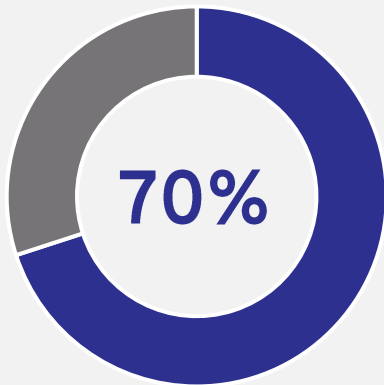
(1) Source: U.S. Bureau of Economic Analysis, June 2021.

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

(3) Source: The White House, American Rescue Plan, March 2021.

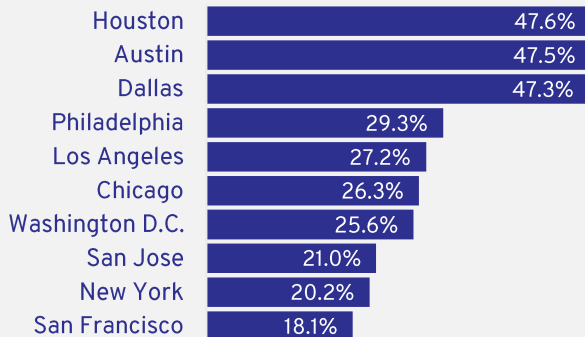
CEOs and Employees want to Return to Offices

Progress in vaccinations and the removal of COVID-19 restrictions are raising confidence and optimism



- 70% of CEOs, human resources and finance leaders said they plan to have employees back in the office by the fall of 2021⁽¹⁾.

Top 10 US Cities: Employee Office Visits (as at 7 July 2021)⁽²⁾



- Texas metro areas are leading in office visits.
- These cities rely mostly on cars, rather than mass transit, to get people to work.

People Vaccinated in the US (% of total Population)⁽³⁾

At Least One Dose

56%

Fully Vaccinated

49%

**Total Vaccine Doses
Administered: 337,740,358**

- COVID-19 deaths in the US remain near their **lowest levels since spring 2020**, and the **number of people vaccinated continues to grow**.

(1) LaSalle Network, 2021: Office Re-Entry Index.

(2) Kastle Systems Back to Office Barometer.

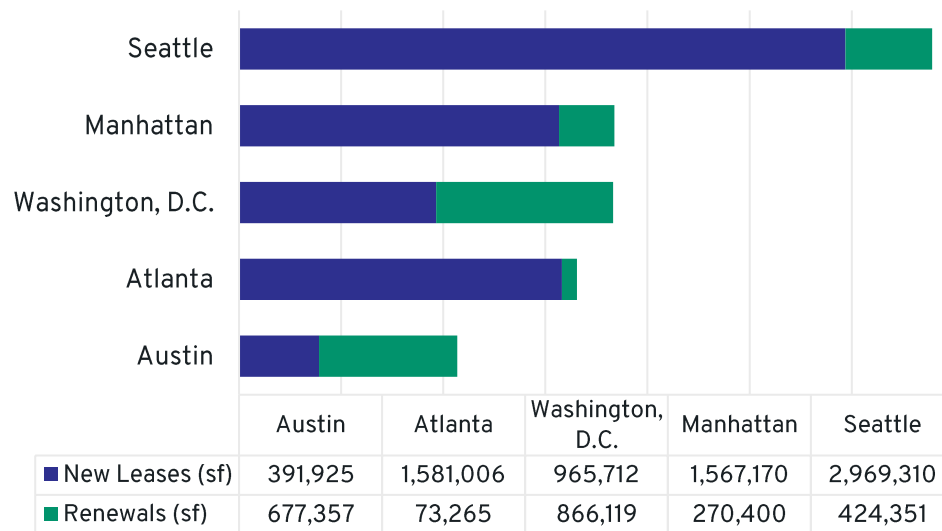
(3) Centers for Disease Control and Prevention (CDC) COVID Data Tracker, as at 15 July 2021.

Tech Continues to Lead in Office Leasing

KORE's focus on the historically fast-expanding tech sector will benefit the REIT

100 Largest U.S. Office Leases by Tech Firms in 2020⁽¹⁾

Markets with Most Square Footage Leased



- The **tech sector** leased ~26m sf of office space in 2020, accounting for 17% of total office leasing – more than any other industry⁽¹⁾.
- Tech giants continued their leasing momentum in 2021
 - The two biggest leases in 1Q 2021 were signed by **Amazon**, committing 700,000 sf in Boston and 605,000 sf in Seattle – Bellevue/Redmond⁽²⁾.
 - **Google** announced in May 2021 plans to spend more than US\$7b on office spaces and data centres⁽³⁾.
 - In July 2021, **Facebook** signed an additional lease for 300,000 sf, bringing its space commitment in Bellevue's Spring District to ~1.6m sf⁽⁴⁾.

Strategic Presence in some of the Fastest Growing States

Top 20 Fastest Growing States in the US from 2010-2020 ⁽¹⁾		% Change in Resident Population
1	Utah	18.4
2	Idaho	17.3
3	Texas*	15.9
4	North Dakota	15.8
5	Nevada	15.0
6	Colorado*	14.8
7	District of Columbia	14.6
8	Florida*	14.6
9	Washington*	14.6
10	Arizona	11.9
11	South Carolina	10.7
12	Georgia*	10.6
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

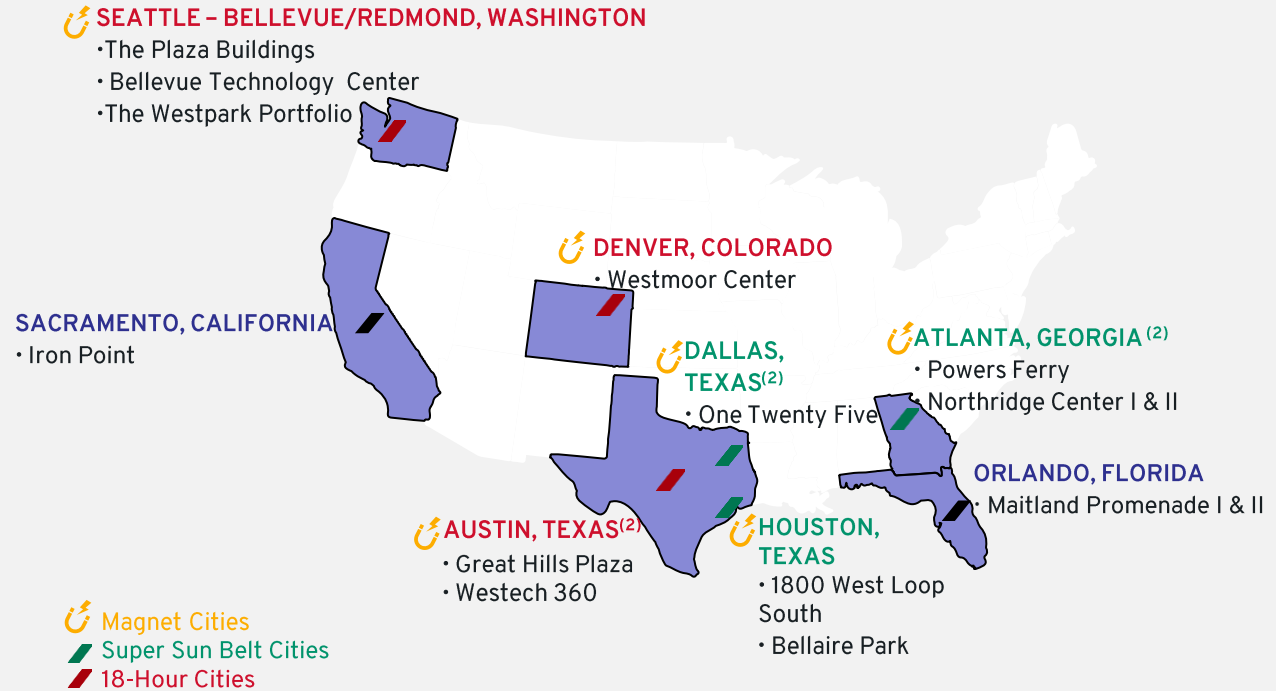
Presence in Magnet Cities

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

- ✓ Low or no taxes in most markets
- ✓ GDP, employment and population growth above national average
- ✓ Highly educated workforce/ Deep talent pool
- ✓ Amenity-rich locations
- ✓ Good infrastructure with lower congestion
- ✓ COVID-accelerated suburban appeal

Majority of KORE's key growth markets are located in **Super Sun Belt** and **18-Hour cities**⁽¹⁾

Poised to capture growth from population migration and suburbanisation trends



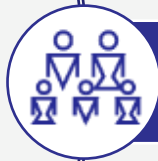
**First choice
US office SREIT
focused on the
fast-growing
tech sector
across key
growth markets
in the US.**



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



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



Highly diversified portfolio with low tenant concentration risk.



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



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

Thank You

For more information, please visit

www.koreusreit.com

Westech 360
Austin, Texas



Additional Information

A photograph of a modern kitchen or breakroom. In the foreground, there's a white countertop with a wooden island. Underneath the island, several black stools with silver footrests are visible. In the background, there's a kitchen area with a white countertop, a sink, and a wall of blue glass blocks. A person is blurred in the background, suggesting movement. The overall aesthetic is clean and contemporary.

*Tenant space,
Westmoor Center
Denver, Colorado*

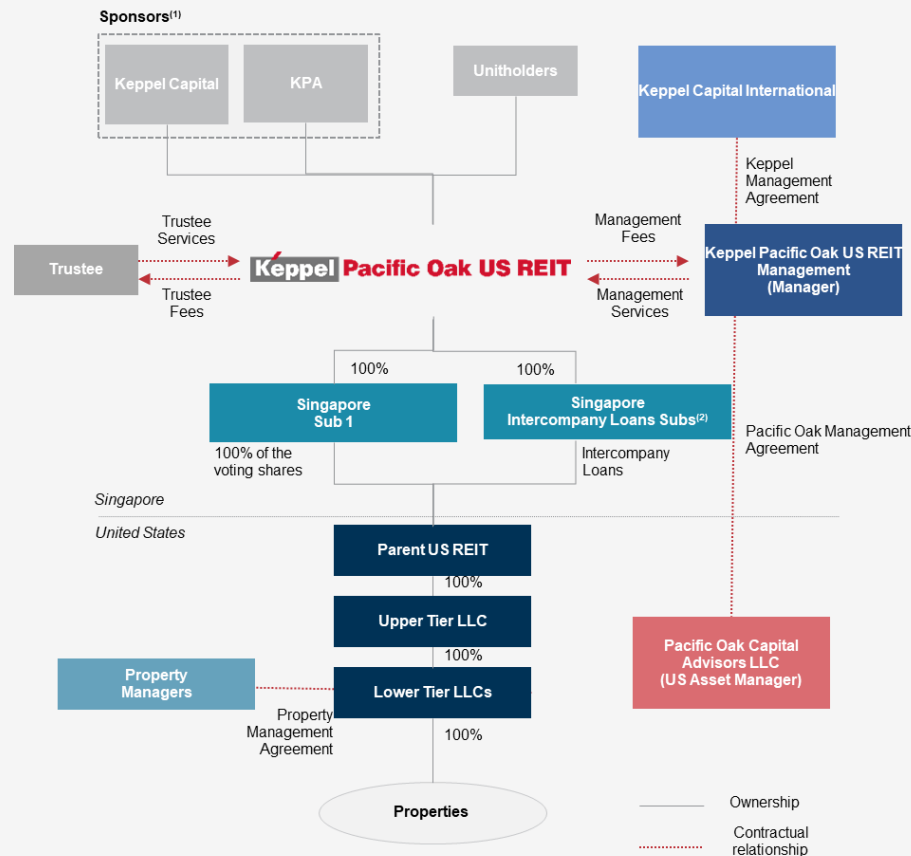
Trust Structure

✓ Tax-efficient structure for holding US properties

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

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

✓ Alignment of interests among Sponsors, Manager and Unitholders



(1) Keppel Capital holds a deemed 7.3% stake in Keppel Pacific Oak US REIT (KORE). Pacific Oak Strategic Opportunity REIT, Inc. (KPA entity) holds a deemed interest of 0.5% in KORE, for a total of 7.3%.

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

Strong Sponsors: Keppel Capital and KORE Pacific Advisors



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



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

Thank You

For more information,
please visit www.koreusreit.com

Connect with us on: 

OUR SUSTAINABILITY COMMITMENT

We place sustainability at the heart of our strategy and are committed to delivering sustainable distributions and strong total returns for Unitholders.



ENVIRONMENTAL STEWARDSHIP

In line with Keppel's Vision 2030, we will do our part to combat climate change, and are committed to improving resource efficiency and reducing our environmental impact.



RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the organisation through good corporate governance and prudent risk management.



PEOPLE AND COMMUNITY

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, investing in training and developing our people to help them reach their full potential, as well as uplifting communities wherever we operate.