

SGX-REITAS Webinar

8 September 2020

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.

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Overview

Tenant lounge
The Westpark Portfolio
Seattle, Washington





Tenant lounge, Bellevue Technology Center, Seattle, Washington

About Keppel Pacific Oak US REIT (KORE)

Distinctive US office REIT focused on key growth markets with positive economic and office fundamentals that generally outpace that of the US national average, as well as the average of the gateway cities

Unique exposure to key US growth markets

Benefitting from solid US office real estate fundamentals

Tax advantaged structure

Sponsors

- Keppel Capital and KPA

US Asset Manager

- Pacific Oak Capital Advisors LLC, also advisor for Pacific Oak Strategic Opportunity REIT

Manager

- Keppel Pacific Oak US REIT Management Pte. Ltd.

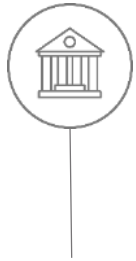
Investment mandate

- To invest in a diversified portfolio of income-producing commercial assets and real estate-related assets in **key growth markets of the US with favourable economic and office fundamentals**

Distribution Policy & Distribution Currency

- Semi-annual distributions
- Distributions declared in US dollars

Growth Trajectory since IPO



Listed on SGX
Portfolio value: US\$0.83b
 IPO with 11 office buildings
 & business campuses
 across 7 key growth
 markets

Dec 2017



**Strengthened
 Foothold in the
 Strong Maitland
 submarket**
 Maitland
 Promenade 1
 Orlando, Florida

Jan 2019

9 Nov 2017

Nov 2018

Nov 2019

30 Jun 2020

Portfolio value: US\$1.27b
 13 office buildings &
 business campuses across
 8 key growth markets

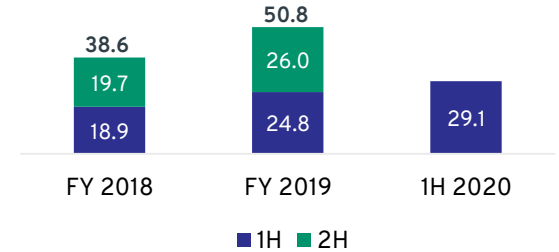
**Maiden
 Acquisition**
 The Westpark
 Portfolio
 Seattle, Washington



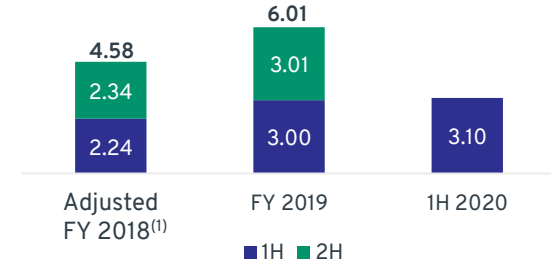
**Extended
 Footprint into
 new key Growth
 Market**
 One Twenty Five
 Dallas, Texas

Delivered Growth since IPO

Distributable Income (US\$ million)



DPU (US Cents)



1) Adjusted Actual FY 2018 was calculated based on the weighted average number of Units for FY 2019 of 843,917,481 Units to remove the effects of the enlarged Unit base in FY 2019 for comparison purpose.

First Choice Submarkets in Key Growth Markets

SEATTLE, Washington



The Plaza Buildings
Occupancy: 97.3%



Bellevue Technology Center
Occupancy: 100.0%



The Westpark Portfolio
Occupancy: 97.2%

ATLANTA, Georgia



Powers Ferry
Occupancy: 93.8%



Northridge Center I & II
Occupancy: 85.8%

DENVER, Colorado



Westmoor Center
Occupancy: 96.6%

SACRAMENTO, California



Iron Point
Occupancy: 99.5%

AUSTIN, Texas



Great Hills Plaza
Occupancy: 99.1%



Westtech 360
Occupancy: 90.8%

HOUSTON, Texas



1800 West Loop South
Occupancy: 76.9%



Bellaire Park
Occupancy: 90.8%

ORLANDO, Florida

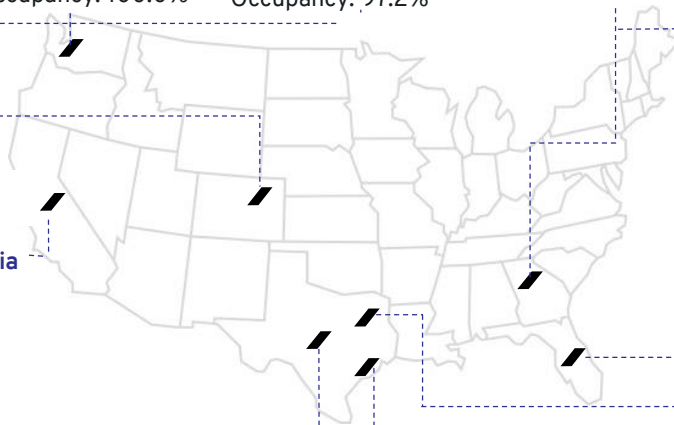


Maitland Promenade I & II
Occupancy: 95.0%

DALLAS, Texas



One Twenty Five
Occupancy: 96.7%



Overview

13 freehold office buildings and **business campuses** across **8 key growth markets**

Portfolio NLA

Over 4.7 million sf

Portfolio Value

US\$1.27 billion

Portfolio Committed Occupancy (by NLA)

94.3%

All information as at 30 June 2020.

KORE Strengths

Presence in first choice submarkets in key growth markets

Exposure to **growth and defensive sectors** of **technology and healthcare** which comprise **37.6%** of portfolio NLA.

Highly diversified portfolio with low tenant concentration risk

Top 10 tenants contribute **only 19.5%** of portfolio cash rental income.

100% unsecured debt

Weighted average term to maturity of **3.4 years⁽¹⁾** with **no long-term refinancing requirements** until November 2022.

Strong rental reversion of 14.7%

Strong average rental reversion across the portfolio, supported by **continued leasing demand** and **rent growth** across the key growth markets.

Stable portfolio committed occupancy

Healthy committed occupancy of 94.3% and **WALE of 4.1 years** by CRI.

Index inclusion will improve trading liquidity

Constituent to the **MSCI Singapore Small Cap Index** and the **FTSE All World Small Cap Index**, which will raise visibility among investors and enhance trading liquidity.

Resilient and Highly Diversified Portfolio

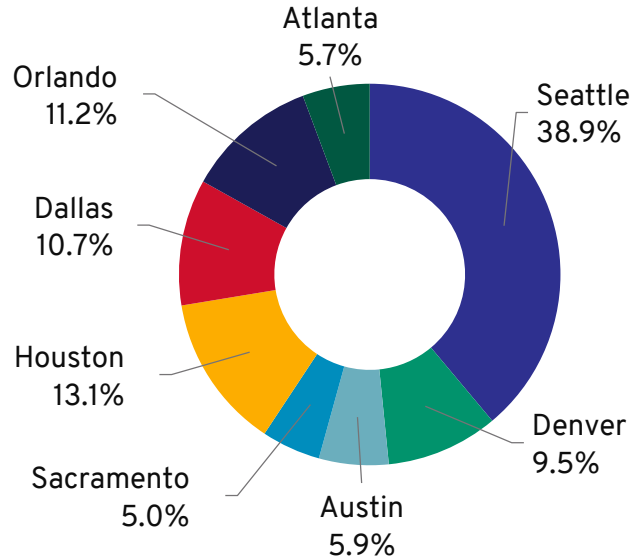


KORE's buildings and business campuses in the tech hubs of Seattle, Austin and Denver contribute ~54% of CRI

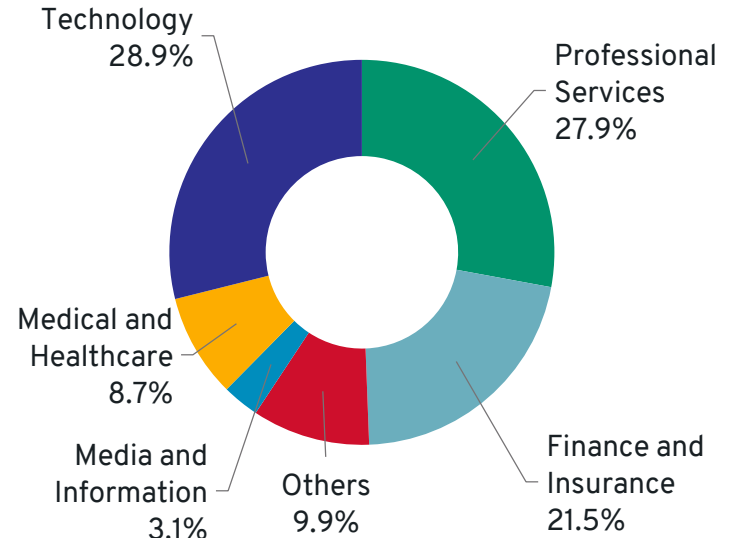


Highly diversified tenant base, with exposure to the growth and defensive sectors of technology, as well as medical and healthcare

Geographic Diversification by CRI contribution as at 30 June 2020



Industry Diversification by NLA as at 30 June 2020



Low Tenant Concentration Risk

Top 10 tenants contribute only 19.5% of CRI, with the largest tenant only contributing 3.5% of CRI

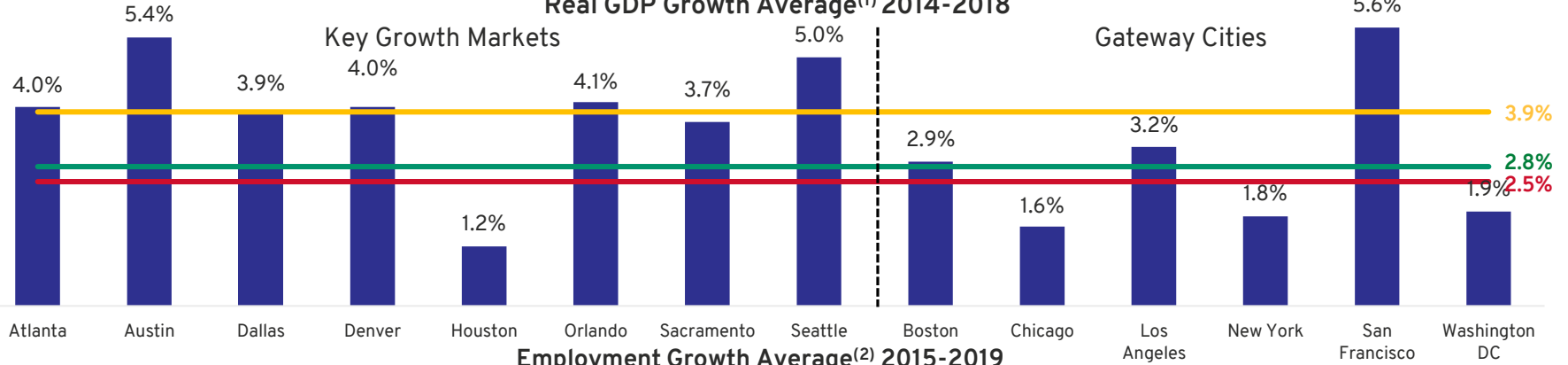
Top 10 tenants as at 30 June 2020

Tenant	Sector	Asset	% CRI
Ball Aerospace	Technology	Westmoor Center	3.5
Oculus VR	Technology	Westpark Portfolio	2.4
Lear	Technology	The Plaza Buildings	2.1
Zimmer Biomet Spine	Technology	Westmoor Center	2.0
Spectrum	Media & Information	Maitland Promenade I	1.8
Unigard Insurance ⁽¹⁾	Finance & Insurance	Bellevue Technology Center	1.7
Bio-Medical Applications	Medical & Healthcare	One Twenty Five	1.7
US Bank	Finance & Insurance	The Plaza Buildings	1.6
Auth0	Technology	The Plaza Buildings	1.4
Reed Group	Technology	Westmoor Center	1.3
Total			19.5
WALE (by NLA)			5.0 years
WALE (by CRI)			5.2 years

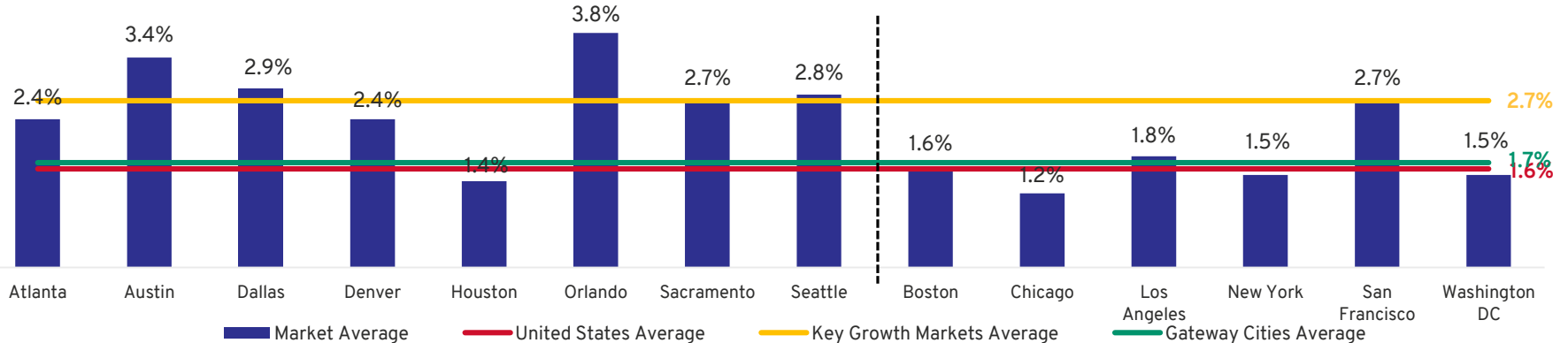
Positive Economics and Rising Employment

KORE's key growth markets continue to outperform national average

Real GDP Growth Average⁽¹⁾ 2014-2018

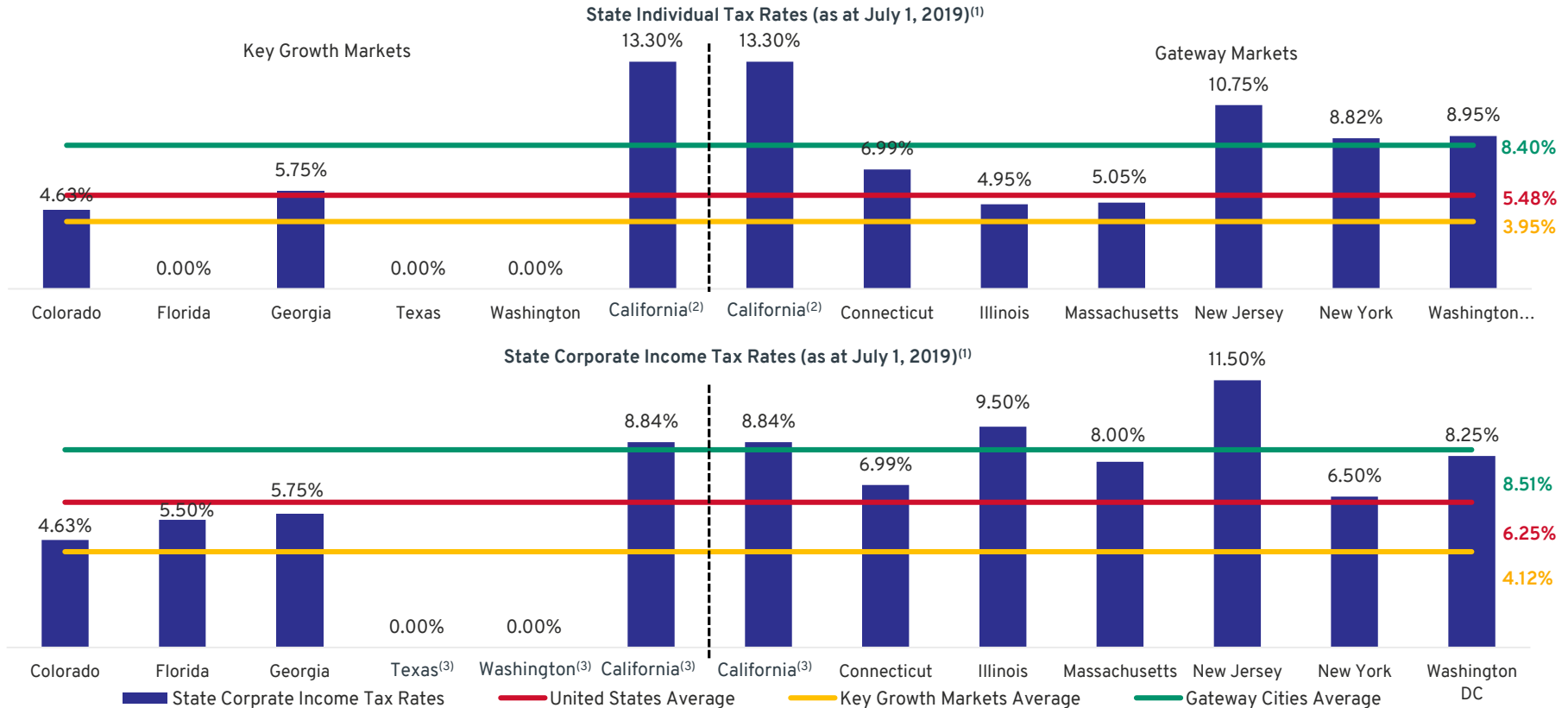


Employment Growth Average⁽²⁾ 2015-2019



Low Taxes in KORE's Key Growth Markets

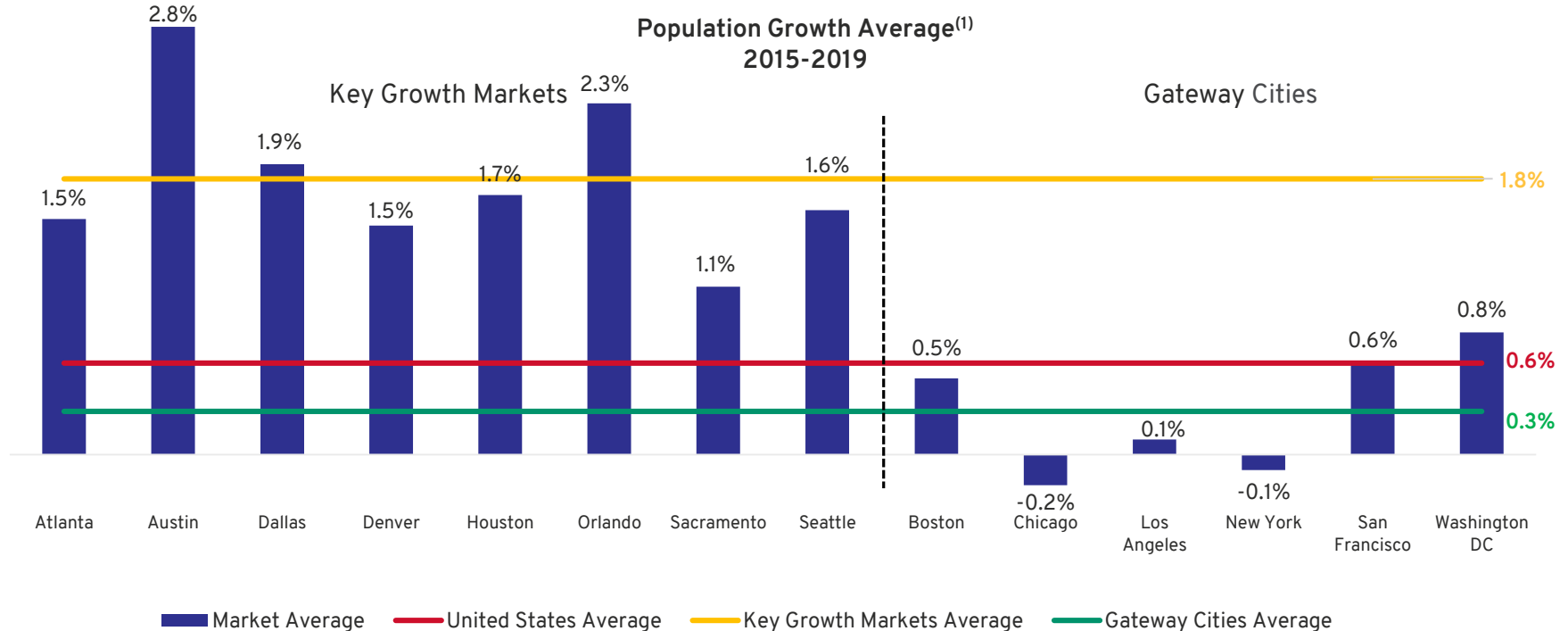
Individuals and corporations are moving to states with zero or low income and corporate taxes, accelerating population growth



(1) Tax Foundation's 2020 State Business Tax Climate Index, based on top marginal individual income tax rates.
 (2) The state of California encompasses the key growth city of Sacramento and the gateway cities of Los Angeles and San Francisco.
 (3) Texas and Washington do not have a corporate income tax but do have a gross receipts tax.

Expanding Population in KORE's Key Growth Markets

KORE's key growth markets continue to outperform national average





Operational Updates

Enhanced health and safety protocols across KORE's properties



1H 2020 Results Highlights

Continued Growth in Operating Income



Distributable Income
US\$29.1 mil

↑17.6% YoY

DI of US\$29.1 million for 1H 2020 was 17.6% higher y-o-y, driven by contributions from One Twenty Five⁽¹⁾ and higher rental income from the rest of the portfolio. Average rent collection for 1H 2020 was ~98%.⁽²⁾

Distribution per Unit
3.10 US cents

↑3.3% YoY

1H 2020 DPU was 3.3% above 1H 2019 DPU. Distribution yield was 8.9%, based on the market closing price of US\$0.700 per Unit as at 30 June 2020.

Stable Income Stream



Strong
Rental Reversion

↑14.7%

Continued positive rental reversions for the whole portfolio, driven mainly by the tech hubs of Seattle and Austin.

Limited
Lease Expiries by CRI

2.8%

Leased ~196,000 sf of space in 1H 2020, equivalent to 4.2% of the portfolio. Portfolio committed occupancy was 94.3%, and only 2.8% of leases expiring over the rest of 2020.

Robust Financial Position



Early Refinanced
All 2021 Loans

3.4 years⁽³⁾ in WATM

Actual WATM was 2.5 years as at 30 June 2020. Assuming the refinancing of remaining loans due in 2021 is effective on 30 June 2020, WATM would be extended to 3.4 years⁽³⁾.

Low
Aggregate Leverage

37.4%⁽⁴⁾

Low leverage and 100% unsecured loans provide financial flexibility to pursue opportunities in key growth markets across the US.

(1) The acquisition of One Twenty Five in Dallas, Texas, was completed in November 2019.

(2) Updated as at 19 August 2020.

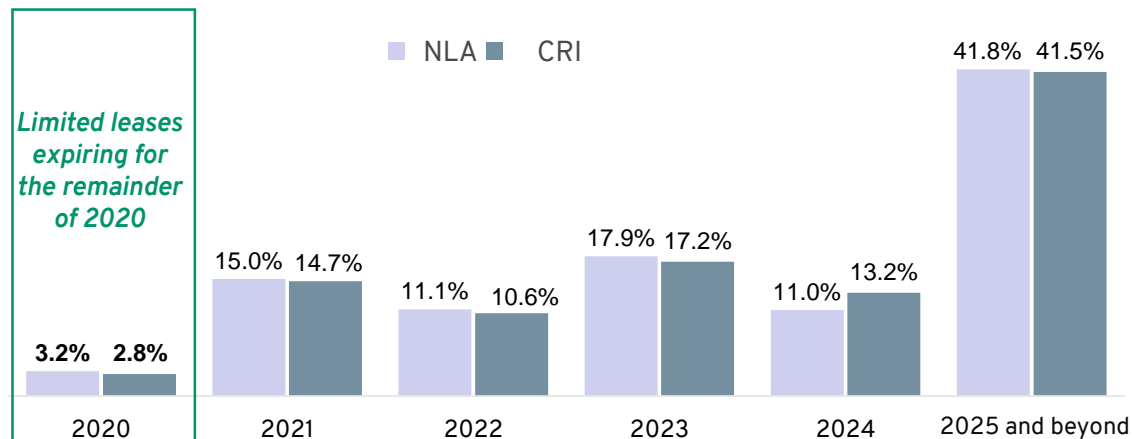
(3) Weighted average term to maturity (WATM) on a pro forma basis, had the refinancing of the borrowings occurred on 30 June 2020.

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

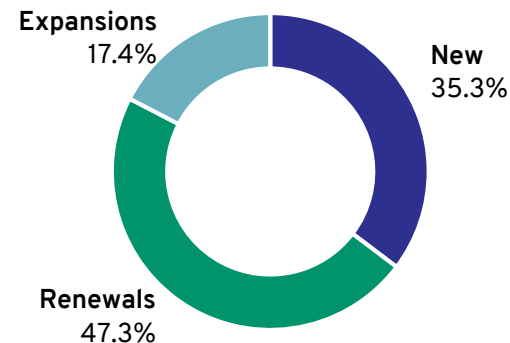
Portfolio Performance

- Committed total of ~196,000 sf of space in 1H 2020
 - Equivalent to 4.2% of portfolio NLA, and mainly in Seattle, Atlanta and Houston
 - Achieved strong rental reversion of 14.7% for the whole portfolio
- Rental collections for April, May and June 2020 were ~98%, ~96% and ~93% respectively⁽¹⁾
 - Average rental collections for 2Q 2020 was ~96%, and for 1H 2020 was ~98%⁽¹⁾
- Committed portfolio occupancy was 94.3%⁽²⁾ and portfolio WALE was 4.1 years⁽³⁾ as at 30 June 2020
- 2.6% built-in average annual rent escalations

Lease Expiry Profile as at 30 June 2020



Leases Signed in 1H 2020



Navigating the COVID-19 Pandemic & Facilitating the Safe Return to Offices

✓ Income resilience and operational excellence

- Healthy rent collections of ~100% in 1Q 2020 and ~96% in 2Q 2020⁽¹⁾
- Minimal exposure to retail (<2.0% of CRI) and co-working (~ 2.0% of CRI)
- Highly diversified tenant base with low tenant concentration risk
- Healthy leasing activities in markets where in-place rents are 10.8% below asking

✓ Positioned for opportunity with strong balance sheet and liquidity position

- Low gearing of 37.4% with no long-term refinancing requirements until Nov 2022
- Cash and undrawn facilities of US\$123 million as at 30 June 2020

✓ All of KORE's buildings remain accessible to tenants

- Enhanced cleaning and social distancing protocols, and adoption of tech innovations
- US states in varying stages of re-opening their economies
- ~20-30% of tenants have begun re-occupancy
- Ongoing communication with tenants on their re-occupancy plans



The Essential but Ever Changing Office

Potential Office Paradigm Shifts

- Higher levels of remote working and a gradual transition to a more flexible working culture
 - Employees welcome the flexibility to work from home, but still desire to be in office for the majority of the week⁽¹⁾
 - Physical offices remain important for social interaction, collaboration, innovation, talent attraction and retention
- De-densification of existing space for health safety measures and future-proofing their space
- Increased emphasis on flexible lease tenures and adaptable spaces as tenants re-evaluate their space needs

Potential Impact on Office Demand

- Health and safety concerns around mass transit and high density urban cores could see businesses decentralise away from downtown CBD locations
- De-densification and higher sf per worker to offset higher levels of remote working
- Cyclical downturn triggered by COVID-19 will impact short-term demand for office space

- ✓ KORE is well-positioned to benefit from the shift towards well-connected suburbs
- ✓ Distinct portfolio lends itself well to the additional spatial requirements as businesses de-densify
- ✓ Strategic exposure to the fast-expanding tech hubs provides further income resilience as businesses accelerate their digital transformation
- ✓ Quality lifestyle amenities and collaborative spaces remain highly valued by office workers
- ✓ Tenants reassured by transparent communications and proactive engagements.

Market Outlook

*Tenant lounge,
1800 West Loop South
Houston, Texas*





Great Hills Plaza, Austin, Texas

-31.7%

Real GDP growth
in 2Q 2020⁽¹⁾

+4.8%

Average hourly
earnings y-o-y⁽²⁾

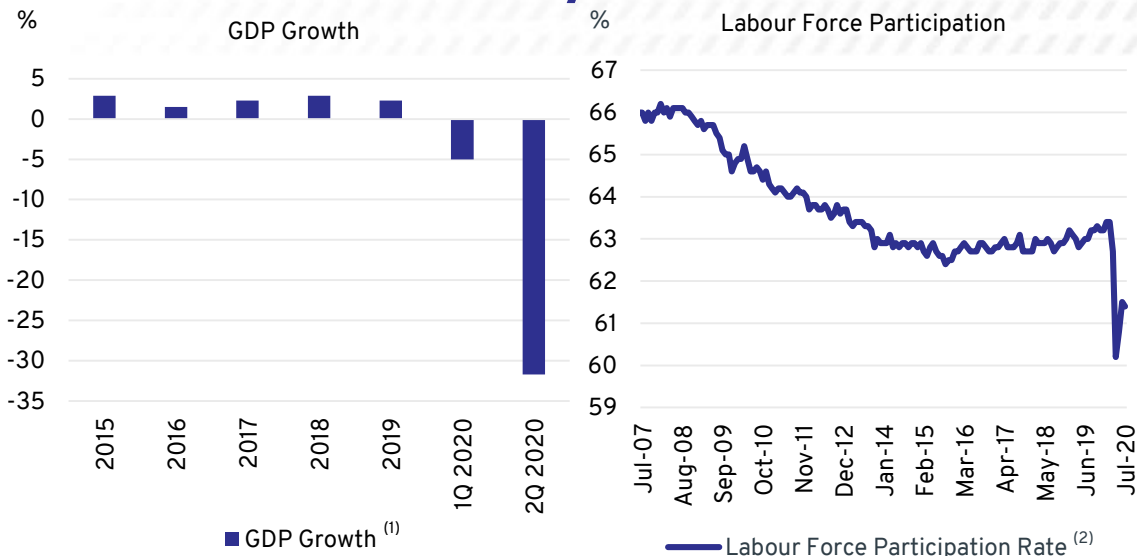
10.2%

Unemployment rate
in July 2020⁽²⁾

+1.8m

Jobs added in
July 2020⁽²⁾

US Economy at a Glance



- US unemployment rate improved for the third straight month from 14.7% in April 2020 to 10.2% in July 2020
- Continued economic support from the US government:
 - Ratification of Coronavirus Aid, Relief and Economic Security Act
 - US\$2 trillion stimulus package to US businesses, families and local governments
 - Business and employment support through the Paycheck Protection Program
- Labour force participation rate in the US stands at 61.4% in July 2020⁽²⁾, with 7.7 million persons seeking jobs

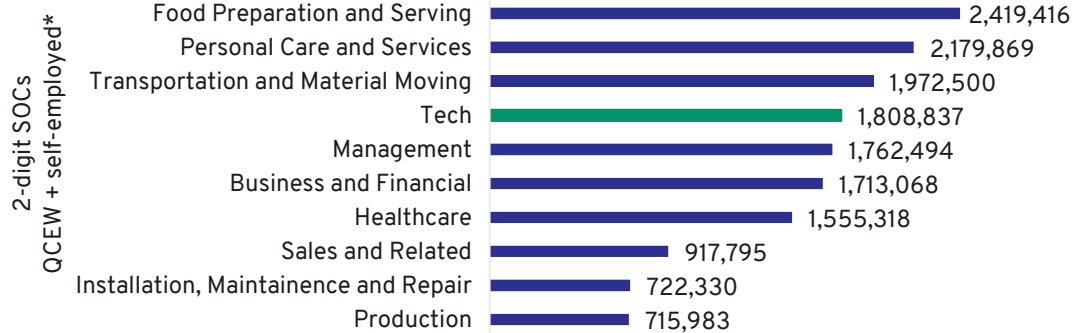
(1) Source: U.S. Bureau of Economic Analysis, August 2020.

(2) Source: U.S. Bureau of Labor Statistics, July 2020.

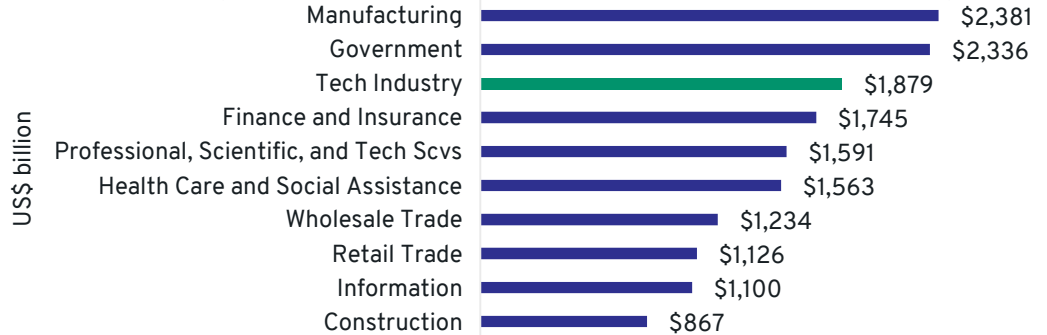


Technology – A Key Driver of US Growth and Employment

Ranking of Top 10 US Occupation Jobs Added During Decade, 2010-2019



Ranking of Top 10 US Industry Sectors Gross Product (Economic Impact),



Over 28% of KORE's tenants are from the historically fast growing tech sector

10%

Estimated direct contribution of the tech sector to the US economy

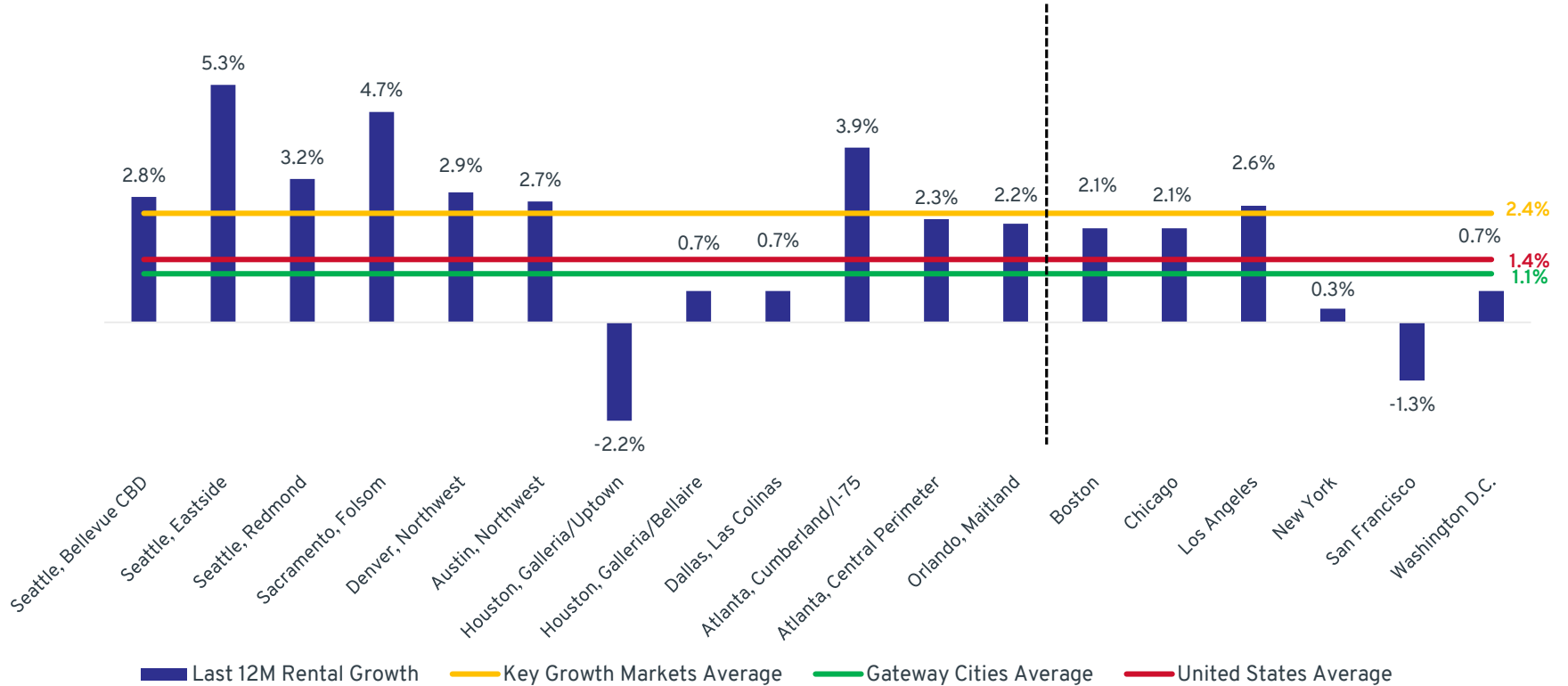
First Choice Submarkets Outlook

Submarket Property	Property Vacancy Rate (%)	Submarket Vacancy Rate (%)	Last 12M Deliveries (sf'000)	Last 12M Absorption (sf'000)	Average Submarket Rent (US\$ p.a.)	Last 12M Rental Growth (%)	Projected Rental Growth (%)
Seattle, Bellevue CBD The Plaza Buildings	2.7	4.3	-	(31.4)	53.9	2.8	(4.9)
Seattle, Eastside Bellevue Technology Center	0.0	4.5	537.0	515.0	39.7	5.3	(2.5)
Seattle, Redmond The Westpark Portfolio	2.8	3.0	-	111.0	35.2 ⁽¹⁾	3.2	(4.7)
Denver, Northwest Westmoor Center	3.4	8.7	5.0	164.0	23.2	2.9	(5.3)
Austin, Northwest Great Hills & Westtech 360	0.9 ⁽²⁾ / 9.2 ⁽³⁾	16.8	47.0	(1,300.0)	37.5	2.7	(7.0)
Houston, Galleria/Uptown 1800 West Loop South	23.1	16.7	-	(208.0)	31.3	(2.2)	(8.4)
Houston, Galleria/Bellaire Bellaire Park ⁽⁴⁾	9.2	15.0	4.9	(17.9)	25.5	0.7	(6.6)
Dallas, Las Colinas One Twenty Five	3.3	19.7	-	(277.0)	29.0	0.7	(7.4)
Orlando, Maitland Maitland Promenade I & II	5.0	9.5	-	(30.8)	23.4	2.2	(6.2)
Sacramento, Folsom Iron Point	0.5	4.0	5.2	82.2	27.4	4.7	(2.8)
Atlanta, Cumberland/I-75 Powers Ferry	6.2	13.6	-	191.0	26.0	3.9	(4.3)
Atlanta, Central Perimeter Northridge I & II	14.2	15.4	1,000.0	670.0	29.2	2.3	(5.6)

Last 12 Months Rent Growth

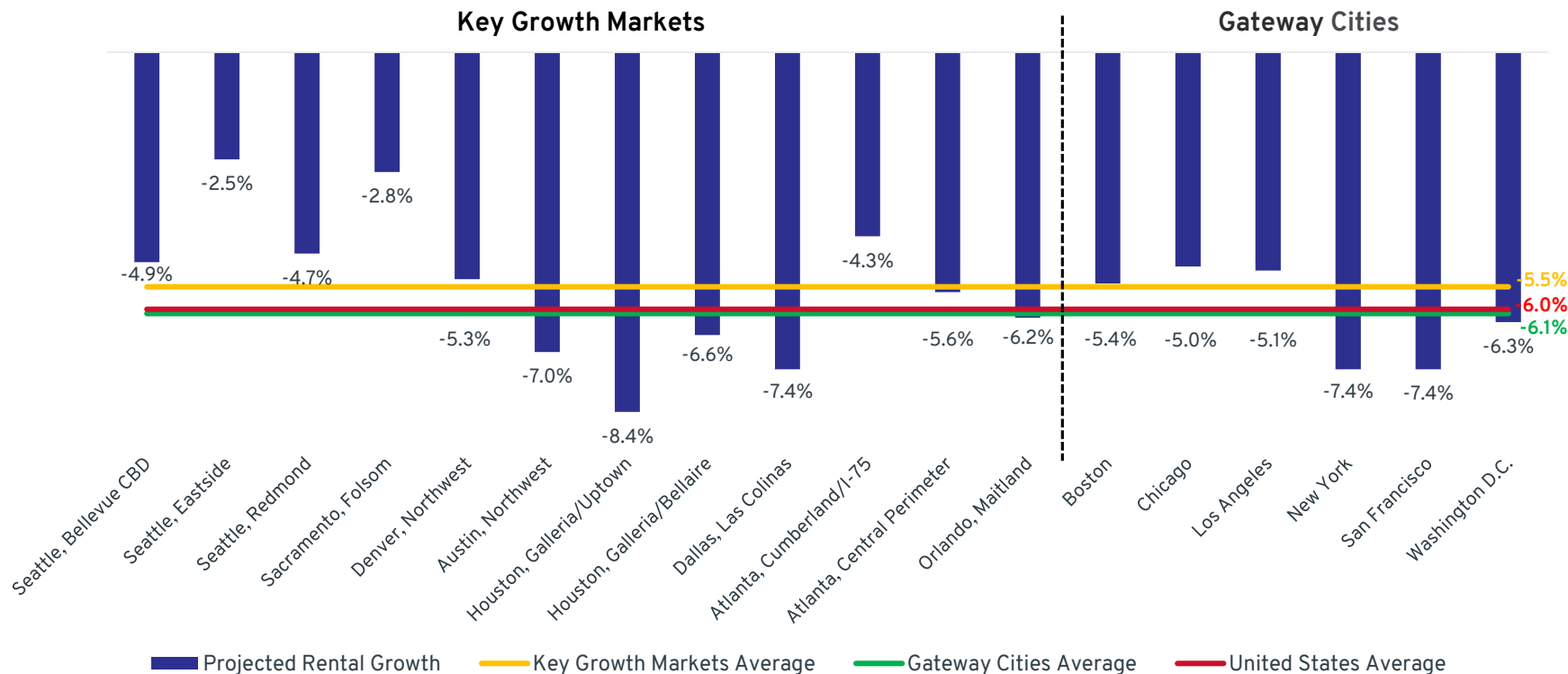
Key Growth Markets

Gateway Cities

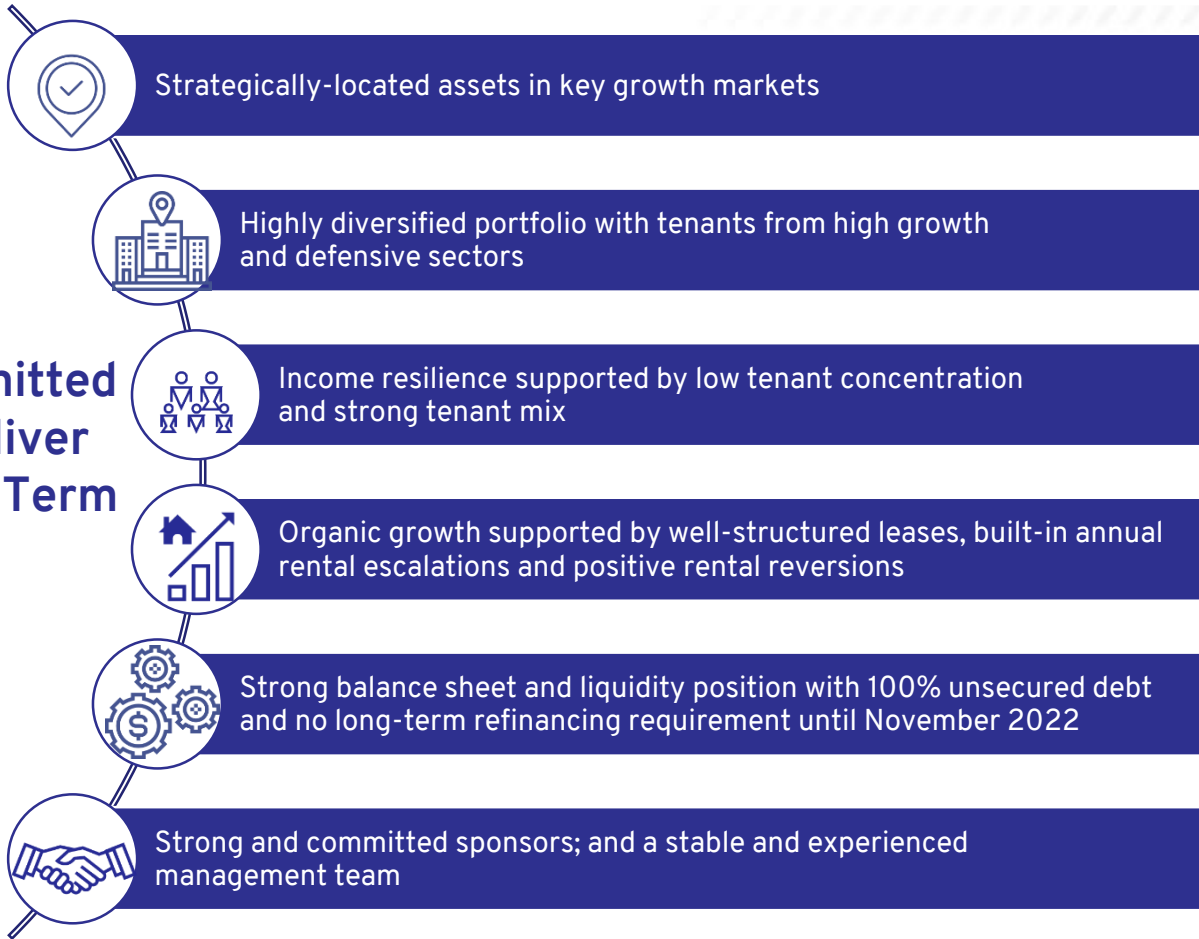


Projected 12-Month Rent Outlook

KORE's in-place rents are on average, 10.8% below asking rents



Committed to Deliver Long-Term Value



Constituent of:

- MSCI Singapore Small Cap Index



- FTSE All World Small Cap Index

**FTSE
Russell**

Thank You

For more information, please visit

www.koreusreit.com

Connect with us on:



*Westech 360
Austin, Texas*

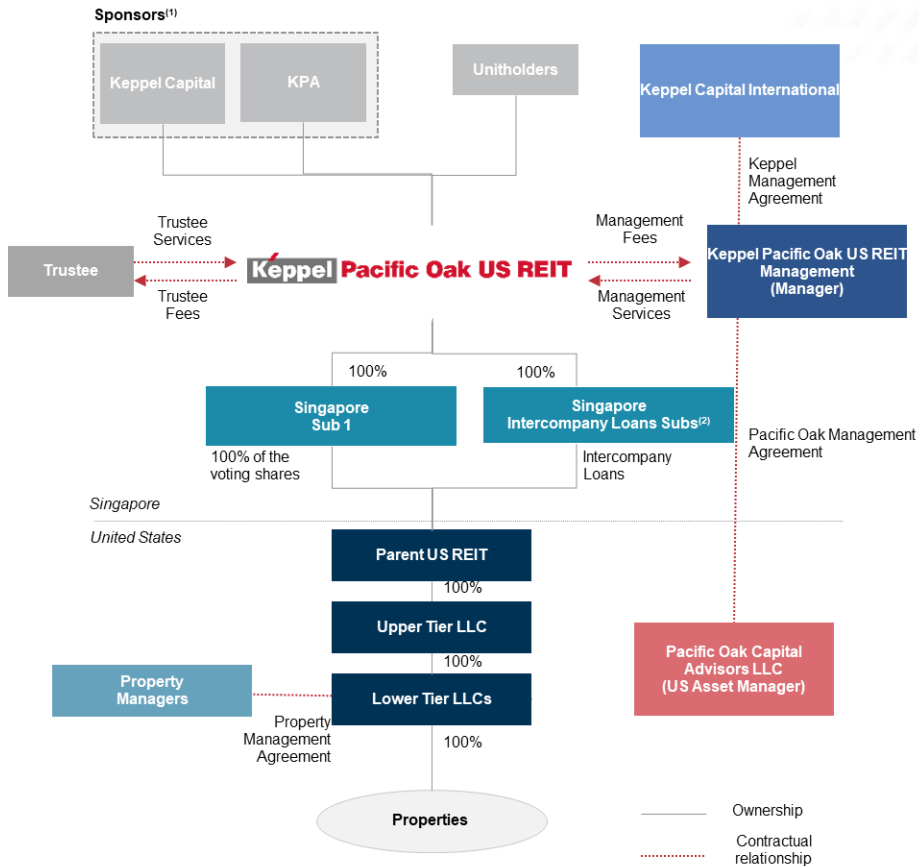


Additional Information



*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⁽²⁾

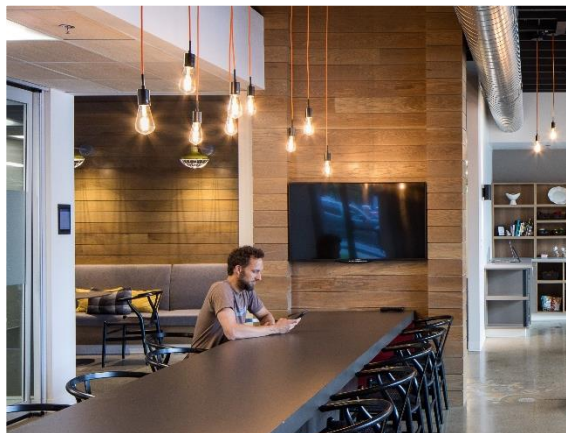
Leverage Sponsors' expertise and resources to optimise returns for Unitholders

Alignment of interests among Sponsors, Manager and Unitholders

- (1) Keppel Capital holds a deemed 6.8% stake in Keppel Pacific Oak US REIT (KORE). Pacific Oak Strategic Opportunity REIT, Inc. (KPA entity) holds a 6.8% stake in KORE. KPA holds a deemed interest of 1.0% in KORE, for a total of 7.8%.
- (2) KORE has implemented the restructuring to revert to the structure it used when it was initially listed. The Barbados corporate taxes will cease w.e.f. from 16 April 2020. There are three wholly-owned Singapore Intercompany Loans Subsidiaries extending intercompany loans to the Parent US REIT.

Information as at 20 August 2020. Unitholding in KORE is subject to an ownership restriction of 9.8% of the total Units outstanding.

Financial Performance for 2Q & 1H 2020



Tenant lounge, The Westpark Portfolio, Seattle, Washington

- 17.6% YoY increase to distributable income
- Driven by contributions from One Twenty Five and higher rental income from the rest of the portfolio

	2Q 2020 (US\$'000)	2Q 2019 (US\$'000)	% Change	1H 2020 (US\$'000)	1H 2019 (US\$'000)	% Change
Gross Revenue	35,174	29,280	20.1	70,500	58,724	20.1
Property Expenses	(14,253)	(11,292)	26.2	(28,628)	(22,548)	27.0
Net Property Income	20,921	17,988	16.3	41,872	36,176	15.7
Income Available for Distribution⁽¹⁾	14,697	12,404	18.5	29,109	24,758	17.6
DPU (US cents)	1.56	1.50	4.0	3.10	3.00	3.3
Distribution Yield ⁽²⁾	-	-	-	8.9%	7.9%	100 bps

(1) The income available for distribution to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.

(2) The annualised distribution yield for 1H 2020 is on a basis of 182 days and pro-rated to 366 days (1H 2019: 365 days). Distribution yields for 1H 2020 and 1H 2019 are based on market closing prices of US\$0.700 and US\$0.765 per Unit as at last trading day of the respective periods.

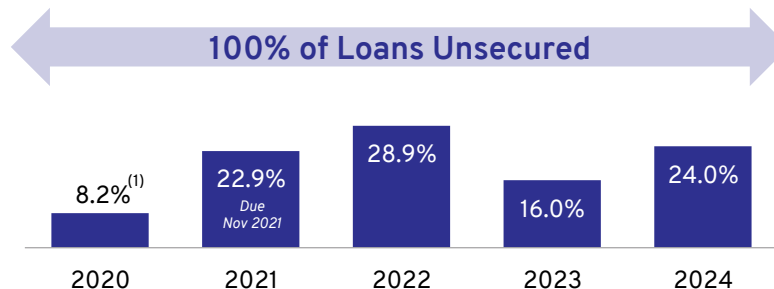
Capital Management

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

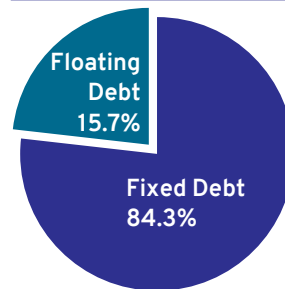
As at 30 June 2020

Total Debt	<ul style="list-style-type: none"> US\$500.4 million of external loans 100% unsecured
Committed Available Facilities	<ul style="list-style-type: none"> US\$55.0 million of committed revolving credit facility US\$9.0 million of uncommitted revolving credit facility
Aggregate Leverage⁽²⁾	37.4%
All-in Average Cost of Debt⁽³⁾	3.34% p.a.
Interest Coverage⁽⁴⁾	4.4 times
Average Term to Maturity	2.5 years

Debt Maturity Profile



Interest Rate Exposure



Sensitivity to LIBOR⁽⁵⁾

Every + 50bps in LIBOR translates to - 0.060 US cents in DPU p.a.

1) Refers to the US\$41 million uncommitted revolving credit facility drawn.

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

3) Includes amortisation of upfront debt financing costs.

4) 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 4.7 times.

5) Based on the 15.7% floating debt, US\$41 million revolving credit facility drawn which are unhedged and the total number of Units in issue as at 30 June 2020.

Capital Management (cont'd)

- In July 2020, KORE announced the early refinancing of borrowings due in November 2021
 - Loans obtained during the Initial Public Offering in November 2017
 - Restructured the interest rate swap in relation to these borrowings
- No long term refinancing requirement until November 2022
- Below are the pro formas of all-in average cost of debt, average term to maturity and debt maturity profile after the refinancing of the borrowings and the restructuring of the interest rate swap

As at 30 June 2020 (Pro forma)

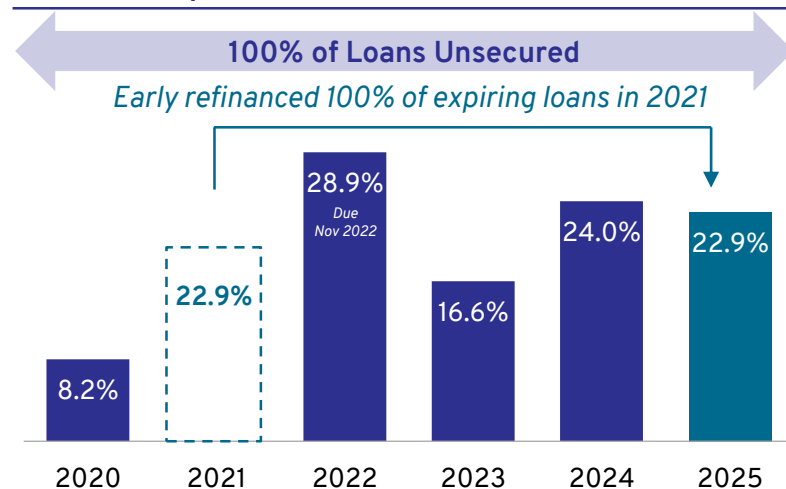
All-in Average Cost of Debt⁽¹⁾ 3.19% p.a.

Average Term to Maturity⁽²⁾ 3.4 years

(1) Assuming the refinancing of borrowings and restructuring of the interest rate swap had occurred on 1 January 2020.

(2) Assuming the refinancing of borrowings had occurred on 30 June 2020.

Debt Maturity Profile (Pro forma)





Atrium at Great Hills Plaza, Austin, Texas

Healthy Balance Sheet

As at 30 June 2020	US\$'000
Total Assets	1,337,395
Investment Properties	1,272,936
Cash and Cash Equivalents	58,620
Other Assets	5,839
Total Liabilities	582,231
Gross Borrowings	500,440
Other Liabilities	81,791
Unitholders' Funds	755,164
Units in issue and to be issued ('000) ⁽¹⁾	941,052
NAV per Unit (US\$)	0.800
Adjusted NAV per Unit (US\$) ⁽²⁾	0.770
Unit Price (US\$)	0.700