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MEDIA RELEASE

Unaudited Results of Keppel Pacific Oak US REIT for Half Year ended 30 June 2025

29 July 2025

The Directors of Keppel Pacific Oak US REIT Management Pte. Ltd., as Manager of Keppel Pacific Oak US REIT, are pleased to announce the unaudited results of Keppel Pacific Oak US REIT for half year ended 30 June 2025.

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The materials are also available at www.koreusreit.com and www.keppel.com.

Keppel Pacific Oak US REIT (KORE) achieved healthy leasing momentum and positive rental reversion for 1H 2025

Highlights

- Leased 281,230 sf or 5.9% of portfolio net lettable area (NLA) of office space in 1H 2025.
- Achieved positive rental reversion of 3.3% and 0.5% for 2Q 2025 and 1H 2025 respectively.
- Portfolio committed occupancy remained healthy at 88.2% as at 30 June 2025.
- Aggregate leverage of 43.7% as at 30 June 2025 is within regulatory limits.

Summary of Results

(US$,000)	**1H 2025**	**1H 2024**	**% Change**
Gross Revenue	74,556	74,372	0.2
Net Property Income (NPI)	40,656	42,015	(3.2)
Adjusted NPI (excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions)	41,418	43,426	(4.6)
Income Available for Distribution(1)	**19,948**	**23,814**	**(16.2)**
Other information: **Finance and other trust expenses**	**(16,098)**	**(15,568)**	**(3.4)**

(1) Distributions have been suspended for the period starting from 2H 2023.

Financial Performance

Net property income (NPI) of US$40.7 million for 1H 2025 was lower than 1H 2024 by 3.2% mainly due to increased repair and maintenance expenses and amortisation of leasing commission offset by lower property tax. Excluding the non-cash adjustments, adjusted NPI was 4.6% lower year-on-year mostly as a result of lower cash rental income from higher free rents due to timing differences in leases completed for the respective periods, as well as increased repair and maintenance expenses offset by lower property tax.

Income available for distribution was US$19.9 million for 1H 2025, 16.2% lower than 1H 2024. This was mainly due to lower cash NPI and higher other trust expenses. No distribution is declared for 1H 2025.

Pursuant to the Recapitalisation Plan announced on 15 February 2024, KORE has temporarily suspended distributions for the period starting from 2H 2023 through to the 2H 2025 distribution that would otherwise be paid in 1H 2026. This allows KORE to address its capital needs and leverage concerns over the two-year period. If market conditions allow, distributions may re-commence at an earlier date than planned.

Capital Management

As at 30 June 2025, KORE's aggregate leverage and interest coverage ratio was 43.7% and 2.5 times, respectively. All-in average cost of debt was 4.45%. The weighted average term to maturity of KORE's debt was 2.0 years.

All of KORE's borrowings are US dollar-denominated and 100% unsecured. The Manager has implemented proactive measures to alleviate the effects of the prevailing inflationary environment. 75.7%[1] of KORE's loans have been hedged with floating-to-fixed interest rate swaps, reducing exposure to interest rate fluctuations.

[1] Excludes uncommitted revolving credit facilities.

Portfolio Review

In 2Q 2025, 155,034 sf of office space, equivalent to 3.2% of portfolio NLA, was leased. This translated into 281,230 sf of space leased in 1H 2025, equivalent to 5.9% of portfolio NLA. KORE's portfolio committed occupancy remained healthy at 88.2% as at 30 June 2025. New leases and expansions comprised 35.3% and 17.1% respectively of all leases signed for 1H 2025, and of the remaining leases signed 47.6% were renewals. Rental reversion for 1H 2025 and 2Q 2025 was positive 0.5% and positive 3.3% respectively.

The weighted average lease expiry by CRI for KORE's portfolio and its top 10 tenants was 3.7 years and 3.6 years, respectively. KORE's top 10 tenants account for only 29.1% of CRI, reflecting low tenant concentration risk which is a key unique value proposition of KORE.

In its June 2025 Office National Report, CoStar reported an average office rental growth of 0.6% for the last 12 months. For KORE, the average office rental growth for its key growth markets was 0.3%, whilst the gateway cities recorded a 0.2% decrease on average.

Market Outlook

U.S. Unemployment Rate & Labor Force Participation Rate remained stable despite GDP dropping in Q1[2].

The U.S. Inflation Rate remains in the 2.4-2.8% range, consistent with the downward trend since historical highs following the pandemic[3]. The Federal Reserve is intent on holding the Federal Funds Rate despite heavy pressure from US President, Donald Trump to cut the rate to <4%[4].

The effects of tariffs announced by the U.S. have been somewhat dampened, with higher consumer confidence and less volatility in the market in Q2[5].

In relation to the office leasing market, office-using industries have been resilient to date. In addition, the impact from large-scale federal lease terminations elevating downsizing has faded in Q2, stabilising overall market occupancy[6].

Office traffic as indicated by cell phone data has grown to 72.6% of the pre-pandemic average, corroborating the strengthening return to office trend. With the job market softening this year, the finance and tech sector are leading the charge in pushing for office returns, including Goldman Sachs, JPMorgan Chase, Dell and Amazon, which have all implemented five-day, in-office policies[7].

The slowdown in leasing activities in the first half of the year shows signs of being a temporary disruption that will return to a path of recovery in the second half. In addition, executed rents on leases being signed continue to trend upwards. Base rents and effective rents have increased across all deal types over the past year, and concessions rates have stabilised after a significant runup in the past decade[6].

In the transactions market, groups that had deprioritised the office sector are beginning to consider acquisitions. Institutional groups comprised more than 25% of acquisitions in Q2, the highest share of the buyer pool since mid-2022[6].

Looking Ahead

The Manager remains focused on enhancing operating performance and strategic capital management to deliver sustainable value to unitholders.

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[2] U.S. Bureau of Economic Analysis, June 2025.
[3] Trading Economics, June 2025.
[4] MSN.com, Fed holds interest rates steady, defying Trump, June 19 2025.
[5] Reuters.com, In stunning U-turn, Trump walks back some tariffs, triggering historic market rally, April 10 2025.
[6] JLL Research, U.S. Office Market Dynamics, Q2 2025.
[7] Globest.com, Return to Office Momentum Will Lift Broader CRE Market, July 23 2025.

While distributions to Unitholders are slated to be suspended up till 31 December 2025 pursuant to the Recapitalisation Plan, KORE would have to bear the withholding tax based on the proportion of non-compliant Unitholders who fail to submit their U.S. withholding forms and certificates. This would reduce the income retained and negatively impact KORE and its Unitholders. Therefore, the Manager would like to urge all Unitholders to continue to submit the relevant tax forms to reduce KORE's withholding tax burden.

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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 leverages its focus on the fast-growing technology, advertising, media and information (TAMI), as well as medical and healthcare sectors across key growth markets in the United States (US), and aims to be the first choice US office S-REIT providing sustainable distributions and strong total returns for Unitholders.

KORE invests in a diversified portfolio of income-producing commercial assets and real estate-related assets in key growth markets characterised by positive economic and office fundamentals that generally outpace the US national average, and the average of the gateway cities. These markets include the Super Sun Belt and 18-Hour Cities, which have and continue to see an accelerated influx of talent as part of The Great American Move.

As at 30 June 2025, KORE's portfolio comprised a balanced mix of 13 freehold office buildings and business campuses across eight key growth markets driven by technology and innovation in the US. With a portfolio value of approximately US$1.3 billion and an aggregate net lettable area of approximately 4.8 million sf, these properties encompass a diversified high-quality tenant base in the growing and defensive sectors of TAMI, as well as medical and healthcare, which make up approximately 51% of KORE's portfolio by cash rental income.

KORE is managed by Keppel Pacific Oak US REIT Management Pte. Ltd., which is jointly owned by two Sponsors, Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity, and KORE Pacific Advisors, an established commercial real estate investment manager in the US.

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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