

1Q 2024

# Key Business and Operational Updates

17 April 2024

# Financial Highlights

	1Q 2024 (US\$ 'm)	1Q 2023 (US\$ 'm)	% Change
Gross Revenue	37.1	37.1	-
Net Property Income (NPI)	21.0	21.2	(0.8)
Adjusted NPI (excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions)	21.6	21.5	0.4
Income Available for Distribution <sup>(1)</sup>	11.9	13.1	(8.8)
Other information: Finance and other trust expenses	(7.7)	(6.7)	14.9



Income Available for Distribution for 1Q 2024 was down 8.8% year-on-year to US\$11.9m mainly due to:

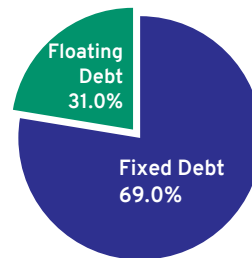
- Higher financing cost as a result of higher interest rates.

# Financial Position

As at 31 March 2024

<b>Total Debt</b>	<ul style="list-style-type: none"> <li>US\$607.2 million of external loans</li> </ul>
<b>Available Facilities</b>	<ul style="list-style-type: none"> <li>US\$50.0 million of uncommitted revolving credit facility</li> <li>US\$12.8 million of committed revolving credit facility</li> </ul>
<b>Aggregate Leverage<sup>(1)</sup></b>	43.0%
<b>Average Cost of Debt</b> (Excludes amortisation of upfront debt financing costs)	4.34% p.a.
<b>All-in Average Cost of Debt</b> (Includes amortisation of upfront debt financing costs)	4.46% p.a.
<b>Interest Coverage<sup>(2)</sup></b>	3.0 times
<b>Weighted Average Term to Maturity</b>	2.5 years

## Interest Rate Exposure

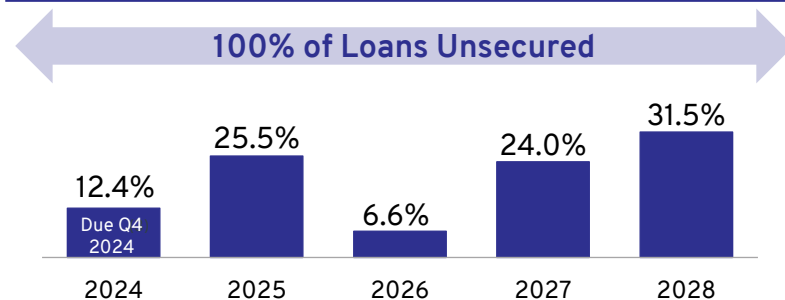


### Sensitivity to SOFR<sup>(3)</sup>

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

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

## Debt Maturity Profile (as at 31 March 2024)



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

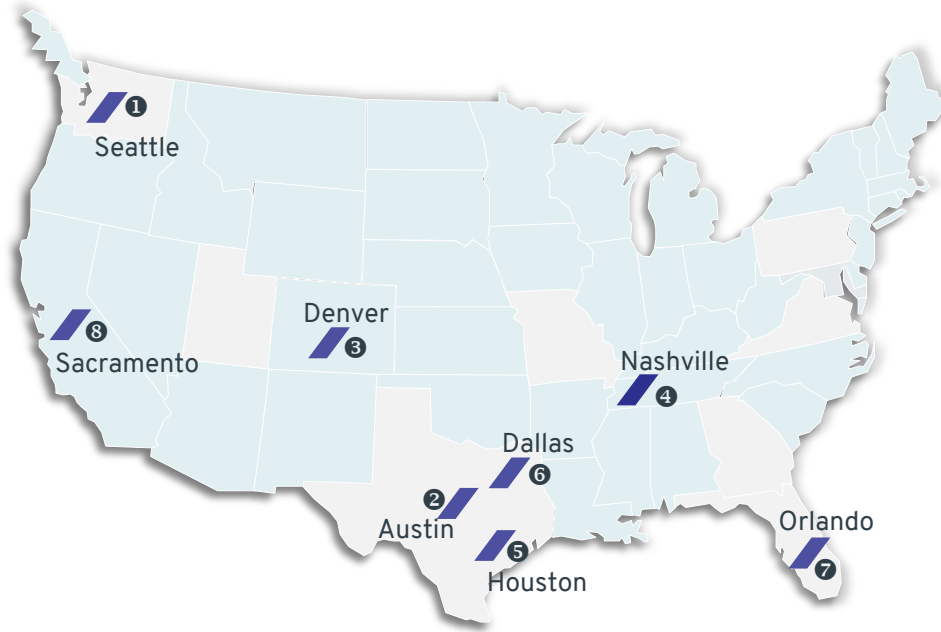
(2) Interest Coverage Ratio (ICR) and adjusted ICR is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020. Adjusted ICR of 3.0 times includes the dividends on preferred units.

(3) Based on the floating debt of 31.0% and total number of units issued as at 31 March 2024.

(4) Excludes uncommitted revolving credit facilities.

# KORE's Presence In Key Growth Markets

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



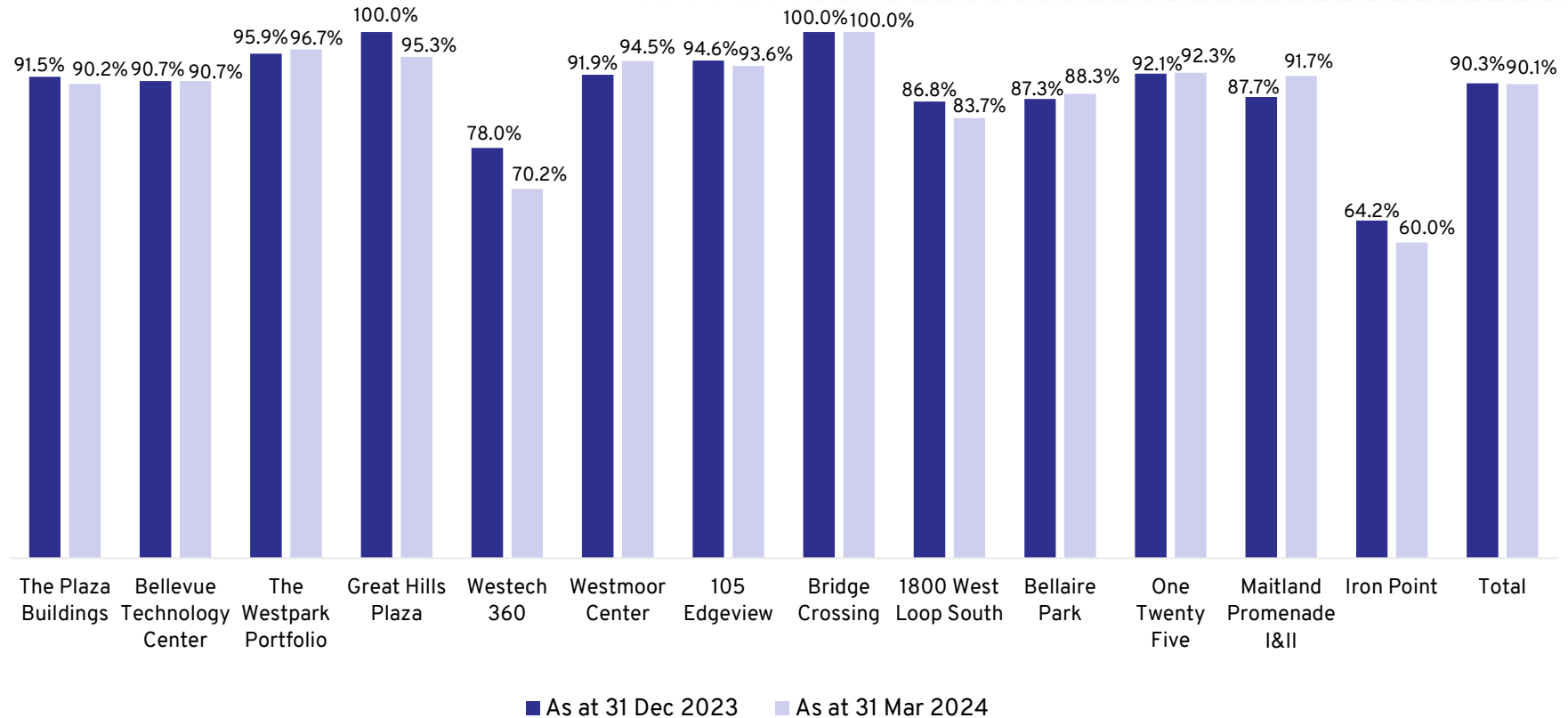
1	Seattle, Washington	<ul style="list-style-type: none"> <li>❖ The Plaza Buildings</li> <li>❖ Bellevue Technology Center</li> <li>❖ The Westpark Portfolio</li> </ul>		#10
2	Austin, Texas	<ul style="list-style-type: none"> <li>❖ Westech 360</li> <li>❖ Great Hills Plaza</li> </ul>		#5
3	Denver, Colorado	<ul style="list-style-type: none"> <li>❖ Westmoor Center</li> <li>❖ 105 Edgeview</li> </ul>		#12
4	Nashville, Tennessee	<ul style="list-style-type: none"> <li>❖ Bridge Crossing</li> </ul>		#1
5	Houston, Texas	<ul style="list-style-type: none"> <li>❖ 1800 West Loop South</li> <li>❖ Bellaire Park</li> </ul>		#11
6	Dallas, Texas	<ul style="list-style-type: none"> <li>❖ One Twenty Five</li> </ul>		#3
7	Orlando, Florida	<ul style="list-style-type: none"> <li>❖ Maitland Promenade I &amp; II</li> </ul>		#19
8	Sacramento, California	<ul style="list-style-type: none"> <li>❖ Iron Point</li> </ul>		

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

Multitalented Producers<sup>(1)</sup>
 #x Top 20 US Markets to Watch, 2024<sup>(1)(2)</sup>

(1) Emerging trends in Real Estate 2024 by PwC and the Urban Land Institute (ULI).  
 (2) Ranking based on overall real estate prospects.

# Committed Occupancy By Property



# Steady Income with Visible Organic Growth

**335,437 sf**

Leased spaces for 1Q 2024, equivalent to 7.0% of portfolio NLA. Portfolio WALE of 3.8 years<sup>(1)</sup> by CRI.

**2.6%**

Built-in average annual rental escalation across the portfolio.

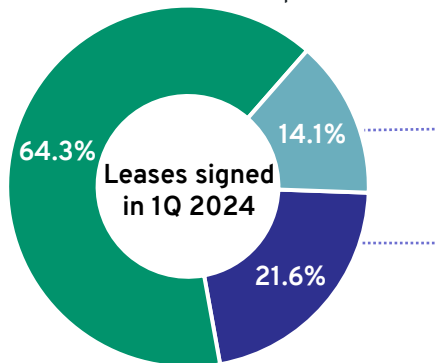
**1.2%**

In-place rents are 1.2% below asking rents.

**(1.4%)**

Negative rental reversion for 1Q 2024, mainly affected by renewals at Bellevue Technology Center and Westmoor.

■ New ■ Renewal ■ Expansion



## New leasing demand and expansions from:

TAMI <sup>(2)</sup>	41.5%
Professional Services <sup>(3)</sup>	32.8%
Finance and Insurance	10.5%
Others	7.8%
Medical and Healthcare	7.4%

## Lease Expiry Profile (as at 31 March 2024)



(1) Based on NLA, portfolio WALE was 3.7 years.

(2) TAMI stands for technology, advertising, media, and information.

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

# Resilient Portfolio with Diversified Tenant Composition



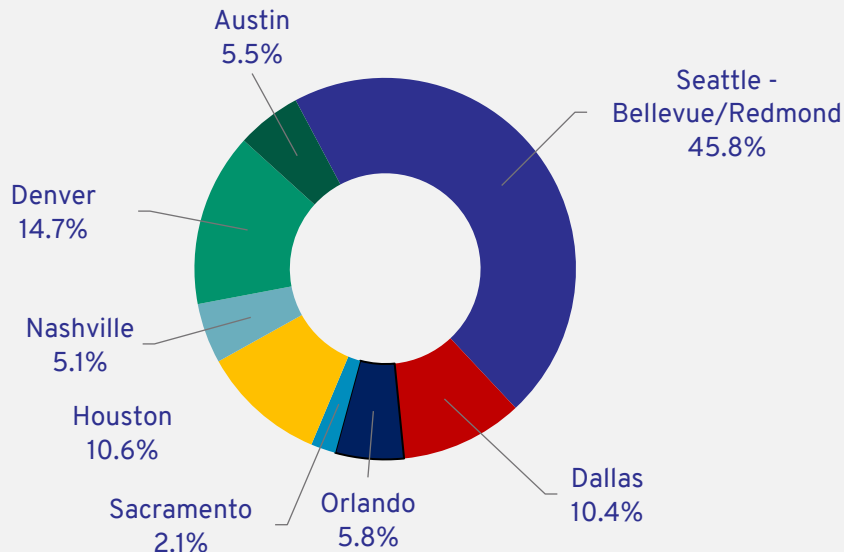
KORE's buildings and business campuses in the tech hubs of Seattle – Bellevue/Redmond, Austin and Denver contribute ~66% of NPI<sup>(1)</sup>



~52% of KORE's portfolio NLA comprises high-quality tenants from the growing and defensive sectors of TAMI, medical and healthcare

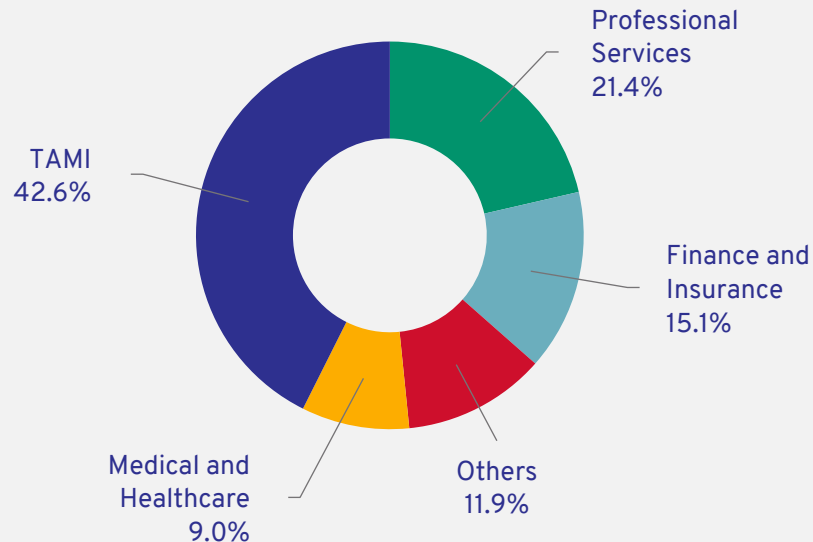
## Geographic Diversification by NPI<sup>(1)</sup>

as at 31 March 2024



## Industry Diversification by NLA

as at 31 March 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
Ball Aerospace	TAMI	Westmoor Center	Denver	3.4	4.5
Gogo Business Aviation	TAMI	105 Edgeview	Denver	3.0	2.5
Lear Cooperation	TAMI	The Plaza Buildings	Seattle - Bellevue/Redmond	3.0	1.3
Spectrum	TAMI	Maitland Promenade I & II	Orlando	2.8	2.4
Meta	TAMI	The Westpark Portfolio	Seattle - Bellevue/Redmond	2.8	2.6
TerraPower	TAMI	Bellevue Technology Center	Seattle - Bellevue/Redmond	2.6	2.0
Zimvie <sup>(1)</sup>	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
<b>Total</b>				<b>27.3</b>	<b>23.6</b>
<b>WALE by NLA</b>					<b>4.7 years</b>
<b>WALE by CRI</b>					<b>4.8 years</b>

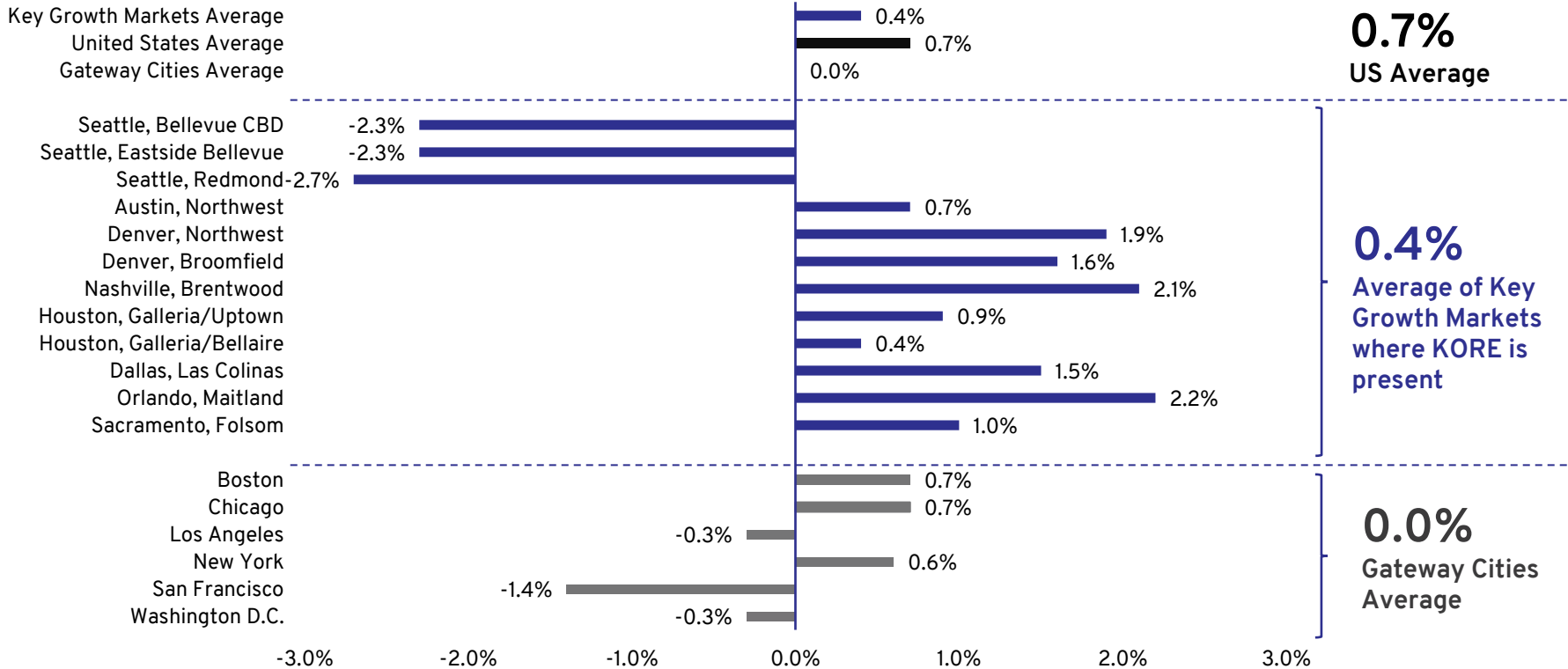


**KORE has over 380 distinct tenants with the top 10 tenants contributing only 27.3% of CRI.**

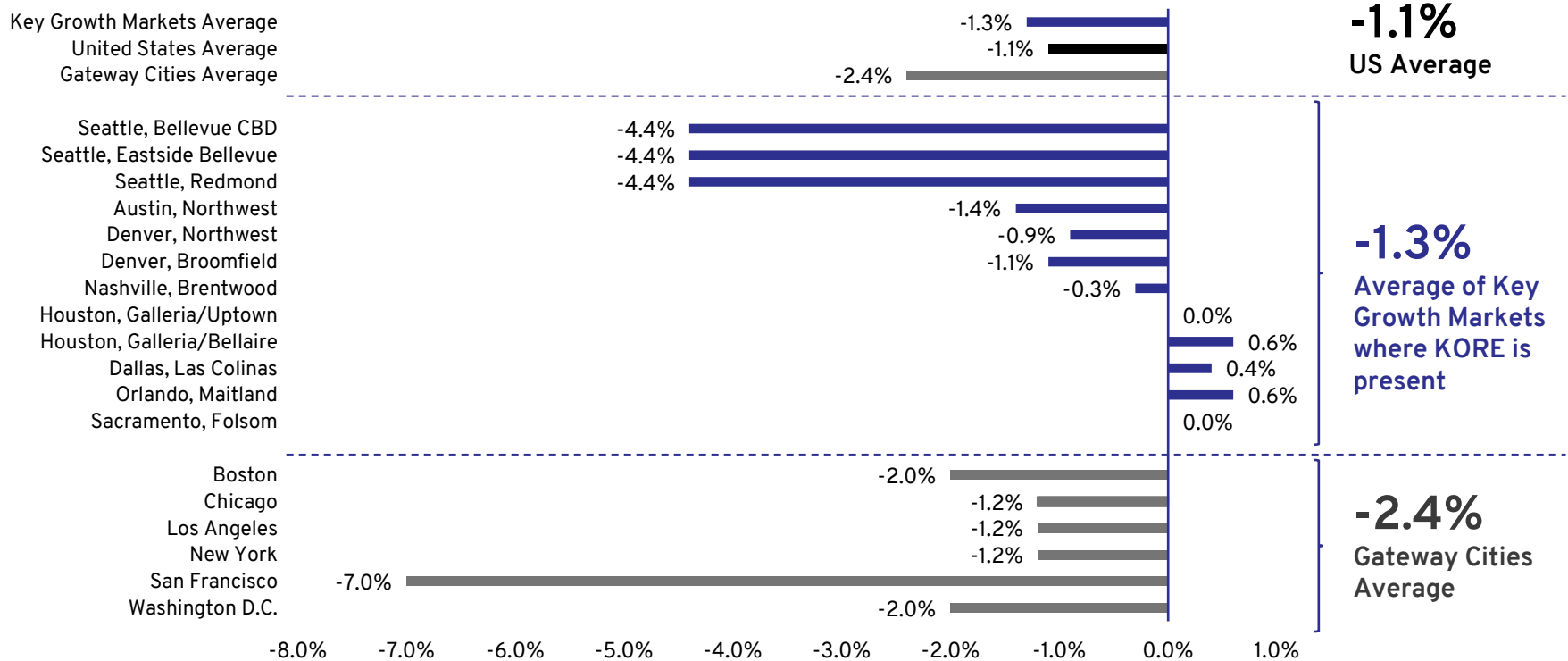
Majority of KORE's top 10 tenants are established TAMI companies, located in the fast-growing technology hubs of Seattle - Bellevue/Redmond, Denver and Nashville.



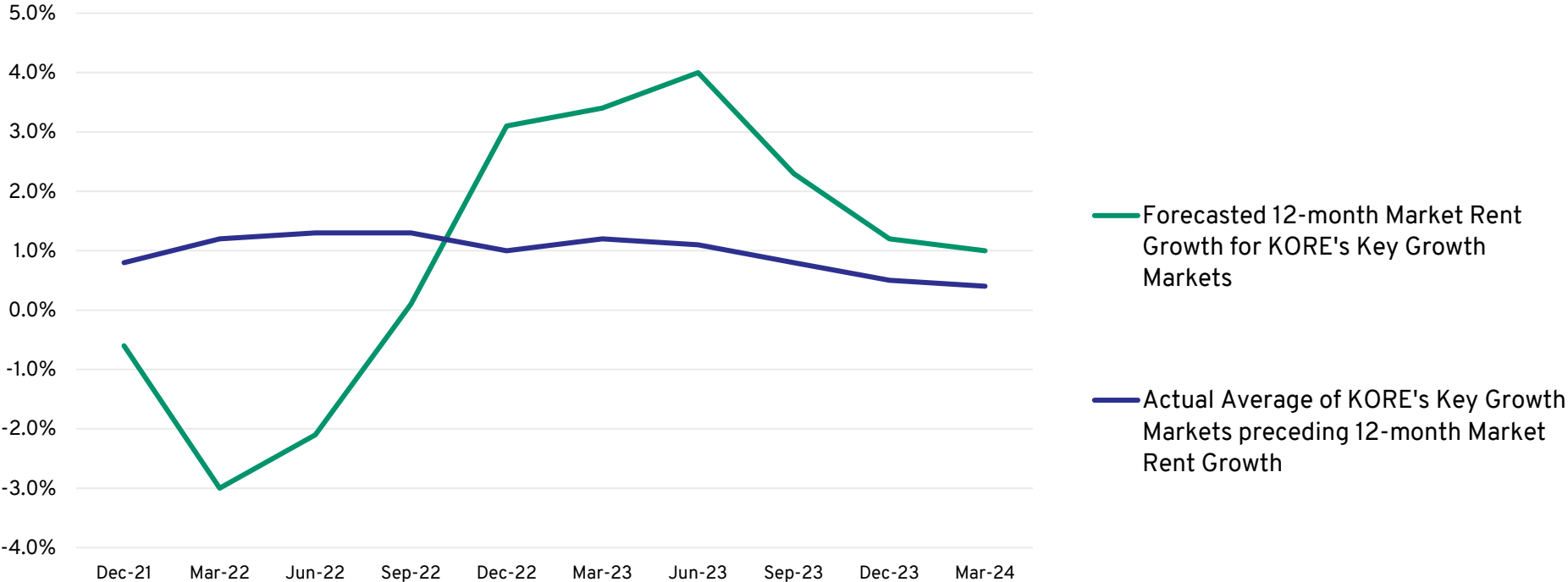
# Last 12 Months Rent Growth



# Projected 12-Month Rent Outlook



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



# 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 (%)
<b>Seattle, Bellevue CBD</b> <i>The Plaza Buildings</i>	9.8	11.2	2100	1600	2,630 <sup>(1)*</sup>	(2.3)	(4.4)
<b>Seattle, Eastside Bellevue</b> <i>Bellevue Technology Center</i>	9.3	6.5	-	(393)	-	(2.3)	(4.4)
<b>Seattle, Redmond</b> <i>The Westpark Portfolio</i>	3.3	8.6	144	(448)	3,000 <sup>(1)#</sup>	(2.7)	(4.4)
<b>Austin, Northwest</b> <i>Great Hills Plaza &amp; Westtech 360</i>	4.7 <sup>(2)</sup> & 29.8 <sup>(3)</sup>	22.3	-	(346)	-	0.7	(1.4)
<b>Denver, Northwest</b> <i>Westmoor Center</i>	5.5	12.7	-	(189)	45	1.9	(0.9)
<b>Denver, Broomfield</b> <i>105 Edgeview</i>	6.4	14.9	-	181	143	1.6	(1.1)
<b>Nashville, Brentwood</b> <i>Bridge Crossing</i>	-	16.7	-	(338)	-	2.1	(0.3)
<b>Houston, Galleria/Uptown</b> <i>1800 West Loop South</i>	16.3	30.2	-	(98)	-	0.9	0.0
<b>Houston, Galleria/Bellaire</b> <i>Bellaire Park</i>	11.7	16.7	-	(22)	-	0.4	0.6
<b>Dallas, Las Colinas</b> <i>One Twenty Five</i>	7.7	23.9	457	418	982 <sup>(1)</sup>	1.5	0.4
<b>Orlando, Maitland</b> <i>Maitland Promenade I &amp; II</i>	8.3	16.9	-	(163)	-	2.2	0.6
<b>Sacramento, Folsom</b> <i>Iron Point</i>	40.0	8.6	20	(29)	33	1.0	0.0

# Market Outlook

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

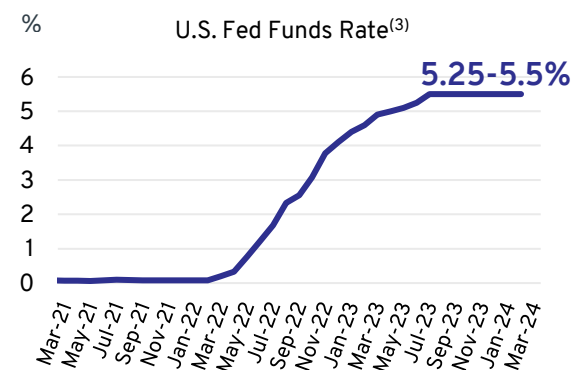
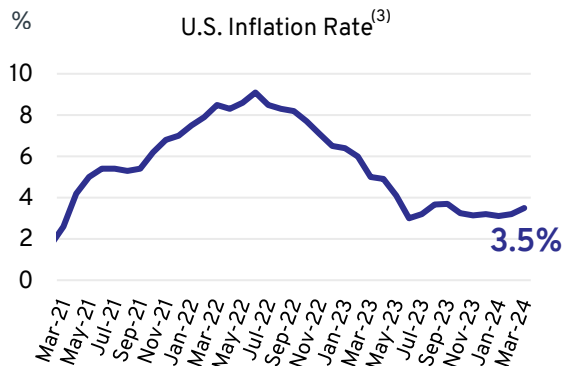
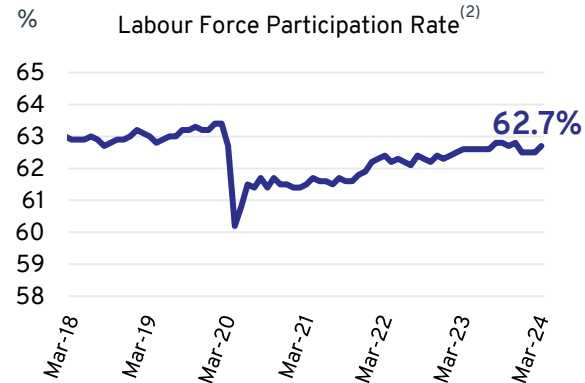
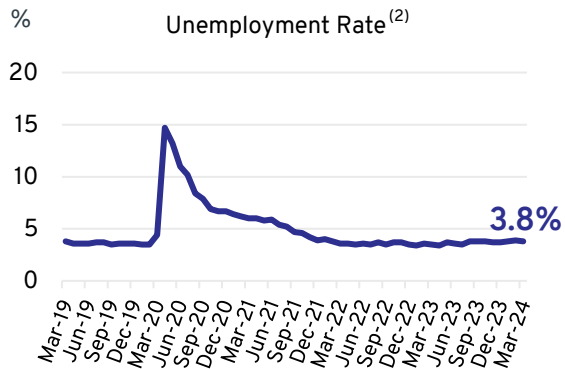
THE HUB





# U.S. Economic Updates

- U.S. real GDP increased by 3.4% quarter-on-quarter in 4Q 2023<sup>(1)</sup>, with low unemployment rate of 3.8%<sup>(2)</sup>.
- Annual inflation rate accelerated to 3.5% in March 2024<sup>(3)</sup>, the highest since September, compared to 3.2% in February 2024.
- U.S. Federal Funds Rate maintained at 5.25%-5.5%, for a fifth consecutive meeting in March 2024<sup>(3)</sup>.
- Federal Reserve officials maintained their outlook for three interest rate cuts this year<sup>(4)</sup>.
- Strategists expect the U.S. to dodge a recession as it navigates its interest rate policy<sup>(5)</sup>.



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

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

(3) Trading Economics, April 2024.

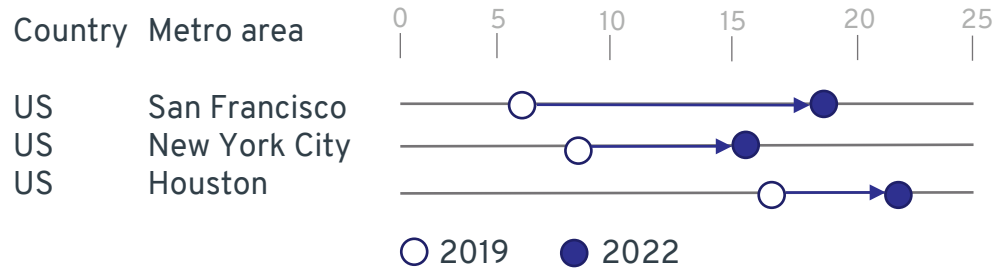
(4) Bloomberg, Fed Signals Three Rate Cuts Are Still Likely, Despite Inflation Uptick, March 2024.

(5) CNBC, Here's when the Fed is likely to start cutting interest rates, according to investment strategists, March 2024.

# Shift From Rebirth of Cities to Rise of The Suburbs

- Investors, lenders and policymakers should not make the mistake of assuming all offices are problematic<sup>(1)</sup>.
  - Deal volume fell sharply with biggest challenges seen in central business district offices.
  - Most affected markets include Manhattan, Chicago, San Francisco and Boston<sup>(1)</sup>.
  - Transaction volume in New York City was 36% lower in 2022 than in 2019; conversely, transaction volume in Atlanta was 31% higher in 2022 than in 2019<sup>(2)</sup>.
- Value and occupancy rates of gateway city office buildings continue to decline<sup>(2)</sup>.
  - Rental prices for office spaces in New York City fell by 18% between 2019 and 2022; in San Francisco, rents declined by 28% over the same period.

Office vacancy rates that increased between 2019 and 2022, % <sup>(3)</sup>



- Demand for office space in San Francisco and New York City is projected to be lower in 2030 than it was in 2019<sup>(2)</sup>.
- In contrast, Houston shows the strongest future demand for office space.
  - Reason include its strong population growth, benefitting from broad trend of migration to Sunbelt cities.

(1) MSCI, One Size Does Not Fit All in the Office Market, February 2024.

(2) McKinsey Global Institute, The Impact On Real Estate, July 2023.

(3) BNP Paribas; Colliers; CoStar; E&G Real Estate; German Property Partners; Sanko Estate Company; McKinsey Global Institute analysis.

# 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 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.



# Thank You

For more information,  
please visit [www.koreusreit.com](http://www.koreusreit.com)

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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.

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# Additional Information

*The Plaza Buildings  
Seattle - Bellevue, Washington*



# 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**



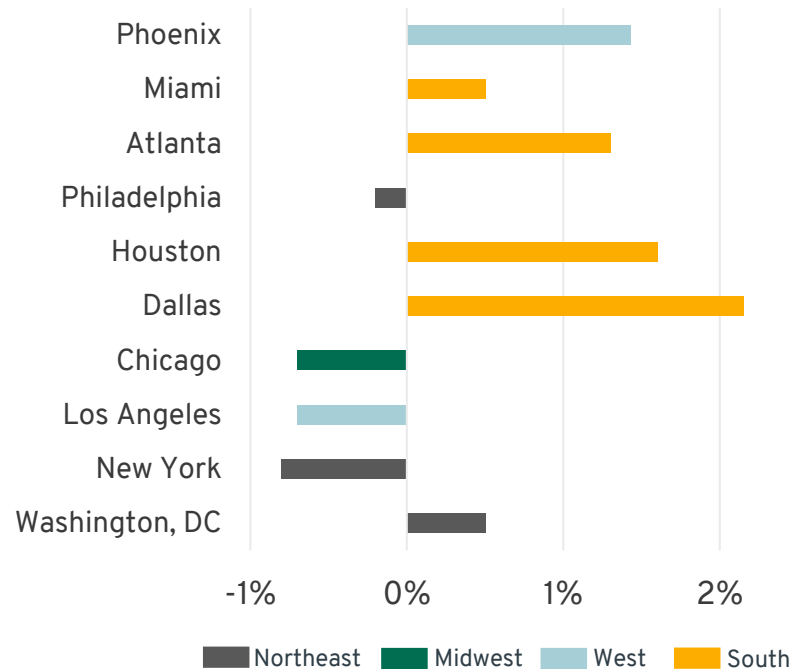
## RESPONSIBLE BUSINESS

- ✓ Dedicated **Board ESG Committee**
- ✓ Maintain **high standards of ethical business conduct and compliance best practices**
- ✓ Improved ranking to **8<sup>th</sup>** from **9<sup>th</sup>** 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<sup>(1)</sup> 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<sup>(2)</sup>.
  - Over the last five years, Chicago lost at least 249,000 people with only New York and San Francisco seeing bigger population declines<sup>(3)</sup>.
  - 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<sup>(4)</sup>.
- 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<sup>(1)</sup>



(1) Census Bureau, December 2022.

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

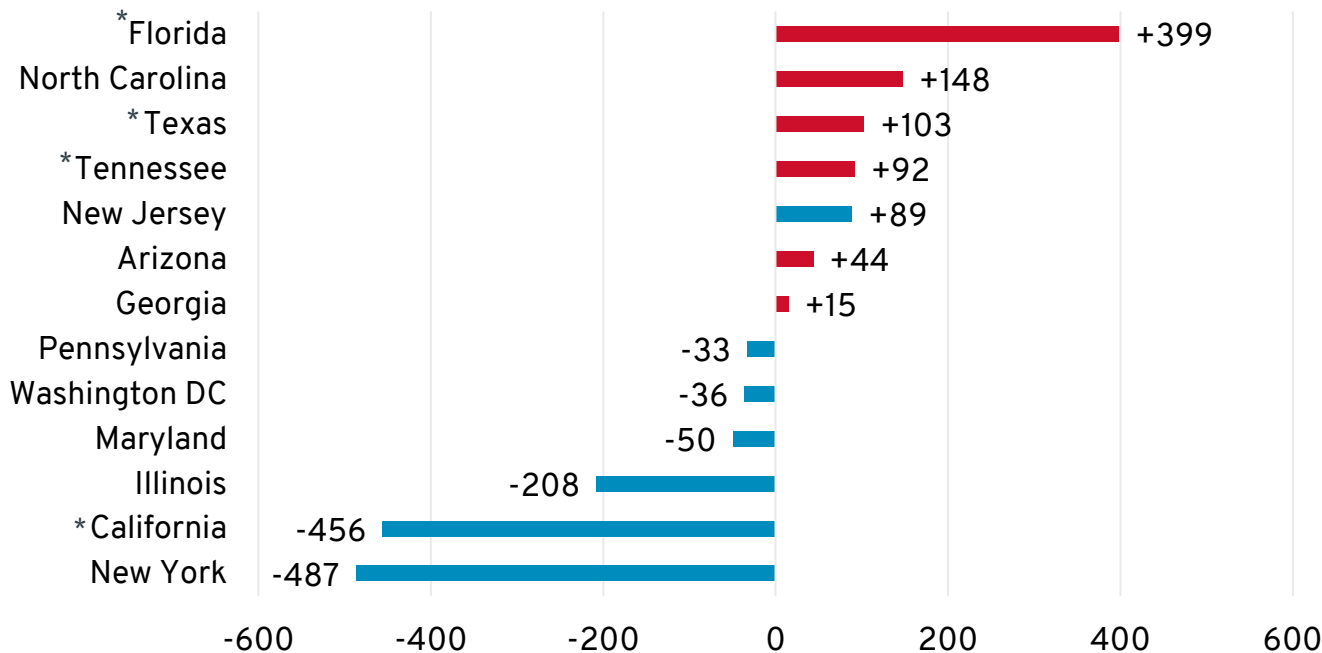
(3) ABC News, Chicago metropolitan area population decline being addressed through revitalization projects, May 2023.

(4) WSJ, The Blue State Exodus Accelerates, April 2023.



# Business Migrations To The South

Net migration of businesses across the United States, 2021<sup>(1)\*\*</sup>



- 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<sup>(2)</sup>.
- 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<sup>(1)</sup>.

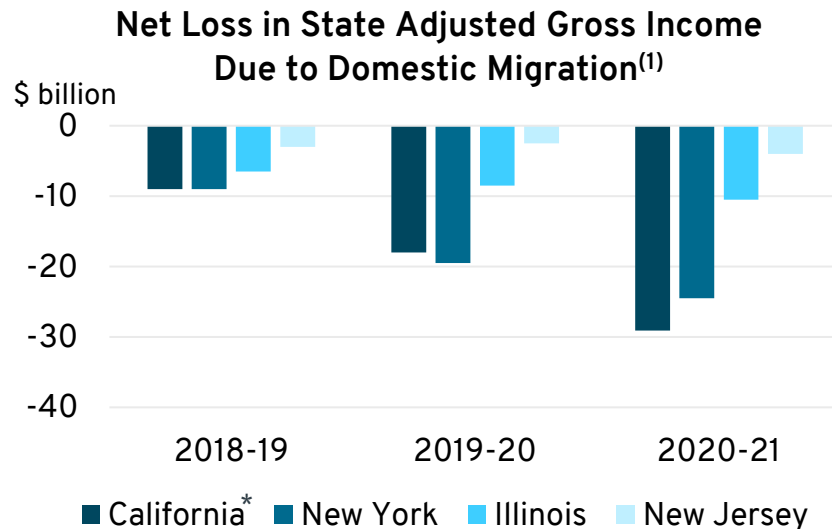
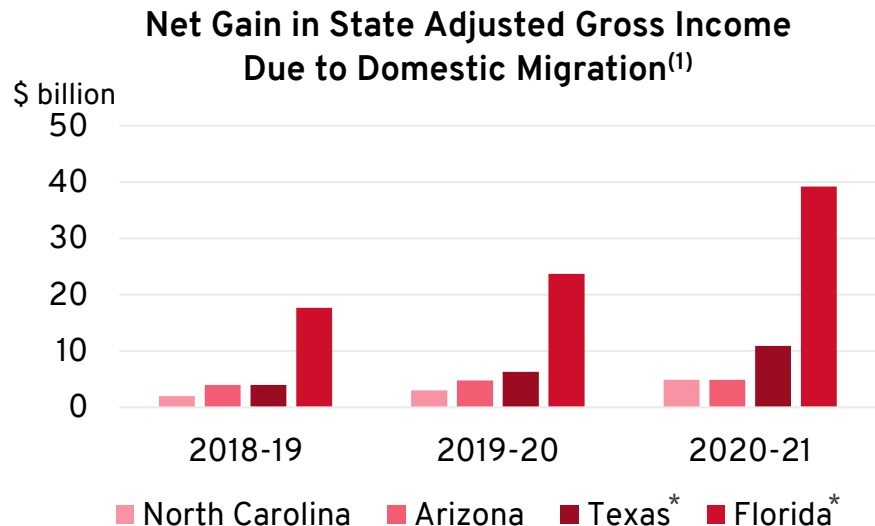
(1) U.S. Bureau of Labor Statistics, June 2023.

(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).

# Blue States Losing Taxpayers and Income

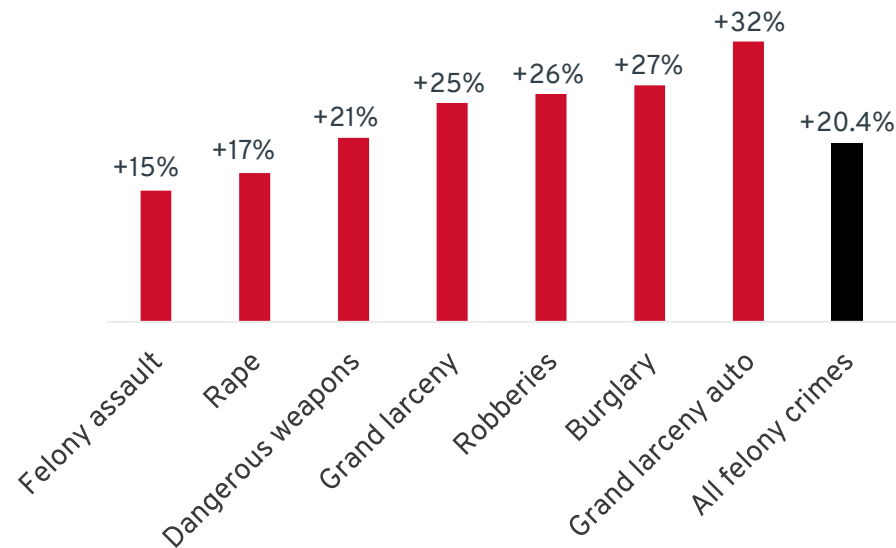


- Average private hourly earnings between Mar 2022 and Mar 2023 outpaced inflation in Texas (6%) and Florida (6.4%), but not in Illinois (1.4%), New York (2.7%) and California (3.2%).
- Real wages in blue states declined 2% to 3%.

# New York City Record High Levels of Felony Crimes in 2022

- More than 170,000 felony crimes were reported in 2022 – the most since 2006, when such statistics became publicly available<sup>(1)</sup>.
  - 172,852 felonies reported in 2022.
  - Increase of 20.4% from 2021 – 143,522 felonies lodged.
  - Subway attacks are contributing to a perception of the increasing crime rate in the city.
- Executives who want workers to return to the office are reluctant because of the high crime rate<sup>(2)</sup>.
  - CEOs have decided to move their headquarters.
  - Goldman Sachs CEO is sensitive to the fears about crime.

**Rise in felony crimes in New York City**  
**(2021 to 2022)<sup>(1)</sup>**



# Spike In Firms Leaving Chicago Traced Back To 2020

- Number of people leaving Chicago continues to grow<sup>(1)</sup>.
  - Over the last five years, more people left than moved in (net loss of at least 249,000 people).
  - Only New York and San Francisco saw bigger population declines.
- Experienced 78% increase in commercial vacancies in 2020, compared to 2019<sup>(2)</sup>.
- Chicago ranks second highest for combined state and local sales tax.
- Large firms no longer feel safe doing business in Chicago due to high crime rate.
  - Billionaire Ken Griffin decided to move Citadel's headquarters from Chicago to Miami, citing the unsafe environment.
  - McDonald's headquarters remain in Chicago. However, the CEO criticised the city for crime<sup>(3)</sup>.
  - With large firms leaving the state, job opportunities are reduced, and people are less incentivised to stay.

## List of companies that moved out of Chicago<sup>(2)</sup>

Tyson Foods

Boeing

Caterpillar

Citadel

Old Navy

Walgreens



# Deteriorating Situation in Downtown San Francisco

- San Francisco shaken by organised crime.
- Residents are calling on authorities to address the increasingly dangerous situation.
- The city has become associated with images of sprawling homeless encampments and open-air drug markets<sup>(1)</sup>.

## List of reasons cited from retailers who have left San Francisco<sup>(2)</sup>

1. Unsafe conditions for customers, retailers and employees, preventing economic recovery of the area.
2. High rent.
3. Theft and raiding.
4. High homelessness rate.

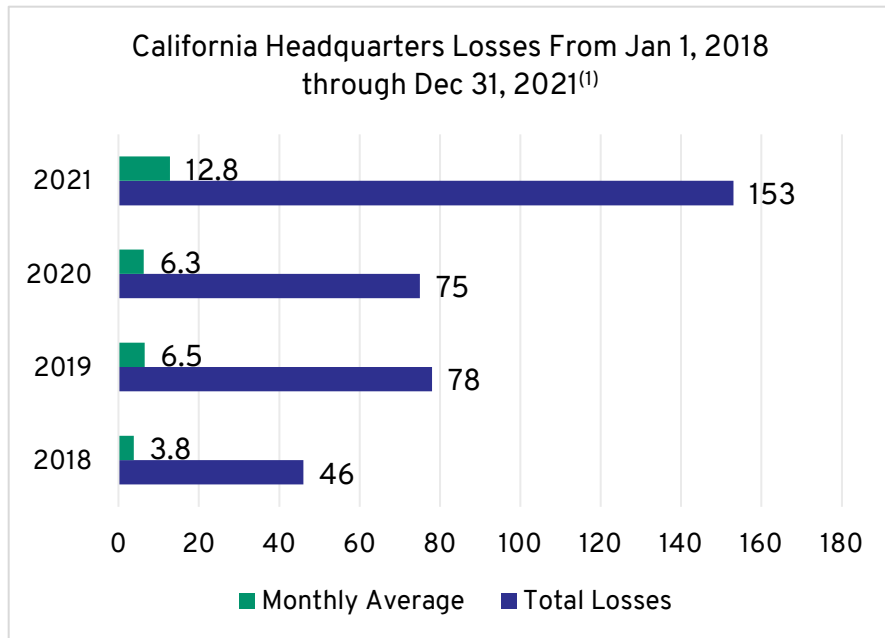
## Union Square Area Store Closures Since 2020<sup>(3)</sup>

Date announced	Store
May 2023	Nordstrom
March 2023	Amazon Go
January 2023	Banana Republic
February 2022	Crate & Barrel
January 2022	Abercrombie & Fitch
August 2021	Disney
February 2021	Uniqlo
November 2020	H&M
August 2020	Gap

# California's Business Exits

California lost a total of 352 headquarters in the period January 1, 2018 through December 31, 2021

- Los Angeles and San Francisco counties have experienced the highest number of relocations, several to growth markets where KORE is present.



Fortune 1,000 Headquarters that left California, 2018 - 2021<sup>(1)</sup>

Company	California Location	Destination	2022 Fortune Ranking
McKesson Corp	San Francisco	Texas > Irving/ Las Colinas	9
Tesla	Santa Clara	Texas > Austin	65
Oracle	San Mateo	Texas > Austin	91
Hewlett Packard Enterprise (HPE)	Santa Clara	Texas > Houston	123
CBRE Group	Los Angeles	Texas > Dallas	126

# Relocations Out of California

Top 10 states for California relocations <sup>(1)</sup>		
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	5
	Kentucky	5
	Virginia	5
10	Indiana	4
	Missouri	4
	Michigan	4
	Arkansas	4
	Utah	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<sup>(1)</sup>

- 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<sup>(2)</sup>.
- New York City's independent budget monitor projected US\$1.8 billion budget shortfall in 2024<sup>(3)</sup>.
- 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<sup>(1)</sup>.
- 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.

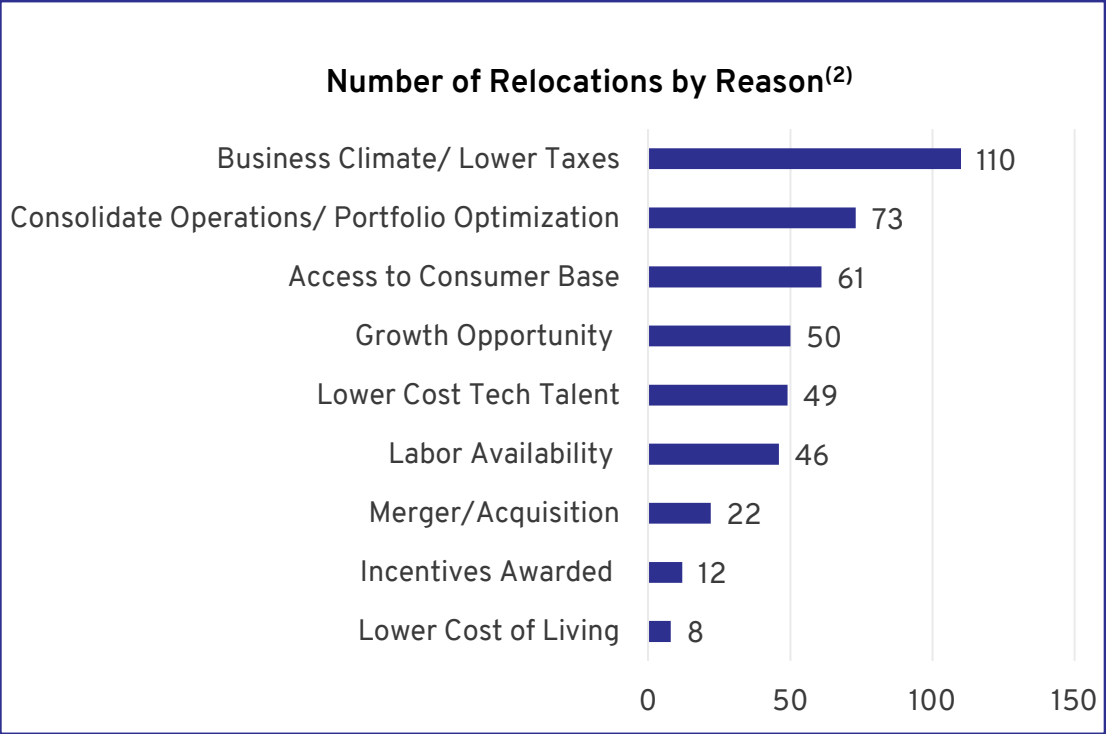
## Investment headquarters that left gateway cities, 2020 - 2023<sup>(4)</sup>

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

# Trends For Business Relocations

Headquarter Relocations <sup>(1)</sup>	
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)<sup>(1)</sup>.
- Higher capital costs have likely impeded corporations' ability to sell or sublease office assets, tying their relocation timeframes to macroeconomic conditions.



(1) CBRE Insights, The Shifting Landscape of Headquarters Relocations: Trends and Outlook, December 2023.

(2) CBRE Americas Consulting, Harvard Business Review, Ytexas, BizJournals.com, 2018-2023.

\* Markets where KORE has presence.

# The Rise of The Sun Belt

## 2023 U-Haul U.S. Growth Cities<sup>(1)</sup>

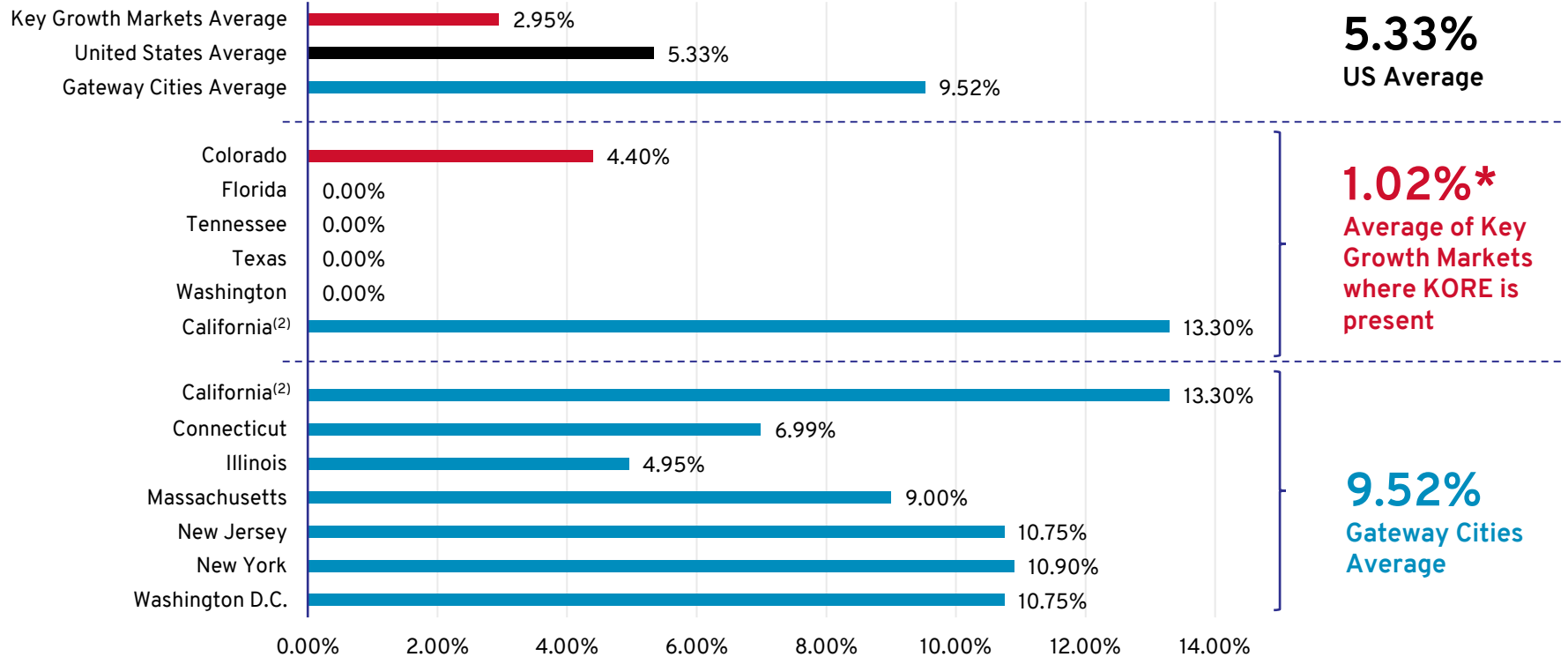
Rank	City	State
#1	Palm Bay-Melbourne	Florida*
#2	Ocala	Florida*
#3	Charleston-North Charleston	South Carolina
#4	Sarasota-Bradenton	Florida*
#5	Austin	Texas*
#6	College Station-Bryan	Texas*
#7	Charlotte	North Carolina
#8	Huntsville	Alabama
#9	Dallas	Texas*
#10	Myrtle Beach-North Myrtle Beach	South Carolina

- Florida destinations dominated U.S. growth cities list in 2023.
- Most metros that people are moving into have similarities:
  - More affordable.
  - Better weather.
  - Located in the Sun Belt region.
- Nashville is one of the most targeted destinations for relocators.
  - In 2022, the Nashville metropolitan area grew by roughly 98 residents per day<sup>(2)</sup>.

# 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, 2023)<sup>(1)</sup>



**5.33%**  
US Average

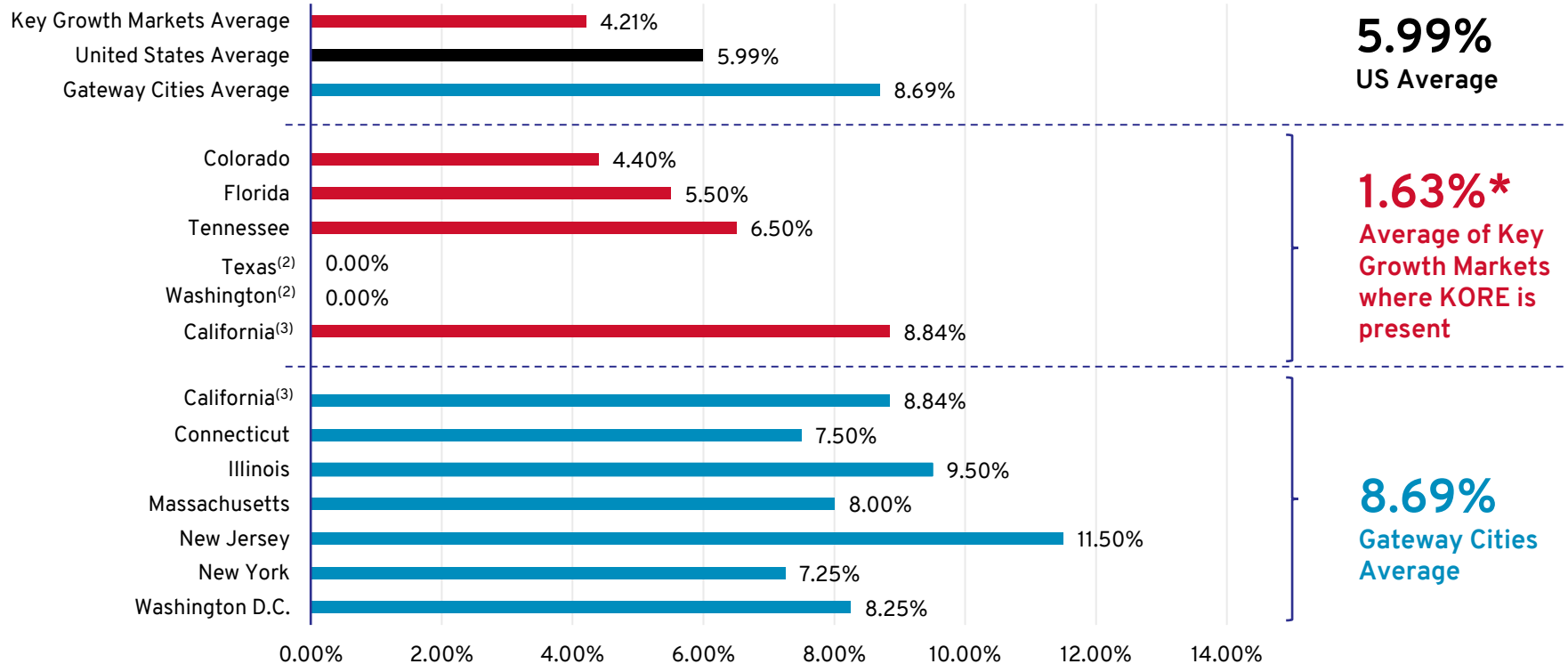
**1.02%\***  
Average of Key Growth Markets where KORE is present

**9.52%**  
Gateway Cities Average

# 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, 2023)<sup>(1)</sup>



(1) Tax Foundation's Individual Income Tax Rates and Brackets for 2023, based on top marginal individual income tax rates.

(2) Texas and Washington do not have a corporate income tax but do have a gross receipts tax.

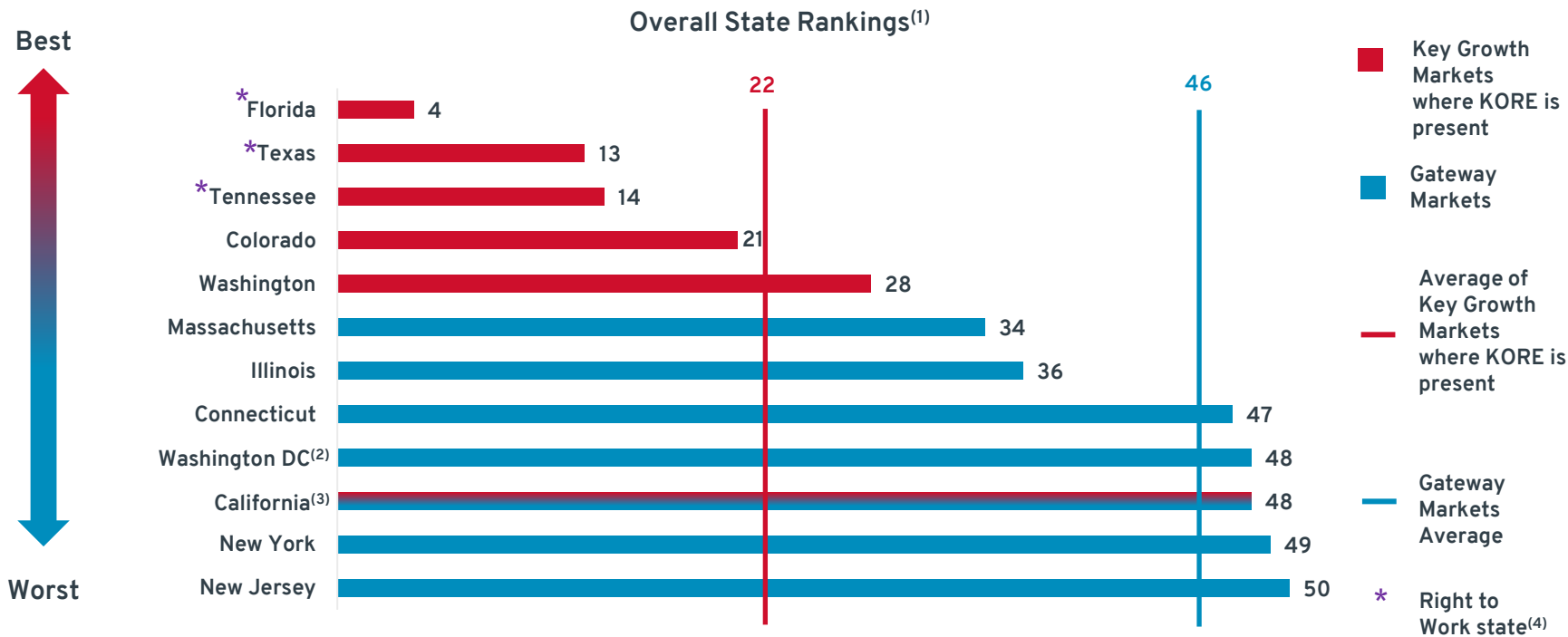
(3) The state of California encompasses the key growth city of Sacramento and the gateway cities of Los Angeles and San Francisco.

\* Weighted by Net Property Income.



# 2023 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 2023 State Business Tax Climate Index.

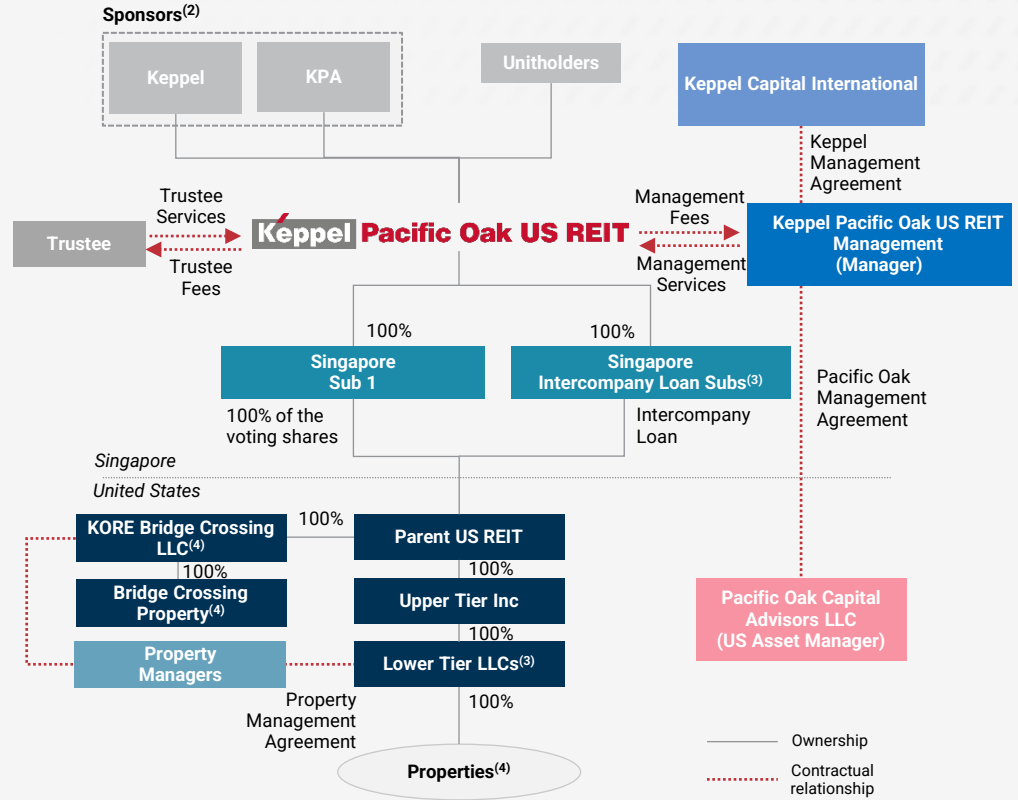
(2) DC's score and rank do not affect other states.

(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)<sup>(1)</sup>
- ✓ 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<sup>(1)</sup>**  
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