

# Annual General Meeting

20 April 2022

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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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### Constituent of:



Singapore Small Cap Index



iEdge SG ESG Indices



FTSE ST REIT Index,  
FTSE EPRA Nareit  
Developed Index and  
FTSE Global Small Cap Index



CarbonCare Asia Pacific  
Green REIT Index

# FY 2021 Key Highlights

*Bridge Crossing  
Nashville, Tennessee*



# Continued Growth in FY 2021

Strengthened foothold in key growth markets with two accretive acquisitions in 2021 – 105 Edgeview (Denver) and Bridge Crossing (Nashville)<sup>(1)</sup>



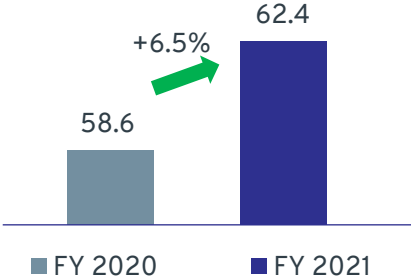
105 Edgeview is located in Interlocken Advanced Technology Environment, an advanced technology park that has a high concentration of top technology and telecommunication tenants



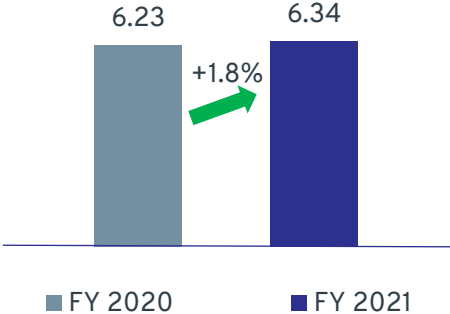
Bridge Crossing is situated among Nashville's most affluent neighbourhoods in Maryland Farms, and close to myriad retail, dining and entertainment destinations

## DPU and Distributable Income outperformed FY 2020

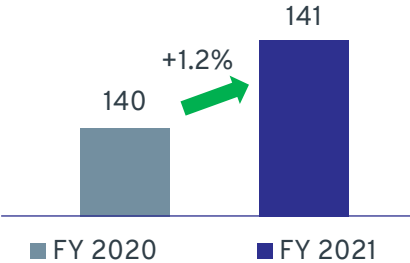
**Distributable Income**  
(US\$ million)



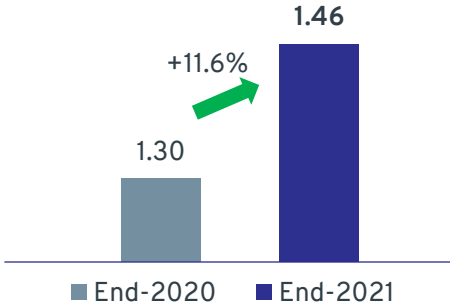
**Distribution Per Unit**  
(US cents)



**Gross Revenue**  
(US\$ million)



**Portfolio Value**  
(US\$ billion)



(1) The acquisitions of Bridge Crossing in Nashville, Tennessee, and 105 Edgeview in Denver, Colorado, were completed on 20 August 2021.  
 (2) Rounded to the nearest thousands

# FY 2021 Key Highlights

Continued Growth  
in Operating Income



Strong Total Unitholder Return  
**27.2%**

KORE delivered total Unitholder return of 27.2%<sup>(1)</sup> for FY 2021.

Positive Rental Reversion  
**6.0%**

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

Stable  
Income Stream



Leases Signed in FY 2021  
**14.3%** Portfolio NLA

~730, 619 sf signed in FY 2021. Leased 4.9% of total portfolio in 4Q 2021. 10.3% of leases by cash rental income (CRI) expiring in 2022.

Portfolio WALE by  
cash rental income  
**3.6 years**

Provides flexibility for company growth and expansion.

Robust  
Financial Position



Stable Operating Performance  
**91.9%**

Continued leasing momentum saw committed occupancy remained stable at 91.9% as at end-2021.

Average rental collection  
for FY 2021  
**99%**

Achieved 100% rent collection from top 10 tenants throughout 2021, a testament to KORE's tenant quality.

# 2021 Sustainability Achievements

Sustainability is at the core of our strategy and we are committed to delivering sustainable distributions to Unitholders

## LEED Gold

- ✓ The Plaza Buildings  
Westmoor Center
- ✓ 105 Edgeview
- ✓ 1800 West Loop South

## ENERGY STAR



- ✓ Westech 360
- ✓ Westmoor Center
- ✓ Bellaire Park
- ✓ Powers Ferry
- ✓ Northridge Center I & II

## WELL Health-Safety Rating

- ✓ 105 Edgeview

Female Board  
Representation

**1**  
—  
**3** Directors  
are female

GHG  
Emissions  
Target

30%  
reduction for  
Scopes 1 and  
2 emissions<sup>(1)</sup>

Governance  
Index for  
Trusts

**2<sup>nd</sup>**  
out of 45  
S-REITs and  
Business  
Trust

Singapore  
Governance  
and  
Transparency  
Index

**10<sup>th</sup>**  
out of 45  
S-REITs and  
Business  
Trust

MSCI ESG  
Ratings<sup>(2)</sup>

**BBB**

Tenant  
Health  
and Safety

Installation of  
needlepoint bipolar  
ionisation systems  
to reduce pollutants



# Commitment to ESG Excellence

## Environmental Stewardship



Achieve **30% greenhouse gas** emission reduction by 2030, from 2019



Embark on **energy savings initiatives** through utilising LED light bulbs and reducing the use of energy intensive equipment across the portfolio



Continue to **improve water conservation efforts**

**Increase waste recycling rate** across the portfolio

## Responsible Business



Uphold **strong corporate governance, robust risk management, as well as timely and transparent communications**



Execute a **sound fiscal and asset management strategy**



Maintain **high standards of ethical business conduct** and compliance best practices

**Zero incidents** of non-compliance with laws and regulations

Uphold **high standards of cybersecurity and data protection best practices**

Encourage the adoption of **sustainability principles** throughout the supply chain

## People & Community



Maintain at least **30% female directors** on the Board



Provide a safe and healthy environment for all stakeholders, adopting the **Keppel Zero Fatality Strategy** to achieve a zero fatality workplace



Achieve at least **20 hours of training hours** per employee in 2022



Achieve at least **75% in employee engagement score** in 2022

Engage with local communities and contribute to Keppel Capital's target of **>500 hours of staff volunteerism** in 2022

# 1Q 2022 Key Business and Operational Updates

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





# Financial Performance


Distributable Income for 1Q2022 was up 10.9% year-on-year to US\$16.6m due to:

- The acquisitions of Bridge Crossing in Nashville and 105 Edgeview in Denver in August 2021.

**Strong balance sheet with significant liquidity**

- Aggregate leverage of 37.5% with no long-term refinancing requirements until November 2023.
- Cash and undrawn facilities of US\$85.1m as at 31 March 2022.

## Financial Highlights



	1Q 2022 (US\$ 'm)	1Q 2021 (US\$ 'm)	% Change
<b>Gross Revenue</b>	37.0	34.6	6.9
<b>Net Property Income (NPI)</b>	21.7	20.4	6.7
<b>Adjusted NPI</b> (excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions)	22.0	20.5	7.1
<b>Income Available for Distribution<sup>(1)</sup></b>	16.6	14.9	10.9

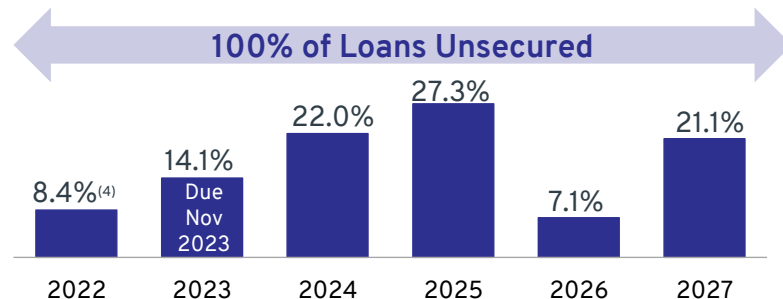
# Proactive Capital Management

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

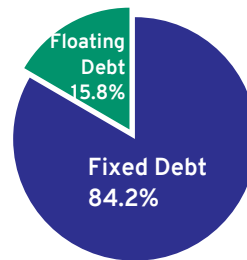
As at 31 March 2022

<b>Total Debt</b>	<ul style="list-style-type: none"> <li>US\$567.4 million of external loans</li> <li>100% unsecured</li> </ul>
<b>Available Facilities</b>	<ul style="list-style-type: none"> <li>US\$50.0 million of revolving credit facility</li> <li>US\$2.6 million of uncommitted revolving credit facility</li> </ul>
<b>Aggregate Leverage<sup>(1)</sup></b>	37.5%
<b>All-in Average Cost of Debt<sup>(2)</sup></b>	2.93 % p.a.
<b>Interest Coverage Ratio<sup>(3)</sup></b>	5.0 times
<b>Weighted Average Term to Maturity (WATM)</b>	2.9 years

## Debt Maturity Profile



## Interest Rate Exposure



## Sensitivity to LIBOR/SOFR<sup>(5)</sup>

Every + 50bps in LIBOR/SOFR translates to - 0.062 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. After adjusting for management fees taken in Units, the ICR would be 5.4 times.

(4) Refers to the \$47.4 million uncommitted revolving credit facility drawn.

(5) Based on the 15.8% floating debt, US\$47.4 million uncommitted revolving credit facility drawn which are unhedged and the total number of Units in issue as at 31 March 2022.

# Quality Portfolio Driven By Tech and Innovation



**91.7% Portfolio Committed Occupancy**

**KORE's strategic presence in key growth markets and its focus on the fast-growing tech sector provides income resilience.**

## SEATTLE - BELLEVUE/REDMOND, Washington



**The Plaza Buildings**  
Occupancy: 88.9%



**Bellevue Technology Center**  
Occupancy: 95.7%



**The Westpark Portfolio**  
Occupancy: 96.8%



## ATLANTA, Georgia



**Powers Ferry**  
Occupancy: 67.6%



**Northridge Center I & II**  
Occupancy: 78.4%

## DENVER, Colorado



**Westmoor Center**  
Occupancy: 96.8%



**105 Edgeview**  
Occupancy: 100%



## SACRAMENTO, California



**Iron Point**  
Occupancy: 90.6%

## AUSTIN, Texas



**Great Hills Plaza**  
Occupancy: 100%



**Westtech 360**  
Occupancy: 79.4%



## HOUSTON, Texas



**1800 West Loop South**  
Occupancy: 86.0%



**Bellaire Park**  
Occupancy: 91.0%



## NASHVILLE, Tennessee



**Bridge Crossing**  
Occupancy: 100%

## ORLANDO, Florida

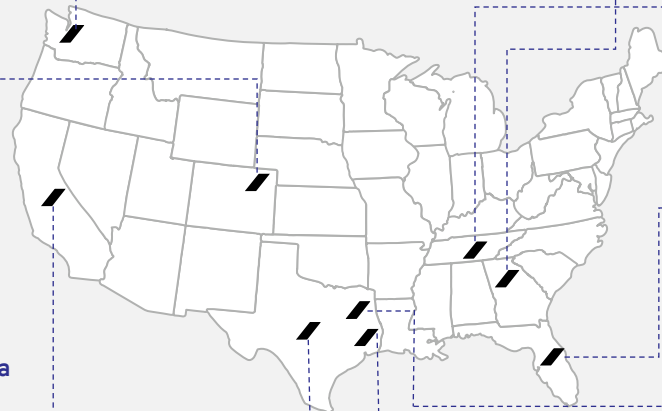


**Maitland Promenade I & II**  
Occupancy: 88.6%

## DALLAS, Texas



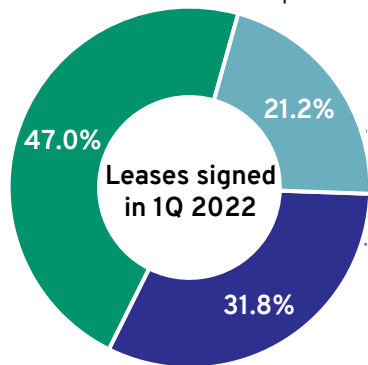
**One Twenty Five**  
Occupancy: 94.0%



# Steady Income with Visible Organic Growth



■ New ■ Renewal ■ Expansion



## New leasing demand and expansions from:

Professional Services <sup>(1)</sup>	41.3%
Finance and Insurance	33.4%
Others	15.5%
TAMI <sup>(2)</sup>	6.3%
Medical and Healthcare	3.5%

**~146,768sf**

Leased spaces for 1Q 2022, equivalent to 2.9% of portfolio NLA. Portfolio WALE of 3.7 years<sup>(3)</sup> by CRI.

**~8.9%**

In-place rents are ~8.9% below asking rents, which provides an avenue for organic growth.

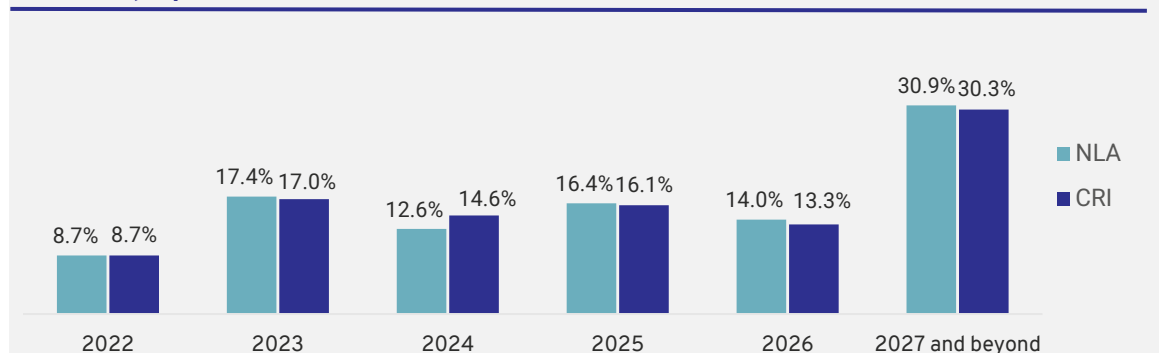
**2.4%**

Positive rent reversion for 1Q 2022. Average rent collection was ~99% with zero rent deferment requests in 1Q 2022.

**~2.4%**

Built-in average annual rental escalation across the portfolio.

## Lease Expiry Profile (as at 31 March 2022)



# Resilient Portfolio with Diversified Tenant Base



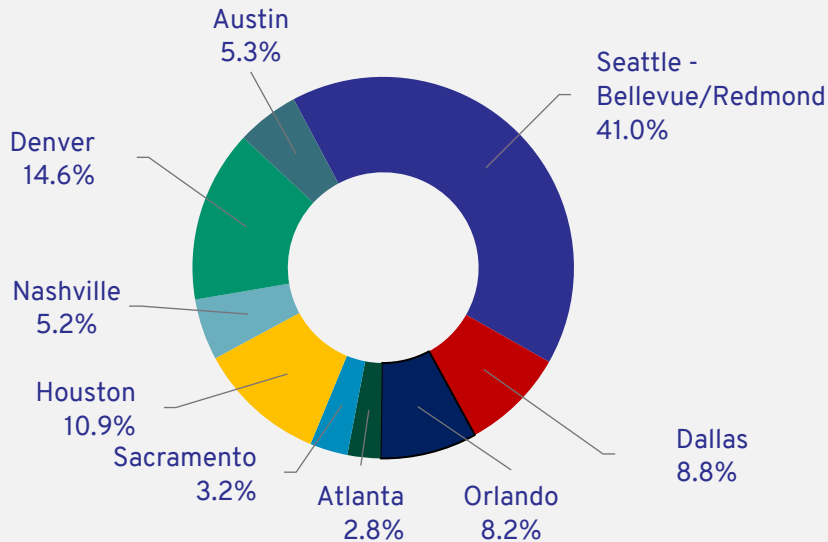
KORE's buildings and business campuses in the tech hubs of Seattle - Bellevue/Redmond, Austin and Denver contribute ~61% of NPI<sup>(1)</sup>



~47% of KORE's portfolio NLA comprises of high-quality tenants from the growing and defensive sectors of TAMI, medical and healthcare

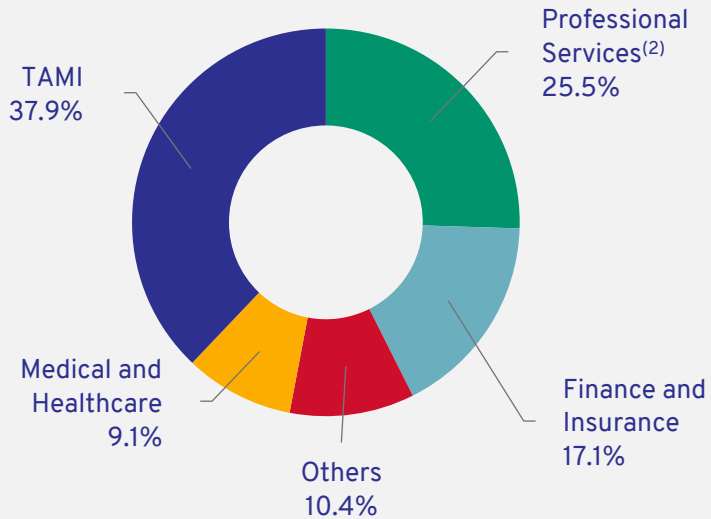
## Geographic Diversification by NPI<sup>(1)</sup>

as at 31 March 2022



## Industry Diversification by NLA

as at 31 March 2022



# Low Tenant Concentration Risk



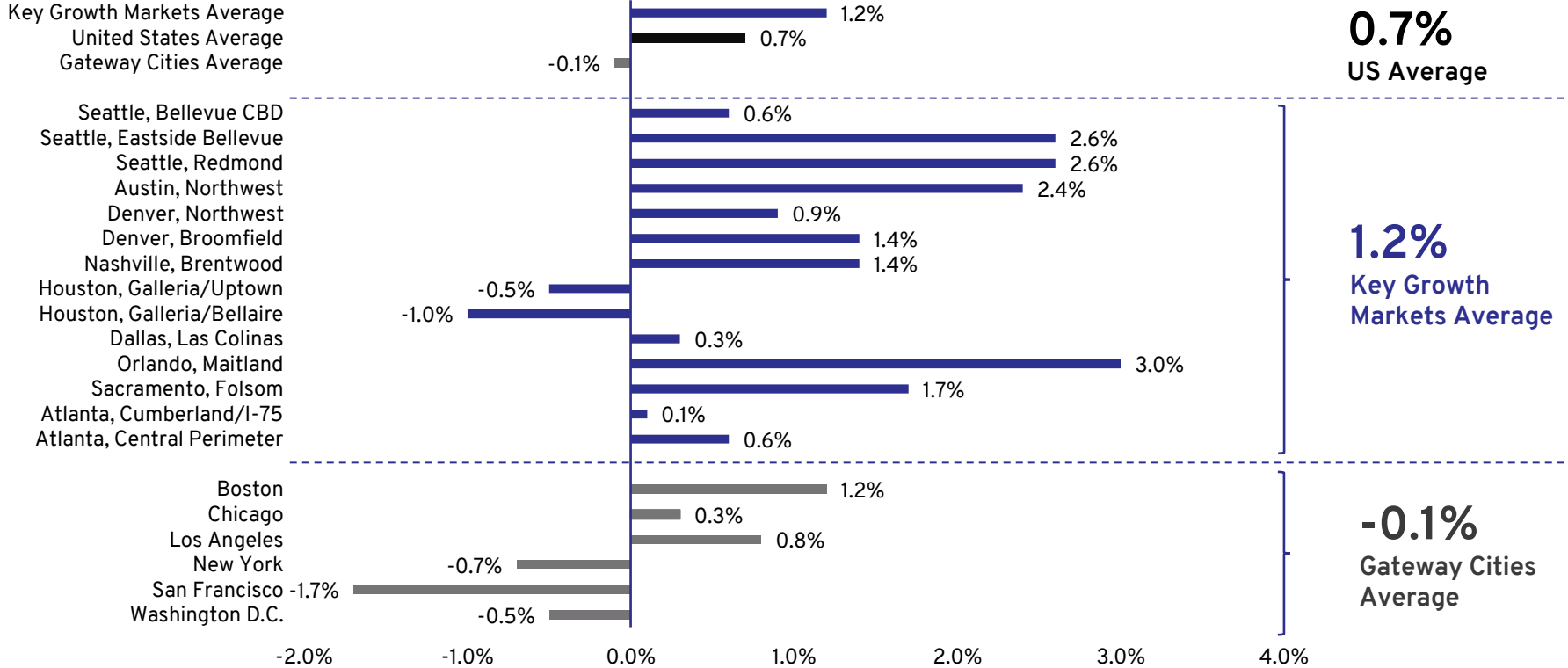
Top 10 tenants contribute only 23.0% of CRI

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

As at 31 March 2022

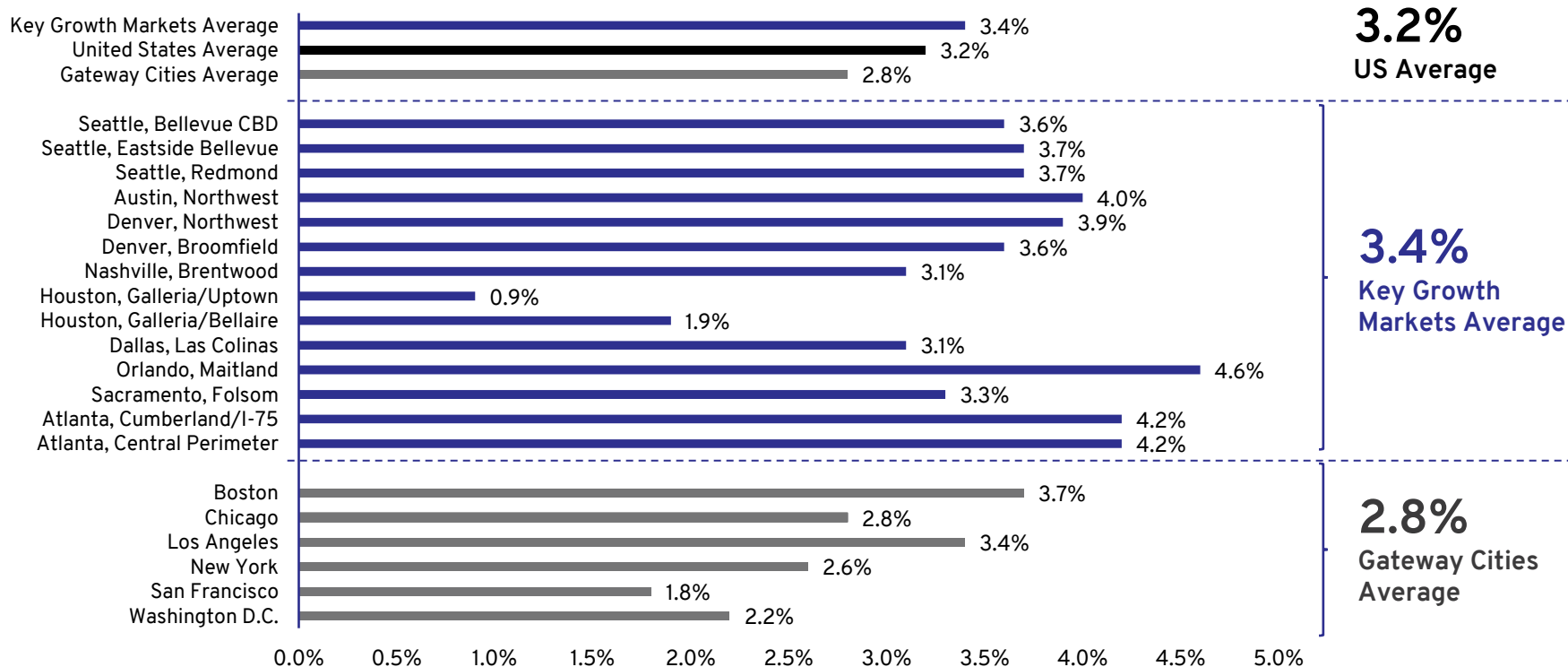
Top 10 Tenants	Sector	Asset	Location	% of CRI
Comdata Inc	Technology	Bridge Crossing	Nashville	3.5
Ball Aerospace	Technology	Westmoor Center	Denver	3.2
Lear Cooperation	Technology	The Plaza Buildings	Seattle - Bellevue/Redmond	2.7
Gogo Business Aviation	Technology	105 Edgeview	Denver	2.7
Oculus VR	Technology	The Westpark Portfolio	Seattle - Bellevue/Redmond	2.3
Zimmer Biomet Spine	Technology	Westmoor Center	Denver	2.0
Spectrum	Media & Information	Maitland Promenade I & II	Orlando	1.8
Bio-Medical Applications	Medical & Healthcare	One Twenty Five	Dallas	1.6
Auth0	Technology	The Plaza Buildings	Seattle - Bellevue/Redmond	1.6
U.S. Bank National Association	Finance & Insurance	The Plaza Buildings	Seattle - Bellevue/Redmond	1.6
<b>Total</b>				<b>23.0</b>
<b>WALE by NLA</b>				<b>4.8 years</b>
<b>WALE by CRI</b>				<b>4.8 years</b>

# Last 12 Months Rent Growth



# Projected 12-Month Rent Outlook

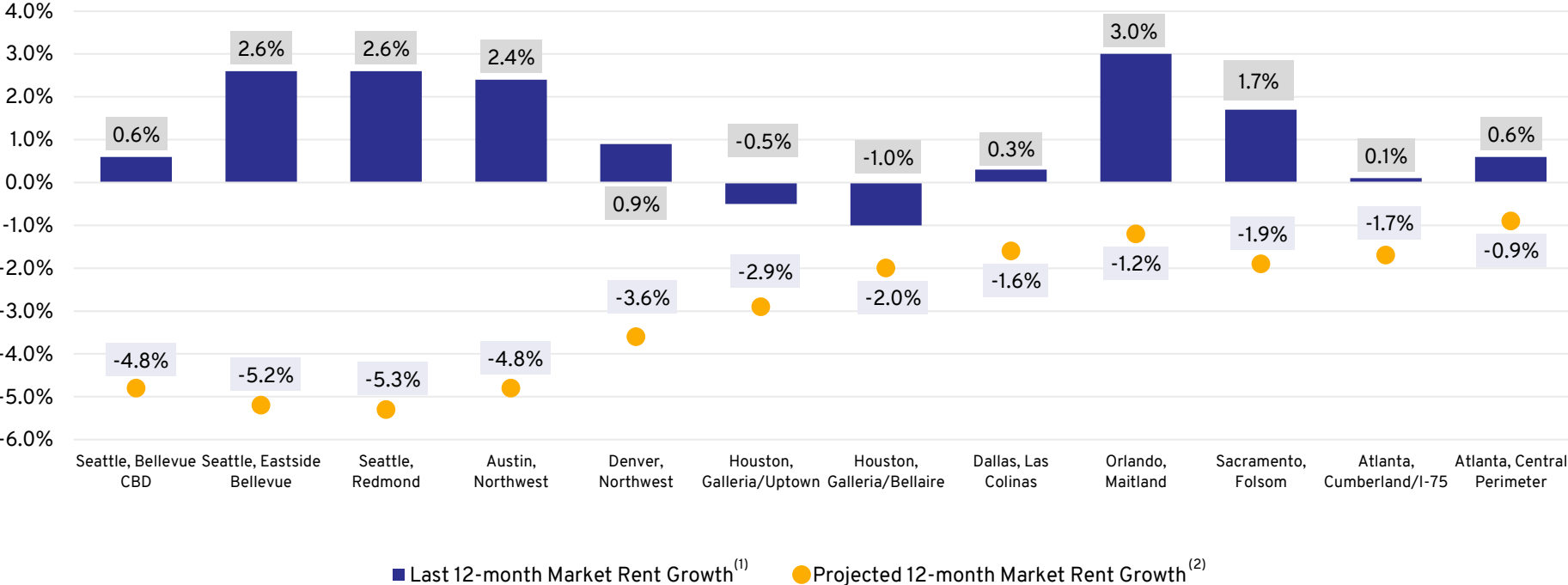
KORE's average in-place rents are 8.9% below asking rents, which will continue to drive organic growth





# Actual Against Projected 12-Month Market Rent Growth

Rent growth\* for the last 12 months outperformed projections for KORE's portfolio



(1) Based on CoStar Office Report, April 2022.

(2) Based on CoStar Office Report, April 2021.

\*Excludes Denver, Broomfield (105 Edgeview) and Nashville, Brentwood (Bridge Crossing)

# First Choice Submarkets Outlook

Submarket <i>Property</i>	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>	11.1	5.7	1100	1000	4,267 <sup>(1)*</sup>	0.6	3.6
<b>Seattle, Eastside Bellevue</b> <i>Bellevue Technology Center</i>	4.3	3.0	236	303	-	2.6	3.7
<b>Seattle, Redmond</b> <i>The Westpark Portfolio</i>	3.2	1.8	-	155	2500 <sup>(1)#</sup>	2.6	3.7
<b>Austin, Northwest</b> <i>Great Hills Plaza &amp; Westech 360</i>	0.0 <sup>(2)</sup> & 20.6 <sup>(3)</sup>	20.0	9.0	112	101.2	2.4	4.0
<b>Denver, Northwest</b> <i>Westmoor Center</i>	3.2	8.8	58.5	39.1	36.2	0.9	3.9
<b>Denver, Broomfield</b> <i>105 Edgeview</i>	-	14.3	12	(146)	-	1.4	3.6
<b>Nashville, Brentwood</b> <i>Bridge Crossing</i>	-	15.2	-	(28.1)	-	1.4	3.1
<b>Houston, Galleria/Uptown</b> <i>1800 West Loop South</i>	14.0	25.6	-	(957)	-	(0.5)	0.9
<b>Houston, Galleria/Bellaire</b> <i>Bellaire Park</i>	9.0	17.2	-	(301)	-	(1.0)	1.9
<b>Dallas, Las Colinas</b> <i>One Twenty Five</i>	6.0	25.3	-	(264)	512.3 <sup>(1)</sup>	0.3	3.1
<b>Orlando, Maitland</b> <i>Maitland Promenade I &amp; II</i>	11.4	13.3	-	(126)	-	3.0	4.6
<b>Sacramento, Folsom</b> <i>Iron Point</i>	9.4	4.8	-	6.5	-	1.7	3.3
<b>Atlanta, Cumberland/I-75</b> <i>Powers Ferry</i>	32.4	16.0	323	(42.1)	120 <sup>(1)</sup>	0.1	4.2
<b>Atlanta, Central Perimeter</b> <i>Northridge Center I &amp; II</i>	21.6	19.1	-	387	130.6	0.6	4.2

# Market Outlook

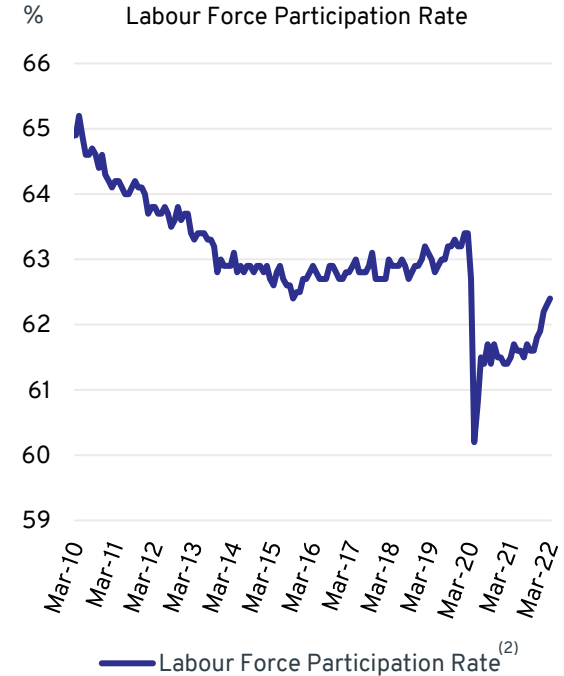
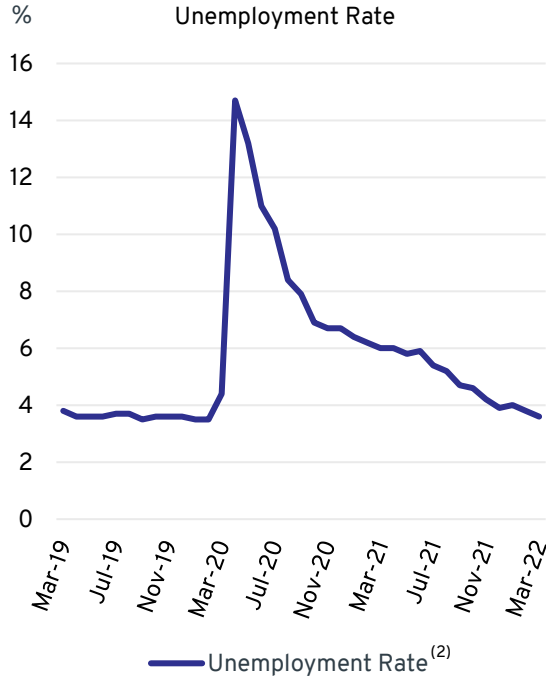
*Iron Point  
Sacramento, California*



# US Economic Progression

## Muted economic activity expected in 1Q 2022

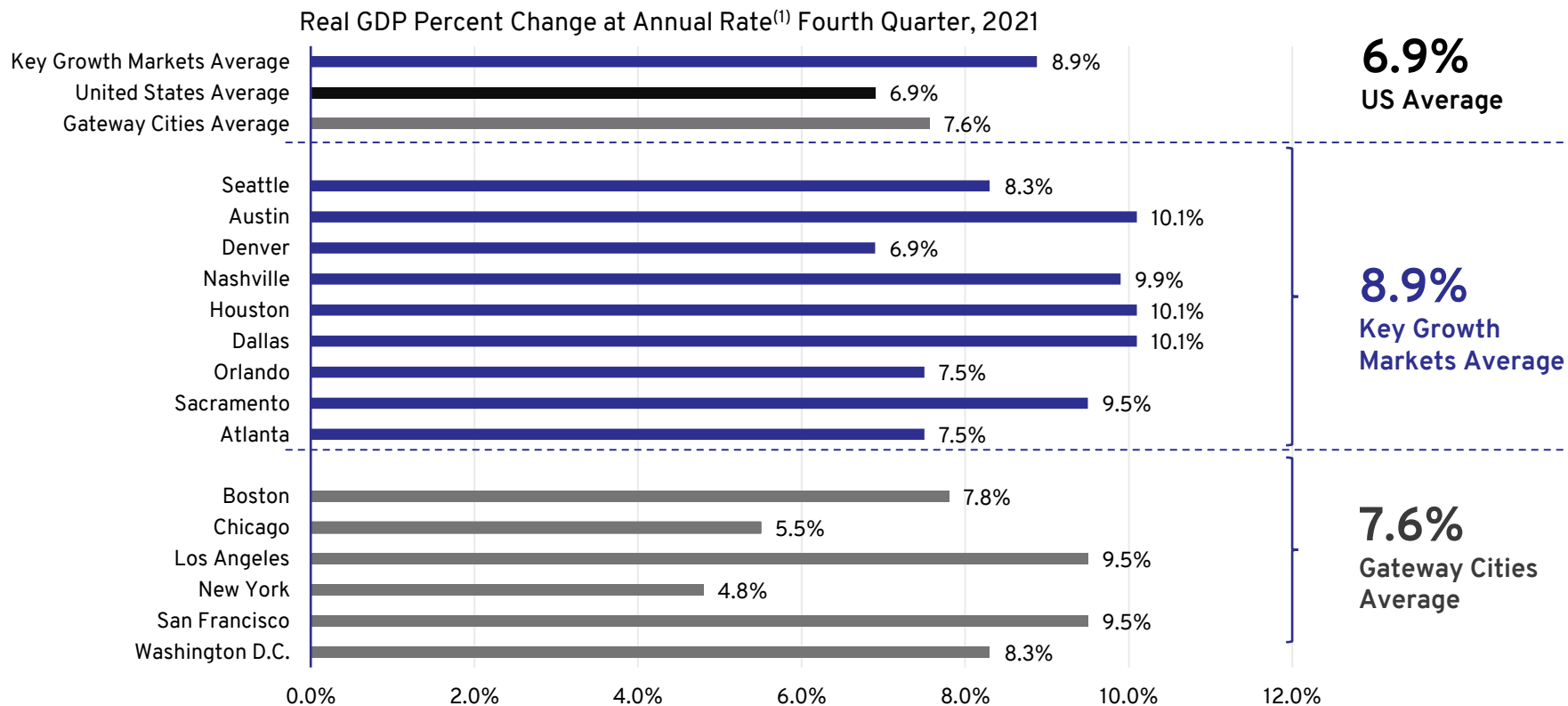
- US real GDP increased by 6.9% q-o-q in 4Q 2021 <sup>(1)</sup>.
- Unemployment rate was 3.6% in March 2022, down from the high of 14.8% in April 2020's recession<sup>(2)</sup>. In February 2020, prior to the pandemic, unemployment rate was 3.2%.
- Labour force participation rate inched up to 62.4% in March 2022<sup>(2)</sup>.
- Annual inflation rate accelerated to 7.9% as at February 2022, signifying significant headwinds.



(1) Source: U.S. Bureau of Economic Analysis, February 2022.  
(2) Source: U.S. Bureau of Labor Statistics, March 2022.

# Positive Economics in KORE's Key Growth Markets

KORE's key growth markets continue to outperform national average



# Pandemic Migration Observed Across The US

Popularity of suburban states soar as the pandemic fueled widespread movement

Sunbelt markets seeing better than average real estate market performance.



- Manhattan saw a 12.8% y-o-y decline in population in 2021<sup>(1)</sup>.
- In terms of leasing, **Seattle - Bellevue/Redmond, Atlanta and Austin** are the strongest performers in the third quarter of 2021<sup>(2)</sup>.
- **Austin** outperformed national employment figures, fully recovered from the pandemic<sup>(3)</sup>.
  - Second-highest city for employment opportunities in 2021, behind **Seattle**<sup>(4)</sup>.

Top 20 Fastest Growing States in the US <sup>(5)</sup>		% Change in Resident Population in 2021
1	Utah	19.3
2	Idaho	18.4
3	Nevada	17.9
4	Texas*	17.8
5	Arizona	17.4
6	Colorado*	16.8
7	Florida*	16.4
8	Washington*	15.6
9	North Dakota	14.1
10	South Carolina	13.9
11	Oregon	11.8
12	North Carolina	11.8
13	Georgia*	11.5
14	Delaware	10.1
15	South Dakota	9.9
16	Montana	9.5
17	Tennessee*	9.3
18	Minnesota	7.5
19	Virginia	7.2
20	Nebraska	6.7

\* States which KORE has presence in

# Return to Office On Track to Improve

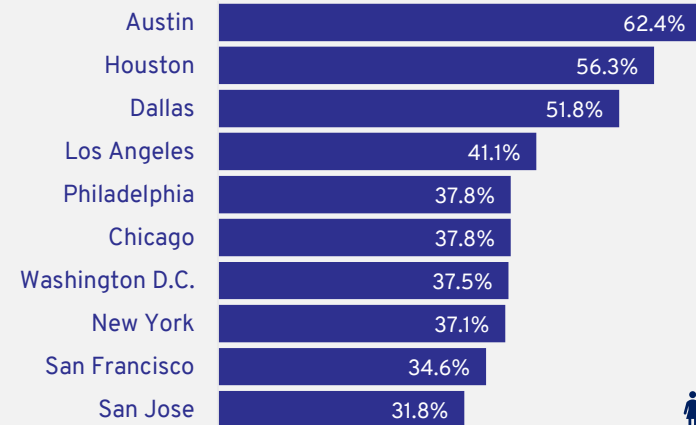


## Suburban Markets Lead the Way as Tenants Target Amenity-rich Buildings

- Tenants appear to have long-term confidence in the office market as more companies are expanding their footprints than contracting<sup>(1)</sup>.
- Sun Belt markets continue to outperform gateway cities.
  - Benefit from expansionary leasing activity concentrated on hub-and-spoke models<sup>(2)</sup>.
- Occupancy levels highest in suburban car-borne cities, as opposed to the denser CBD cities.
  - Texas markets of Austin, Houston and Dallas are leading at above 40%<sup>(3)</sup>.

## Texas metro areas lead in office occupancy.

### Top 10 US Cities: Workplace Occupancy (as at 13 April 2022)<sup>(4)</sup>



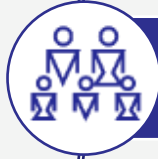
**First choice  
US office S-REIT  
focused on the  
fast-growing  
TAMI, medical and  
healthcare sectors  
across key growth  
markets in the US.**



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



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.



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](http://www.koreusreit.com)

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