1Q 2020
Operational Updates

20 April 2020

Keppel Pacific Oak US REIT

1Q 2020: Key Operational Performance

Functional collaborative spaces provide a live-work experience for tech tenants. Pictured here is Bellevue Technology Center in Seattle, Washington.

- 16.1% YoY increase to distributable income
- Reverted to original tax structure following the issuance of the Final 267A tax regulation

Financial Performance

- **Continued year-on-year improvement** largely due to:
  - contributions from One Twenty Five, which was acquired in November 2019; and
  - positive rental reversions from leasing done in 2019
- Final 267A tax regulation issued and **reversion to original tax structure**
  - Based on the FY 2019 audited financial statements, had the restructuring been completed on 1 January 2019, DI for FY2019 would have increased by ~1.5%

	1Q 2020 (US$'m)	1Q 2019 (US$'m)	% Change
Gross Revenue	**35.3**	29.4	20.1
Net Property Income	**21.0**	18.2	15.4
Income Available for Distribution[(1)]	**14.4**	12.4	16.1

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

1Q 2020: Key Operational Performance (cont'd)

Quality spaces provide tenants a desired live-work-play lifestyle. Pictured here is The Westpark Portfolio in Seattle, Washington.

2.2%
Total portfolio leased

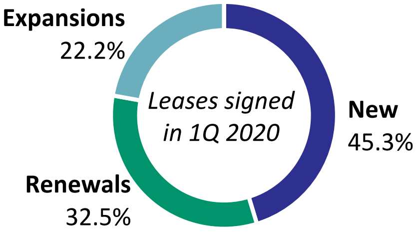
12.0%
Positive rental reversion

2.6%
Built-in average annual rental escalations

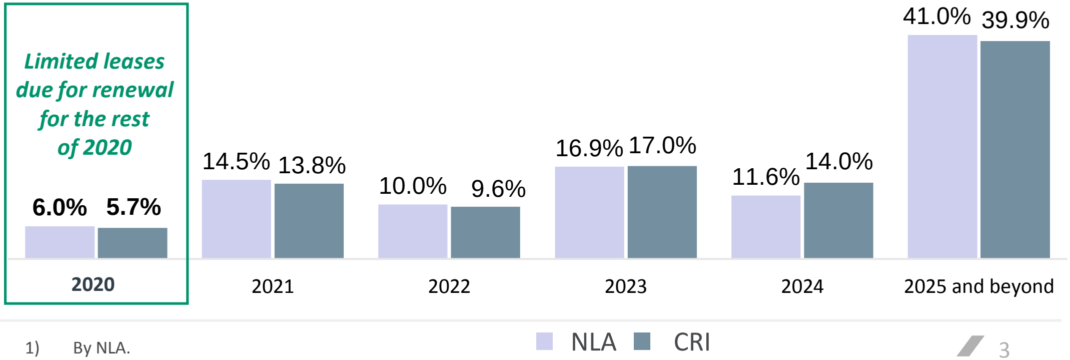
94.0%[1]
Portfolio committed occupancy

Leasing Updates

- **All buildings remain open to tenants** operating during COVID-19
  - Continue to monitor situation actively and have implemented protocols that prioritises the safety of our employees and the communities
- **Leased 104,000 sf of space** in 1Q 2020, mainly in Seattle, Atlanta and Houston
- **Portfolio WALE of 4.2 years** by CRI[2]



Lease Expiry Profile



1) By NLA.
2) Based on NLA, portfolio WALE was 4.2 years.

First Choice Submarkets in Key Growth Markets

SEATTLE, Washington (39.5%)

The Plaza Buildings
Occupancy: 97.3%

Bellevue Technology Center
Occupancy: 98.6%

The Westpark Portfolio
Occupancy: 95.7%

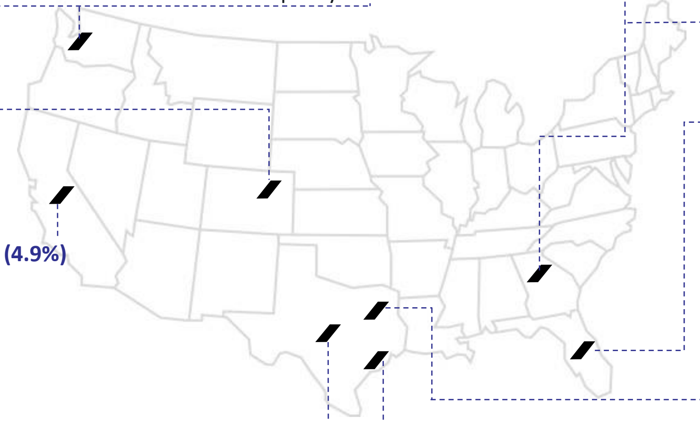
ATLANTA, Georgia (5.7%)

Powers Ferry
Occupancy: 93.5%

Northridge Center I & II
Occupancy: 84.2%

DENVER, Colorado (9.3%)

Westmoor Center
Occupancy: 96.6%



ORLANDO, Florida (11.3%)

Maitland Promenade I & II
Occupancy: 96.8%

SACRAMENTO, California (4.9%)

Iron Point
Occupancy: 99.5%

DALLAS, Texas (10.5%)

One Twenty Five
Occupancy: 95.8%

AUSTIN, Texas (5.8%)

Great Hills Plaza
Occupancy: 100.0%

Westech 360
Occupancy: 90.8%

HOUSTON, Texas (13.0%)

1800 West Loop South
Occupancy: 77.3%

Bellaire Park
Occupancy: 90.3%

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)

94.0%

All information as at 31 March 2020.
Percentage breakdown beside each state refers to CRI contribution.

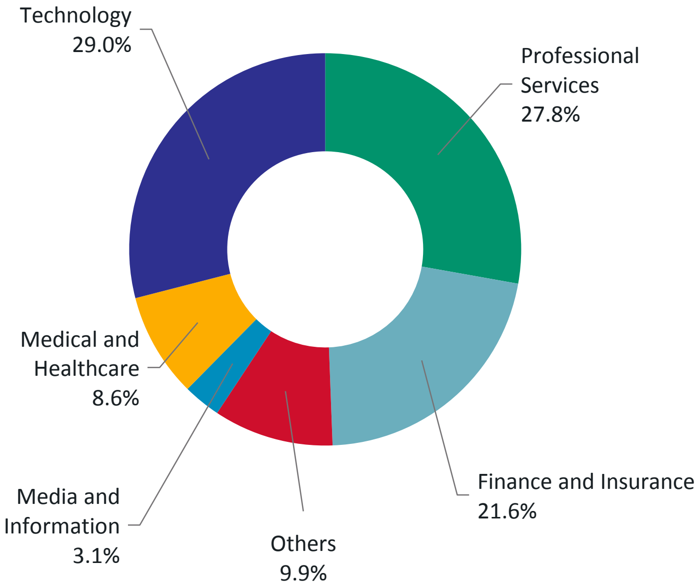
Resilient Portfolio

- **Highly diversified portfolio** with **low tenant concentration risk**
- **Top 10 tenants contribute only 19.5% of CRI**, with the **largest tenant only contributing 3.5% of CRI**
- KORE's buildings and business campuses in the tech hubs of Seattle, Austin and Denver contribute ~55% of CRI

Top 10 tenants as at 31 March 2020

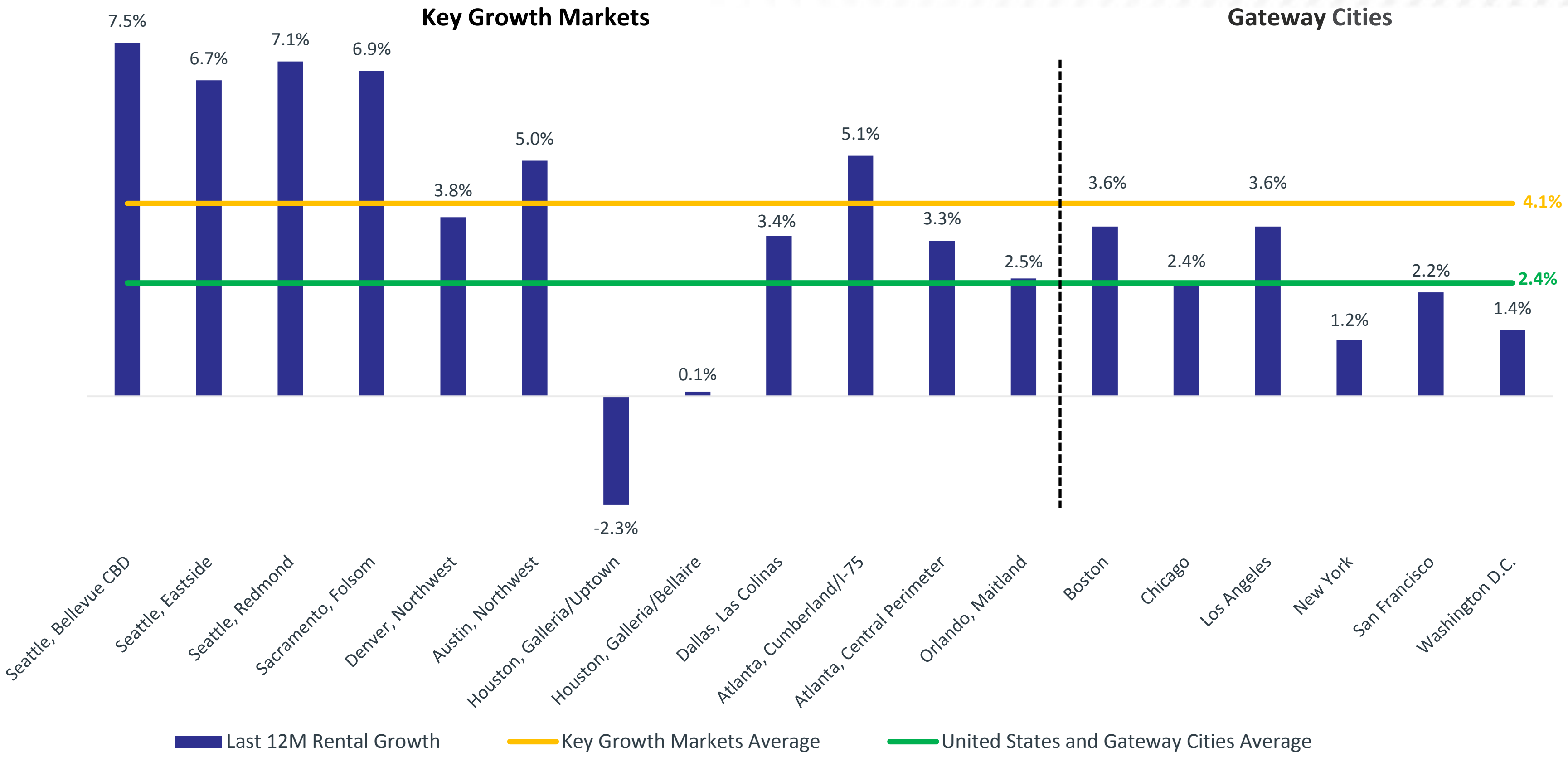
Tenant	Sector	Asset	% CRI
Ball Aerospace	Technology	Westmoor Center	3.5
Oculus VR	Technology	Westpark Portfolio	2.4
Lear	Technology	The Plaza Buildings	2.1
Zimmer Biomet Spine	Technology	Westmoor Center	2.0
Spectrum	Media & Information	Maitland Promenade I	1.8
Unigard Insurance[1]	Finance & Insurance	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)			**5.3 years**
WALE (by CRI)			**5.4 years**

Portfolio tenant base composition (by NLA)



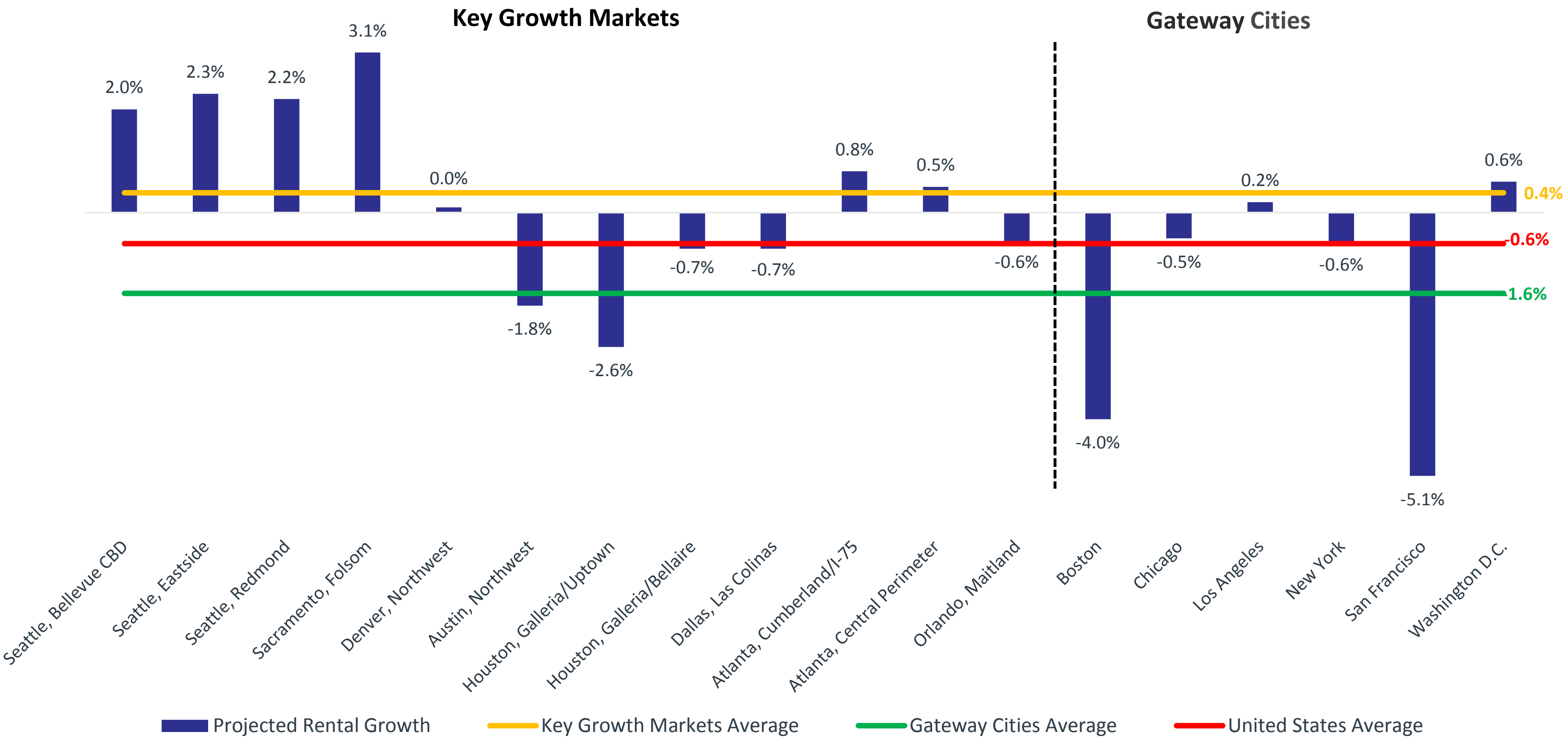
1) Subsidiary of QBE Insurance Group.

Last 12 Months Rent Growth



Source: CoStar Office Report, 1 April 2020.

Projected 12-Month Rent Outlook



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Source: CoStar Office Report, 1 April 2020.

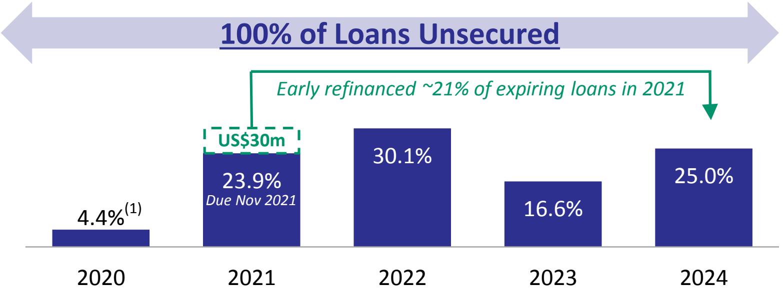
Prudent Capital Management

Limited interest rate exposure with term loans significantly hedged

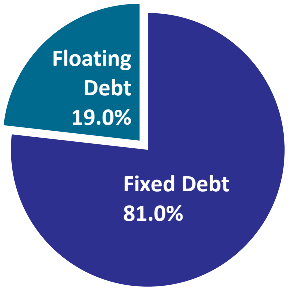
As at 31 March 2020

Total Debt	• US$480.4 million of external loans • **100% unsecured**
Available Facilities	▪ **US$50 million** of revolving credit facility ▪ **US$29 million** of uncommitted revolving credit facility
Aggregate Leverage(2)	36.9%
All-in Average Cost of Debt(3)	3.53% p.a.
Interest Coverage(4)	4.2 times
Average Term to Maturity	2.9 years

Debt Maturity Profile



Interest Rate Exposure



Sensitivity to LIBOR(5)

Every **+/- 50bps in LIBOR** translates to **-/+ 0.058 US cents in DPU** p.a.

1) Refers to the US$21 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 4.5 times.
5) Based on the 19.0% floating debt, US$21 million revolving credit facility drawn which are unhedged and the total number of Units in issue as at 31 March 2020.

Committed to Deliver Long Term Value

- Strategically-located assets in key growth markets with positive economic and office fundamentals
- Highly diversified portfolio with quality tenants from high growth and defensive sectors
- Low tenant concentration and strong tenant mix that supports stable growth
- Organic growth supported by well-structured leases, annual rental escalations, as well as positive rent growth and outlook
- Stable and experienced management team
- Strong and committed sponsors

Continued focus on **operational excellence**

- ✓ **Focused leasing strategy** to maximise rents and achieve **positive rental reversions**
- ✓ Seek **value accretive acquisitions** in key growth markets
- ✓ **Prudent** capital management

Important Notice

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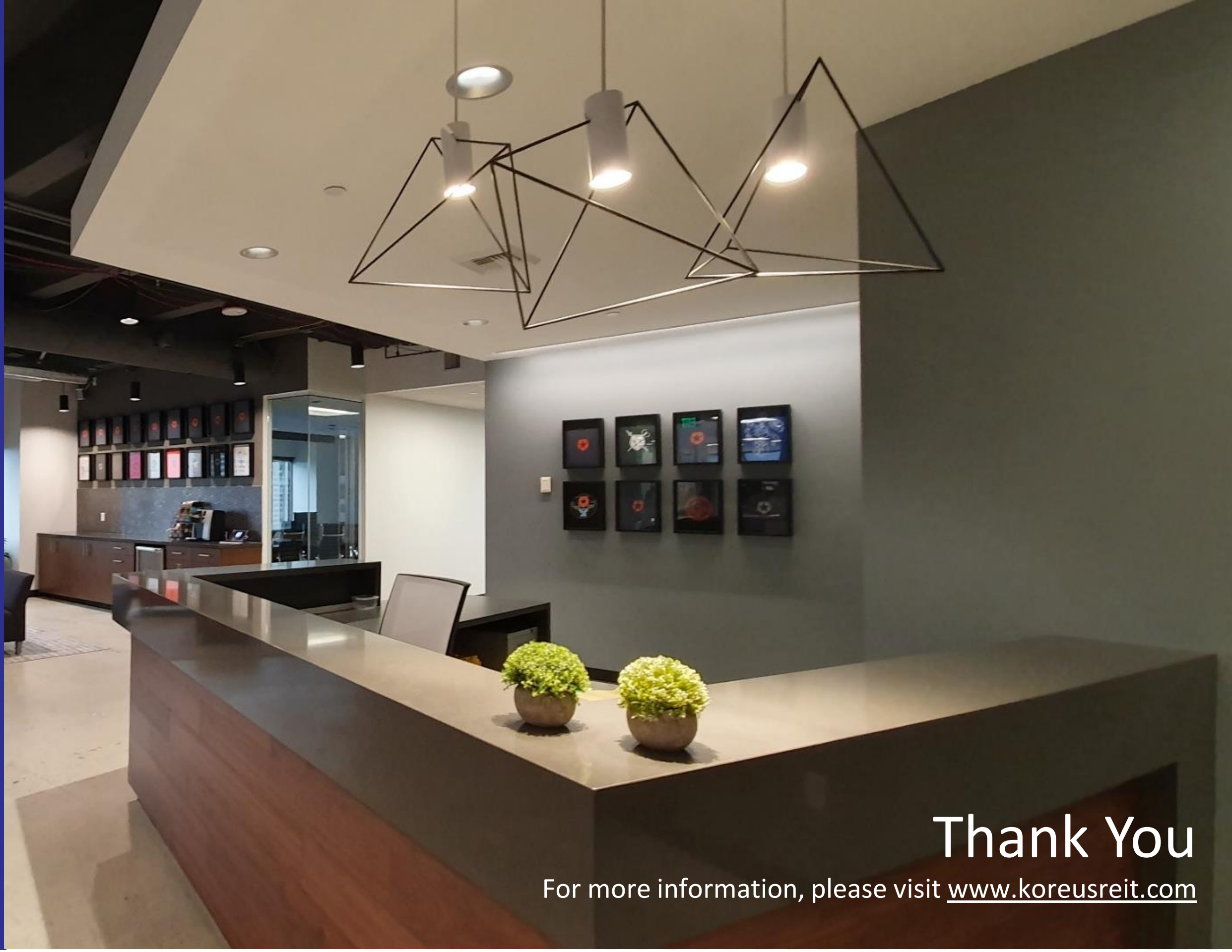

Thank You

For more information, please visit www.koreusreit.com

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