

KILROY REALTY

Fixed Income Investor Update

May 2023

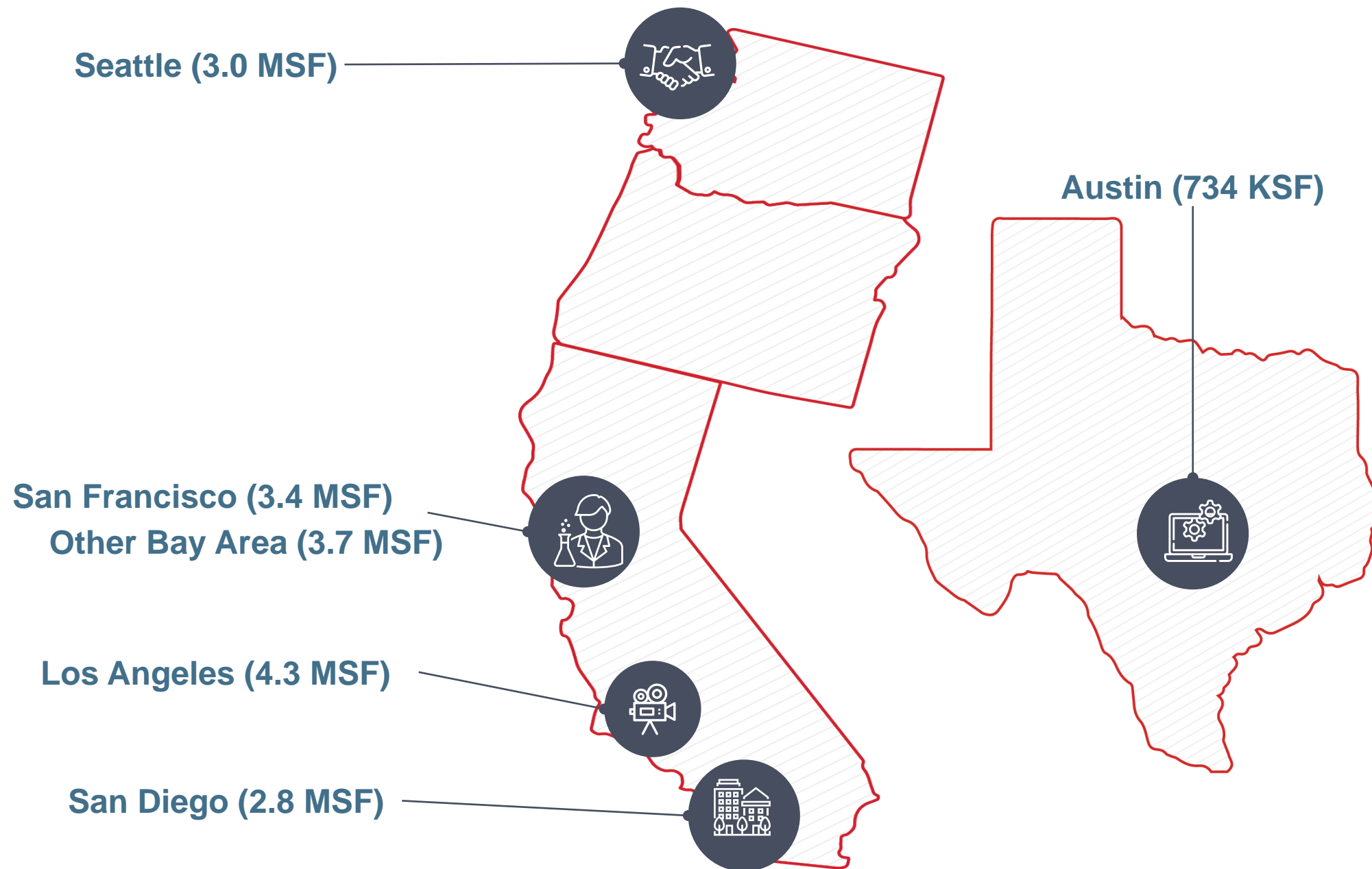


KILROY

One Paseo | San Diego, CA

PLATFORM HIGHLIGHTS

Kilroy At A Glance



Kilroy's Strategic Pillars

Best-in-Class Real Estate in the Most Dynamic Markets

Disciplined and Experienced Approach to Capital Allocation

Fortress Balance Sheet

Note: Data as of 1Q23. Square footage is proforma for the ~1.8M SF currently under construction and in the tenant improvement phase as of 03/31/2023.

PLATFORM HIGHLIGHTS

Company Overview

A Premier, Publicly Traded Developer, Owner, and Manager of Class A Properties on the West Coast and Austin

16.2M

RSF Owned

1,000+

Residential Units

\$700M

LTM EBITDA

\$1.6B

Total Current Liquidity

\$4.30-\$4.50

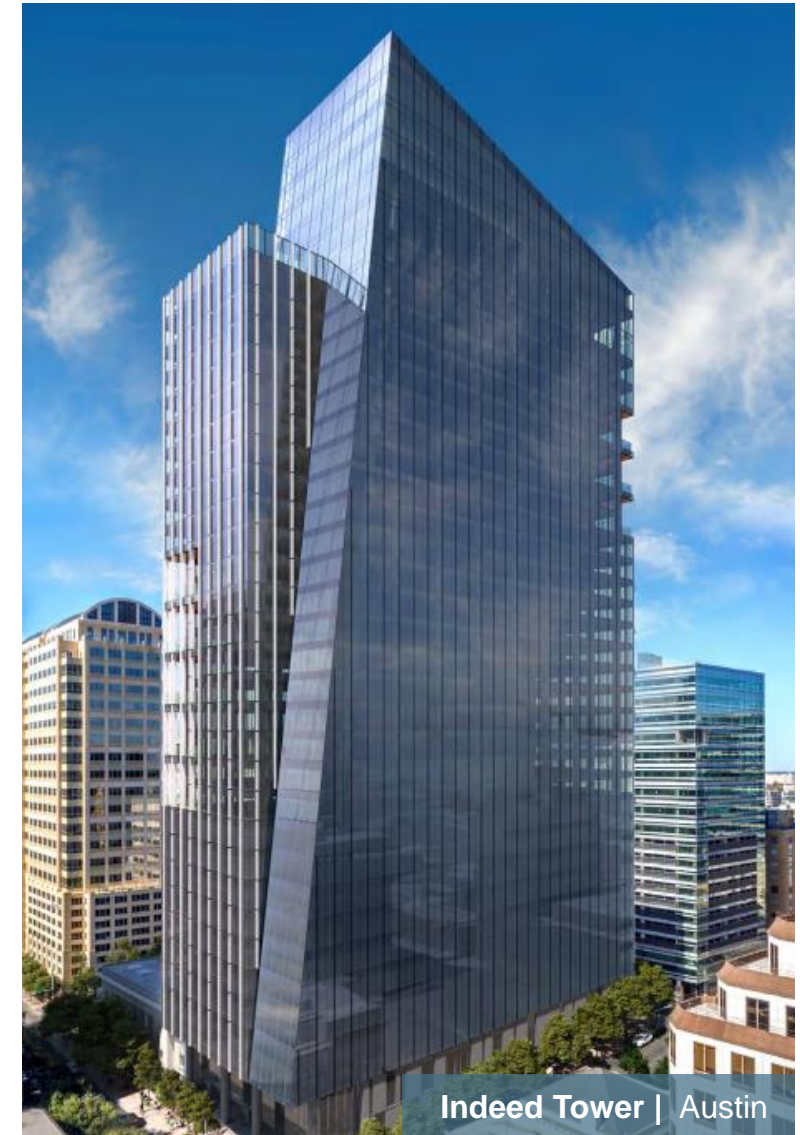
2023E Funds From Operations ⁽¹⁾

7.4%

Dividend Yield ⁽²⁾

Baa2 / BBB

Investment Grade



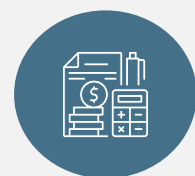
Indeed Tower | Austin

(1) Based on Current Guidance.
(2) Market Pricing as of 5/2/23.

PLATFORM HIGHLIGHTS

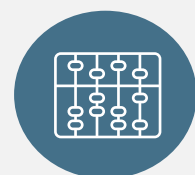
Positioned to Sustain Long-Term Value Creation

DEFENSE / RISK MITIGATION



Strong Balance Sheet

- 5.7x net debt to EBITDA ⁽¹⁾
- ~6-year average duration with no maturities until 2024



Excellent Cash Flow Visibility

- ~6.0-year WALT
- ~48% rent from top 15 tenants

STATUS QUO LONGEVITY



Best in Class Portfolio & Team

- ~92% leased
- Leader in Quality and Pioneer in Sustainability



Substantial Liquidity

- ~\$1.3B Revolver & Term Loan capacity plus ~\$330M in cash

GROWTH INITIATIVES



Development Pipeline

- ~55% of development pipeline comprised of life science



Strategic Capital Allocator

- Proven capital recycling track record
- Differentiated sourcing capabilities

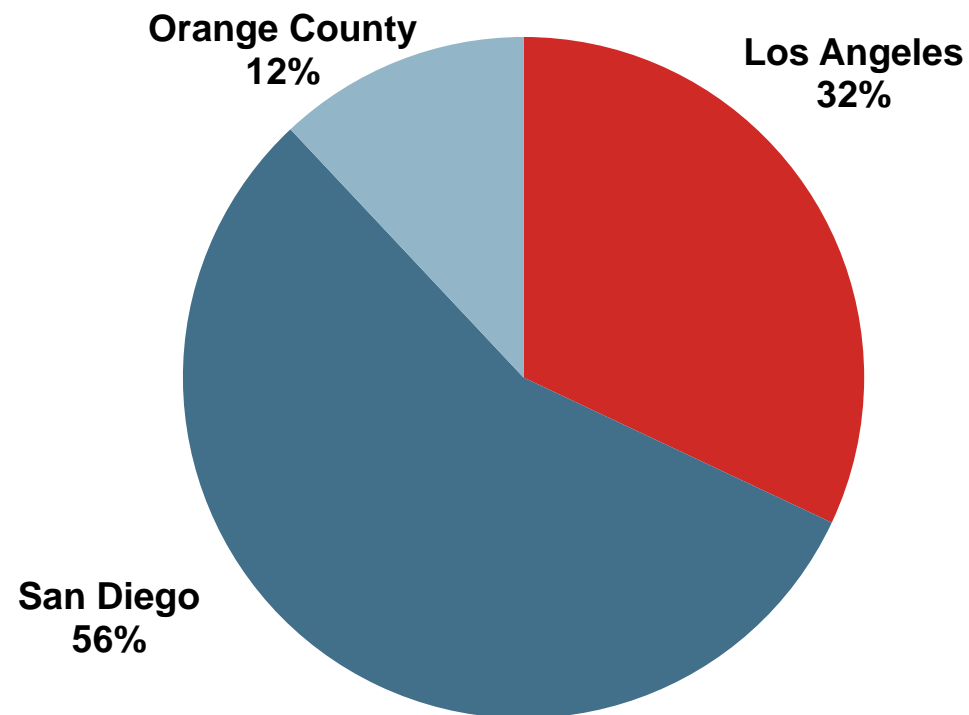
Kilroy Utilizes a Balanced, Conservative Approach to Risk Management and Capital Stewardship, Offering Investors Significant In-Place Cash Flow Protection While Thoughtfully Pursuing Growth Initiatives

(1) Based on annualized 1Q23 EBITDA and pro rata for our 56% ownership interest in the Norges strategic venture.

PLATFORM HIGHLIGHTS

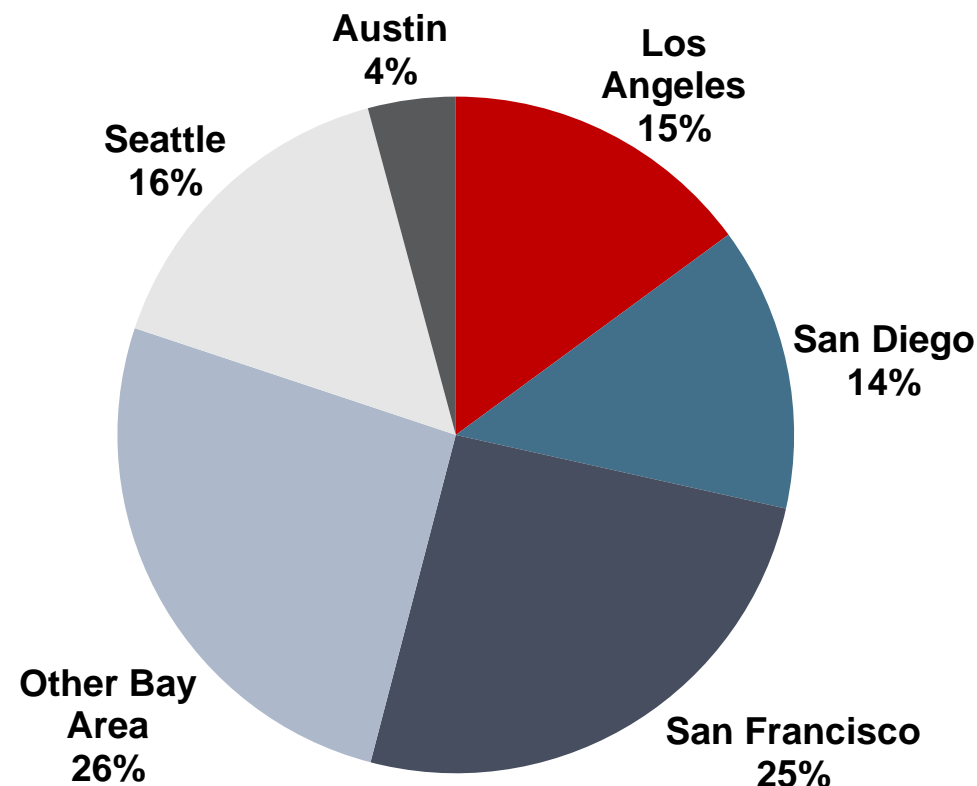
Company Transformation

Post-Recession
(December 2009)



Total NOI: ~\$205M // ~\$1.3B Market Cap

Today⁽¹⁾
(May 2023)



Total NOI: ~\$950M // ~\$3.2B Market Cap

From Southern California Portfolio to a Diversified West Coast Company With a Shift Towards Innovative, Growing Industries

Note: Data based on GAAP NOI. Market Cap as of 12/31/09 and 5/2/23.

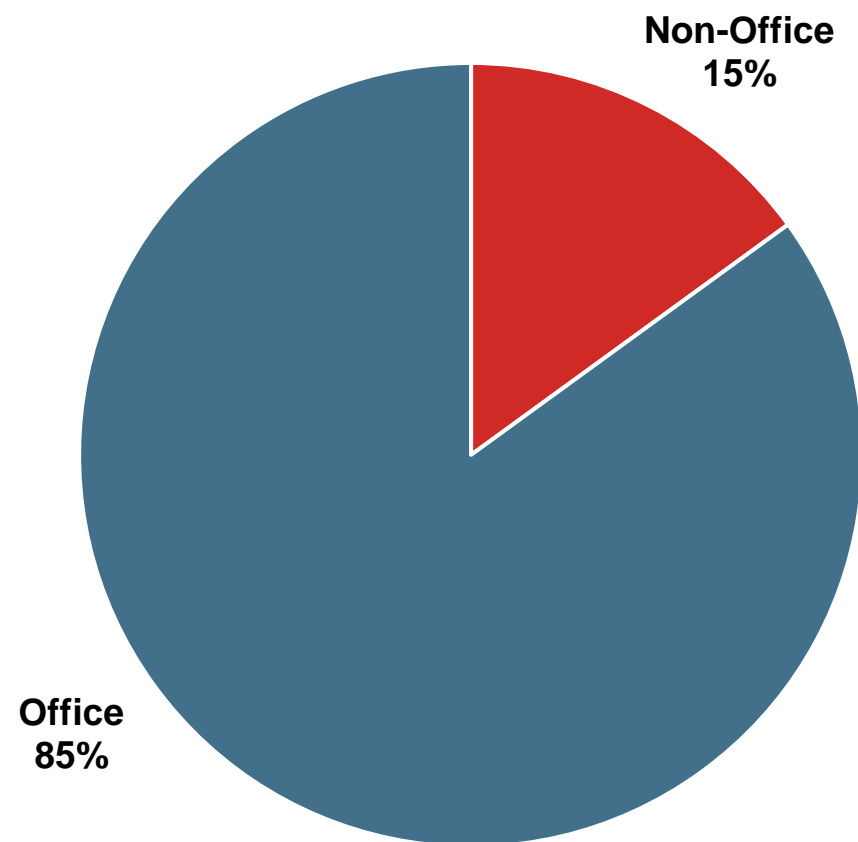
(1) "Today" is as of 3/31/23 pro forma for stabilized returns from development projects under construction.

PLATFORM HIGHLIGHTS

Company Transformation

Post-Recession

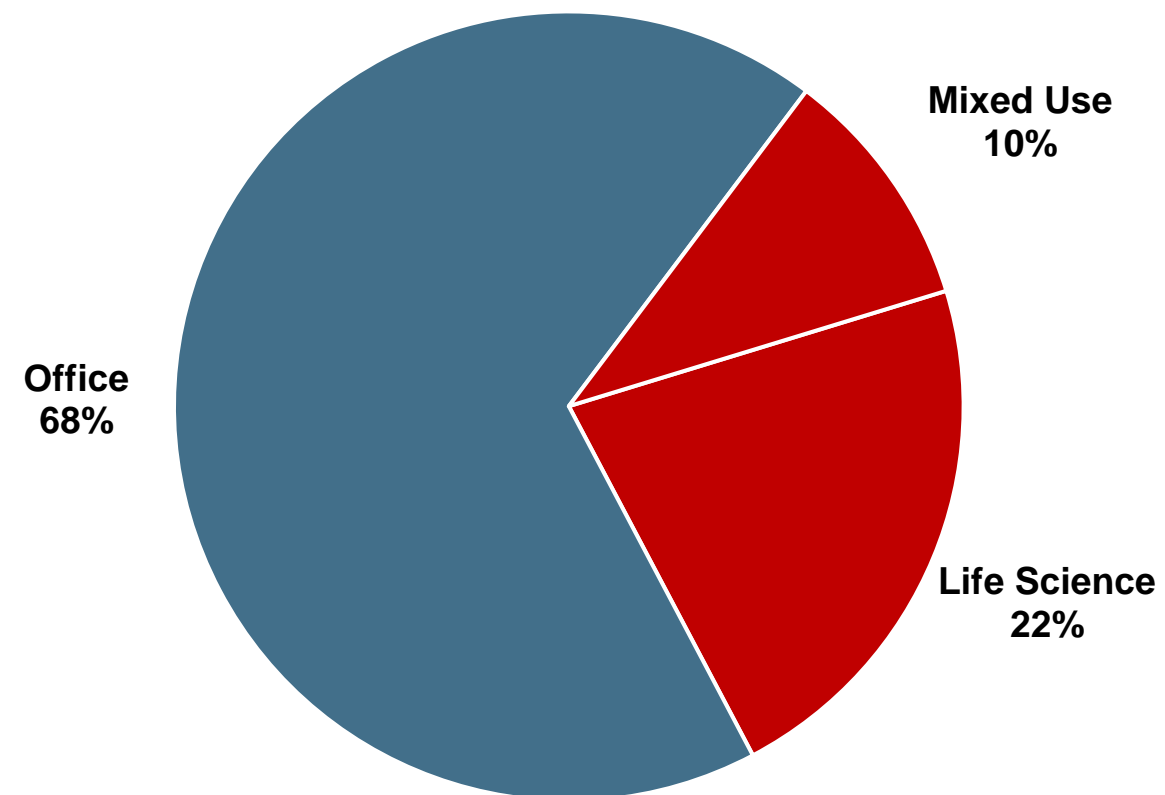
(December 2009)



Average Age of Portfolio: ~15 Years

Today⁽¹⁾

(May 2023)



Average Age of Portfolio: ~11 Years

Successfully Diversified Our NOI Composition While Reducing Our Average Age

Note: Data based on GAAP NOI.


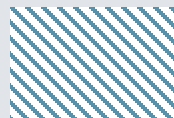


(1) "Today" is as of 3/31/23 pro forma for stabilized returns from development projects under construction.

PLATFORM HIGHLIGHTS

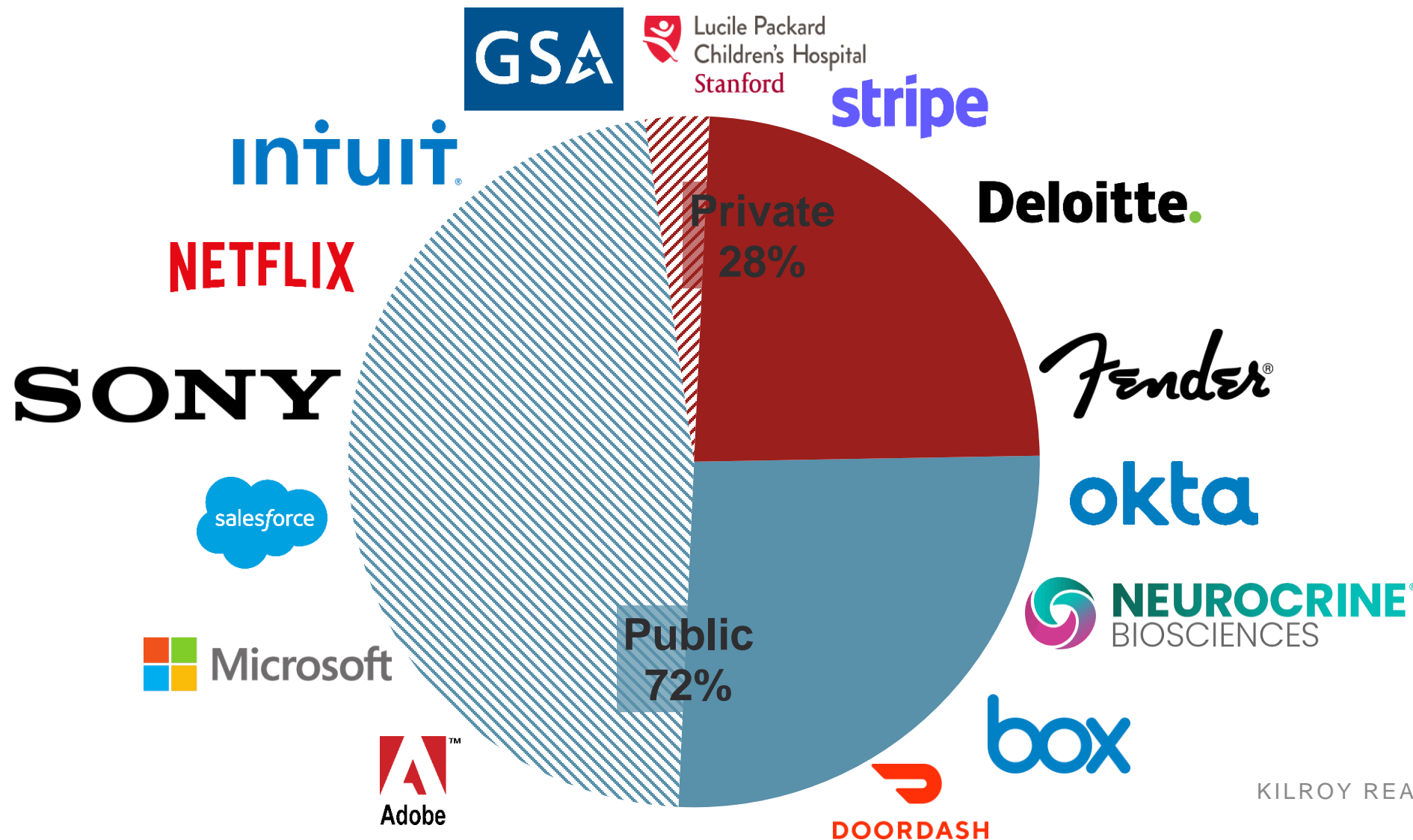
High Quality, Well Capitalized Tenant Roster

Platform Tenant Roster is Over 50% Investment Grade Rated With 98% of Tenant Rent Collected⁽¹⁾

Legend

-  Public Company
-  Public Company; Investment Grade
-  Private Company; Investment Grade
-  Private Company

Tenant Diversification



Note: Tenant diversification based on ABR.
 (1) Total Office rent collected as of 5/8/23.

PLATFORM HIGHLIGHTS

Top Fifteen Tenants

Tenant	Publicly Traded	MCAP (\$B)	Rating	% of Total ABR ⁽¹⁾
Fortune 50 Publicly-Traded Company	NASDAQ	\$2,688	AA+	4.9%
GM Cruise, LLC	NYSE	\$46	BBB	4.4%
Stripe, Inc.	--	--	--	4.1%
Amazon.com	NASDAQ	\$1,076	AA	3.9%
Salesforce, Inc. / Tableau Software, LLC	NYSE	\$190	A+	3.7%
LinkedIn Corporation / Microsoft Corporation	NASDAQ	\$2,281	AAA	3.7%
Adobe Systems, Inc.	NASDAQ	\$162	A+	3.4%
DoorDash, Inc.	NYSE	\$24	--	2.9%
Riot Games, Inc.	NASDAQ	\$413	A+	2.8%
Okta, Inc.	NASDAQ	\$11	--	2.8%
Netflix, Inc.	NASDAQ	\$144	BBB	2.7%
Box, Inc.	NYSE	\$4	--	2.5%
Cytokinetics, Inc.	NASDAQ	\$4	--	2.2%
DIRECTV, LLC	NYSE	\$123	BBB	2.0%
Synopsys, Inc.	NASDAQ	\$56	--	1.9%
Top 15				47.9%

14
of Top 15 Tenants
Are Publicly Listed

9
of Top 15 Tenants
Are Investment
Grade Rated

~48%
of Revenues From
Top 15 Tenants

Note: Market capitalization (MCAP) based activity as of 5/3/23. Pro forma for all leasing activity on projects under construction.

(1) Includes 100% of annualized base revenues of consolidated property partnerships.

PLATFORM HIGHLIGHTS

Diversified Debt Capital Stack With Ample Covenant Flexibility

Unsecured Bank Facilities and Private Placement Notes

Covenants	Covenant Levels	Actual Performance as of 03/31/2023
Total Debt to Total Asset Value	Less than 60%	28%
Fixed Charge Coverage Ratio	Greater than 1.5x	3.9x
Unsecured Debt Ratio	Greater than 1.67x	3.47x
Unencumbered Asset Pool Debt Service Coverage	Greater than 1.75x	4.59x

Unsecured Senior Notes

Covenants	Covenant Levels	Actual Performance as of 03/31/2023
Total Debt to Total Asset Value	Less than 60%	37%
Interest Coverage	Greater than 1.5x	8.2x
Secured Debt to Total Asset Value	Less than 40%	2%
Unencumbered Asset Pool Value to Unsecured Debt	Greater than 150%	278%

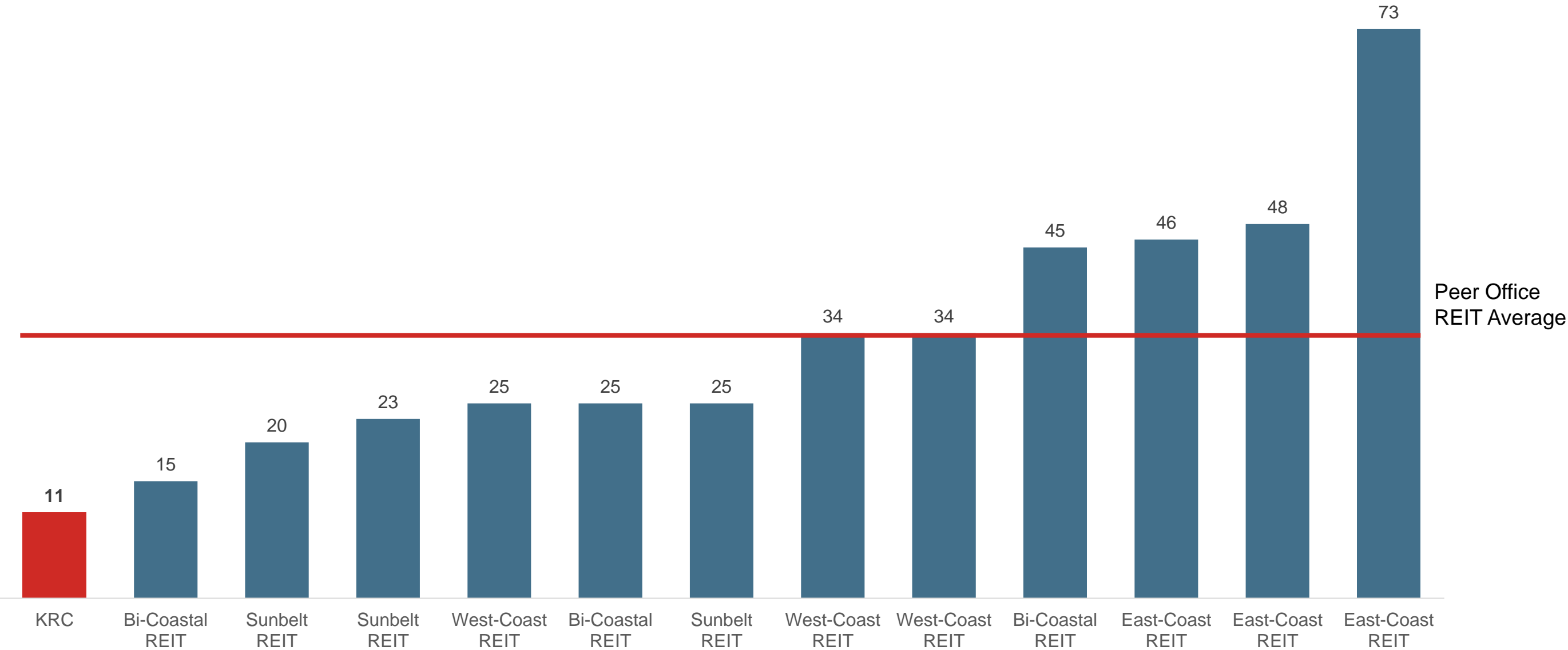
APPENDIX



APPENDIX

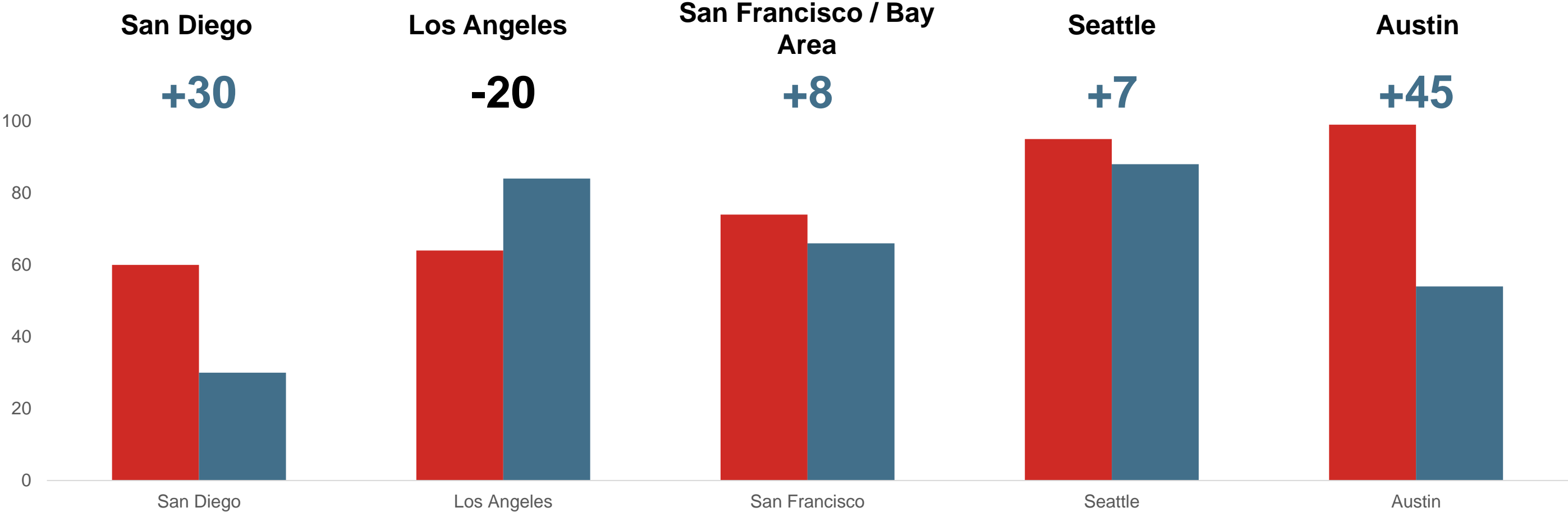
Benchmarking Average Age

Kilroy Has the Youngest and Most Modern Portfolio Among Office REITs



Note: KRC's average age calculated based on time since construction completion or most recent renovation having the effect of modernizing the building, based on the Company's judgment. Source: Green Street





KRC Properties Are More Amenitized and Centralized Than Peers Resulting in Higher Walk Scores



Source: Walkscore.com
Note: Data as of 4Q22. Competitive set includes the office and life science properties of: AAT, ARE, BXP, BDN, CUZ, DEI, HPP, PGRE, VNO, and PEAK.

APPENDIX

Strong Capital Allocation Track Record

		Since 2015:		
		Dispositions	Acquisitions	Developments
	Dollar Amount	\$3.1B	\$1.9B	\$4.4B
	Average Age⁽¹⁾	~12 years	~10 years	~3 years
	Amenitized Locations	Walk Score: 49 Transit Score: 41	Walk Score: 83 Transit Score: 68	Walk Score: 81 Transit Score: 57
	Capex as % of NOI⁽²⁾	~20%	~15%	~2%

Data as of 1Q23.

Source: Walkscore.com / CoStar

(1) Average age calculated based on time since construction completion or most recent renovation having the effect of modernizing the building, based on the Company's judgment.

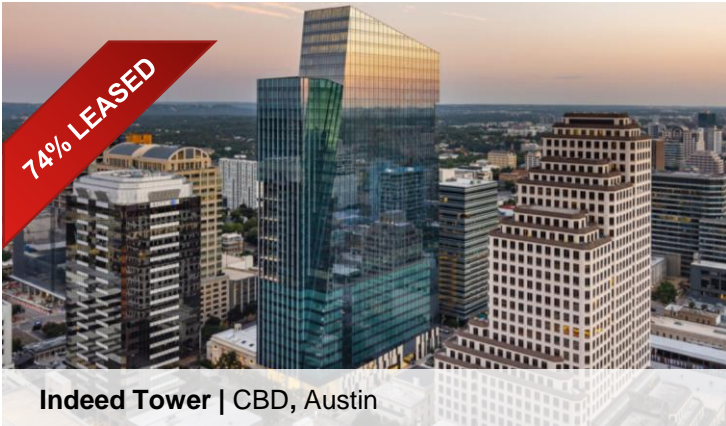
(2) Calculated based on 1st Generation (Nonrecurring) Capital Expenditures & 2nd Generation (Recurring) Capital Expenditures.

APPENDIX

In-Process Development

Office

~\$750M Investment



Life Science

~\$1B Investment



Remaining Development Spend of ~\$690M

Note: Development update as 3/31/23.

Uses – Development Spending	
	Total 2023 Spend
Development Spending ⁽¹⁾	\$375M
TOTAL	\$375M

Sources	
	Total
Cash on Hand	\$330M
Dispositions ⁽²⁾	\$100M
Term Loan Availability	\$170M
Revolver Availability	\$1,100M
TOTAL	\$1,700M

Liquidity Takeaways

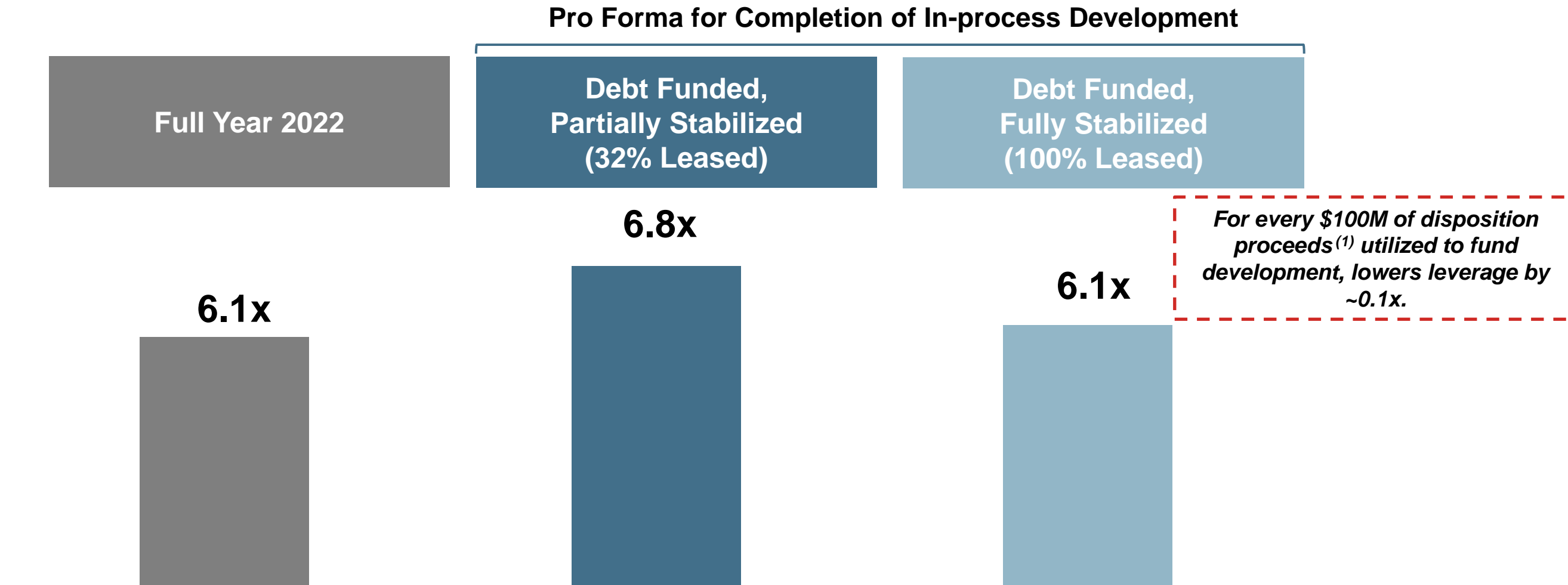
- 2023 development spend funded with cash on hand and borrowings on term loan

- Beyond 2023: Full availability under revolver and access to capital markets through:
 - Free cash flow
 - Dispositions
 - Joint ventures
 - Debt capacity
 - Equity, including ATM

Note: Data as of 1Q23. Cash balance as of 4/27/23.

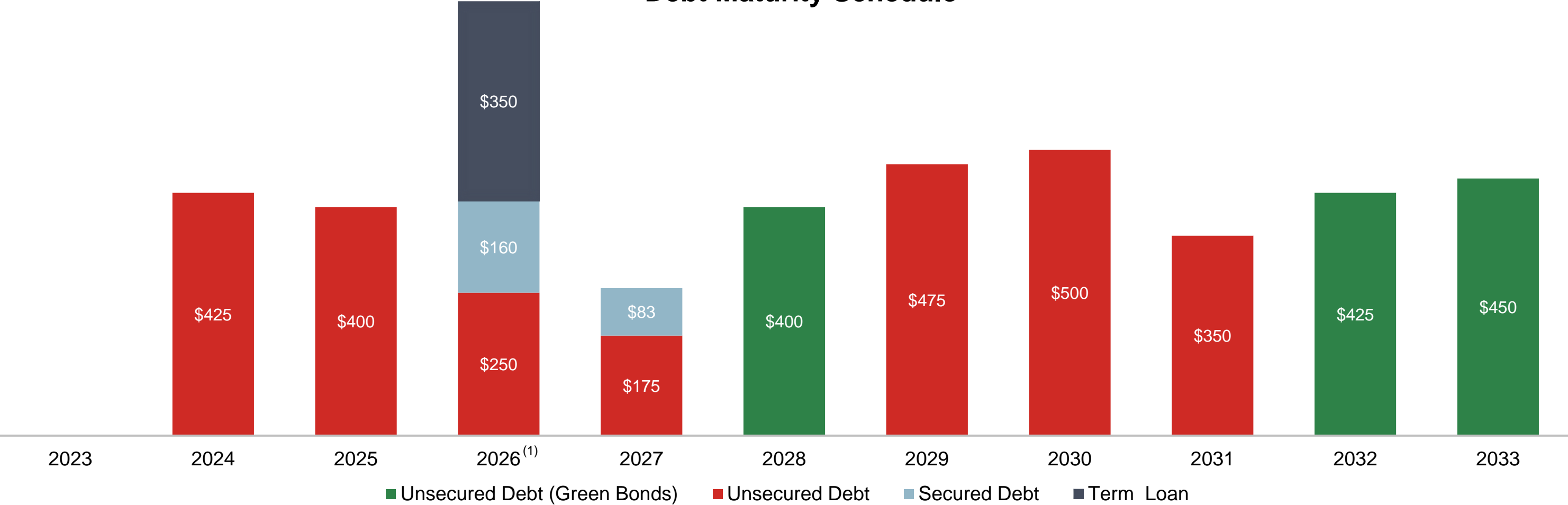
(1) Represents the midpoint of our remaining 2023 development spend.

(2) Represents the midpoint of our full year disposition guidance.



Even Assuming No Additional Leasing and All Debt Funding, Leverage Remains Manageable

Debt Maturity Schedule



KRC Has No Maturities Until December 2024 and ~95% of Debt Is Fixed or Capped

Note: Data as of 3/31/23 and in millions. Reflects the principal due each period and does not adjust for amortization of principal balances.
(1) Term Loan assumes two one-year extension options are executed.

APPENDIX

A Dynamic, Tenured and Experienced Management Team



JOHN KILROY
CEO, Chairman
56 Years



JUSTIN SMART
President
23 Years



ROB PARATTE
EVP, CLO & Senior
Advisor to the Chairman
9 Years



ELLIOTT TRENCHER
EVP, CIO & CFO
6 Years



HEIDI ROTH
EVP, CAO
26 Years



JOHN OSMOND
EVP, Asset Mgmt.
6 Years



MERYLL WERBER
SVP, CAO & Controller
25 Years



LAUREN STADLER
SVP, Corporate Counsel
9 Years



BILL HUTCHENSON
SVP, Investor Relations
& Capital Markets
2 Years



TAYLOR FRIEND
SVP, Treasurer
5 Years

APPENDIX

Sustainability Achievements



Newsweek

Listed on America's Most Responsible Companies, 2020-2022



US EPA Green Power Partnership

Top 100 Green Power Purchasers, 2021-2022



Green Lease Leader

Leader, 2014-2022
Gold Level, 2018-2022

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Dow Jones Sustainability World Index

Member, 2017-2022



Energy Star

Partner of the Year, 2014-2022
Sustained Excellence, 2016-2022



Bloomberg Gender Equality Index

Member, 2020-2022



Best in Building Health

Fitwel Excellence Award,
Most Certifications of All Time, 2019-2022



Carbon Neutral Operations

Kilroy Achieved Carbon Neutral Operations in 2020 + 2021



GRESB

#1 in the Americas, Listed 2021
5-Star Rating, 2015-2021



NAREIT

Leader in the Light Award Office Sector, 2014-2021
Most Innovative, 2018, 2020



The Climate Registry

Climate Leadership Award, 2020
Organizational Leadership Award, 2020



Science Based Targets

Emissions and Reduction Targets Validated, 2018

Recent Announcements



3 days a week starting May 2023



5 days per week in the office following Elon Musk's acquisition



3 days a week starting May 2023



At least 3 days a week as of February 2023



Managing directors 5 days a week starting April 2023



Sales staff near the office in 2-3 days per week as of December 2022



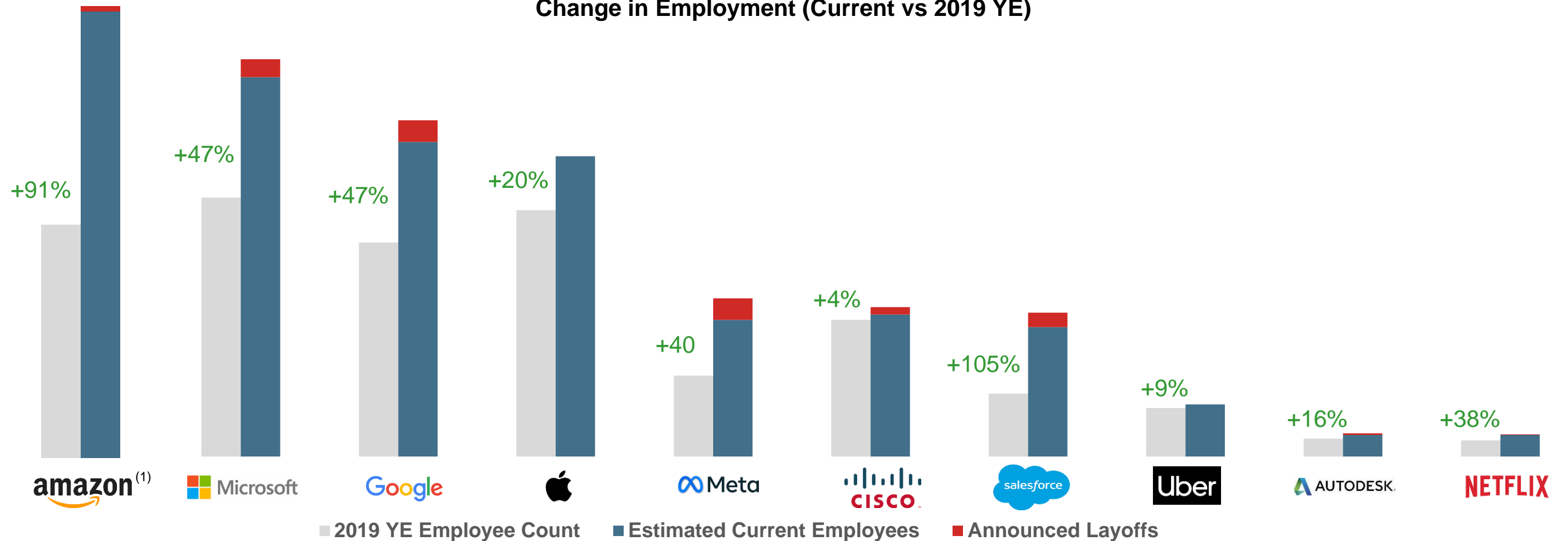
4 days a week starting March 2023



At least 3 days a week as of August 2022

Adjusting for the Layoffs, the Current Headcount Among the Below Companies Remains Higher Than Pre-COVID Numbers, and in Most Cases, Substantially Higher

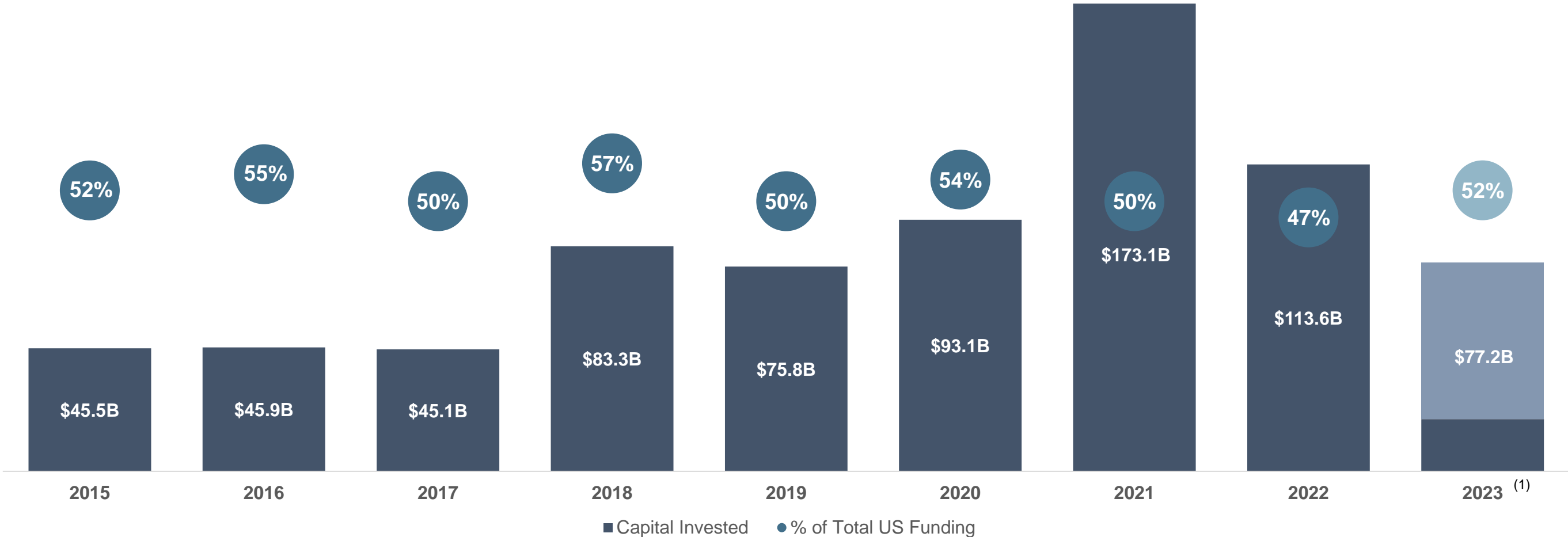
Change in Employment (Current vs 2019 YE)



Source: Company Annual 10-K's.
 (1) Amazon not shown to scale.

West Coast Commands 52% of Total Venture Funding

West Coast Venture Capital Trends



Source: PitchBook / NVCA Venture Monitor.
(1) Annualized as of 3/31/23.

KILROY

Where Innovation Works



DISCLAIMER

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on our current expectations, beliefs and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results and events may vary materially from those indicated or implied in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others: global market and general economic conditions and their effect on our liquidity and financial conditions and those of our tenants; adverse economic or real estate conditions generally, and specifically, in the States of California and Washington; risks associated with our investment in real estate assets, which are illiquid, and with trends in the real estate industry; defaults on or non-renewal of leases by tenants; any significant downturn in tenants' businesses; our ability to re-lease property at or above current market rates; costs to comply with government regulations, including environmental remediation; the availability of cash for distribution and debt service and exposure to risk of default under debt obligations; increases in interest rates and our ability to manage interest rate exposure; the availability of financing on attractive terms or at all, which may adversely impact our future interest expense and our ability to pursue development, redevelopment and acquisition opportunities and refinance existing debt; a decline in real estate asset valuations, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing, and which may result in write-offs or impairment charges; significant competition, which may decrease the occupancy and rental rates of properties; potential losses that may not be covered by insurance; the ability to successfully complete acquisitions and dispositions on announced terms; the ability to successfully operate acquired, developed and redeveloped properties; the ability to successfully complete development and redevelopment projects on schedule and within budgeted amounts; delays or refusals in obtaining all necessary zoning, land use and other required entitlements, governmental permits and authorizations for our development and redevelopment properties; increases in anticipated capital expenditures, tenant improvement and/or leasing costs; defaults on leases for land on which some of our properties are located; adverse changes to, or enactment or implementations of, tax laws or other applicable laws, regulations or legislation, as well as business and consumer reactions to such changes; risks associated with joint venture investments, including our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers; environmental uncertainties and risks related to natural disasters; our ability to maintain our status as a REIT; and uncertainties regarding the impact of the COVID-19 pandemic, and restrictions intended to prevent its spread, on our business and the economy generally. These factors are not exhaustive and additional factors could adversely affect our business and financial performance. For a discussion of additional factors that could materially adversely affect our business and financial performance, see the factors included under the caption "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2022 and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the dates on which they are made. We assume no obligation to update any forward-looking statement made in this press release that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.