

KILROY REALTY

September 2023

Bank of America Real Estate Conference



KILROY

One Paseo | San Diego

AGENDA



Indeed Tower | Austin

01 Company Update

02 Market Observations

03 Strong Financial Position

COMPANY UPDATE



KILROY AT A GLANCE

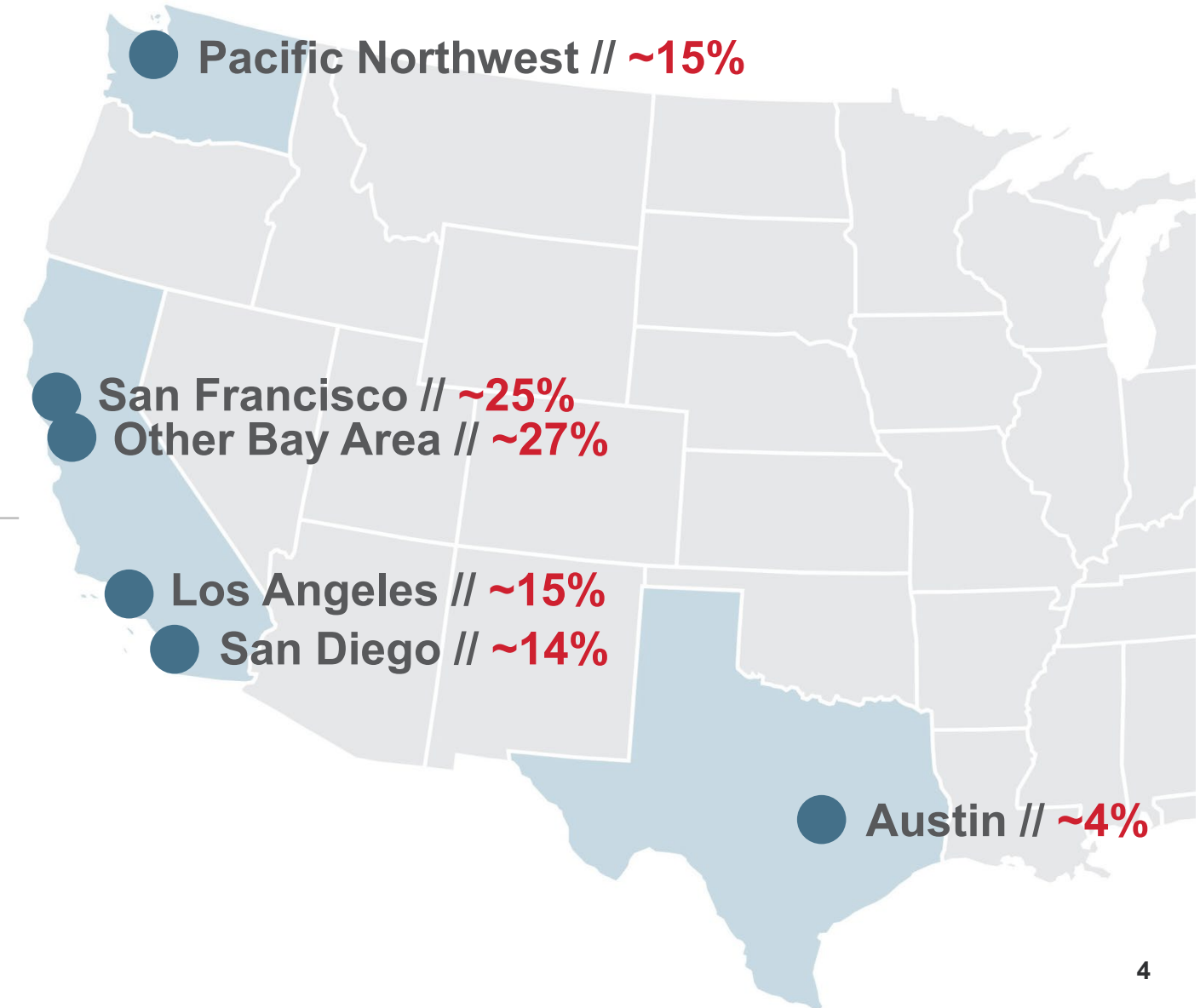
A Premier, Developer, Owner, and Manager of Class A Properties on the West Coast and Austin

~285%

Total Shareholder Return
Outperforming Peers by ~100%⁽¹⁾

Baa2 / BBB

Investment Grade



5.6%

11-Yr Annual Same-Store NOI Growth
Outperforming Peers by >200 bps⁽²⁾

5.8%

Dividend Yield⁽³⁾

Note: Percentages based on GAAP NOI pro forma for stabilized returns from development projects under construction as of 6/30/23.

(1) Peer Group comprised of Gateway Peers based on Companies' performance from GFC to Today.

(2) Peer Group comprised of Gateway Peers based on Companies' performance from 2011-2022.

(3) Market pricing as of 9/7/23.

KILROY IS BUILT FOR ALL ENVIRONMENTS

Three Guiding Principles



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

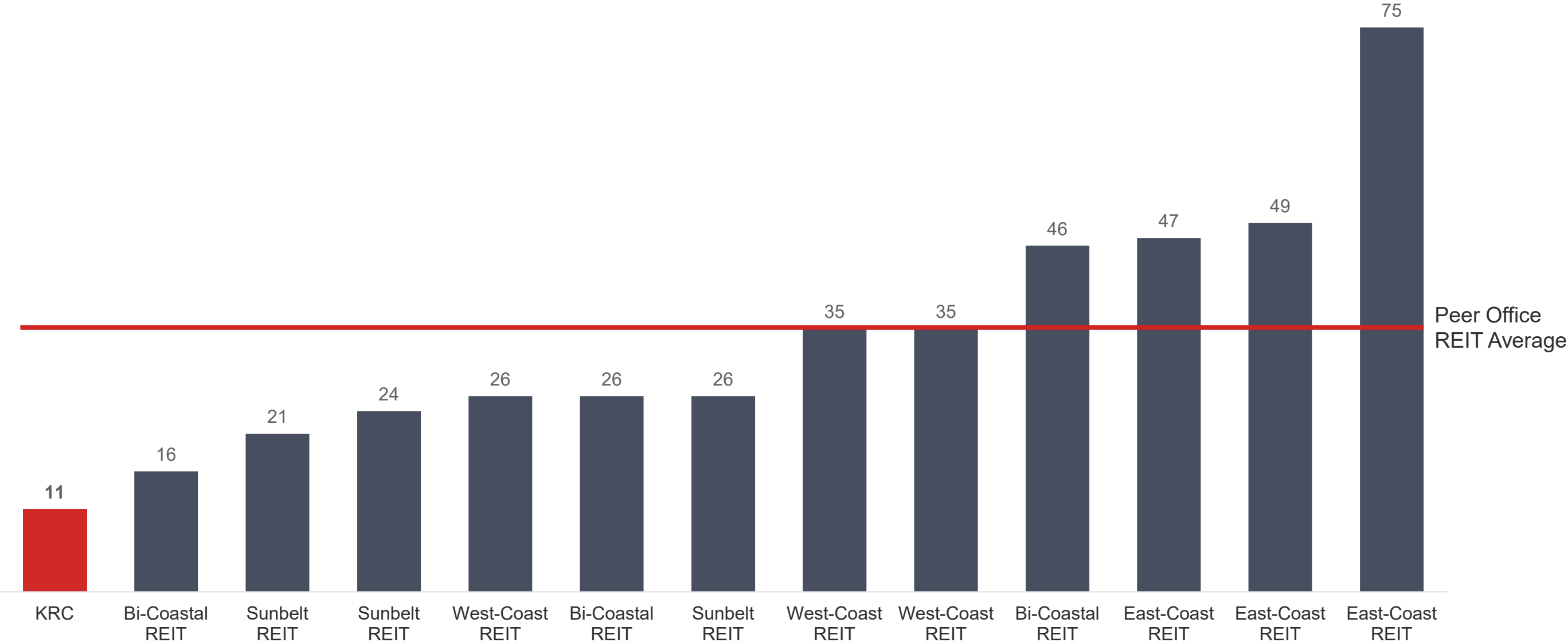


Disciplined and Experienced Approach to Capital Allocation



Fortress Balance Sheet

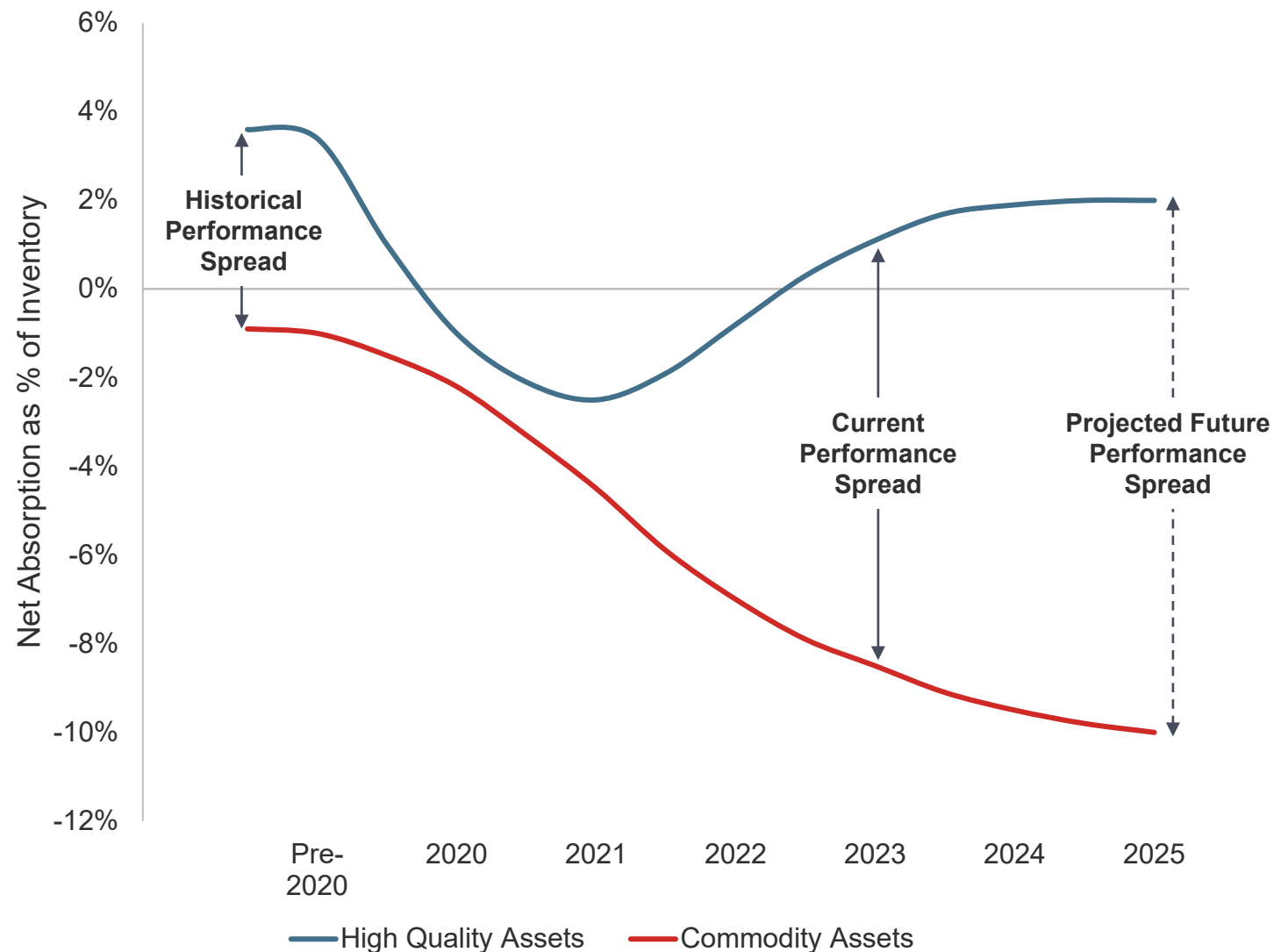
KILROY IS A LEADING SPACE PROVIDER IN PORTFOLIO AGE AND QUALITY...



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. Includes buildings currently in our Tenant Improvement phase. Source: 2022 Green Street Data. Company updated building age based on Peers' portfolio changes during 2023.

... WHICH UNIQUELY POSITIONS KILROY TO BE RESILIENT...

Flight to Quality Driving a Divergence in Market Performance Plays to Kilroy's Advantage

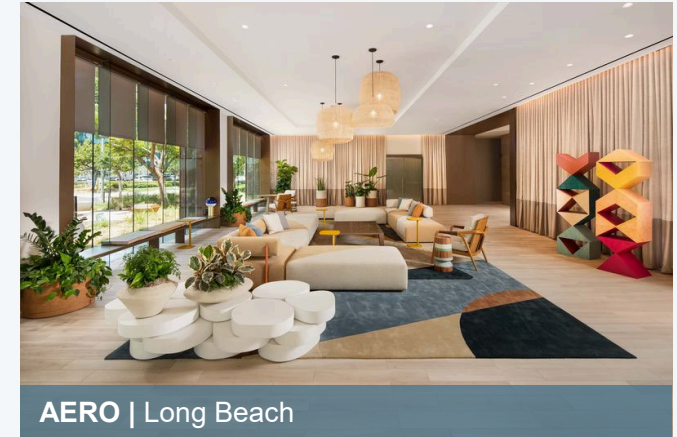


What Differentiates KRC?

Design & Architecture



Modern Space Planning



Vibrant Outdoor Spaces



Highly Amenitized Offerings



...AND HAVE OPTIONALITY TO PLAY BOTH OFFENSE & DEFENSE THROUGHOUT A REAL ESTATE CYCLE



| Select Categories | Commentary |
|---|---|
| Fortress Balance Sheet | <ul style="list-style-type: none"> • \$1.9B of liquidity including ~\$830M in cash and undrawn term loan proceeds • 6.0x⁽¹⁾ levered with no debt maturities until December 2024 |
| Capital Markets Execution | <ul style="list-style-type: none"> • Raised ~\$900M of capital at a high-5% rate over the last year • Includes a \$375M secured financing and a \$520M unsecured term loan |
| Pursuit of Quality in Every Aspect | <ul style="list-style-type: none"> • Tenant roster comprised of over 50% investment grade rated companies • High quality, balanced portfolio (65% Office, 25% Life Science and 10% Mixed Use)⁽²⁾ |
| Premier Development Capabilities | <ul style="list-style-type: none"> • \$1.8B of in-process development with ~55% comprised of life science • Eight future development projects across our five markets |

(1) Based on 2Q23 annualized results.

(2) Percentages based on GAAP NOI pro forma for stabilized returns from development projects under construction as of 6/30/23.

MARKET OBSERVATIONS



MARKET OBSERVATIONS

Recent Return to Office Announcements

Return to Office Momentum Continues and Existing Mandates Are Strengthened



3 days per week; Instituting stricter monitoring and enforcement of hybrid employees' attendance



U.S. Department of Veterans Affairs

5 times per 2 weeks beginning in September



3 days per week; Instituting stricter monitoring and enforcement of hybrid employees' attendance



3 days per week beginning September 5



3 days per week; Instituting stricter monitoring and enforcement of hybrid employees' attendance



4 days per week beginning September 11



Shifting from work-from-anywhere to hybrid attendance policy starting in August & September



4+ days per week beginning September 18



4 days per week beginning in September



3 days per week beginning in mid-September



3 days per week beginning in September



3 days per week beginning in Fall 2023



Prioritizing in-person work beginning in September



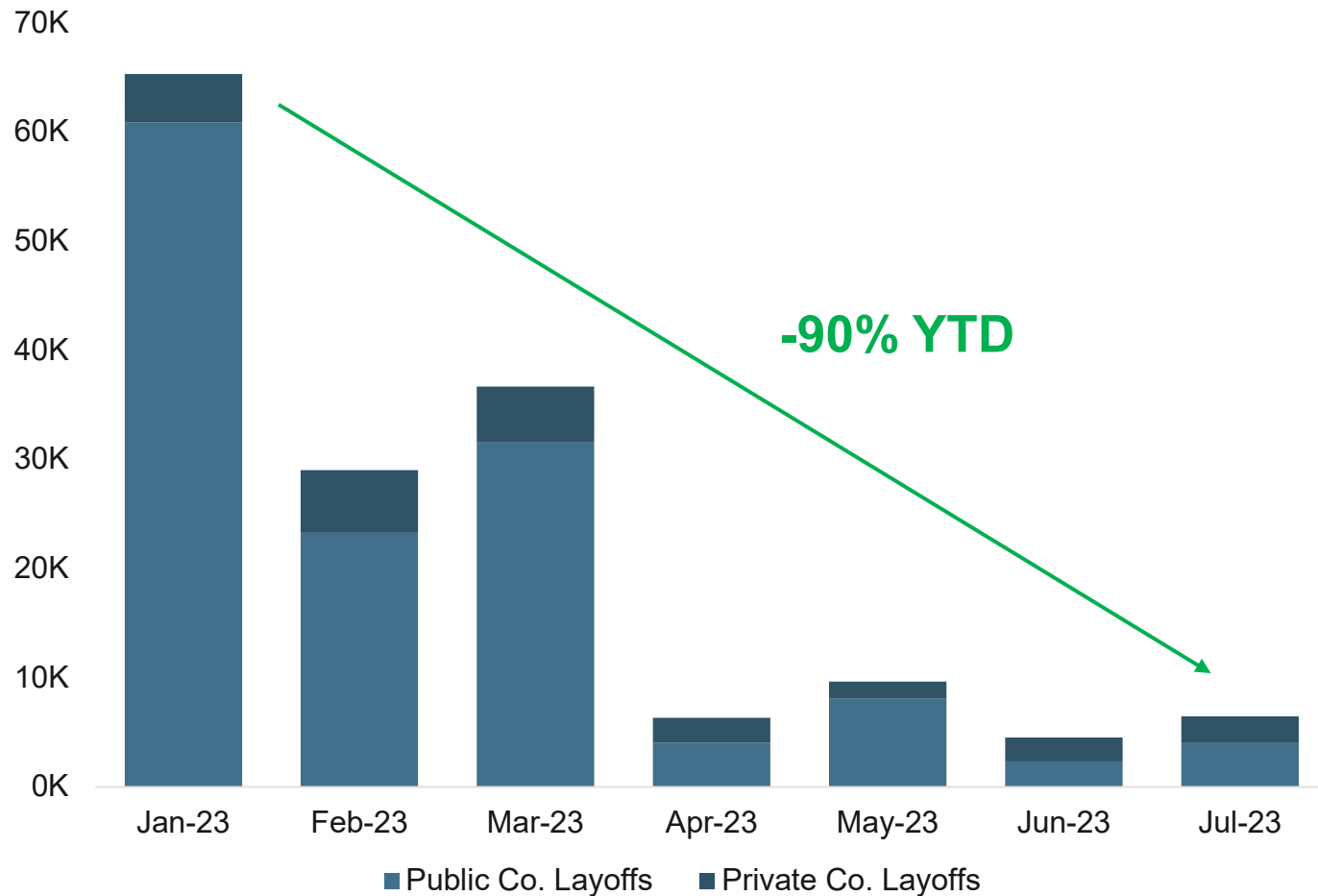
4 days per week beginning in January 2024

MARKET OBSERVATIONS

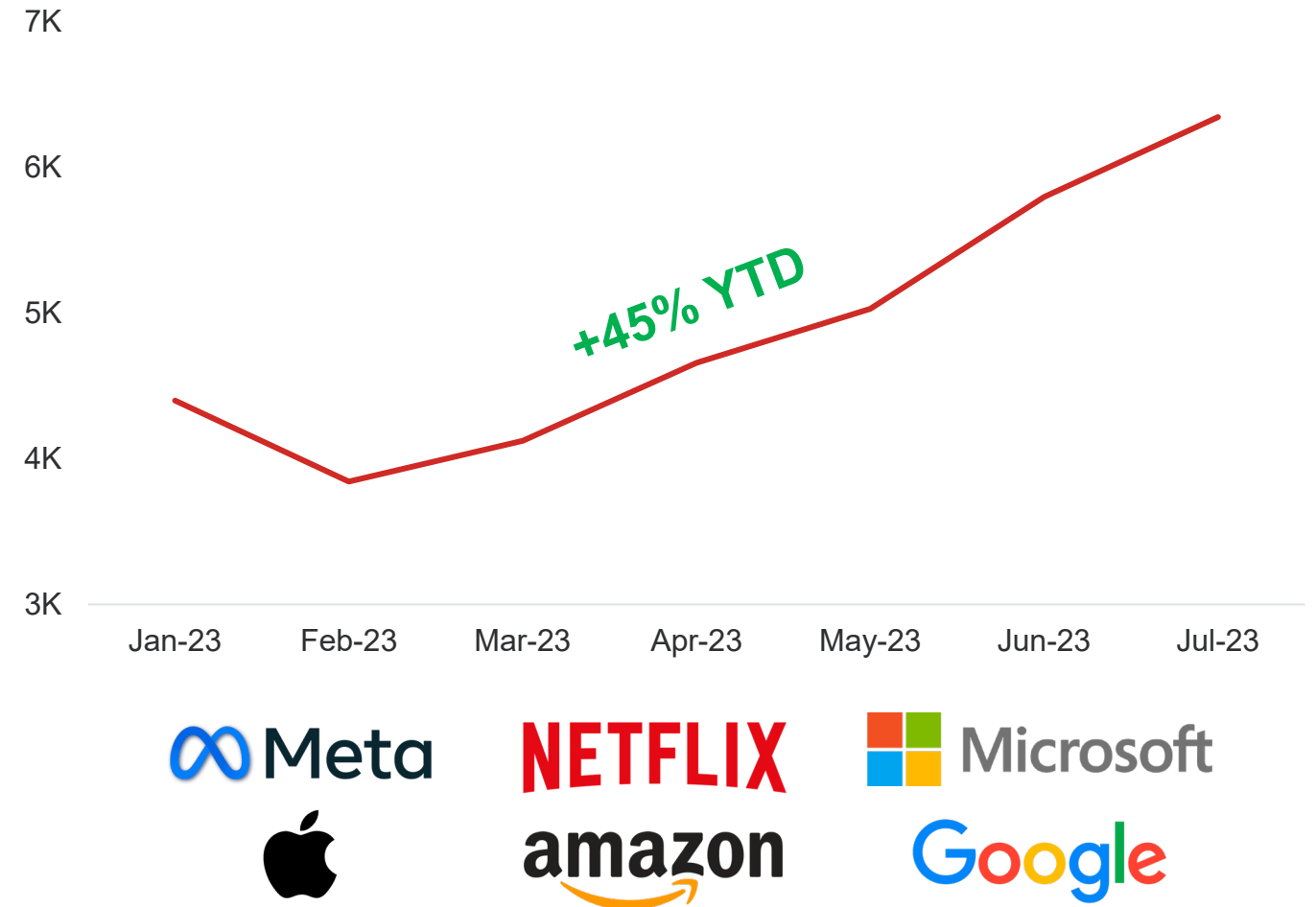
Recent Employment Trends in the Tech Sector

Slowdown in Tech Layoffs Coupled With Increased Office Job Postings Will Drive Positive Momentum

U.S. Tech Layoffs



Large Cap Tech Job Postings in KRC Markets ⁽¹⁾



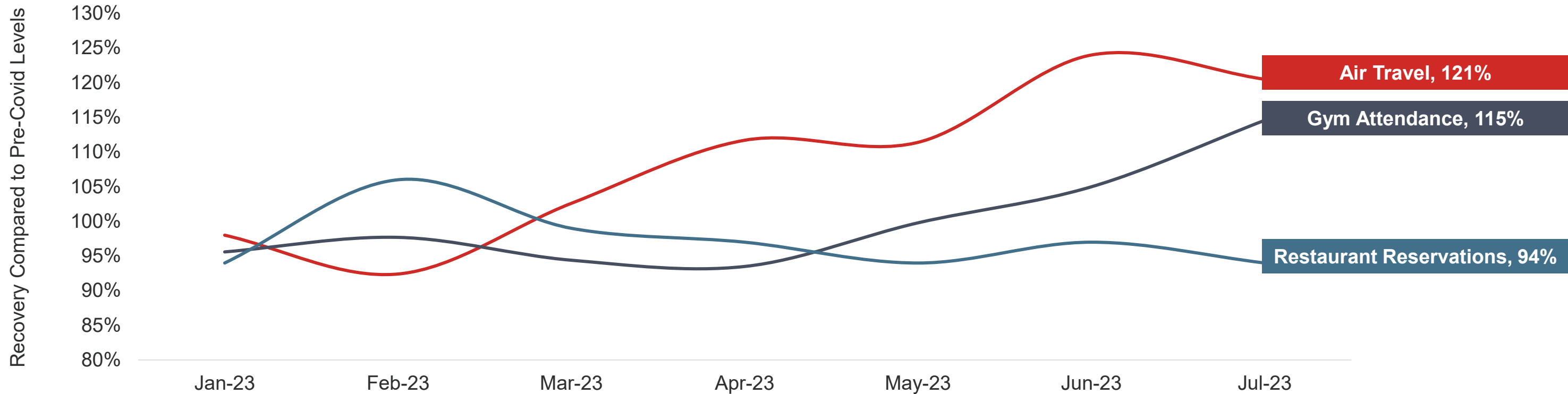
Source: Crunchbase Tech Layoffs Tracker.

(1) Includes job postings for listed companies in Seattle, San Francisco, Los Angeles, San Diego, and Austin as of 8/1/23.

MARKET OBSERVATIONS

Lifestyle Recovery Trends Present Green Shoots for Office Sector

In 2023, Key Lifestyle Trends Are At or Exceeding Pre-Covid Levels



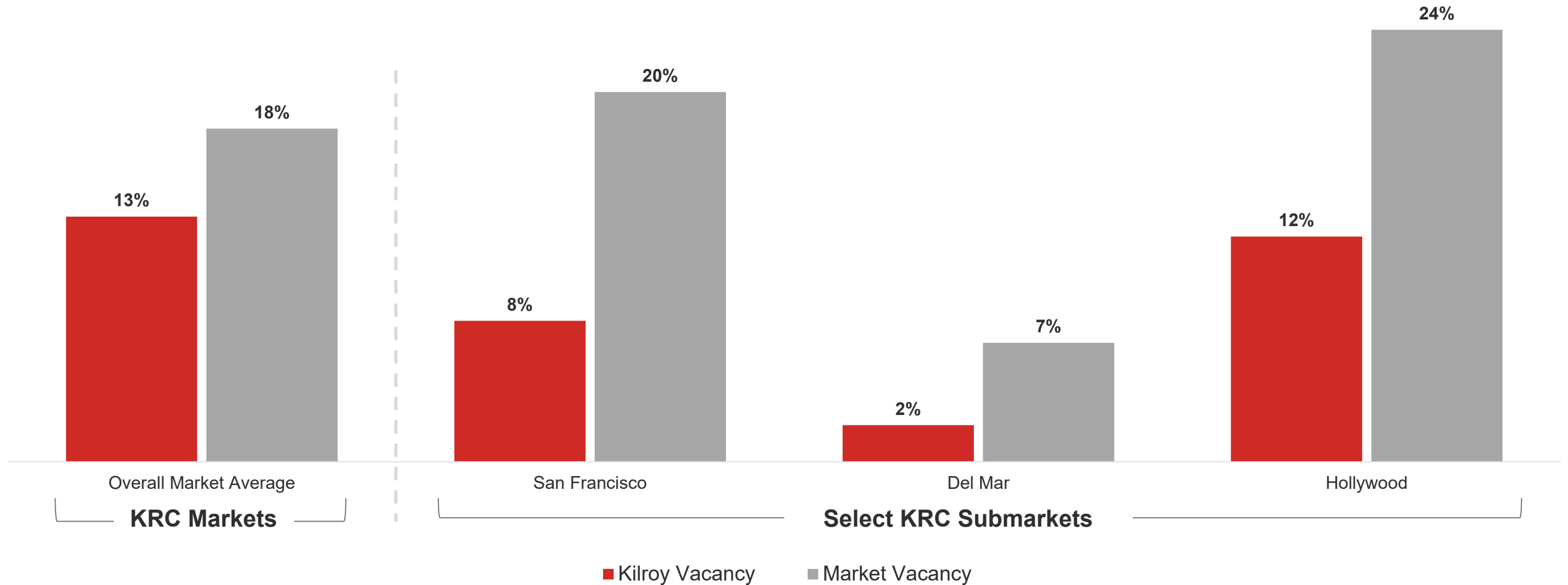
U.S. Employees Subject to New RTO Mandates



MARKET OBSERVATIONS

Building Age and Quality Influence Market Vacancy Rates

Kilroy Vacancy vs. Market Vacancy

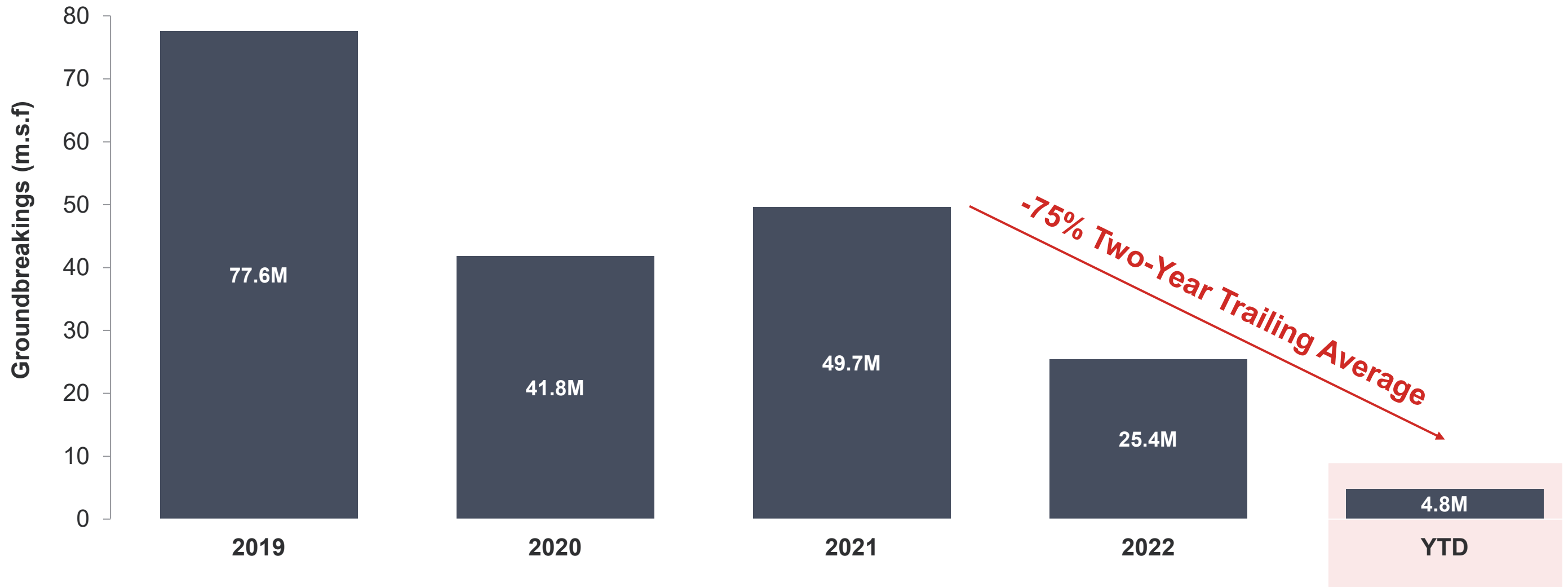


Note: Data based on Company's stabilized occupancy as of 6/30/2023.
Sources: JLL and CBRE.

MARKET OBSERVATIONS

U.S. Office Supply Slowing Down

The Deceleration of Groundbreakings Will Create a Future Shortage of High-Quality Product



STRONG FINANCIAL POSITION



STRONG FINANCIAL POSITION

Fortress Balance Sheet

Premier Access to a Multitude of Liquidity-Enhancing Avenues in Both Public and Private Markets

Fortress Balance Sheet

Strong Liquidity

| | |
|--|--|
| <p>~6 Years Average Debt Duration</p> | <p>Low Leverage Profile 6.0x⁽¹⁾</p> |
| <p>Fixed or Capped Rate Debt >95%</p> | <p>~95% Portfolio is Unencumbered</p> |

| Uses | |
|--|------------------|
| | Total |
| 2024 Bond Maturity | \$425M |
| Remaining In-Process Development Spend ⁽²⁾ (2023-2025) | ~\$590M |
| TOTAL | ~\$1,015M |

| Sources | |
|---|-------------------|
| | Total |
| Cash on Hand | \$660M |
| Term Loan Availability | \$170M |
| Revolver Availability + Free Cash Flow ⁽³⁾ | \$1,100M+ |
| TOTAL | ~\$1,930M+ |

Note: Data as of 2Q23, proforma for One Paseo financing. Cash balance as of 8/1/23.

(1) Based on 2Q23 annualized results.

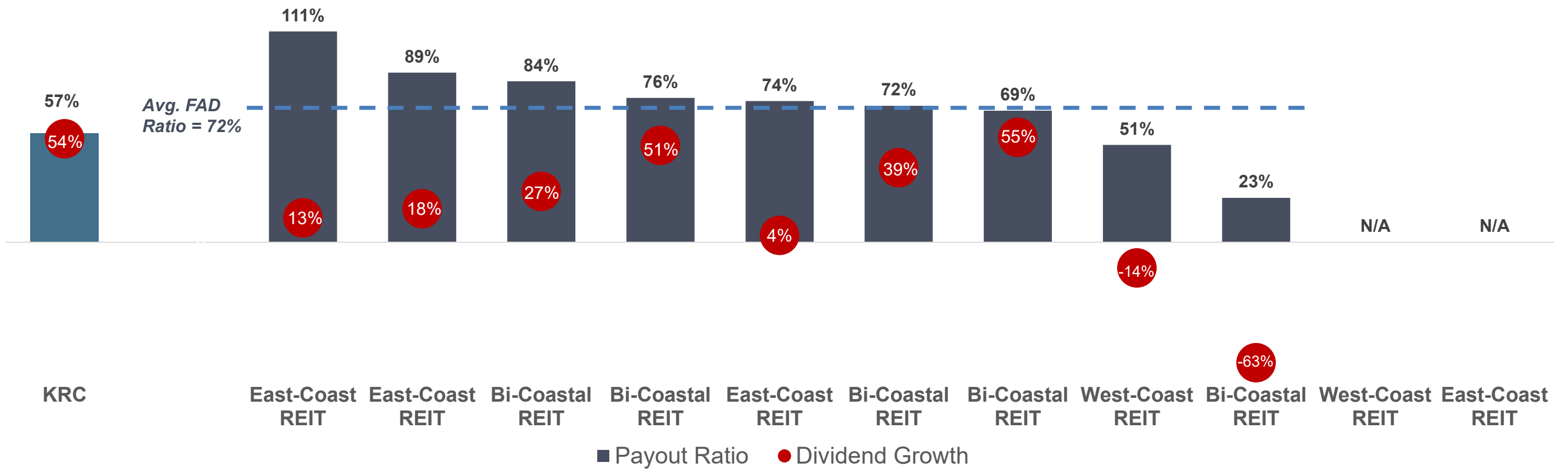
(2) Represents our estimated remaining spend on the projects in tenant improvement phase and under construction (Indeed Tower, 2100 Kettner, KOP PH. 2 and 2 life science redevelopments).

(3) Total borrowing capacity excludes the outstanding letters of credit of approximately \$5 million.

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Healthy FAD Payout Ratio with a Sustainable Dividend

2023 Estimated FAD Payout Ratios & Dividend Growth Since 2016



Source: Data from SNL as of 2Q23, 2023 FAD estimates sourced from analyst research report.

STRONG FINANCIAL POSITION

Case Study: One Paseo

Deal Summary

- **Asset:** Portion of One Paseo Campus
- **Lender // Loan Proceeds:** New York Life // \$375M
- **Rate:** 5.9% Fixed; Interest Only
- **Term:** 11 Years

Strategic Drivers

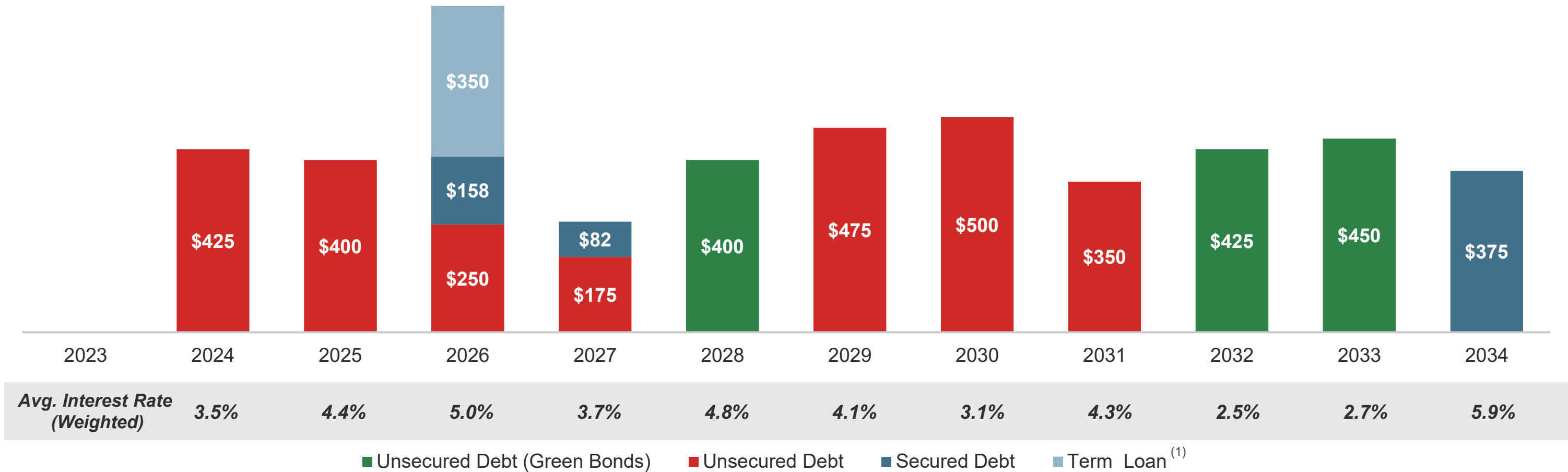
- **Size // Cost of Capital:** *Ability to execute jumbo loan at an efficient all-in rate*
- **Conservative Structure:** *11-yr tenure stacks well with maturity schedule; fixed-rate debt limits interest rate exposure*
- **Liquidity Enhancing // Platform De-Risking:** *Proactively increase liquidity to pre-fund upcoming 2024 bond maturity*



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Platform Debt Maturities

KRC Has Addressed December 2024 Bond Maturity With One Paseo Financing



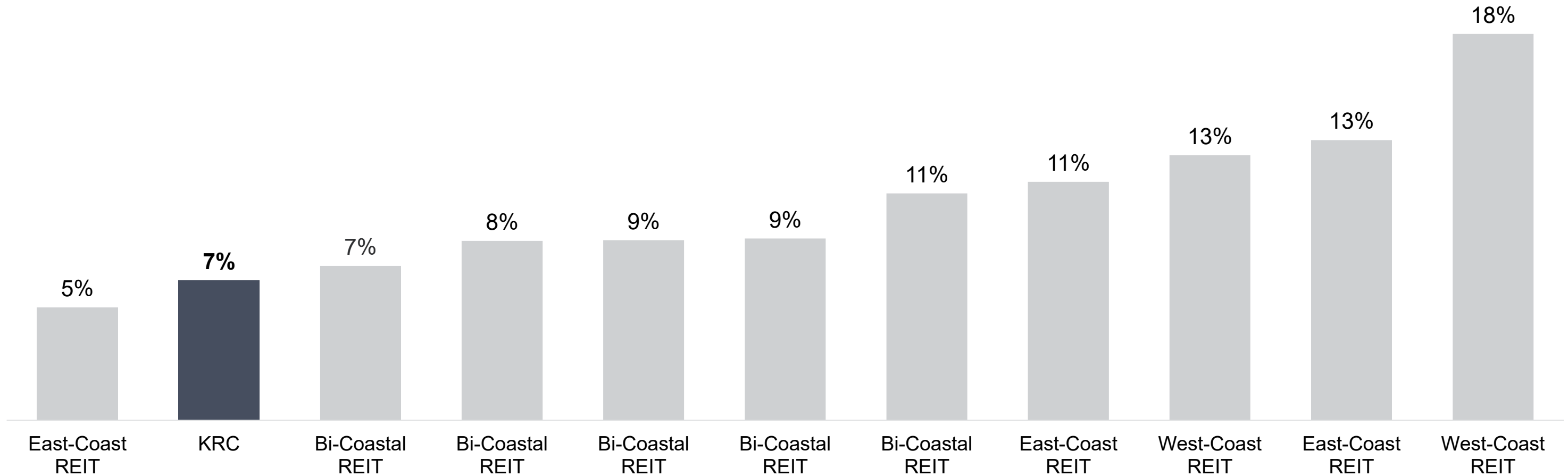
Note: Data as of 8/1/23 and in millions. Reflects the principal due each period and does not adjust for amortization of principal balances.

(1) Term Loan assumes two one-year extension options are executed.

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Annual Lease Expirations From 2023-2025

KRC Rollover is Among the Lowest Within its Peer Set, Mitigating Near-Term Lease-Up Risk and Re-Leasing Costs

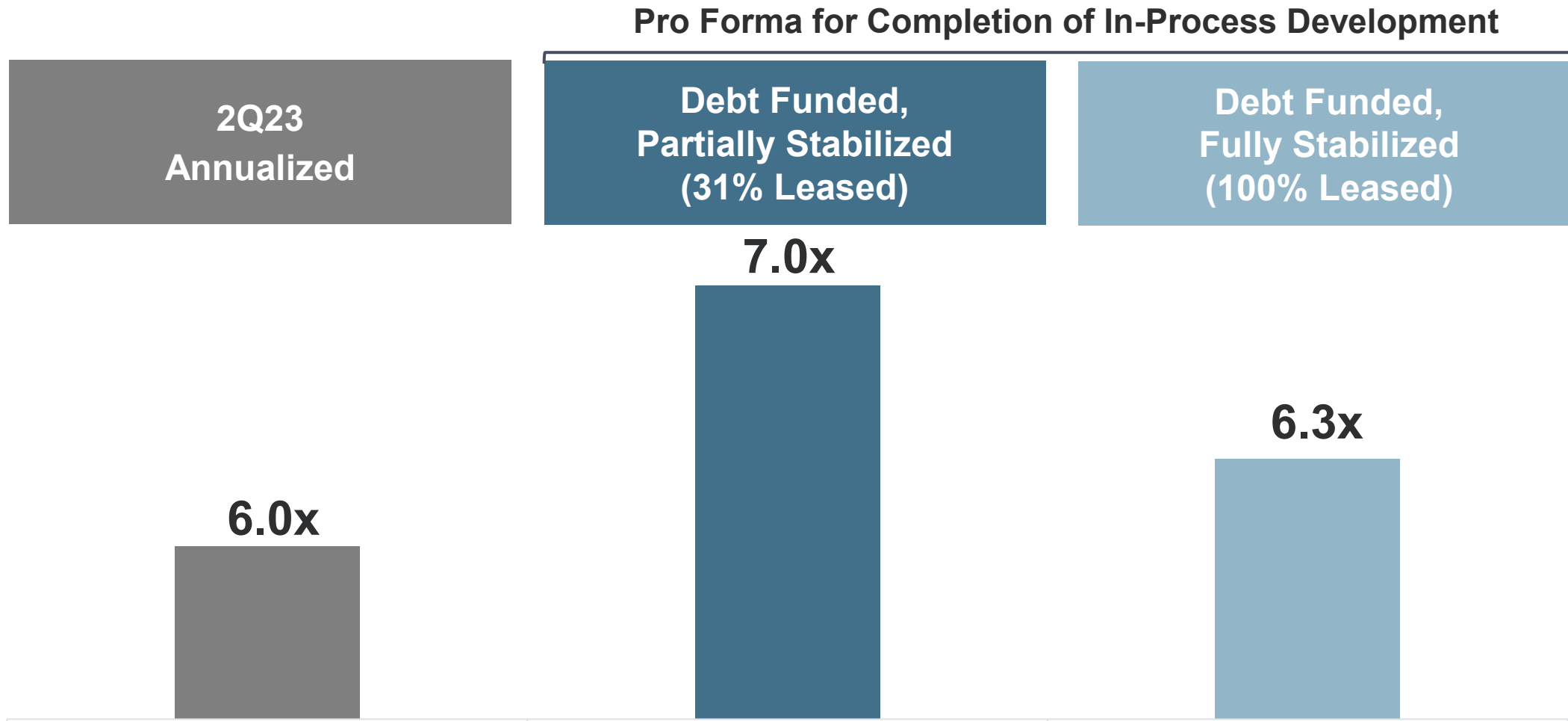


Data as of 6/30/23.
Sources: Publicly available financial statements.

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Leverage Sensitivity

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



Note: Includes \$1.8BN of in-process developments. Above scenarios assume no dispositions and does not assume any additional changes in occupancy or rents to the core portfolio.

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 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, Texas 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 implementations of, 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; and our ability to maintain our status as a REIT. 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 date on which they are made. We assume no obligation to update any forward-looking statement made in this presentation 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. Specifically, disclosures relating to development projects, such as project timing, costs, estimated total investments, developable square feet and scope could change materially from estimated data provided due to one of more of the following: any significant changes in the economy, market conditions, our markets, tenant requirements and demands, construction costs, new office supply, regulatory and entitlement processes or project design.