



1Q2024
Key Business & Operational Updates

8 May 2024

14 Class A Freehold U.S. Offices Strategically Focused on Non-Gateway Cities

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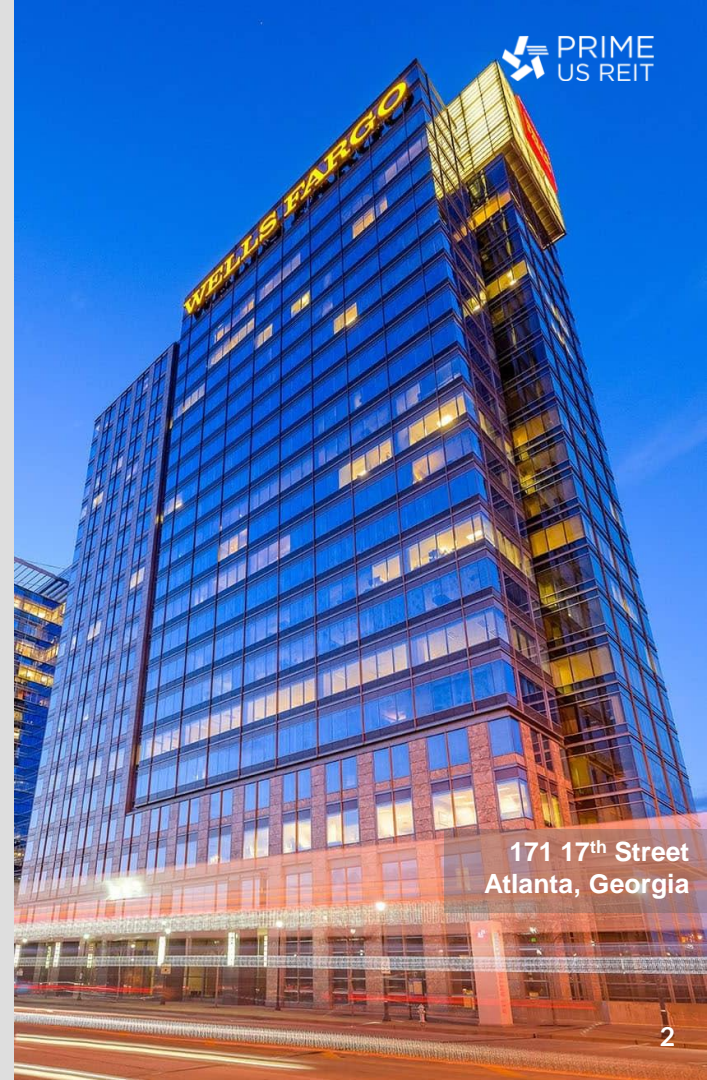
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The information presented in this document as at and for the period ended 31 March 2024 is not audited or reviewed by the external auditors.





222 MAIN
Salt Lake City, Utah



171 17TH STREET
Atlanta, Georgia



**VILLAGE CENTER
STATION II** Denver, Colorado



PARK TOWER
Sacramento, California



SORRENTO TOWERS
San Diego, California



TOWER I EMERYVILLE
San Francisco Bay Area,
California



CROSSPOINT
Philadelphia, Pennsylvania



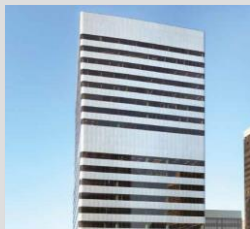
ONE TOWN CENTER
Boca Raton, Florida



TOWER 909
Dallas, Texas



**VILLAGE CENTER
STATION I**
Denver, Colorado



101 SOUTH HANLEY
St. Louis, Missouri



PROMENADE I & II
San Antonio, Texas



**ONE WASHINGTONIAN
CENTER** Suburban Maryland,
Washington D.C.



RESTON SQUARE
Suburban Virginia,
Washington D.C.

Reinvesting in Portfolio. Driving Long-term Value Recovery.

1 U.S. Office Market

- Demand¹ for office space continues steady path of recovery
- Supply¹ broadly declining:
 - Groundbreakings have declined
 - Record conversion (from office to other asset classes)
- U.S. office lease signings¹ pulled back slightly vs last quarter, higher vs first quarter last year
- Delay in federal fund rate cuts expected to slow U.S. commercial real estate recovery

1. JLL Research: U.S. Office Market Dynamics 2024 Q1

2 Positive Leasing Momentum

- 1Q2024 leasing more than doubled 1Q2023, but lower compared to last quarter 4Q2023; positive momentum
- Renewals and new signings at several assets including Promenade, Reston Square, Park Tower, 101 South Hanley, Tower 1 at Emeryville
- One Washingtonian Center (OWC) undergoing asset enhancement initiative to rejuvenate asset; ongoing leasing discussions
- Portfolio leased occupancy of 84.7% (excluding OWC which is undergoing asset enhancement initiative)

3 Capital Management

- Aggregate leverage was 48.1% as at 31 March 2024 with an adjusted interest coverage ratio of 2.9 times
- The Manager believes that the refinancing will complete ahead of its July 2024 maturity
- Ongoing plans to pare down borrowings
 - ✓ create larger buffers to the MAS gearing thresholds
 - ✓ increase liquidity, and
 - ✓ meet PRIME's capex needs
- Balancing various stakeholders' interests (i) Capital preservation, and (ii) asset dispositions at reasonable pricing

1Q2024 Financial Update

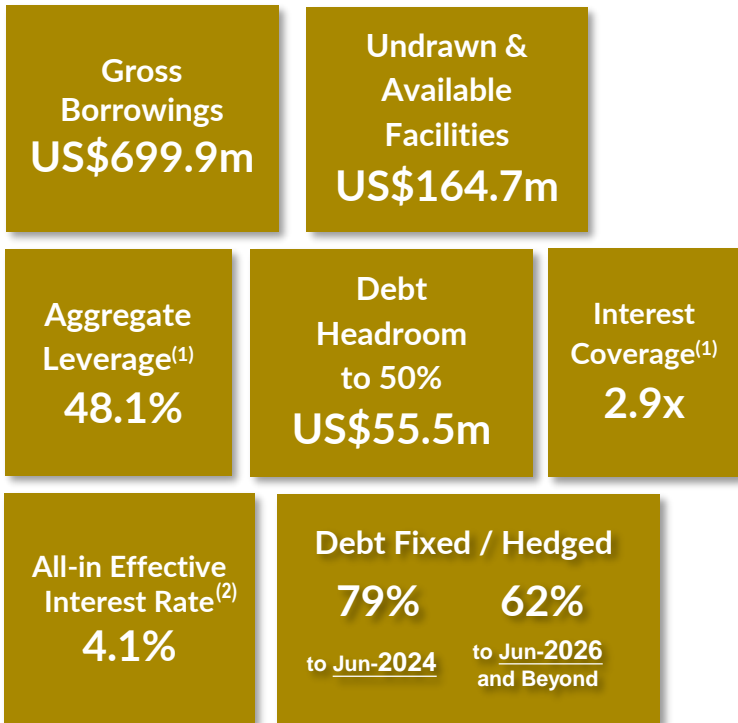
US\$'000	1Q2024	1Q2023	Variance
Gross Revenue	37,106	40,159	(7.6%)
Net Property Income	20,836	23,602	(11.7%)
Income Available For Distribution	11,983	14,883	(19.5%)

Income available for distribution for 1Q2024 was 19.5% lower y-o-y at US\$12.0 million mainly due to

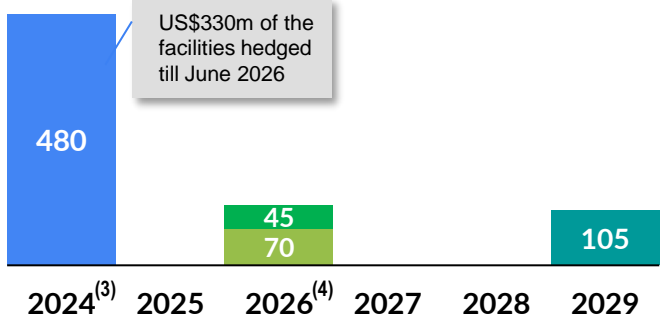
- lower revenue on lower occupancy; and
- higher finance expenses attributed to higher interest rates

Capital Management

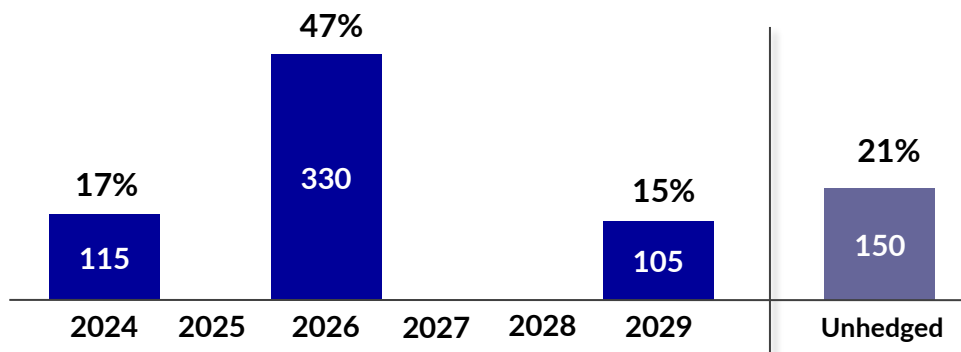
as at 31 March 2024



Debt Maturity Profile (US\$'m)



Fixed / Hedged Expiry (US\$'m)



(1) Computed in accordance with the Property Funds Appendix set out in the CIS Code.

(2) Includes amortization of debt-related transaction costs.

(3) Maturity in July 2024, refinancing negotiations in progress.

(4) Based on extension options fully exercised until 2026. The two facilities with total outstanding balance of US\$114.6 million have two one-year extension options beyond its 2024 scheduled maturity date each.

1Q2024 Leasing Remain Active

Properties (As at 31 March 2024)	% Contribution by Carrying Value	PRIME's Occupancy	Submarket Occupancy ¹
222 Main (Salt Lake City)	13.0%	99.3%	86.6%
171 17th Street (Atlanta)	12.1%	71.0%	74.4%
Village Center Station II (Denver)	10.3%	100.0%	78.1%
Park Tower (Sacramento)	10.1%	72.7%	90.5%
Sorrento Towers (San Diego)	8.9%	96.3%	93.8%
Tower I at Emeryville (San Francisco Bay Area)	7.4%	75.7%	78.9%
Crosspoint (Philadelphia)	6.6%	100.0%	83.6%
One Town Center (Boca Raton)	6.0%	99.7%	83.6%
Tower 909 (Dallas)	5.3%	90.7%	76.9%
Village Center Station I (Denver)	5.0%	55.1%	78.1%
101 South Hanley (St. Louis)	4.8%	89.5%	83.1%
Promenade I & II (San Antonio)	4.8%	92.0%	89.1%
Reston Square (Suburb Virginia, DC)	1.8%	47.0%	78.2%
Portfolio (exclude asset undergoing enhancement)	96.1%	84.7%	
Asset undergoing Asset Enhancement Initiative			
One Washingtonian Center (Suburb Maryland, DC)	3.9%	33.3%	93.5% ¹
Portfolio (include asset undergoing enhancement)	100.0%	80.9%	

1. CoStar as of 5th April 2024

- 7 of PRIME's 14 assets are over 90% leased, of which 5 are c. 95% or higher.
- Positive leasing momentum – over 171.3k sf of leases executed in 1Q2024 (equivalent to 3.9% of NLA) (1Q2023: 64.4k sf)
- 51% renewals, 49% new leasing.
- Rental reversion in 1Q2024 -1.8% Predominantly due to a 31.8k sf 11-year renewal in Reston Square, with rents below preceding but above prevailing market rent.
- Park Tower – in late-stage negotiation with a prospective tenant for sizeable space in Park Tower that can take it to well above stabilized level.
- Tower I at Emeryville – more interests from prospective tenants touring Tower I at Emeryville looking to relocate out of downtown Oakland to Emeryville. Executed a 18.9k sf 7-year lease in 1Q2024. Leasing interest remain active.
- Reston Square – Completed tenant lounge and conference center in 2023. Begun to see an uptick in its leasing discussions. 31.8k sf 11-year renewal signed in 1Q2024.

Lease Expirations

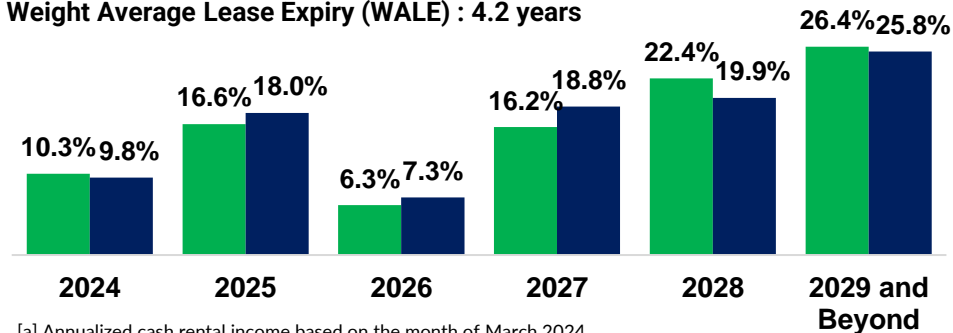
Properties (As at 31 March 2024)	WALE (years)	% Lease expiry remaining in 2024 by CRI ^[b]
222 Main (Salt Lake City)	3.0	0.5%
171 17th Street (Atlanta)	5.3	1.0%
Village Center Station II (Denver)	4.3	n.a. ^[c]
Park Tower (Sacramento)	3.4	1.0%
Sorrento Towers (San Diego)	4.4	0.3%
Tower I at Emeryville (San Francisco Bay Area)	4.4	0.1%
Crosspoint (Philadelphia)	8.4	0.0%
One Town Center (Boca Raton)	4.2	0.0%
Tower 909 (Dallas)	3.7	0.4%
Village Center Station I (Denver)	3.1	0.3%
101 South Hanley (St. Louis)	3.1	2.8%
Promenade I & II (San Antonio)	3.6	2.8%
One Washingtonian Center (Suburb Maryland, DC)	5.1	0.6%
Reston Square (Suburb Virginia, DC)	2.0	0.0%
Portfolio	4.2	9.8%

Lease Expiry Profile

As at 31 March 2024^(a,b)

■ By NLA ■ By CRI

Weight Average Lease Expiry (WALE) : 4.2 years



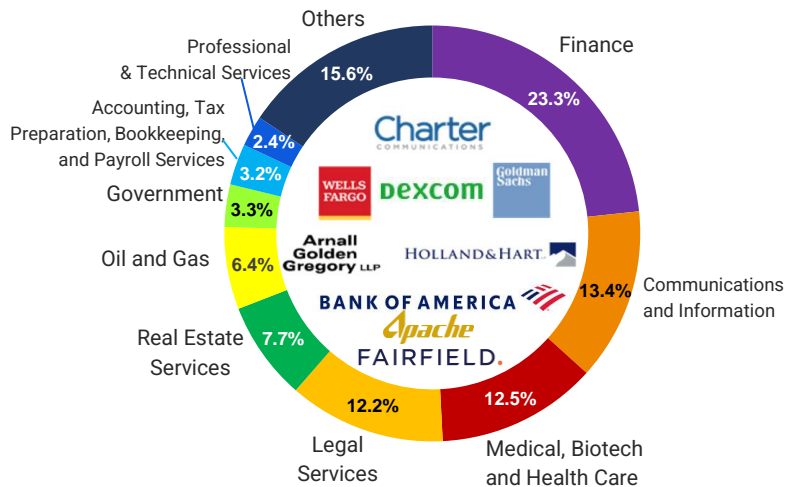
[a] Annualized cash rental income based on the month of March 2024.

[b] Excludes month to month leases accounting for 1.8% of NLA or 0.4% of annualized CRI.

[c] Excludes Village Center Station II which is fully leased until 2028.

- Good momentum on renewals and backfills for upcoming 2024 lease expiries at Promenade and 101 Hanley
- 100% or close to 100% leased occupancy: VCS II, Crosspoint, One Town Center
- Strong leasing momentum: 222 Main, Sorrento Towers, Tower 909, 101 South Hanley and Promenade
- Notable leasing discussions underway at Park Tower, One Washingtonian Center, 101 Hanley, albeit some with relatively long lead times
- Encouraging signs of lease activity emerging at Tower 1, VCSI, Park Tower, 171 17th Street

Sector Diversification Adds to Resiliency



► **78%** In Established + Growth (STEM/TAMI)² Sectors

Top 10 Tenants

Tenant	Industry	Credit Rating	Property	Leased sf	% of Portfolio CRI ¹
Charter Communications	Communications and Information	Moody's: Ba2	Village Center Station I & II	419,881	9.0%
Goldman Sachs Group Inc.	Finance	Moody's: A2, S&P: BBB+, Fitch: A	222 Main	176,416	5.6%
Dexcom	Medical, Biotech & Health Care	Independent Firm Credit Analysis: Strong	Sorrento Towers	148,383	5.2%
Holland & Hart	Legal Services	Private Firm	222 Main	89,960	3.5%
Wells Fargo Bank NA	Finance	Moody's: Aa2, Fitch: AA-, S&P: A+	171 17 th Street	106,030	3.4%
Arnall Golden Gregory LLP	Legal Services	Private Firm	171 17 th Street	103,079	2.9%
Matheson Tri-Gas	Oil and Gas	Private Firm	Tower 909	118,685	2.9%
Bank of America, NA	Finance	Fitch: AA, Moody's: Aa1	One Town Center	61,430	2.7%
Apache Corporation	Oil and Gas	Moody's: Baa3, S&P: BB+	Promenade I & II	69,086	2.3%
Fairfield Residential	Real Estate Services	Private Firm	Sorrento Towers	58,957	2.2%
Total				1,351,907	39.7%
WALE Top 10					4.2 Years

[1] Data for Cash Rental Income as at 31 March 2024

[2] Established: Finance, Real Estate, Legal, Government

STEM/TAMI: Communications, Health Care, Scientific R&D Services, Information, Professional, Scientific and Tech Services

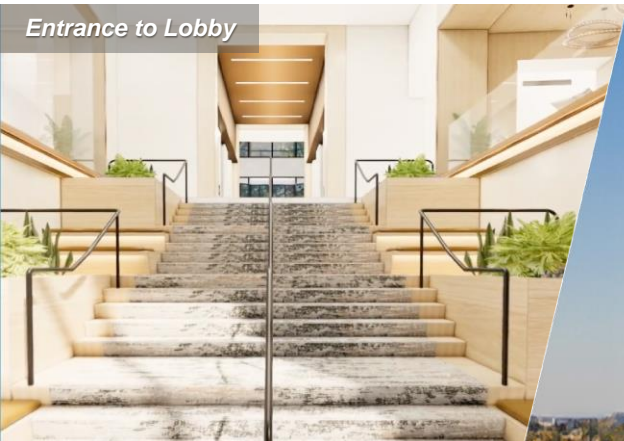
One Washingtonian Center

- ✓ Undergoing asset enhancement initiative, expected to complete in 2H2024
- ✓ Opportunity to revamp one of the most desirable office assets in the area

REIMAGINED. REDEFINED.

- ✓ Iconic 14-storey office building with Lakefront view
- ✓ Direct connection to the **RIO Shopping Center**, offering a diverse and eclectic mix of restaurants, shops, cinema and entertainment options
- ✓ **Walkability** and amenities outside of the building – great attributes to offer prospective tenants in a post-covid environment
- ✓ **Superior location with prominent building top signage** opportunity with direct visibility to I-270, a major highway
- ✓ Began working with DCS Design, a **full-service architectural firm** last year to develop a full repositioning effort to shepherd the asset into its next phase in its history
- ✓ Repositioning will feature a rejuvenated lobby entrance, inviting presence for guests and visitors

Entrance to Lobby



Lobby Area



One Washingtonian Center

- ✓ Undergoing asset enhancement initiative, expected to complete in 2H2024
- ✓ Opportunity to revamp one of the most desirable office assets in the area

Tenant Lounge



Conferencing Facility



Fitness Center



Tenant Cafe



REIMAGINED. REDEFINED.

Tenant Amenities centralized on level one:

- ✓ Tenant lounges – one more formal servicing the conference center and one more open for casual gatherings
- ✓ 1,800 sf Conference center with divisible Modernfold partition
- ✓ Grab & Go café with banquette seating and direct water views
- ✓ New full-service gym featuring personal lockers, showers, free weights, cardio equipment and group fitness classroom.
- ✓ Wellness (mother's) room will also be built on the first floor to encourage a more inclusive environment
- ✓ The location will also cultivate an environment promoting PRIME's ESG initiatives.

Tenant and Community Activities

Food Trucks



Valentine's Day Celebrations



San Antonio Fiesta Celebration



Eclipse Celebration



Gym Open House



Blood Drive



Real GDP Growth
1Q 2024¹

1.6%

Unemployment² Rate
April 2024

3.9%

Inflation Rate²
March 2024

3.5%

Village Center
Station II,
Denver

Current Market Environment

- U.S. economy increased at an annual rate of 1.6% in 1Q2024¹.
- Labor market cooled slightly but remained healthy with unemployment rate of 3.9% in April 2024².
- U.S. reported an inflation rate of 3.5% YoY in March 2024².
- Based on latest FOMC press release, the Fed highlighted that there has been a lack of further progress towards its target inflation objective of 2%. As a result, target fed rate was maintained at 5.25%-5.50%³.
- U.S. commercial real estate's fundamentals continue to navigate cyclical headwinds. Elevated rate environment continue to weigh on companies' finance cost, debt servicing ability, and assets' valuation.

1. U.S. Bureau of Economic Analysis Advance Estimate (Q1 2024)

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

3. Federal Open Market Committee Press Release (1 May 2023)

U.S. Office Market Dynamics

- Leasing environment remained cautious and uneven across U.S. submarkets
- Overall U.S. office is still in a negative net absorption environment, occupancy rate close to 80%
- 60% of office vacancies concentrated in just 10% of buildings
- **Demand of space** continues steady path of **recovery**
- **Declining Supply:** Slowing new construction and record conversion activity to reduce supply and restore equilibrium

Sorrento Towers,
San Diego

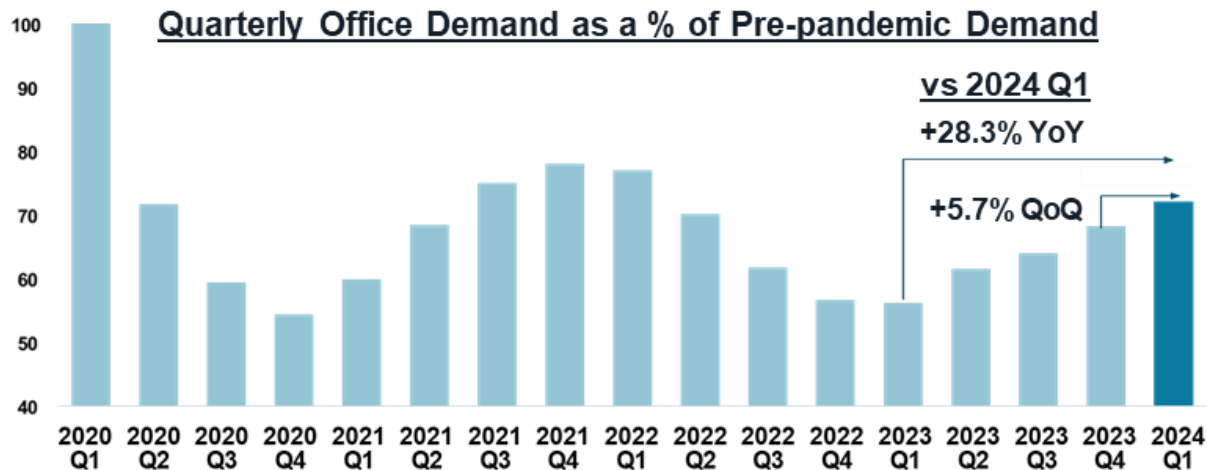
1Q2024 | MAY 2024

Source: JLL Research: U.S. Office Market Dynamics 2024 Q1

A

Demand Broadly Strengthening

- ✓ Tenant space requirements in first quarter increased 5.7% vs last quarter and 28.3% year-on-year
- ✓ National office demand continues to trend upwards, marking the **fourth consecutive quarter of improvement**
- ✓ Despite the improvement, current active tenant volume is 30% below pre-pandemic levels

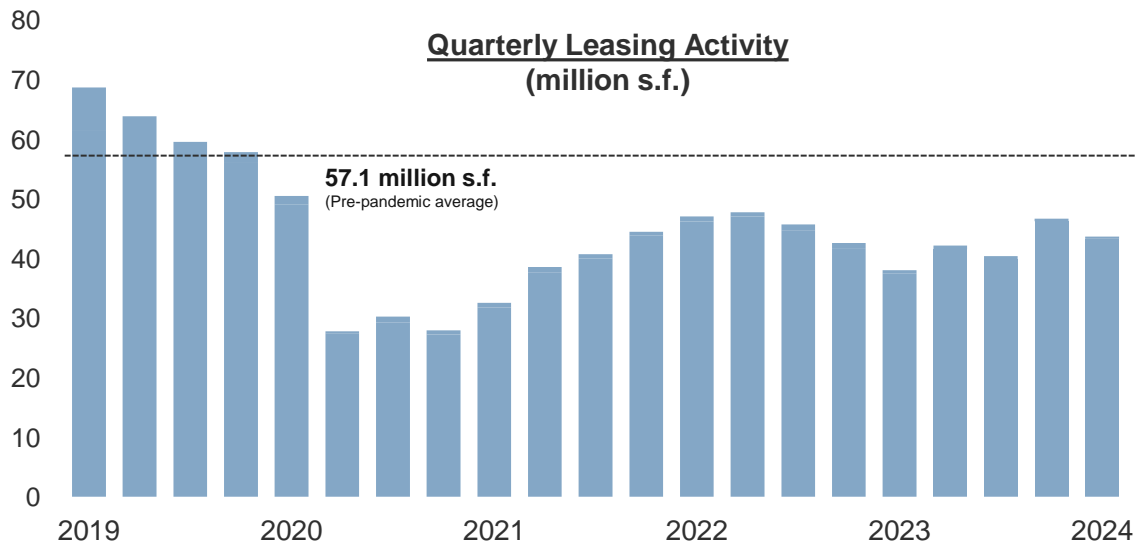


U.S. Office Market Dynamics

B

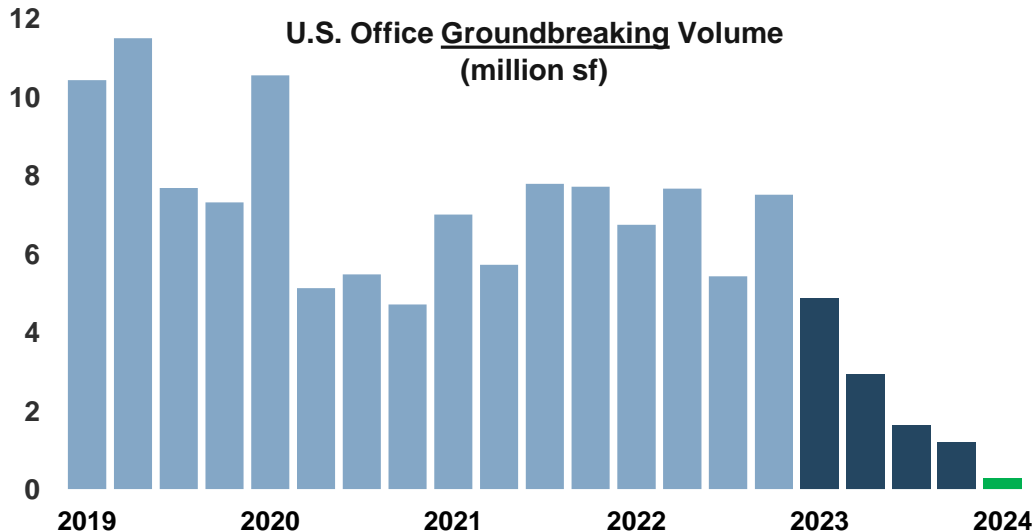
Lease signings pulled back vs last quarter, remain higher vs first quarter last year

- Leasing activities (of last four quarters) at **75% of pre pandemic levels**



C Supply Decline: Slowing Construction & Record Conversion

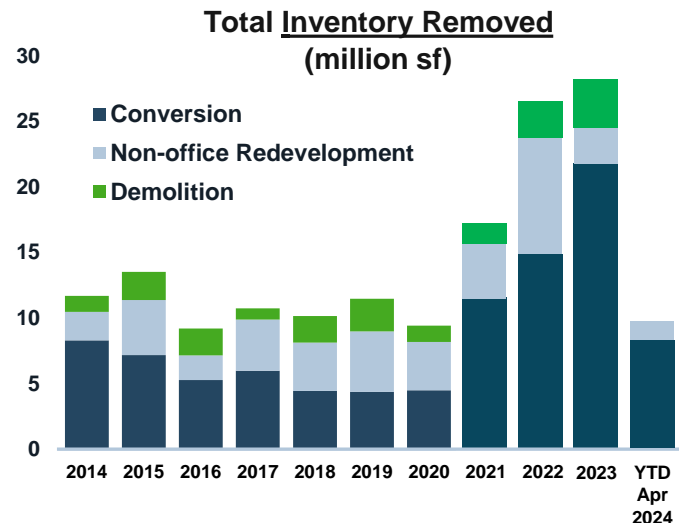
Groundbreakings have declined to the lowest in nearly 40 years of recorded data
 Potentially creating intense supply constraints in high-end product in medium term
 Most of the existing pipeline however will deliver in the next four quarters



Conversion activity at record volume

Ongoing push by U.S. government to convert office properties to residential use, create affordable housing

White House programs to support conversions include low-interest loans, low guarantees, grants, and tax incentives



Key Priorities

Building Resilience. Driving Recovery in Value.

1

Leasing

- ✓ *Occupancy remains top priority*
- ✓ *Good leasing demand for spaces at PRIME's properties, and engaged in multiple notable leasing discussions*
- ✓ *Carry out key asset enhancements to preserve quality of PRIME's Class A assets*

2

Refinancing

- ✓ *In constructive discussions with lender*
- ✓ *The Manager believes that the refinancing will complete ahead of its July 2024 maturity*

3

Leverage

- ✓ *Manage debt ratios within required thresholds*
- ✓ *Concurrently working on execution of deleveraging strategies*

Park Tower,
Sacramento



Thank You

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