



NEWS RELEASE

PRIME US REIT 3Q 2020 KEY BUSINESS AND OPERATIONAL UPDATES; DISTRIBUTABLE INCOME EXCEEDS FORECASTS BY 15.4% AT US\$18.0 MILLION

- Continued solid rental collections at 99% for 3Q 2020 with minimal deferrals
- Robust leasing activity of 83,168 sq ft in 3Q 2020 with 8.9% positive rental reversion
- Strong balance sheet through prudent and proactive capital management, with low gearing ratio of 32.7% and interest coverage of 5.8 times
- Resilient portfolio of well-diversified and high-quality tenants in established and growth sectors continues to provide stable income stream

Singapore, 5 November 2020 – KBS US Prime Property Management Pte. Ltd., the manager (the “**Manager**”) of Prime US REIT (“**PRIME**”), a real estate investment trust with a high-quality office portfolio in the United States (the “**U.S.**”), today published its key business and operational updates for 1 July 2020 to 30 September 2020 (“**3Q 2020**”).

Gross revenue and net property income (“**NPI**”) for 3Q 2020 of US\$36.7 million and US\$24.2 million outperformed IPO projections by 9.1% and 9.8%, respectively. Distributable income of US\$18.0 million exceeded the IPO projection by 15.4%.

PRIME is supported by a well-diversified and strong tenant base with over 70% in established and growth sectors. Favourable portfolio attributes, coupled with strong monthly rental collections and market rental rates 6.7% higher than in place rents across the portfolio, provide defensiveness and income resiliency. PRIME has also seen robust leasing activity despite market softening, leasing 83,168 sq ft in 3Q 2020 and 165,717 sq ft year to date, with strong rental reversion.

Bolstered by a strong balance sheet with a net asset value (“**NAV**”) per Unit of US\$0.86, PRIME maintains a conservative debt maturity profile and a healthy gearing ratio of 32.7%. PRIME also has ample debt headroom of US\$324 million with US\$98.9 million of undrawn facilities. Well-mitigated against any near-term interest rate and refinancing risks, PRIME has fixed

The information presented in this document as at and for the quarter ended 30 September 2020 is not audited or reviewed by the external auditors. DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Prime US REIT.

interest rates on 91.4% of its debt and a fully extended weighted average debt to maturity of 4.9 years¹. Interest coverage was 5.8 times² for the period ended 30 September 2020 and effective interest cost was a low 2.7%³, following the restructuring of its interest rate swaps in April 2020.

PRIME continues to be well-positioned for growth amidst the current environment with its robust credit metrics and exposure to key desirable U.S. office markets that have healthy economic and employment growth, diverse talent pools, highly educated workforces, reliable transportation infrastructure, and favourable demand and supply outlooks.

Ms Barbara Cambon, Chief Executive Officer and Chief Investment Officer of the Manager of PRIME, said, “We are pleased to present another robust set of results for 3Q 2020 which exceeded our initial IPO forecasts for the 5th consecutive quarter. Underpinned by our resilient portfolio of well-diversified assets located in favourable real estate markets, we maintained our very strong rent collection rate with minimal deferrals, and delivered strong leasing activity in 3Q 2020 with positive rental reversion of 8.9%⁴ on long-term leases. As tenants return to the office, we work closely with our asset management team to enhance health and safety measures by leveraging technology, improving building operations and facilitating social distancing and hygiene standards across our properties. Given our strong balance sheet, undrawn bank lines and significant debt headroom, we remain committed and well positioned to pursue accretive acquisitions prudently to deliver long-term growth for PRIME in a sustainable manner, in order to maximise Unitholder value.”

– End –

¹ Fully extended debt maturity. Extension options are available to the borrower to extend the 4-year term loan and revolver maturities to 2024.

² Calculated as net income plus tax expense, net finance expense, change in fair value of derivatives and amortisation of lease commissions, minus net change in fair value of investment properties divided by finance expenses, including amortisation of upfront debt-related costs and commitment fees, for trailing 12-month period ended 30 September 2020.

³ Based on interest expense (excluding amortisation of upfront debt-related transaction costs and commitment fees) on loans and borrowings outstanding as of 30 September 2020.

⁴ Relates to 3Q 2020, excluding short term lease extensions



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About Prime US REIT

Listed on 19 July 2019 on the Main Board of the Singapore Exchange, Prime US REIT ("PRIME") is a well-diversified real estate investment trust ("REIT") focused on stabilised income-producing office assets in the United States ("U.S."). With the objectives to achieve long-term growth in distributions per unit and net asset value per unit while maintaining a robust capital structure, PRIME offers investors unique exposure to a high-quality portfolio of 12 Class A freehold office properties which are strategically located in 10 key U.S. office markets. PRIME's portfolio has a total carrying value of US\$1.427 billion as at 30 June 2020.

About the Sponsor

KBS Asia Partners Pte. Ltd. ("KAP") is the Sponsor of PRIME. The shareholders of KAP include founding members of KBS, one of the largest owners of premier commercial real estate in the U.S with US\$8.0 billion of assets under management as at 30 June 2020. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliated companies have completed more than US\$42 billion of transactional volume on behalf of private and institutional investors globally since inception in 1992.

About the Manager

PRIME is managed by KBS US Prime Property Management Pte. Ltd. which is jointly owned by KBS Asia Partners Pte. Ltd., Keppel Capital Two Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Management Pte Ltd, Times Properties Private Limited, a wholly-owned subsidiary of SPH and Experion Holdings Pte. Ltd., a wholly-owned subsidiary of AT Holdings Pte. Ltd.



The Manager has general powers of management over the assets of PRIME. The Manager's main responsibility is to manage PRIME's assets and liabilities for the benefit of Unitholders.

The Manager will set the strategic direction and provide, investment, asset management, capital management, internal audit, human resource, information technology, accounting, compliance and investor relations services to PRIME.

For more information, please visit www.primeusreit.com.

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