

FY2022 Income Available For Distribution up 2.0% YoY

- **Portfolio occupancy held steady at ~89%**
- **High rental reversion of 20.2% in 4Q2022**
- **Aggregate leverage at 42.1%; Interest coverage ratio at 4.1 times**
- **Minimal interest rate exposure; 82% of debt is fixed or hedged**

Singapore, 8 February 2023 – Prime US REIT 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 financial results for the second half (“**2H2022**”) and full year ended 31 December 2022 (“**FY2022**”).

PRIME’s gross revenue for FY2022 increased 4.0% year-on-year (“**YoY**”) to US\$163.0 million. FY2022 net property income (“**NPI**”) adjusting for non-recurring termination income and non-cash distribution adjustments¹ increased 6.5% YoY to US\$100.4 million. Available distributable income for FY2022 increased 2.0% YoY to US\$77.2 million. This represents a distribution per Unit (“**DPU**”) for FY2022 of US\$0.0655. The performance was mainly attributable to the full year contribution from Sorrento Towers and One Tower Center, both of which were acquired in July 2021.

PRIME’s gross revenue² for 2H2022 was 4.1% lower YoY mainly on account of termination income received in 2H2021, and a tenant departure at Reston Square in 3Q2022 post its acquisition by another firm. NPI adjusting for non-recurring termination income and non-cash distribution adjustments¹ for 2H2022 was lower by 4.5% YoY due to declines in rental income and higher operating costs as tenants returned to office. 2H2022 income available for distribution of US\$35.8 million was 10.8% lower YoY due to lower NPI, and higher interest costs on PRIME’s unhedged debt facilities. This translated to a DPU of US 3.03 cents per Unit, which will be paid to Unitholders on the 31 March 2023.

Resilient High-Quality Portfolio and Astute Asset Management Strategies

PRIME’s resilient asset portfolio continued to excel in 2H2022, securing strong tenancies and maintaining a portfolio leased occupancy of 89.1%. 2H2022 leasing volume of 389k sq ft surpassed volume in 1H2022 and 2H2021, of 257k sq ft and 282k sq ft, respectively.

During the quarter, 143k sq ft of leases were executed at a positive rental reversion of 20.2%. Renewals and new leases contributed 67% and 33% respectively of all leases signed, with tenants across various sections including scientific R&D Services, finance, biotechnology,

1. Non-cash distribution adjustments include straight-line rent adjustments, amortization of leasing commission, amortization of termination income, and amortization of free rent credits given by sellers from acquisitions.
2. Gross revenue for 2H2021 included termination income received of US\$4.1 million.

manufacturing, and legal services. Portfolio in-place rents remain below asking rents by 6.3%³ reflecting the continued potential for rental reversion. PRIME's long portfolio weighted average lease expiry ("WALE") of 4.1 years and diversified portfolio with favourable tenant exposure continue to provide sustainable organic growth as more than 99% of leases have rental escalations.

Strong Financial Flexibility and Prudent Capital Structure

PRIME maintains a strong balance sheet through prudent and proactive capital management that provide ample debt headroom and access to capital, and interest rate exposure mitigation. As at 31 December 2022, gearing was at 42.1% with debt headroom of US\$250.9 million to the 50% leverage limit post 2022 year-end portfolio valuation, and with US\$196 million of undrawn facilities. Fully extended weighted average debt maturity is 2.7 years. As at 31 December 2022, effective interest cost was 3.4% and interest coverage remained high at 4.1 times. US\$550 million of PRIME's US\$669 million debt is hedged into or on fixed rate terms through to July 2024, US\$435 million is fixed or hedged into fixed through to June 2026 and a further US\$105 million fixed through to August 2029⁴.

Current Market Environment

U.S. real GDP grew 2.9%⁵ year-on-year (YoY) in the 4Q 2022 and 2.1% YoY for the full year 2022. Unemployment rate remains low at 3.5% in December 2022⁶. U.S. inflation rate of 6.5% YoY in December 2022 continued to trend down since its peak of 9.1% in June 2022⁶. The Fed increased interest rates by another 25bps on 1 February 2023, raising the new target fed rate to 4.50%-4.75%⁷.

High quality Class A and trophy offices continued to see positive absorption in 4Q 2022 in a heavily bifurcated US office market, defying negative absorption at the national level⁸. Rent growth continues to be positive albeit with increased lease incentives amid relative scarcity of high-quality direct space⁸. The leasing market remains active, and while 4Q 2022 volume was lower quarter-on-quarter, full year 2022 gross leasing was 15.1% higher YoY⁸. Office space deliveries have continued to slow, and 4Q2022 deliveries were the lowest since 1Q2015. New office construction activity was at its lowest level in 2022 since 2014, and office construction activities are expected to decline for the next few years⁹.

3. Excludes Village Center Station II which is fully leased until 2028
4. U.S. Bureau of Economic Analysis Advance Estimate Q4 2022
5. U.S. Bureau of Labor Statistics December 2022
6. U.S. Federal Open Market Committee: Press Release (1 February 2023)
7. JLL Research Office Outlook Q4 2022
8. C&W U.S. National MarketBeat Office Q4 2022
9. Kastle (30 Jan 2023): Back to Work Barometer



NEWS RELEASE

Return-to-Office physical attendance reached new post-pandemic high, surpassing 50% for first time since start of pandemic⁹, albeit unevenly across markets, and is anticipated to increase with several large employers' office reentry guidelines effective from 2023⁷. A moderation in the job market would also help employers in their efforts to bring their employees back to office.

Ms Barbara Cambon, Chief Executive Officer and Chief Investment Officer of the Manager of PRIME, said, "We are pleased to report another set of strong operational performance amid external transitory headwinds. PRIME's portfolio of high-quality, well-diversified and sought-after Class A assets continued to benefit from flight to quality as evident in its healthy leasing momentum and consistently strong rental reversion. PRIME's presence in non-gateway markets will continue to provide superior risk-adjusted returns, and the extension into key growth markets shall continue to present significant future growth opportunities for us.

Looking ahead, as more tenants implement their return-to-office plans in 2023, the Manager is working with the asset and property teams to drive rent growth, to carry out timely amenitisation and enhancements, while maintaining prudence in our capital management strategies to maximize long-term returns to Unitholders.

Distribution for the period from 1 July to 31 December 2022:

DPU	US 3.03 cents
Ex-date	15 February 2023
Record Date	16 February 2023
Payment Date	31 March 2023

– End –

For further information, please contact:

Prime US REIT

Nigel Nai Zi

Investor Relations

T: (65) 6951 8095

E: nnai@primeusreit.com



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 14 Class A freehold office properties which are strategically located in 13 key U.S. office markets. PRIME's portfolio has a total carrying value of US\$1.54 billion as at 31 December 2022.

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. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliated companies have completed more than US\$43 billion of transactional volume on behalf of private and institutional investors globally since inception in 1992.

About the Manager

PRIME is managed by Prime US REIT Management Pte.Ltd. (formerly known as 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.



NEWS RELEASE

Important Notice

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for the Units in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Prime US REIT, the Manager, the Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The Unitholders have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities in the United States. The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States. The Units may not be offered, sold, or delivered within the United States unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act. Accordingly, the Units are being offered and sold only outside of the United States in offshore transactions in reliance on and in compliance with Regulation S under the U.S. Securities Act. No public offering of securities is being made in the United States.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.