PRIME US REIT

1Q2023 Key Business & Operational Updates

10 May 2023

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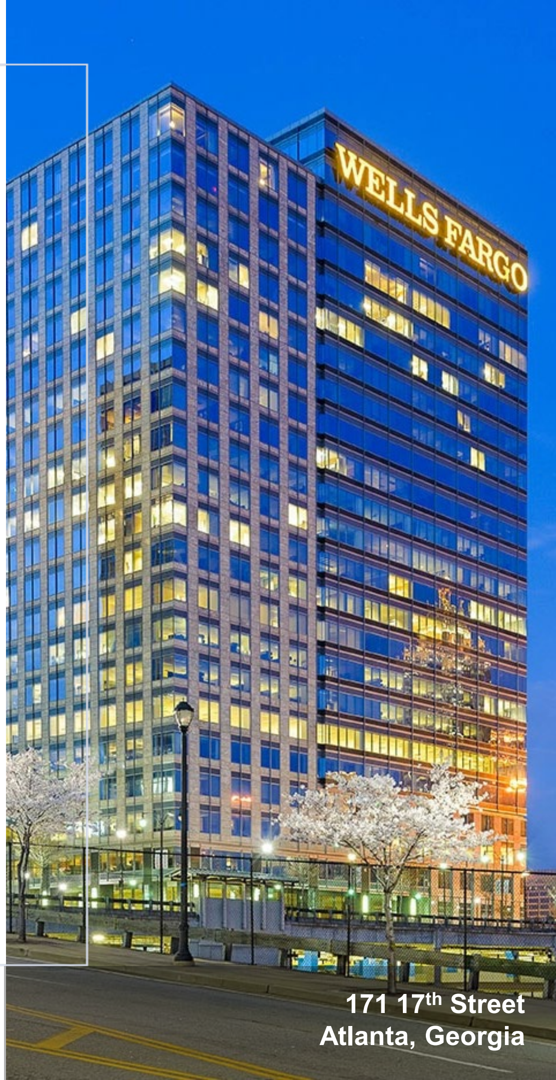

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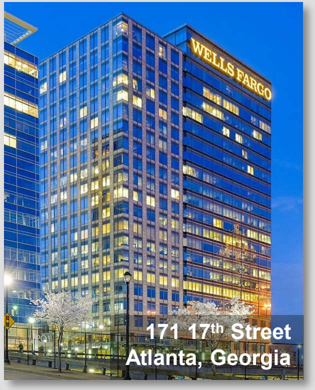

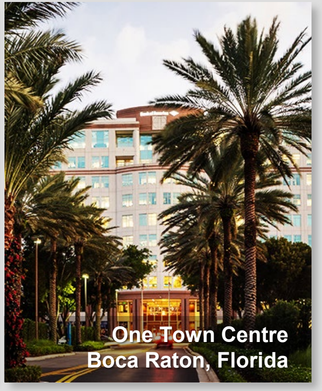

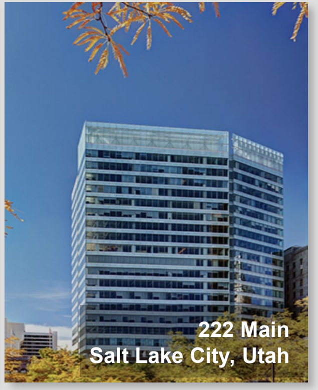

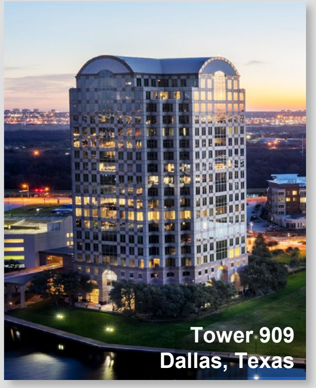

Content

Key Highlights

Continued Resilience in 1Q2023

Amidst Bifurcated Leasing Markets and Caution on U.S. Banking & Credit Environment

1 Leased Occupancy

~88.6%

- Prospective tenants' interests and tours continuing, but lower leasing volume in 1Q2023
- Positive rental reversion potential remains. In-place rents below asking rents by +6.8%
- 1Q2023 rental reversion of -2.6% impacted by two renewals requiring minimal upfront capex but with positive net effective rent reversion
- WALE: 3.9 years

2 Financial Flexibility

Prudent Capital Management & Hedging Strategy

- Interest coverage ratio at 3.8x
- Leverage of 43.7%, debt headroom of US$200m, post payout of 2H2022 DI in end March
- Interest rate exposure well managed, 79% debt either fixed or hedged currently
- Supported by well-established banks and financial institutions
- Strong network of financing relationships

3 Class A Portfolio

✓ ***Strategically Located***

✓ ***Well-Diversified***

- PRIME continues to benefit from flight to quality
- Well-diversified portfolio, both in terms of assets and cities
- Strategic footprints in non-gateway more affordable cities with individual merits.
  - High-quality, well sought-after assets with well-diversified tenant mix
  - Submarkets with in-migration of residents and employment
- US Return-to-Office continuing to improve, albeit uneven across markets

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1Q2023 Financial Update

- **1Q2023 vs 1Q2022**

  Lower distributable income[2] -$4.3m (-22.5%) on a like-for-like basis assuming 100% of Management Base Fee in cash, attributable to:

  (a) -$1.7m : increase in finance expenses[2] due to higher rates on unhedged debt

  (b) -$1.3m : difference in amortized lease termination income contributing to DI in 1Q2022 vs 1Q2023

  (c) -$0.9m : higher property operating expenses[2] across various categories as employees increase return-to-office

  (d) -$0.5m : lower gross revenue (excluding straight-line rent adjustments) led by occupancy decline[2]

- Distributable income relatively stable for 1Q2023 vs 4Q2022

US$'000	1Q2023	1Q2022	Variance
Gross Revenue	**40,159**	**40,843**	**(1.7%)**
Net Property Income	**23,602**	**25,443**	**(7.2%)**
Income Available For Distribution to Unitholders[1]			
▪ ***Manager's Base Fee : 100% Cash (New)***	**14,883**	**19,195***	**(22.5%)**
▪ ***Manager's Base Fee : 20% Cash***	**16,206^**	**20,901**	**(22.5%)**

Notes

1. The Manager has elected to receive 100% of its base fee for 2023 in cash and had previously elected in 1Q2022 to receive 20% of its base fee in cash and 80% in units. For a like-for-like comparison, 1Q2023's and 1Q2022's income available for distribution and distribution per unit, has been provided on the basis of both 100% cash and 20% cash.
2. Distributable income variance based on 100% cash-basis for Manager's base fee, and excludes non-cash amortisation of upfront debt-related transaction costs, amortisation of lease incentives and lease commissions, and straight-line rent adjustments.

* *1Q2022 adjusted for purpose of like-for-like comparison (Not disclosed previously).*

^ *1Q2023 adjusted for purpose of like-for-like comparison.*

Debt Summary

- Increase in **gearing** as at March 31, 2023 primarily due to increase in borrowings in end March for payment of 2H22 distribution
- **Interest cost** increases in higher rate environment, buffered to a large extent by hedges on over 79% of total debt, also mitigating interest coverage ratio
- Although **liquidity** and **debt headroom** are high, balance sheet will be managed prudently given current gearing and cost of debt
- **Extension** of maturities of 4-year term loan and RCF facilities to July 2024 – notice of extension served and process of extension underway

As at 31 March 2023

Gross Borrowings (drawn)	Aggregate Leverage	Debt Headroom to 50%	Undrawn & Available Facilities[1]
US$698.6m	43.7%	US$199.8m	US$166.0m

All-in Weighted Average Interest Rate[2]	Effective Interest Rate[3]	Interest Coverage[4]	Weighted Average Maturity (Years)[5]
3.8%	3.7%	3.8x	1.7 / 2.5

[1] US$79M of RCF drawn as at 31 Mar'23. 4 and 5-year term loan facilities of US$200M each, both fully drawn as at 31 Mar'23. 3-year term loan facilities obtained in 3Q2021 amounting to US$114.6M, fully drawn as at 31 Mar'23.

[2] Based on interest expense (*including* amortisation of upfront debt-related transaction costs and commitment fees) on loans and borrowings for the year ended 31 Mar'23.

[3] Based on interest expense (*excluding* amortisation of upfront debt-related transaction costs and commitment fees) on loans and borrowings outstanding as at 31 Mar'23.

[4] Calculated as net income before tax expense, net finance expense, change in fair value of derivatives and amortisation of lease commissions, 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 31 Mar'23.

[5] Fully extended debt maturity. Extension options are available to the borrower to extend the 4-year term loan and Revolver maturities to 2024 and maturities of the two 3-year term loan and Revolver facilities aggregating US$160m obtained in 3Q2021 from 2024 to 2026.

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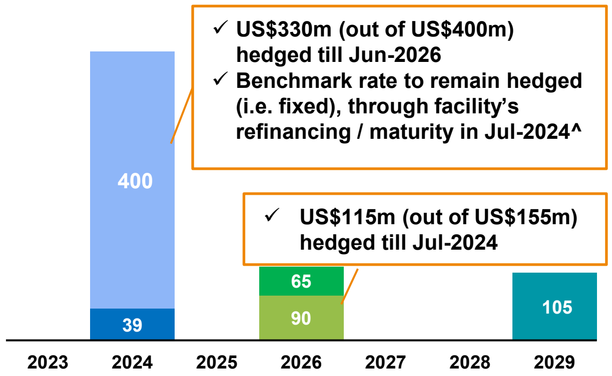
Summary of Credit Facilities

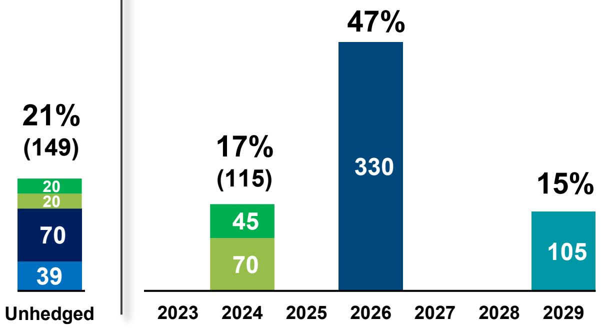
- Extensions in-progress for debt tranches with initial maturity of July 2023
- US$166m of liquidity available in undrawn credit lines
- Minimal fees for extension of Main Credit Facility and Citizens secured loans

Facilities 31 Mar 2023	Lender	Tranches	Facility Available (US$ m)	Outstanding Principal (US$ m)	Hedged/ Fixed	Loan Maturity
Main Credit Facility – Floating	Syndicate led by Bank of America	Term Loan 1 and 2	Total: 400 200 each	Total: 400 200 each	US$330m Hedged Till Jun-2026 US$70m: Unhedged	TL1: Jul-2023 (Extendable to 2024) TL2: Jul-2024
		Revolver	200	39	Unhedged	Jul-2023 Extendable to 2024
Total Main Credit Facility			600	439		
Fixed (Secured)	MetLife	Fixed Rate Loan	105	105	Fixed Rate	Aug-2029
Total Fixed MetLife Loan			105	105		
One Town Center – Secured Floating	Citizens Bank led	Term Loan	45	45	Hedged Till Jul-2024	Jul-2024 Two one-year extension options Fully extended maturity in Jul-2026
		Revolver	20	20	Unhedged	
Sorrento Tower – Secured Floating		Term Loan	70	70	Hedged Till Jul-2024	
		Revolver	25	20	Unhedged	
Total Citizens Loans			160	155		
			865	699		

Debt Maturity Profile (US$m)



Hedge Expiry & Fixed Loan Maturity (US$m)



^ With extension options fully exercised

Interest Rate Management

- ✓ High % Debt Hedged/Fixed Provides Protection in Current Rate Environment
- ✓ Benchmark Rate for US$330m of the Main Facility's Term Loans aggregating US$400m
- ✓ Hedged Till June 2026, Beyond fully extended maturity in July 2024^

% Debt Hedged/ Fixed

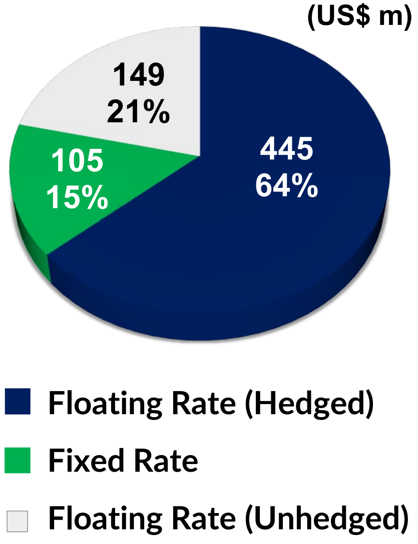
As at 31 March 2023

	Swap Expiry or Fixed Rate Loan Maturity	Total Fixed or Hedged (US$ m)	2023	2024	2025	2026	2027	2028	2029
Fixed Rate (MetLife)	Aug 2029	105 15%							
Interest Rate Swap Swapped from Floating to Fixed - Main Credit Facility	Jun 2026	330 47%		79%		62%			
Interest Rate Swap Swapped from Floating to Fixed - OTC and ST[1]	Jul 2024	115 17%							
Total		550	79%						

Tenor Hedged/ Fixed

Debt Hedged or Fixed
(As at 31 March 2023)

79%	62%
to Mid-2024 and Beyond	to Mid-2026 and Beyond

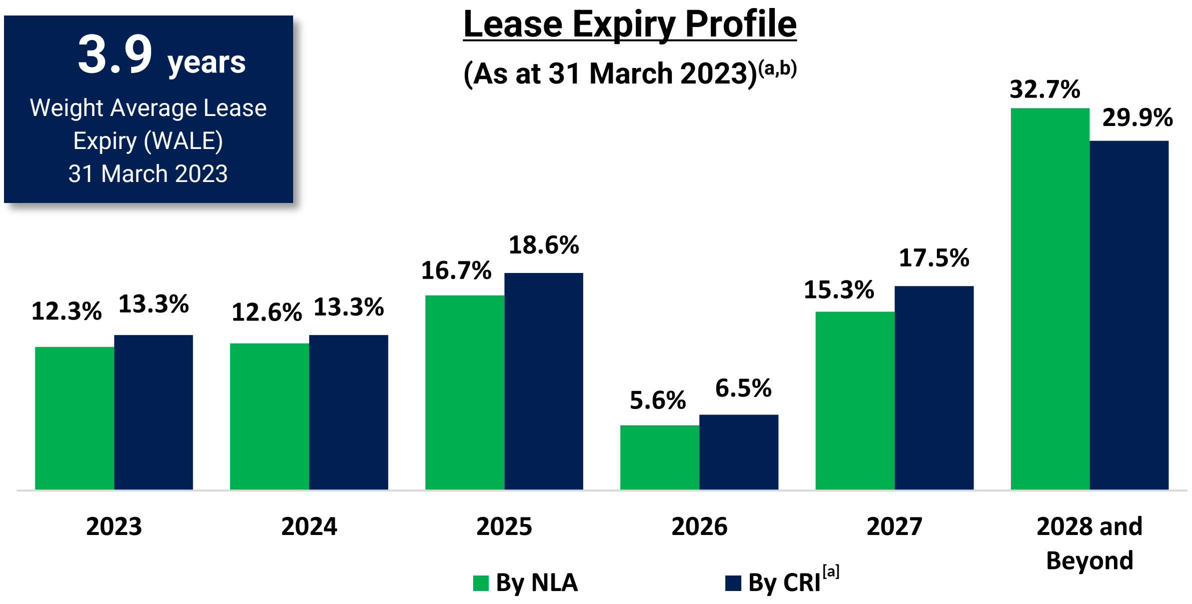


Note 1: One Tower Center ("OTC") and Sorrento Tower ("ST")

Portfolio Updates

Well-Staggered Lease Expiries. 1.6% Leased in 1Q and 2.7% at end April 2023

3.9 years
Weight Average Lease Expiry (WALE)
31 March 2023



[a] Annualized cash rental income based on the month of March 2023.
[b] Excludes month to month leases accounting for 4.8% of NLA or 0.9% of annualized CRI.

- Lower leasing volume in 1Q2023

  1Q2023 volume: 64.4k sq ft
  vs 1Q2022: 171.7k sq ft (yoy)
  vs 4Q2022: 142.8k sq ft (qoq)
- 37.5k sq ft, representing 58% of all leases, were new leases
- 1Q2023 overall rental reversion of -2.6% impacted by two renewals with minimal upfront tenant improvements (TIs) capex. The two leases saw **high positive net effective rent reversion.** Excluding the two renewals above, 1Q2023 rental reversion would have been positive +3.2%
- Active leasing discussions in several buildings ongoing. c. 38k sq ft of leases executed in April 2023

Portfolio Updates

Rental Reversion Potential Remains

Properties (As at 31 March 2023)	Primary Market, State	% Asset Value	Occupancy	WALE (years)	% Lease expiry remaining in 2023 by CRI[1]	Annual In Place Rent (US$)	Annual Asking Rent (US$)	Potential Rental Reversion
222 Main	Salt Lake City, Utah	13.4%	96.6%	3.8	1.3%	$40.74	$39.50	-3.0%
171 17th Street	Atlanta, Georgia	12.3%	95.0%	4.8	1.3%	$28.85	$30.00	+4.0%
Sorrento Towers	San Diego, California	9.6%	94.4%	5.2	0.1%	$42.28	$49.80	+17.8%
Park Tower	Sacramento, California	9.5%	85.7%	3.4	1.0%	$33.47	$37.15	+11.0%
Village Center Station II	Denver, Colorado	9.3%	100.0%	5.3	0.0%	N/A[3]	N/A[3]	N/A[3]
Tower I at Emeryville	San Francisco Bay Area, California	7.2%	69.1%	4.6	0.1%	$42.72	$55.15	+29.1%
CrossPoint	Philadelphia, Pennsylvania	6.6%	97.1%	5.5	1.2%	$38.77	$41.50	+7.0%
One Town Center	Boca Raton, Florida	5.9%	100.0%	4.5	0.3%	$35.40	$40.00	+13.0%
One Washingtonian Center	Suburb Maryland, Washington D.C.	5.4%	83.4%	1.9	5.7%	$36.92	$36.00	-2.5%
Tower 909	Dallas, Texas	4.9%	87.7%	3.3	0.8%	$34.34	$35.90	+4.5%
101 South Hanley	St. Louis, Missouri	4.7%	96.5%	3.3	0.6%	$29.47	$31.00	+5.2%
Promenade I & II	San Antonio, Texas	4.6%	83.6%	2.3	0.0%	$28.87	$31.00	+7.4%
Village Center Station I	Denver, Colorado	4.6%	68.7%	1.5	0.9%	$24.65	$26.00	+5.5%
Reston Square	Suburb Virginia, Washington D.C.	2.0%	46.1%	2.9	0.0%	$40.53	$38.00	-6.2%
Total / Weighted Average		**100.0%**	**88.6%**	**3.9**	**13.3%**	**$34.69**	**$37.06**	**+6.8%**

[1] Lease expiry excludes month to month leases accounting for 0.9% of CRI
[2] Excluding short term leases < 1year
[3] Excludes Village Center Station II which is fully leased until 2028

- Key leasing priorities include
  - (1) One Washingtonian Center
    - Sodexo (Expiring 31 Dec 2023)
  - (2) Reston Square
    - Vacate from key tenant being acquired
  - (3) Tower 1 Emeryville
  - (4) Village Center Station 1
- Concurrently, work towards full occupancy for well performing assets
- Focus on net effective rent economics and managing balance sheet – willing to consider deals with lower headline rent in exchange for lower lease concessions

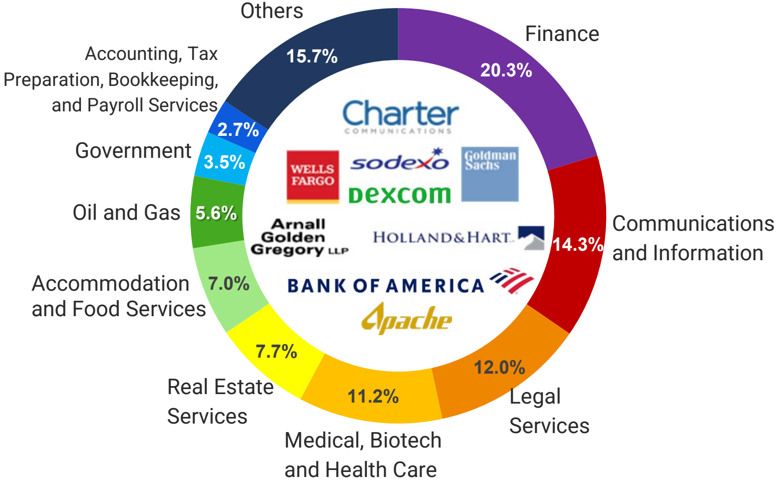
Submarket Outlook

State	Metro *Submarket*	PRIME's Properties	% Contribution by Carrying Value	PRIME's Occupancy Rate (%)	Class A Submarket Occupancy Rate[1] (%)	Projected Rent growth (%)[1]
Utah	Salt Lake City, Downtown	222 Main	13.4%	96.6%	85.5%	-0.4%
Georgia	Atlanta, Midtown	171 17th Street	12.3%	95.0%	77.5%	+1.0%
California	San Diego, Sorrento Mesa	Sorrento Towers	9.6%	94.4%	89.9%	+0.9%
	Sacramento, Downtown	Park Tower	9.5%	85.7%	91.8%	+1.2%
	San Fran/Oakland Emeryville/Berkeley	Tower I at Emeryville	7.2%	69.1%	80.3%	+1.1%
Colorado	Denver, Greenwood Village	Village Center Station I & II	13.9%	VCS I: 68.7% VCS II: 100.0%	78.3%	+0.9%
Pennsylvania	Philadelphia, Suburban	Crosspoint	6.6%	97.1%	83.6%	-0.4%
Florida	Boca Raton	One Town Center	5.9%	100.0%	89.2%	+2.4%
Texas	Dallas, Urban Center	Tower 909	4.9%	87.7%	73.8%	+0.1%
	San Antonio, Far Northwest	Promenade I & II	4.6%	83.6%	85.7%	-1.1%
Missouri	St. Louis, Clayton	101 South Hanley	4.7%	96.5%	86.0%	-1.5%
Washington DC	Washington DC (MD), Gaithersburg	One Washingtonian Center	5.4%	83.4%	99.7%	-0.4%
	Washington DC (VA), Reston	Reston Square	2.0%	46.1%	79.0%	-0.3%
			100.0%	88.6%[2]	82.1%[3]	+0.7%[3]

1. CoStar as of 5th April 2023
2. PRIME's Portfolio Occupancy as at 31 March 2023
3. CoStar 4 & 5 Star National average occupancy rate as at 5th April 2023.

- Occupancy at 8 of PRIME's 14 properties higher than submarket average
- CoStar 12-month rent outlook positive in 7 of PRIME's 13 submarkets

Sector Diversification Adds to Resiliency



▶ 72% In Established + Growth (STEM/TAMI)[2] Sectors

[1] Data for Cash Rental Income as at 31 March 2023

[2] Established: Finance, Real Estate, Legal, Government
STEM/TAMI: Communications, Health Care, Scientific R&D Services, Information, Professional, Scientific and Tech Services

Top 10 Tenants

Tenant	Industry	Credit Rating	Property	Leased sq ft	% of Portfolio CRI[1]
Charter Communications	Communications and Information	Moody's: Ba1	Village Center Station I & II	419,881	8.4%
Sodexo Operations LLC	Accommodation and Food Services	S&P: BBB+	One Washingtonian Center	190,698	5.3%
Goldman Sachs Group Inc.	Finance	Moody's: A2 S&P: BBB+ Fitch: A	222 Main	176,416	5.2%
Dexcom	Medical, Biotech & Health Care	Independent Firm Credit Analysis: Strong	Sorrento Towers	148,383	4.7%
Holland & Hart	Legal Services	Private Firm	222 Main	89,960	3.2%
Wells Fargo Bank NA	Finance	Moody's: AA2 Fitch: AA- S&P: A+	171 17th Street	106,030	3.1%
Arnall Golden Gregory LLP	Legal Services	Private Firm	171 17th Street	195,584	2.6%
Bank of America, NA	Finance	Fitch: AA Moody's: Aa2	One Town Center	61,430	2.5%
Matheson Tri-Gas	Oil and Gas	Private Firm	Tower 909	93,942	2.2%
Apache Corporation	Oil and Gas	Private Firm	Promenade I & II	69,086	2.2%
Total				**1,551,410**	**39.4%**
WALE Top 10					**4.1 Years**

Current Market Environment[4]

Real GDP Growth 1Q 2023[1]

1.1%

Unemployment[2] Rate April 2023

3.4%

Inflation Rate[3] March 2023

5.0%

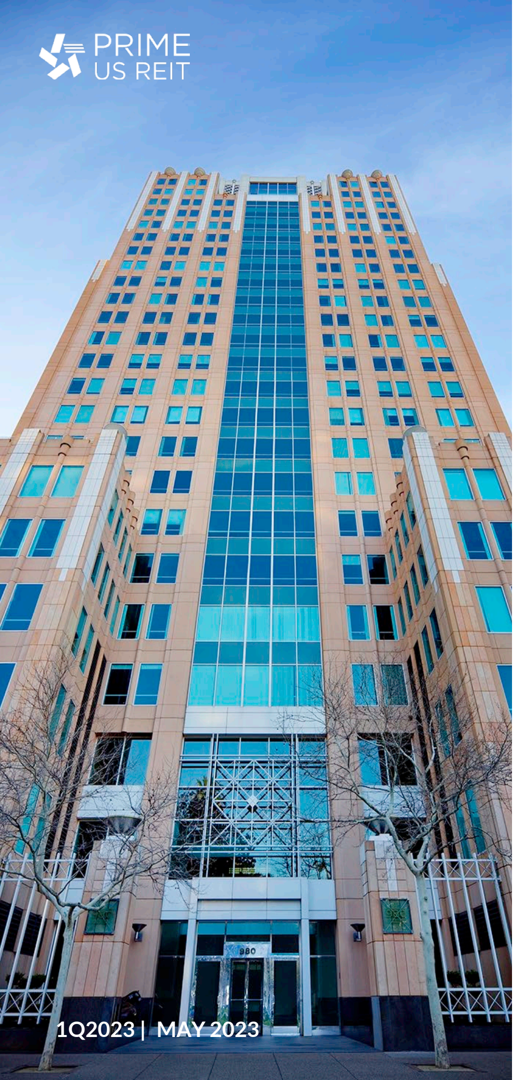
year-on-year

Economic landscape remains challenged

- While unemployment remain low, layoffs have increased in sectors such as tech and finance
- Recent bank failures have raised concerns over capital availability and tightening credit conditions
- Despite inflation trending down since it's peak of 9.1% in June 2022, the current strong employment market may be an added complication in terms of rates outlook
- Most aggressive rate hike in over 40 years
  (Fed fund target rate: from 0-25 bps in March 2022, to 500-525 bps in May 2023)

- Rate environment widely expected to peak by mid-2023
- As per JLL Research Office Outlook Q1 2023
  - Past rate hike cycles have characterized by a brief plateau and relatively rapid easing
  - The peaking and eventual easing of interest rates will be a welcome development for office occupiers and investors.

1. U.S. Bureau of Economic Analysis Advance Estimate Q1 2023
2. U.S. Bureau of Labor Statistics April 2023
3. U.S. Bureau of Labor Statistics March 2023
4. JLL Research Office Outlook Q1 2023



U.S. Office Trends[1]

- **Flight to quality trend continuing** as tenants generally elect to reduce overall footprints while upgrading to best-in-class space
- **The leasing market remains active** although Q1 2023 leasing volume across Classes was 10.7% lower quarter-on-quarter
- **Rent growth continues to be positive** albeit with increased lease incentives amid relative scarcity of high-quality direct space
- **Move-in ready space is also increasingly attractive** given the reluctance of both sublessors and landlords to fund the upfront capex associated with buildouts
- **Development slowing sharply despite flight-to-quality.** New office construction came to a near halt in Q1 2023

1. JLL Research Office Outlook Q1 2023

Key Management Priorities

Leasing

- Leasing the key priority
- Execution of asset enhancement initiatives
- ESG initiatives to help drive leasing
- Safe and healthy workplace

Active Capital Management

- Monitoring bank debt markets and rate environment
- Ongoing focus on capital management to support building enhancements and leasing
- Flexibility on leasing structures

ESG Commitment

- Portfolio- wide initiatives: Gridium Energy Management, Energy Star/LEED recertifications and benchmarking, UL Air Quality Verification
- Property specific initiatives: Fitness Center upgrades, Wellness rooms, EV Charging stations, outdoor amenities, tenant and community engagement
- Evaluation of real estate technology solutions and green leases supported by LPC expertise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