



4Q & FY2019 Results Announcement

12 February 2020

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DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering (“IPO”) of Prime US REIT (the “Offering”). DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited were the joint bookrunners and underwriters for the Offering.

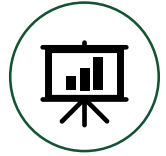
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# FY2019 Financial Highlights

# FY2019 Key Highlights



Outperformance of NPI and DPU against IPO forecasts for FY2019

- NPI exceeds **2.9%** - **US\$40.2m** vs US\$39.0m
- DPU exceeds **7.5%** - **US 3.15 cents** vs US 2.93 cents



Uplift in portfolio valuation to US\$1.25b

- Revaluation gain of **1.5%** or **US\$18.8m** driven by improving fundamentals of U.S. office real estate
- Maintained high occupancy rates of **95.8%**



Effective capital management with strong balance sheet to pursue growth

- Average debt to maturity of **5.2 years** at weighted average interest rate of **3.3%**
- Healthy gearing ratio of **33.7%** positions PRIME for growth



Positive outlook in operating markets evidenced by key leading indicators

- Net absorption rallied the remainder of the year, with the fourth quarter posting the strongest absorption of 2019
- Technology remained the top leasing sector which is favourable to PRIME with its exposure to tenants in the growing STEM/TAMI sectors

# Outperformance of NPI and DPU against IPO forecasts

	4QFY2019 1 October 2019 to 31 December 2019			FY2019 19 July 2019 to 31 December 2019		
	Actual (US\$'000)	Forecast (US\$'000)	Variance (%)	Actual (US\$'000)	Forecast (US\$'000)	Variance (%)
Gross Revenue	33,528	32,869	+2.0	60,657	59,376	+2.2
Net Property Income	22,257	21,607	+3.0	40,170	39,031	+2.9
Distributable Income to Unitholders	16,380	15,051	+8.8	29,176	27,189	+7.3
Available DPU (US cents) <sup>1</sup>	1.77	1.62	+9.0	3.15	2.93	+7.5

(1) No distribution for the current financial period was declared. PRIME's first distribution will be for the period from 19 July 2019 (Listing Date) to 31 December 2019, and will be paid on or before 30 March 2020.

# Robust Balance Sheet Positioned for Growth

As at 31 December 2019

Total Assets	US\$1,297.2 million	Available Facilities	US\$47.4 million
Total Loans & Borrowings	US\$437.6 million	Aggregate Leverage	33.7%
<b>Unitholders' Funds</b>	US\$825.3 million	Weighted Average Interest Rate	3.3% <sup>1</sup>
Units in Issue and to be Issued	926.4 million	Interest Coverage	5.5x <sup>2</sup>
NAV per Unit	US\$0.89	Weighted Average Debt Maturity	5.2 Years

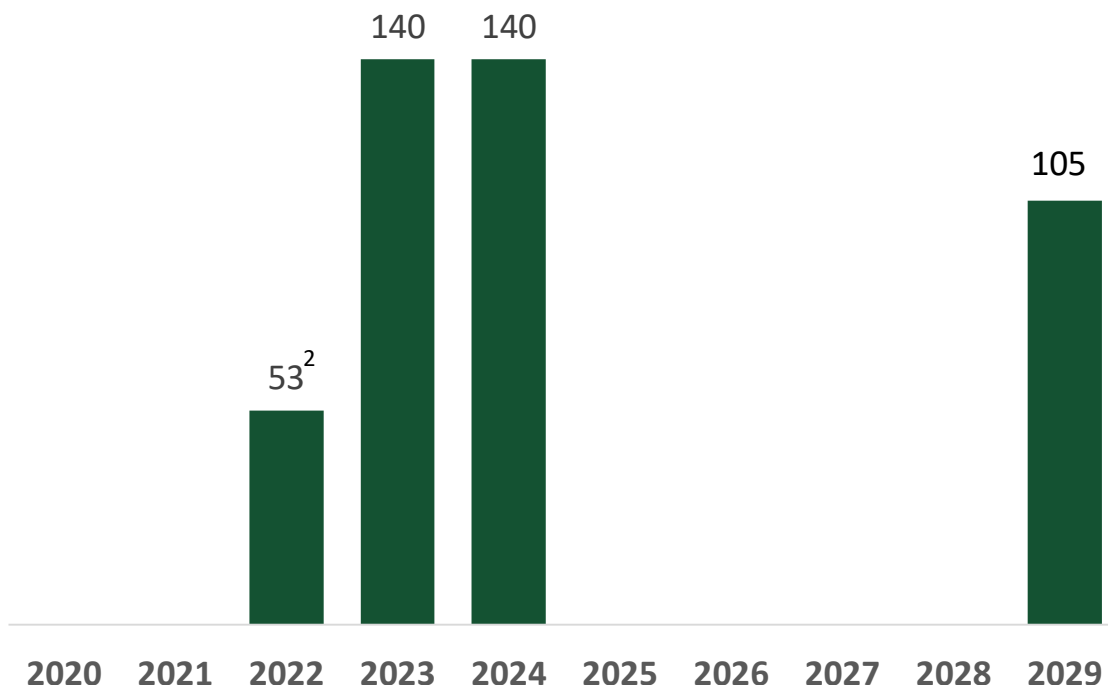
(1) Based on interest expense (excluding amortisation of upfront debt-related transaction costs and commitment fees) on loans and borrowings from 19 July 2019 to 31 December 2019 taking into account the interest rate swaps

(2) Calculated as net income plus tax expense, net finance expense, change in fair value of derivatives and amortisation of lease commissions divided by interest expense and commitment fees on debt for the period from 19 July 2019 to 31 December 2019

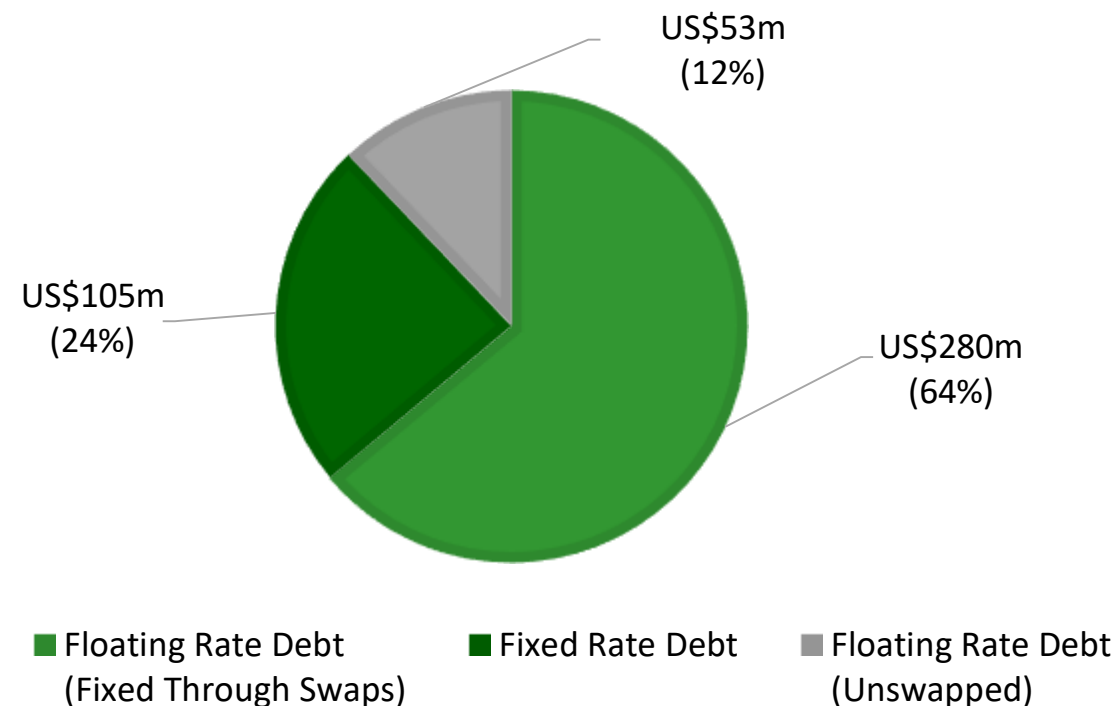
# Conservative Debt Profile Provides Certainty of Distributions<sup>1</sup>

## Debt Maturity Profile

(US\$ millions)



## Breakdown of Debt Profile (US\$)



(1) Data as of 31 December 2019

(2) The loan maturity in 2022 is related to the revolver

(3) 2019 and 2020 interest cost of 3.06% and 3.11% for both 4/5Y term loans, respectively; average interest cost of 3.43% and 3.49% for the remaining term of the 4Y and 5Y term loans, respectively

(4) Based on interest expense (excluding amortization of upfront debt-related transaction costs and commitment fees) on loans and borrowings from 19 July to 31 December 2019, taking into account interest rate swaps



# Delivering Our Commitments with Maiden DPU

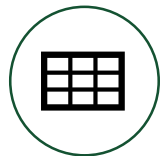


1<sup>st</sup> distribution of US 3.15 cents per Unit for the period from 19 July – 31 December 2019

- Tax-exempt income: US 2.00 cents per Unit
- Capital: US 1.15 cents per Unit

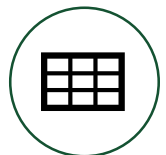


Annualised DPU yield of 8.0%<sup>1</sup> for 4QFY2019 and 7.9%<sup>1</sup> for FY2019



Distribution Policy

- 100% of distributable income from the Listing Date to 31 Dec 2019 and for FY2020
- PRIME will distribute at least 90% of annual distributable income for FY2021 onwards
- Distributions on a semi-annual basis



Key Dates:

- Distribution Ex Date: 19 February 2020
- Book Closure Date: 20 February 2020
- Date Payable: 30 March 2020

(1) Annualised distribution yield based on IPO price of US\$0.88

(2) The loan maturity in 2022 is related to the revolver

(3) 2019 and 2020 interest cost of 3.06% and 3.11% for both 4/5Y term loans, respectively; average interest cost of 3.43% and 3.49% for the remaining term of the 4Y and 5Y term loans, respectively

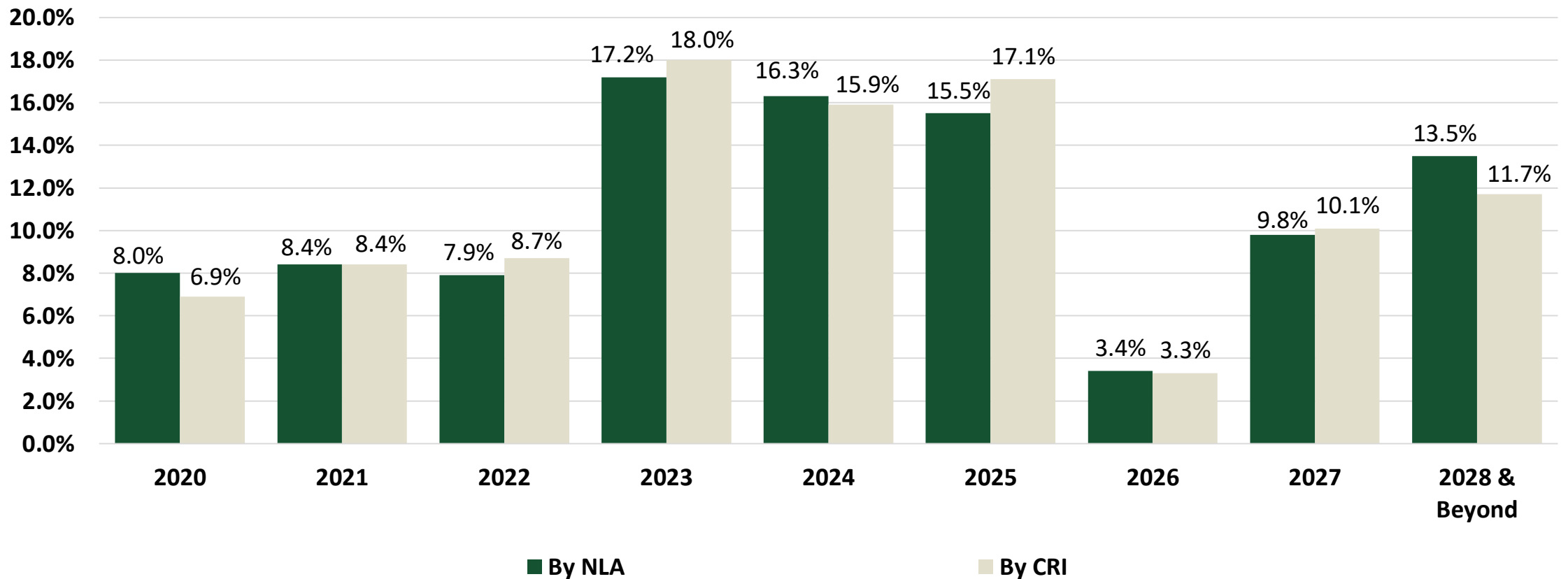
(4) Based on interest expense (excluding amortization of upfront debt-related transaction costs and commitment fees) on loans and borrowings from 19 July to 31 December 2019, taking into account interest rate swaps



# Operational Performance

# Proactive Lease Management: Higher Certainty of Cash Flow

## Stable Portfolio Lease Expiry Profile



# High Portfolio Occupancy of 95.8%

Tower I at Emeryville  
San Francisco Bay Area (Oakland)



Valuation<sup>1</sup>: US\$125.8m  
Occupancy<sup>2</sup>: 90.2%

222 Main  
Salt Lake City



Valuation<sup>1</sup>: US\$220.0m  
Occupancy<sup>2</sup>: 95.9%

Village Center Station I  
Denver



Valuation<sup>1</sup>: US\$88.5m  
Occupancy<sup>2</sup>: 87.2%

Village Center Station II  
Denver



Valuation<sup>1</sup>: US\$145.8m  
Occupancy<sup>2</sup>: 100.0%

101 South Hanley  
St. Louis



Valuation<sup>1</sup>: US\$81.5m  
Occupancy<sup>2</sup>: 95.7%

Tower 909  
Dallas



Valuation<sup>1</sup>: US\$82.4m  
Occupancy<sup>2</sup>: 94.4%

Promenade I & II  
San Antonio



Valuation<sup>1</sup>: US\$75.0m  
Occupancy<sup>2</sup>: 99.6%

CrossPoint  
Philadelphia




Valuation<sup>1</sup>: US\$99.5m  
Occupancy<sup>2</sup>: 100.0%

One Washingtonian Center  
Washington D.C Area (Suburban Maryland)



Valuation<sup>1</sup>: US\$106.0m  
Occupancy<sup>2</sup>: 95.6%

Reston Square  
Washington D.C Area (Suburban Virginia)



Valuation<sup>1</sup>: US\$49.2m  
Occupancy<sup>2</sup>: 96.9%

171 17th Street  
Atlanta



Valuation<sup>1</sup>: US\$181.0m  
Occupancy<sup>2</sup>: 97.1%

# Diversification: Capture Growth & Minimise Risks

9 Primary Markets

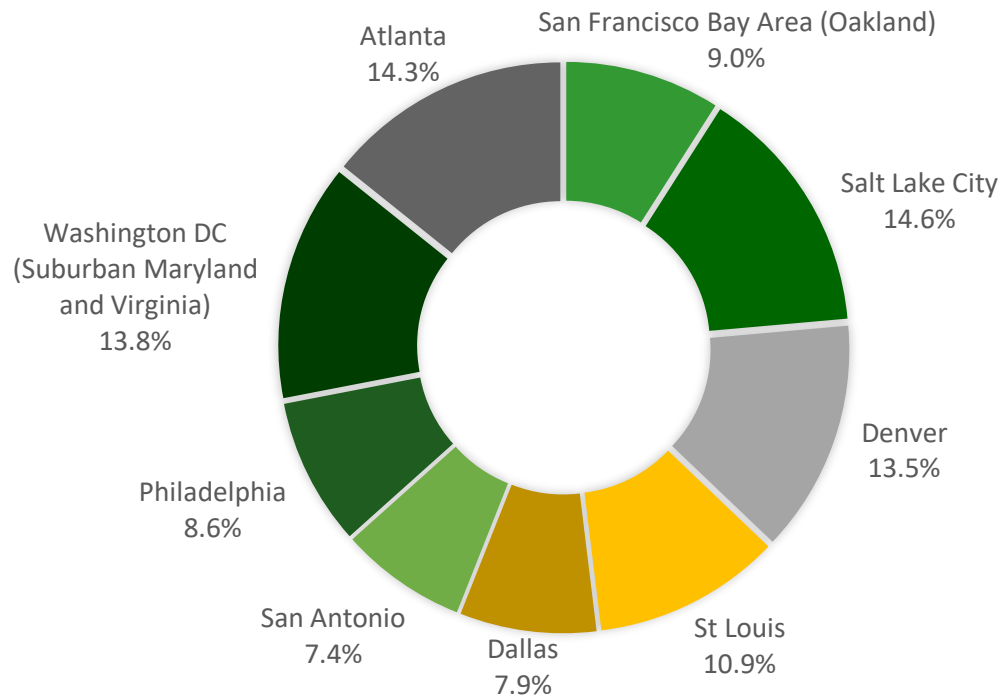
No single market contributing more than 14.6% of total CRI

11 Assets

No single asset makes up more than 17.5% of portfolio

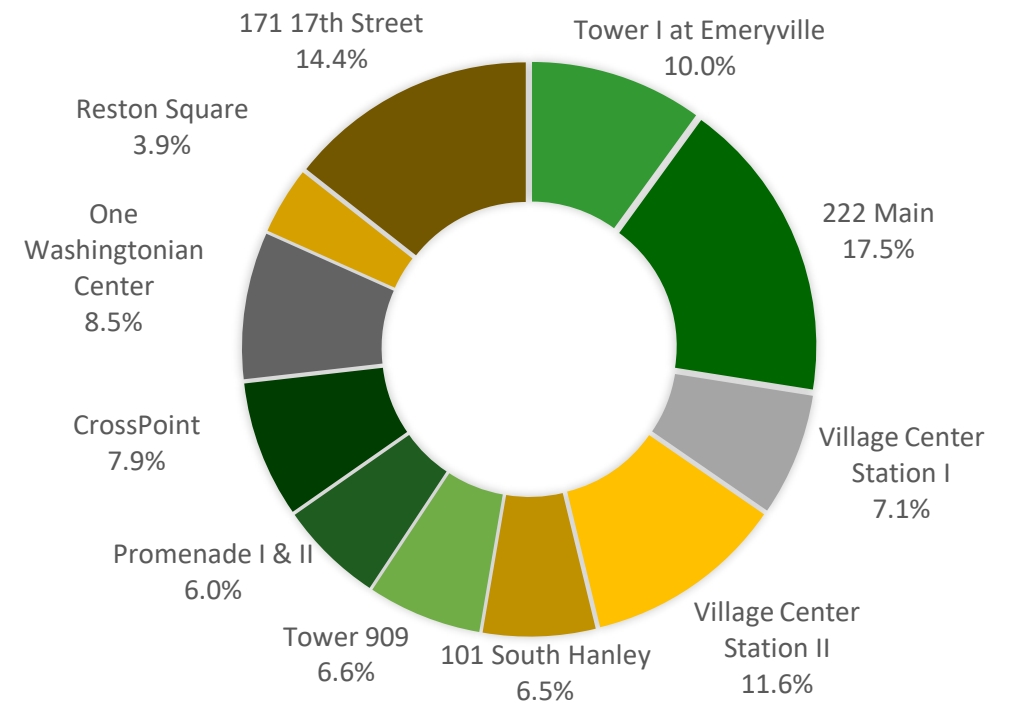
## Geographic Diversification<sup>1</sup>

CRI<sup>2</sup> by Primary Market



## Asset Diversification

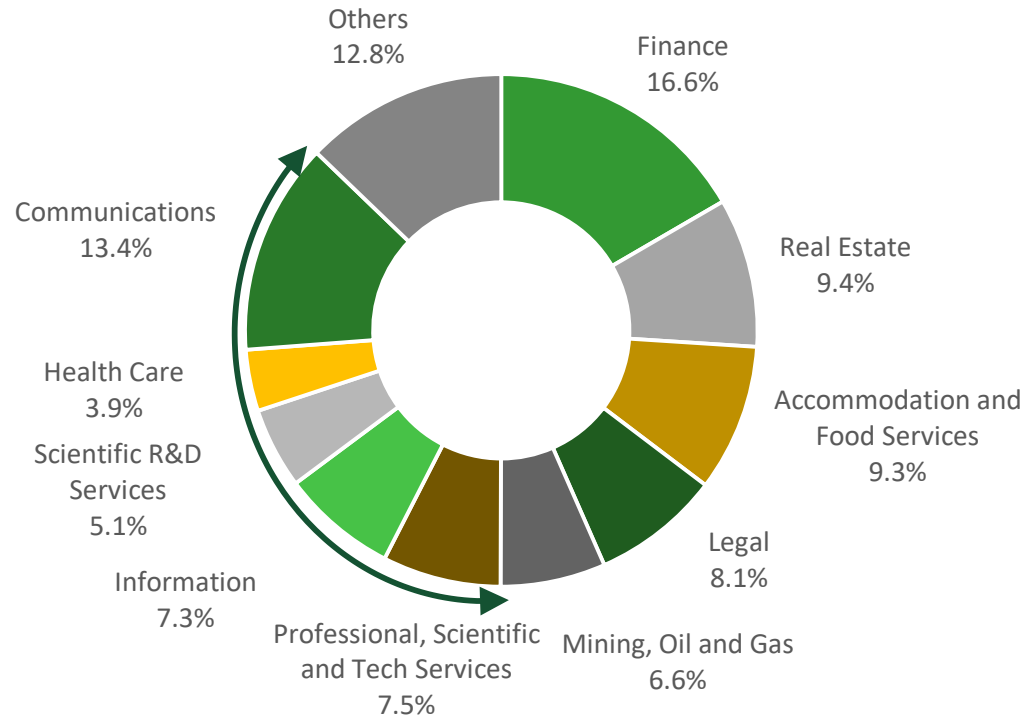
Asset by Valuation



# Tenant Diversification: Quality Mix with a Focus on Growing Sectors

## Tenant Mix<sup>1</sup>

CRI<sup>2</sup> by Trade Sector



## Top 10 Tenants

Tenant	Industry Sector	Property	NLA (sq. ft)	% of Cash Rental Income <sup>2</sup>
Charter Communications	Communications	Village Center Station I & II	373,782	8.1%
Goldman Sachs	Finance	222 Main	177,206	6.7%
Sodexo Operations	Accommodation and Food	One Washingtonian Center	190,698	6.0%
Wells Fargo Bank	Finance	171 17 <sup>th</sup> Street	156,104	4.8%
Holland & Hart	Legal	222 Main; Village Center Station I	114,103	4.5%
Arnall Golden Gregory	Legal	171 17 <sup>th</sup> Street	122,240	3.7%
Whitney, Bradley & Brown Professional Services		Reston Square	73,511	3.0%
Teleflex	Healthcare	CrossPoint	84,008	2.7%
Apache Corporation	Mining, Oil & Gas	Promenade	70,596	2.5%
WeWork	Real Estate Rental & Leasing	Tower I at Emeryville	56,977	2.5%
Total			1,419,225	44.6%

**37.2%**  
Exposure to Growing STEM/TAMI<sup>3</sup> Sectors

High Quality and Reputable Tenants



# Market Outlook

# Outlook



- U.S. businesses continued to add jobs at a healthy pace in the fourth quarter of 2019
- The Federal Reserve cut its benchmark rate three times in 2019, lifting commercial real estate valuations in the second half of 2019 according to CoStar
- Key office-using sectors of financial services, professional services and information increased by 150,000 jobs during the fourth quarter; CoStar recorded net absorption of about 53 million square feet for the year.
- With a similar amount of new supply delivered, the vacancy rate remained stable at year-end, matching the expansion-low of 9.7%; while demand and supply vary quarterly, the vacancy trend is likely to remain stable
- According to Cushman & Wakefield, technology was again the top leasing sector in the fourth quarter of 2019, and this is expected to continue in 2020
- With portfolio occupancy of 95.8%, and 98.0% of leases having rental escalations, PRIME's diversified portfolio is supported by a favourable tenant exposure in the growing STEM/TAMI sectors, and CoStar expects the technology sector to continue its outperformance in 2019 through 2020.
- The Manager maintains a proactive and prudent approach in its leasing and asset management activities to maximise returns to Unitholders.
- With the coronavirus outbreak continuing to unfold in China and globally, we continue to monitor the situation closely on its impact on the global economy. Barring any unforeseen circumstances, we remain cautiously optimistic about the U.S. office market.



# Summary



## Premium portfolio of high quality office assets

- 11 Class A, freehold office properties fitted with modern facilities
- 10 out of 11 assets are LEED or Energy Star certified



## Resilient business model

- Balanced portfolio with geographical and sector diversification
- Long WALE with fixed annual rental escalations and conservative debt profile



## Informed decision-making

- Real-time intelligence on opportunities and developments in target markets



## Management bench strength

- Deep understanding of U.S. real estate ecosystem
- Established track record and experience across private property funds, investments, finance and capital management



## Exposure to strategic markets

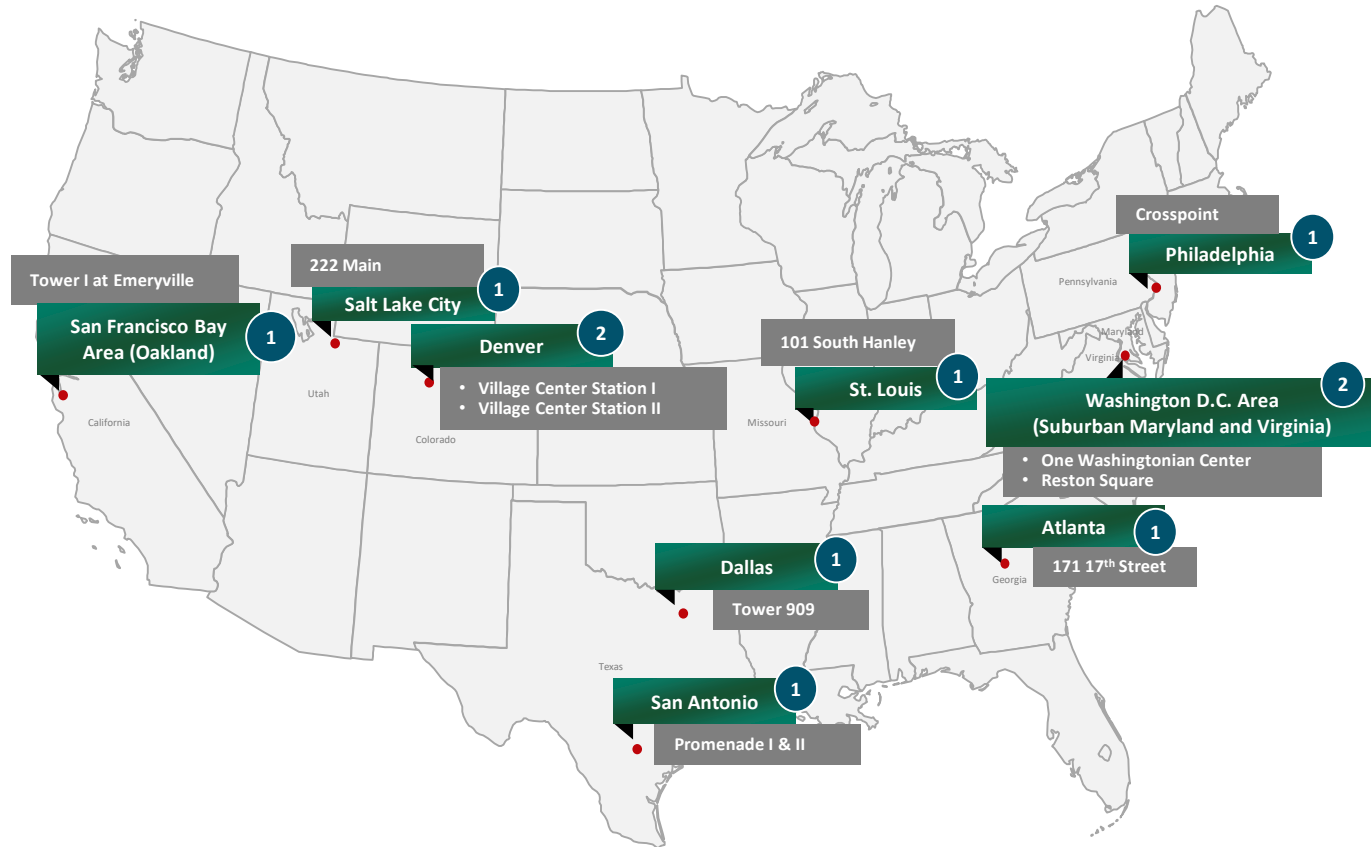
- Markets with tight labour conditions and high barriers of entry, where corporates are expanding to with priorities on talent attraction and retention



# Appendix

# PRIME (SGX: OXMU) Quick Facts<sup>1</sup>

High quality portfolio of prime office properties, diversified across key U.S. office markets



# Denotes number of properties from the respective market

US\$893m Market Cap <sup>1</sup>	US\$29.2m Distributable Income <sup>2</sup>
7.9% Distribution Yield <sup>3</sup>	33.7% Gearing Ratio
US\$1.25b Valuation	11 Prime U.S. Office Properties
A All Class A Office Properties	95.8% Portfolio Occupancy
100% Freehold Land Title	3.4m sq ft NLA
98.0% Leases with built-in rental escalation	5.1 yrs WALE



(1) Data as of 31 December 2019  
 (2) Distributable income for the period from 19 July 2019 to 31 December 2019  
 (3) Annualised distribution yield based on IPO price of US\$0.88

# Portfolio Overview - 4QFY2019 & FY2019

Name of Property	Primary Market	Land Tenure	Completion Year	Year of Last Refurbishment	NLA (sq ft)	Parking Stalls	Occupancy*	Number of Tenants*	WALE*	Valuation
Tower I at Emeryville	San Francisco Bay Area (Oakland)	Freehold	1972	2012	222,207	509	90.2%	16	6.7	US\$125.8m
222 Main	Salt Lake City	Freehold	2009	2018 (Lobby)	433,346	852	95.9%	17	5.0	US\$220.0m
Village Center Station I	Denver	Freehold	2009	2019	241,846	786	87.2%	13	3.2	US\$88.5m
Village Center Station II	Denver	Freehold	2018	N.A.	325,576	1,165	100.0%	1	8.5	US\$145.8m
101 South Hanley	St. Louis	Freehold	1986	2016 / 2017	360,505	916	95.7%	36	4.9	US\$81.5m
Tower 909	Dallas	Freehold	1988	2013-2015	374,251	1,107	94.4%	40	4.4	US\$82.4m
Promenade I & II	San Antonio	Freehold	2011	N.A.	205,773	768	99.6%	13	3.5	US\$75.0m
CrossPoint	Philadelphia	Freehold	1974	2014	272,360	1,035	100.0%	13	4.3	US\$99.5m
One Washingtonian Center	Washington D.C. Area (Suburban Maryland)	Freehold	1989	2013-2018	314,284	1,222	95.6%	14	4.8	US\$106.0m
Reston Square	Washington D.C. Area (Suburban Virginia)	Freehold	2007	2015	139,018	704	96.9%	8	4.1	US\$49.2m
171 17th Street	Atlanta	Freehold	2003	N.A.	510,268	1,200	97.1%	16	5.1	US\$181.0m
Total / Weighted Average	N.A.	N.A.	N.A.	N.A.	3,399,434	10,264	95.8%	187	5.1	US\$1.25b

# Property Features

## Tower I at Emeryville

1900 Powell Street  
Emeryville  
California 94608

- Tower I at Emeryville is a 12-storey Class A multi-tenanted office building located in the Oakland (North Alameda) submarket within the San Francisco Bay Area (Oakland) primary market.
- Situated in close proximity to the San Francisco Bay, Tower I at Emeryville lies in close proximity to the Oakland International Airport and enjoys views of the San Francisco Bay, the San Francisco skyline, Golden Gate Bridge and the Treasure Island.
- Public transportation is easily accessible through Amtrak, AC Transit, and free shuttles connecting Emeryville's employers and shopping centres with the MacArthur BART station.
- Quick access to Interstate-580, which passes from San Rafael in the Bay Area to Tracy in the Central Valley.
- **Tower I at Emeryville is Energy Star certified.**



## 222 Main

222 South Main Street  
Salt Lake City  
Utah 84101

- 222 Main is a 21-storey Class A multi-tenanted office building located in the CBD submarket within the Salt Lake City primary market with a nine-storey parking structure.
- Located within walking distance from the City Creek Center mixed-use development, which offers numerous first-class amenities.
- Close proximity to a light rail (TRAX) stop that allows access to locations throughout Salt Lake Valley and the Salt Lake International Airport.
- Easy access to other public transportation and Interstates 15, 80, and 215 are a close distance away.
- **222 Main is LEED Gold certified.**



# Property Features

## Village Center Station I

6380 S. Fiddler's Green Circle  
Greenwood Village  
Colorado 80111

- Village Center Station I is a 9-storey Class A multi-tenanted office building located in the Southeast Suburban submarket of the Denver primary market with an adjacent parking structure.
- Excellent access characteristics to and through the local market area, with three major highways and various major arteries servicing the area.
- Primary access into the local market is provided by Interstate 25, the major north-south highway through the Denver CBSA and the State of Colorado.
- Easily accessible to Centennial Airport - one of U.S.'s busiest general aviation executive airports.
- Adjacent to Arapahoe at Village Centre Station light rail passenger station where riders can take three lines, E, F and R, into the heart of Denver and other residential and financial areas.
- **Village Center I is LEED Gold certified.**



## Village Center Station II

6380 S. Fiddler's Green Circle  
Greenwood Village  
Colorado 80111

- Village Center Station II is a 12-storey Class A single-tenanted office tower with attached parking and an additional 2-storey building located in the Southeast Suburban submarket of the Denver primary market.
- Excellent access characteristics to and through the local market area, with three major highways and various major arteries servicing the area.
- Primary access into the local market is provided by Interstate 25, the major north-south highway through the Denver CBSA and the State of Colorado.
- Easily accessible to Centennial Airport - one of U.S.'s busiest general aviation executive airports.
- Adjacent to Arapahoe at Village Centre Station light rail passenger station where riders can take three lines, E, F and R, into the heart of Denver and other residential and financial areas.
- **Village Center I is LEED Gold certified.**



# Property Features

## 101 South Hanley

101 S. Hanley Road, Clayton  
St. Louis  
Missouri 63105

- 101 South Hanley is a 19-storey Class A multi-tenanted office tower located in the Clayton submarket within the St. Louis primary market with a four-storey parking structure.
- Close proximity to Interstate 170 and Interstate 64 which serve as primary traffic arteries for St. Louis County and the St. Louis metropolitan area.
- Easy access to Clayton Business District, the interstate highway system and other important local destinations.
- Close proximity to Interstate 64, Interstate 170 and Forest Park Parkway, and a MetroLink light rail station is two blocks away.
- Features a full array of amenities such as a conference centre, a tenant lounge, fitness centre with full locker rooms, car wash, and a full-service restaurant.



## Tower 909

909 Lake Carolyn Parkway  
Irving  
Texas 75039

- Tower 909 is a 19-storey Class A multi-tenanted office building located in the Las Colinas submarket within the Dallas primary market with a 7-storey parking structure.
- It is part of the Las Colinas master planned development.
- Benefits from being the terminal stop on the Las Colinas' Area Personal Transit System and is adjacent to Urban Center Station on the DART light rail system via covered pedestrian access.
- Offers a shuttle service to the new Toyota Music Factor and is adjacent to the Water Street development, a mixed-use project which features premium retail and dining options.
- Features a tenant lounge, massage room, conference centre, fitness centre, showers and lockers and a deli.
- **Tower 909 is LEED certified.**



# Property Features

## Promenade I & II

17802 & 17806 IH-10 W, San Antonio  
Bexar County  
Texas 78257

- Promenade I and II are two 4-storey multi-tenanted Class A office buildings located in the West submarket within the San Antonio primary market.
- Located within the Eilan mixed-use development which includes a boutique hotel, restaurants, retail, apartment complex and office space surrounding a piazza with Tuscan-style stucco exteriors, stone facades and clay-tiled roofs.
- Within the northwest quadrant of Interstate 10 and Loop 1604, near the region's top employers and proximate to many affluent executive housing and multi-family residential developments.
- Within close proximity to San Antonio's two largest shopping centres, The Rim and The Shops at La Cantera.
- Interstate 10 connects San Antonio with Houston and beyond to the east and El Paso and beyond to the west. Loop 1604 encircles the city of San Antonio and provides access to the outer and suburban areas of the city of San Antonio.
- Feature workout facilities, spa services, conference rooms, convenience store, dry cleaning services, tennis courts, indoor and outdoor pools, and drinking and dining options.
- **Promenade I & II is Energy Star certified.**





# Property Features

## CrossPoint

550 East Swedesford Road, Wayne Pennsylvania 19087

- CrossPoint is a 4-storey Class A multi-tenanted office building well located along Swedesford Road, in the King of Prussia submarket within the Philadelphia primary market.
- Good proximity to malls and local highways including Route 202 and Interstate 76.
- Proximity to the King of Prussia Mall, the second largest mall in the U.S., a Walmart Supercenter, and the Village at Valley Forge, a live-work-place development which includes Wegman's, Nordstrom Rack, and LA Fitness.
- Served by commuter bus service, and the property provides free shuttle service to a nearby commuter rail station and the King of Prussia Town Center.
- High quality finishes throughout with extensive window lines, and provides tenants with a full-service dining facility, conference centre and fitness centre.
- **CrossPoint is LEED Gold certified.**



## One Washingtonian Centre

9801 Washingtonian Boulevard, Gaithersburg Maryland 20878

- One Washingtonian Center is a 13-storey Class A multi-tenanted office tower located in the submarket of Suburban Maryland (Gaithersburg) within the Washington D.C. Area (Suburban Maryland) primary market; and within the I-270 Corridor, which is a leading bio-tech and medical research market.
- Part of the exclusive Washingtonian Center mixed-use project, Gaithersburg's premier lakefront shopping, dining, and entertainment destination.
- Offers direct on and off access to Interstate 270 as well as the newly constructed InterCounty Connector which connects the Interstate 270/370 corridor and the Interstate 95/US Route 1 corridor.
- Onsite amenities include a café, concierge dry cleaning service, covered parking, and food catering.
- **One Washingtonian Center is LEED Platinum certified.**



# Property Features

## Reston Square

11790 Sunrise Valley Drive, Reston  
Virginia 20191

- Reston Square is a 6-storey Class A multi-tenanted office building located in the Reston- Herndon submarket of Suburban Virginia (Reston) within the Washington D.C. Area (Suburban Virginia) primary market.
- Part of the Reston Heights mixed-use development and enjoys proximity to local neighbourhood amenities such as Reston Town Center and the future Reston Town Center Metrorail station.
- Within ten miles of Washington Dulles International Airport.
- Features onsite amenities including a fitness centre with private lockers, EV car charging stations and a coffee bar.
- **Reston Square is LEED Silver certified.**



## 171 17<sup>th</sup> Street

171 17th Street NW, Atlanta  
Fulton County  
Georgia 30363

- 171 17th Street is a 22-storey Class A multi-tenanted office building located in the Midtown/ Pershing/Brookwood submarket within the Atlanta primary market and the master planned mixed use development of Atlantic Station.
- Benefits from easy access to Interstate 20, 75, 85, 285, 575 and 675; and Georgia Highway 400.
- Close proximity to Hartsfield Jackson International Airport.
- Onsite amenities include café, conference centre and shuttle service.
- **171 17th Street is LEED Platinum certified.**

