



Acquisition of Sorrento Towers and One Town Center

24 June 2021

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The information presented in this document as at and for the quarter ended 31 March 2021 is not audited or reviewed by the external auditors.

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Front view of Sorrento Towers

Overview of the Acquisition Assets

Key Asset Highlights



	Sorrento Towers	One Town Center
Location	San Diego, California	Boca Raton, Florida
Occupancy	95.6% ¹	94.7%
Land tenure	Freehold	Freehold
WALE²	6.6 years	6.2 years
Net leasable area (sf)	296,327	191,294
Tenants	11	14
Purchase consideration	US\$146 million	US\$99.5 million
Independent valuation	US\$146 million	US\$102 million

Source: Manager information, Cushman & Wakefield valuation report as at 9 June 2021 (Sorrento Towers), Joseph J. Blake and Associates valuation report as at 19 June 2021 (One Town Center)

1. New lease execution for 7,610 sf for 7.5 years increases leased occupancy to 98.2%

2. Weighted average lease term by net leasable area (NLA)

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Rationale and Key Benefits of the Acquisitions



Front view of One Town Center

Key investment highlights



Strategic Acquisitions Aligned with PRIME's Growth Objectives



Source: CBRE Tech-30 report, United States Census Bureau

1. STEM: Science, Technology, Engineering, Math; TAMI: Technology, Advertising, Media and Information

2. CompTIA Cyberstates 2020

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San Diego – Ranked 7th Top Technology City in the US

- Fueled by biotechnology, biopharmaceuticals, international trade, high tech and defense
- Well positioned for “Medtech” and technology tenants
- 10% of employment in high-tech (2x of national average)
- US\$5.2bn VC funding in 2020 (2x from 2019)
- Ranked 9 / 378 for quality of life¹
- Sorrento Towers’ location in Sorrento Mesa is situated in the hub of San Diego’s tech activities



Source: CompTIA Cyberstates 2020, Cushman & Wakefield IMR, California EDD, U.S. Bureau of Economic Analysis, U.S. Patent and Trademark Office, U.S. Census Bureau, PwC

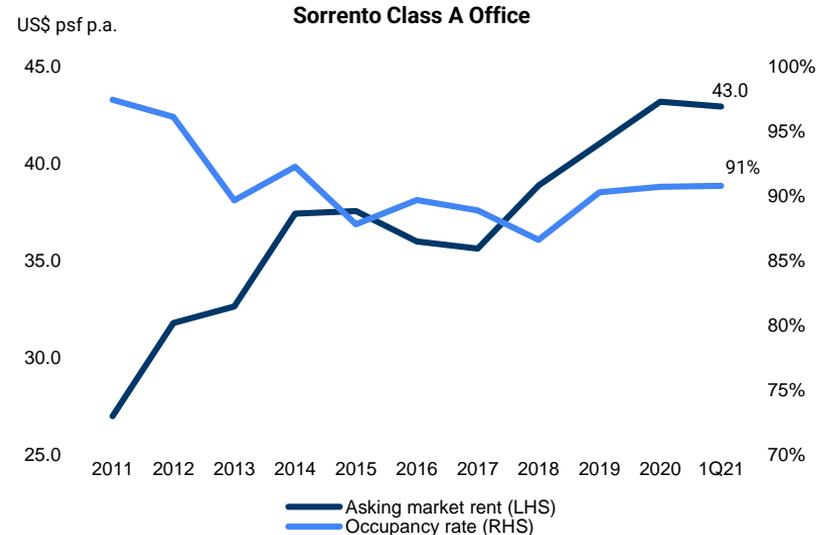
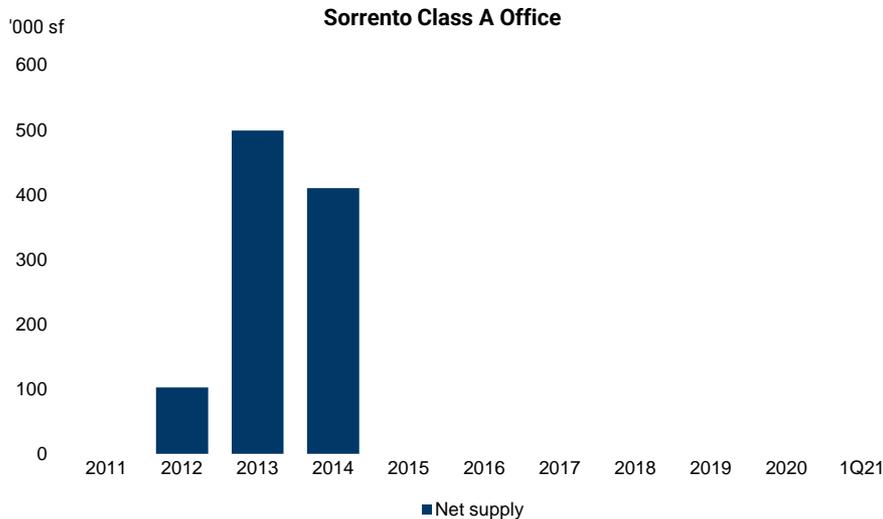
1. Ranking by Moody’s Analytics with Best=1, Worst=378

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Sorrento Mesa – San Diego’s Technology Hub

- Conversion of low-rise offices to laboratory uses due to surging demand for life science / biotechnology space
- Supply-constrained with few sites remaining for development

- Occupancy rate and market rent trending upwards
- Current rent roll is 7-10% below projected market rents

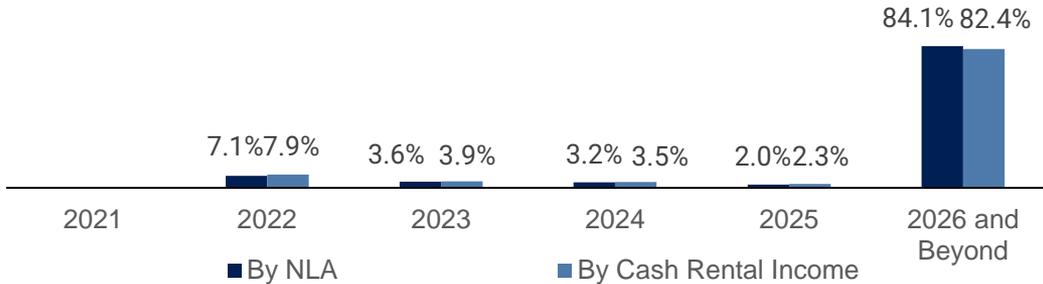


Source: CoStar June 2021

Sorrento Towers – At the Nexus of Life Science & Technology Marketplace

- Anchor tenant Dexcom occupies 50% of NLA
- Long WALE of 6.6 years¹
- 95.6%² occupied with minimal near-term lease expiries
- Awarded LEED Gold and ENERGY STAR
- Recent significant capital upgrades (c.US\$8.4m)
- Purchase price below replacement cost US\$700 psf³

Lease Expiry Profile of Sorrento Towers



Source: Manager information, Sorrento Towers website

1. By NLA, data as at March 2021

2. New lease execution for 7,610 sf for 7.5 years increases leased occupancy to 98.2%

3. As per Management estimates

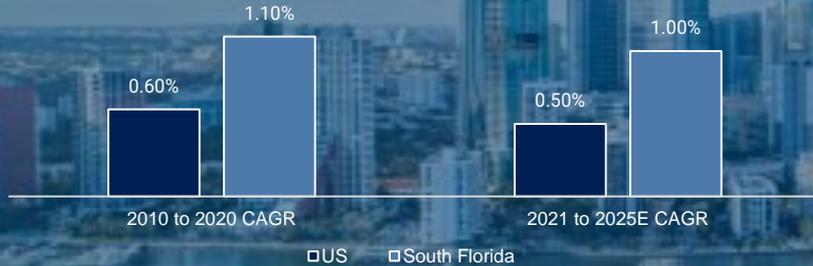
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South Florida – Robust Economy and In-migration of Population

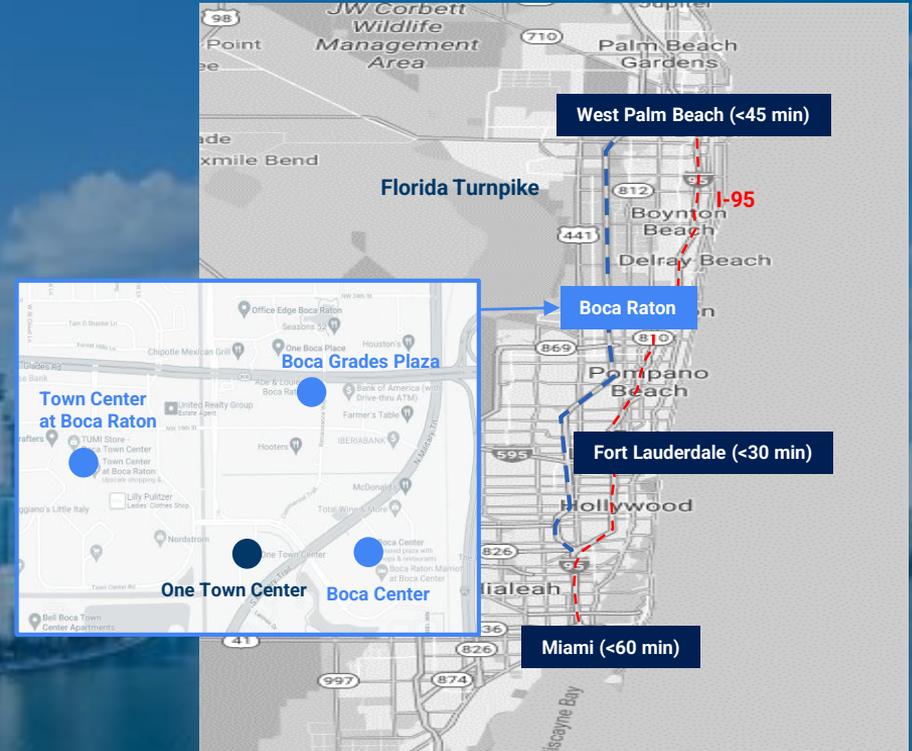
- Florida ranked 7 / 50 states for population in-migration due to favorable tax climate and quality of life
- Trend of corporate relocations and expansions driving demand for office space
- Population growth rate is expected to be nearly double that of the US
- Disproportionate number of extremely wealthy residents
- Significant international gateway due to proximity to Latin America

Population growth



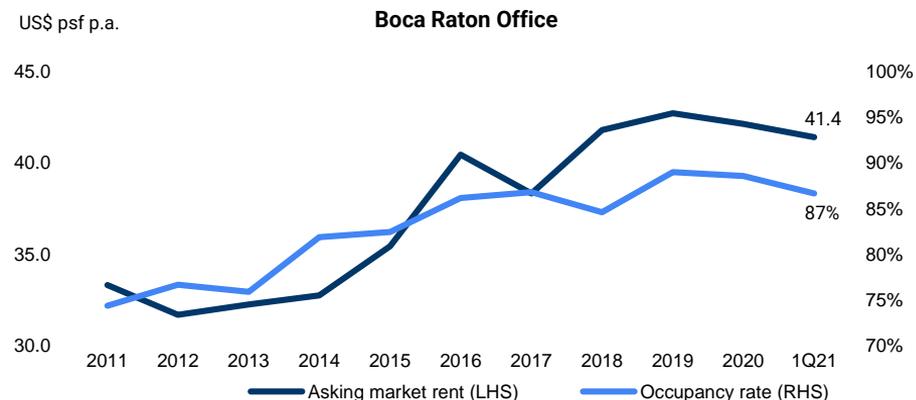
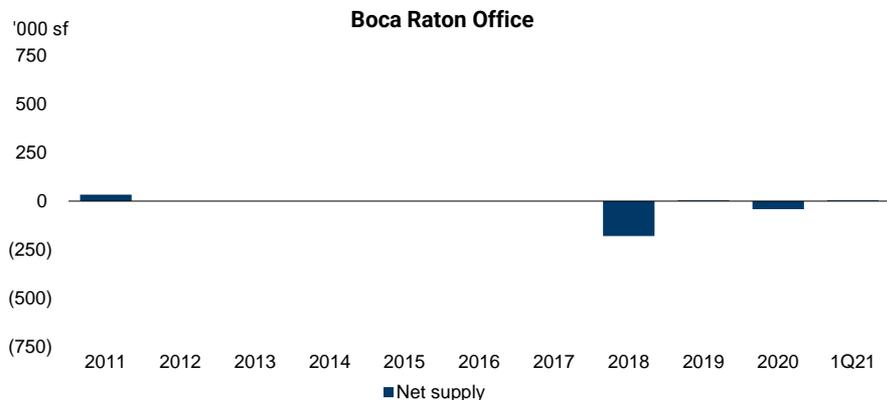
Source: Cushman & Wakefield IMR

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Boca Raton – Stable Office Market with High Barriers to Entry

- No new office supply in Boca Raton since 2011
- Inventory has remained relatively stable, currently at approximately 5.6m sf as at 1Q21
- High barriers to entry from high construction costs
- Spec development unlikely due to small-tenant market, which makes pre-leasing difficult to achieve
- Demand drives market rent growths
- Occupancy has remained above national average of 84.5%¹



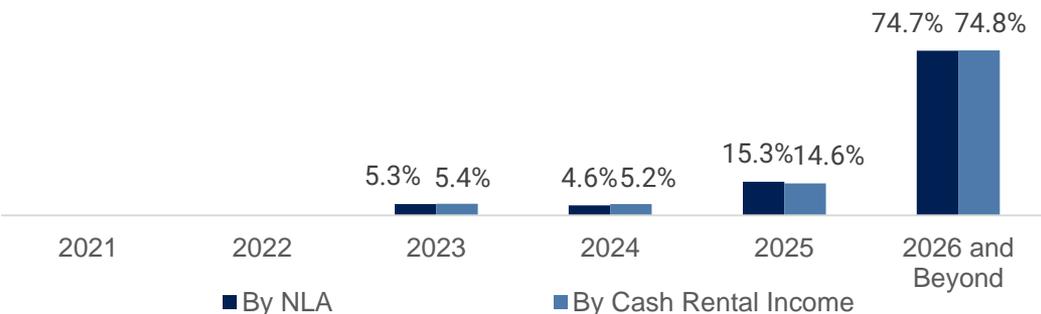
Source: Cushman & Wakefield Research June 2021

1. Data as at 4Q 2020

One Town Center – Wealth Management Hub in South Florida

- Majority of tenants from established financial services sector
- Anchored by Bank of America Merrill Lynch and Raymond James
- Leased occupancy 94.7%¹
- Long WALE of 6.2 years¹
- Highly visible revenue stream with no expiries in first two years
- Purchase price below replacement cost US\$650 psf²

Lease Expiry Profile of One Town Center

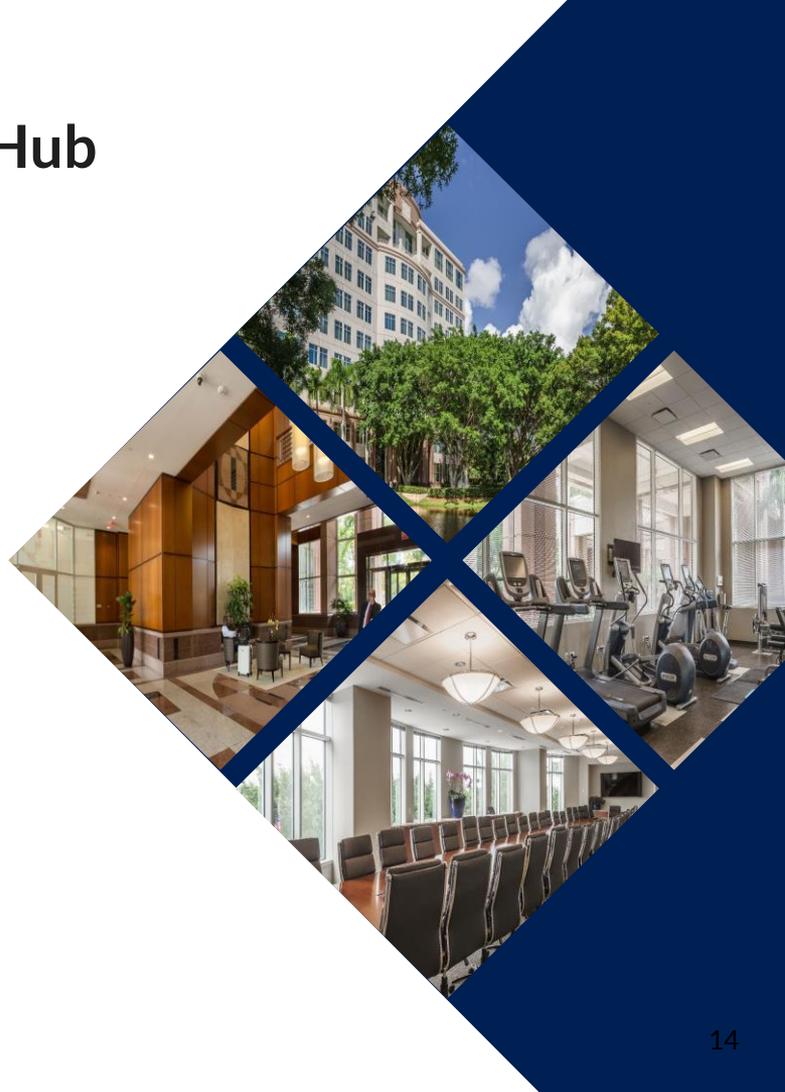


Source: Manager information, One Town Center website

1. Data as at March 2021

2. As per Management estimates

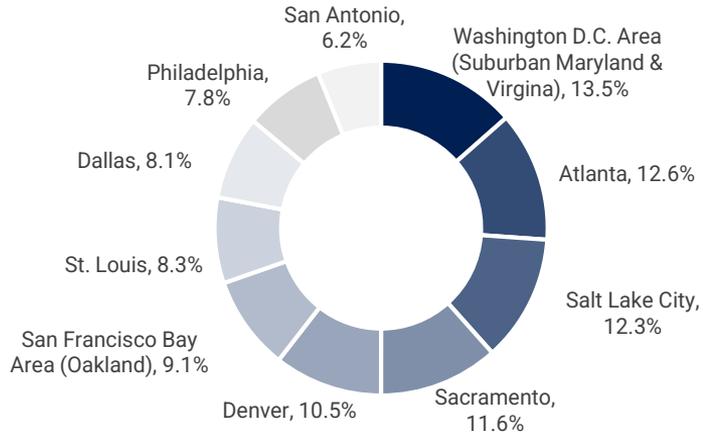
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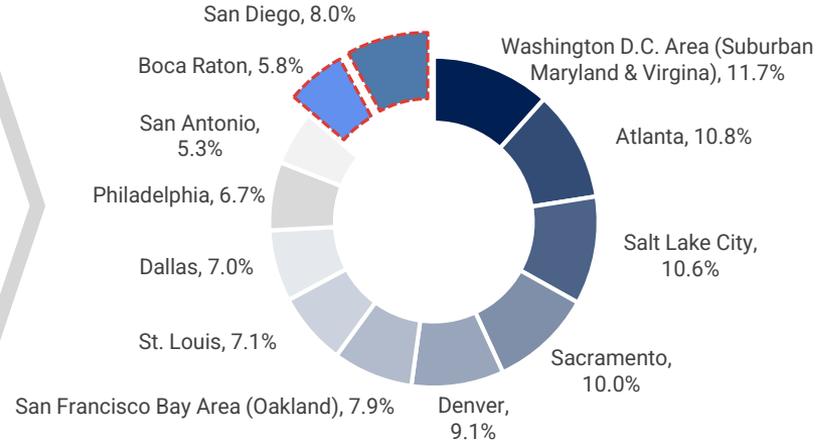
Enlarged Portfolio Increases Presence in Growth Markets

Cash rental income by primary market

Current Portfolio



Enlarged Portfolio

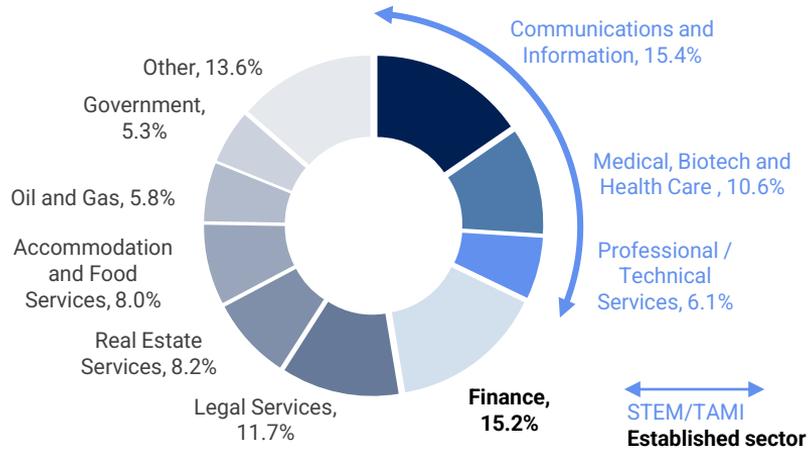


Expanding geographical footprint in new and existing markets, with no single market contributing more than 11.7%

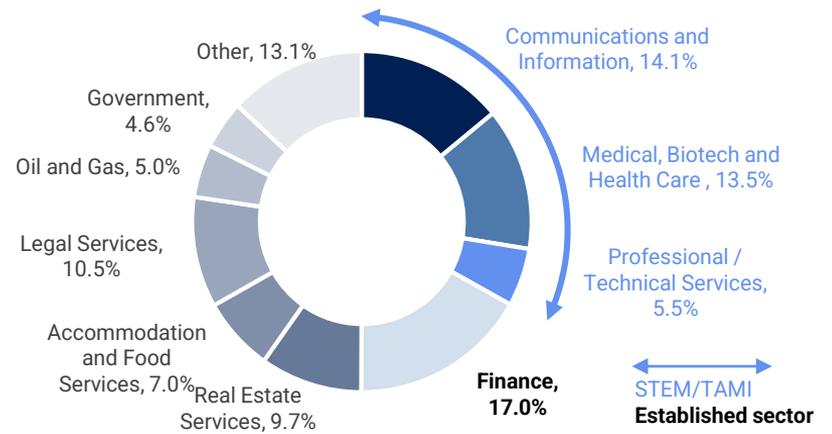
Enlarged Portfolio Increases Exposure to Key Industry Sectors

Cash rental income by Industry Sector

Current Portfolio



Enlarged Portfolio



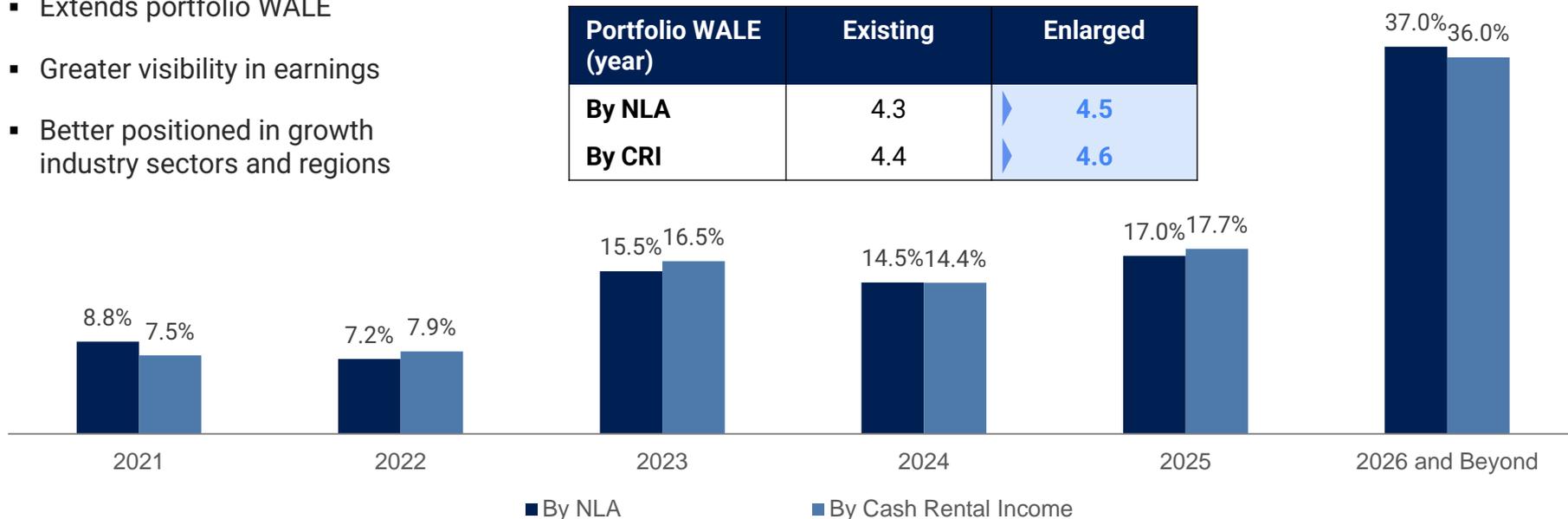
+1.0% exposure increase in STEM/TAMI and +1.8% exposure increase in Finance

Improve Portfolio Resilience

Lease Expiry Profile of Enlarged Portfolio

- Extends portfolio WALE
- Greater visibility in earnings
- Better positioned in growth industry sectors and regions

Portfolio WALE (year)	Existing	Enlarged
By NLA	4.3	4.5
By CRI	4.4	4.6



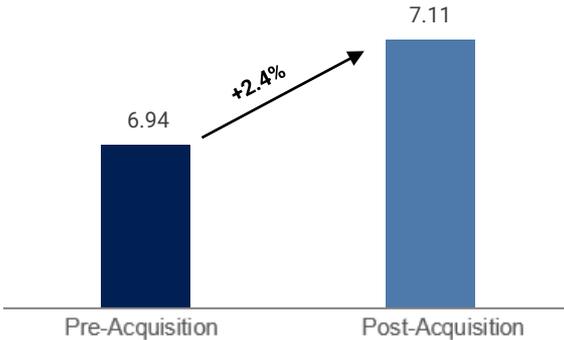
Source: Manager information as at March 2021

Improve Unitholders' Returns through Accretive Acquisitions

DPU accretion of 2.4%

(US cents)

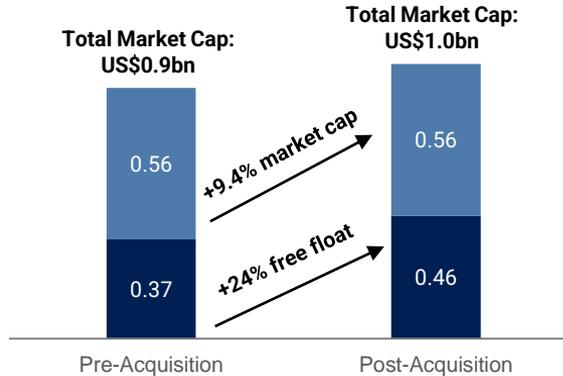
Pro Forma DPU for FY2020¹
(1 Jan 2020 to 31 Dec 2020)



Free float increase of c.24%

(US\$ billion)

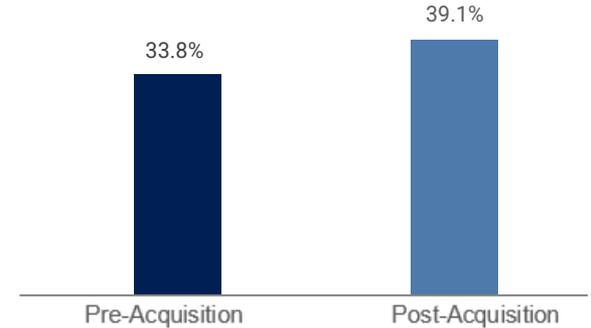
Pro Forma Market Capitalization²



■ Sponsor, Manager and Substantial Unitholders' Stakes
■ Free Float Market Cap

Pro forma gearing at 39%

Pro Forma Gearing³



Note: Pro forma financial effects of the Acquisitions are strictly for illustrative purposes only. Please refer to paragraph 4.5 and 5 of the acquisition announcement titled "ACQUISITION OF (I) SORRENTO TOWERS IN SAN DIEGO, CALIFORNIA AND (II) ONE TOWN CENTER IN BOCA RATON, FLORIDA" for the bases and assumptions used in preparing the pro forma DPU for the financial period ended 31 December 2020 ("FY20")

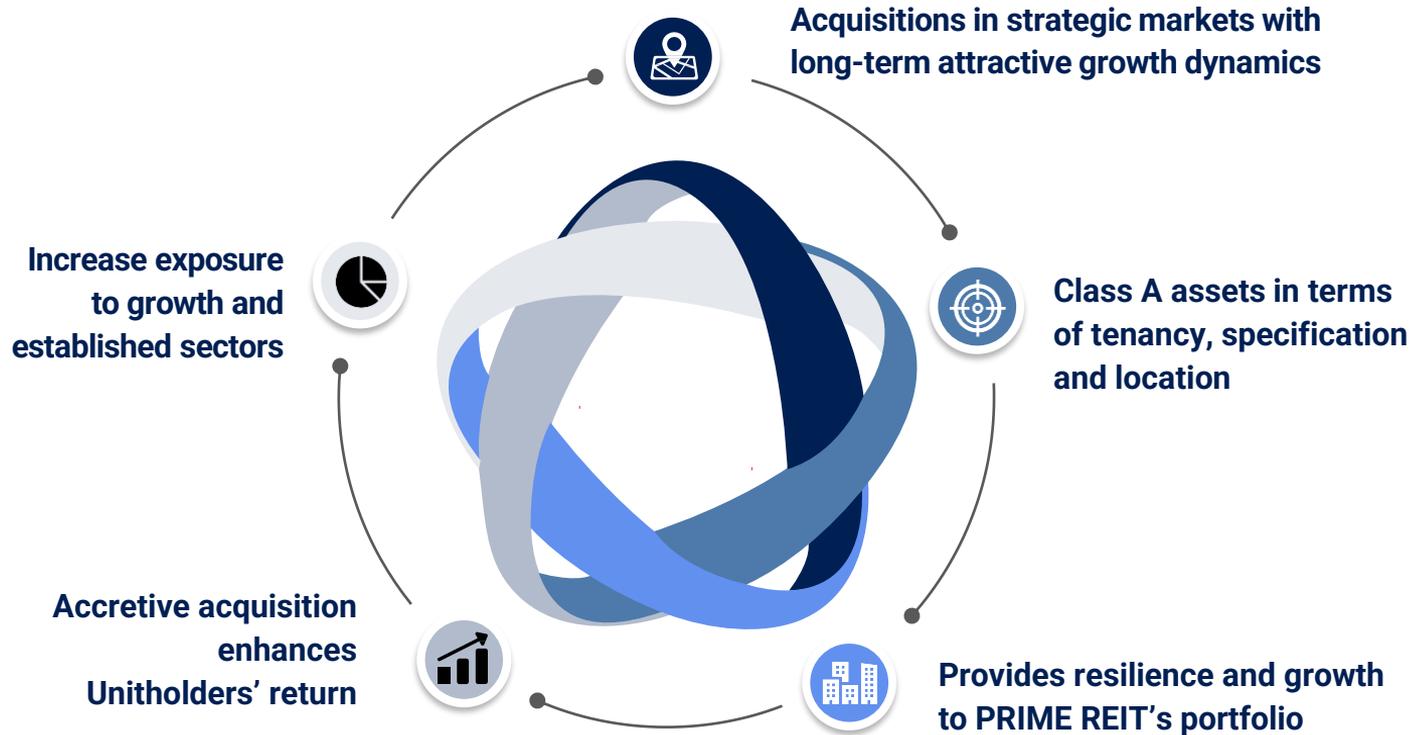
1. Assuming that the upside option of US\$20 million is exercised, the pro forma post-acquisition DPU will be 6.99 US cents, which translates to a DPU accretion of 0.7%
2. Enlarged market capitalization and free float based on Units in issue as at 23 June 2021
3. The pro forma financial effects of the Acquisitions on the PRIME US REIT's Aggregate Leverage as at 31 March 2021, as if the Acquisitions were completed on 31 March 2021

Conclusion



Front view of Sorrento Towers

Acquisitions to Benefit Unitholders



Appendix



Landscaping at One Town Center

Overview of PRIME's portfolio

Property	City	State	Current Net Leasable Area	Current % Leased 31 MAR 21	Enlarged Net Leasable Area	Enlarged % Leased 31 MAR 21	Appraised Value 31 DEC 20 / Purchase Price
			<i>(sq ft)</i>				<i>(US\$ '000)</i>
Tower I at Emeryville	Emeryville	CA	222,606	93.7%	222,606	93.7%	115,700
222 Main	Salt Lake City	UT	433,346	90.9%	433,346	90.9%	224,000
Village Center Station I	Denver	CO	241,846	64.9%	241,846	64.9%	86,400
Village Center Station II	Denver	CO	325,576	100.0%	325,576	100.0%	155,100
101 S. Hanley	St. Louis	MO	360,505	96.6%	360,505	96.6%	80,000
Tower 909	Irving	TX	374,251	88.8%	374,251	88.8%	80,900
Promenade I & II	San Antonio	TX	205,773	93.9%	205,773	93.9%	71,000
Crosspoint	Wayne	PA	272,360	100.0%	272,360	100.0%	99,000
One Washingtonian	Gaithersburg	MD	314,284	95.5%	314,284	95.5%	102,000
Reston Square	Reston	VA	139,018	100.0%	139,018	100.0%	46,900
171 17th Street	Atlanta	GA	510,268	87.1%	510,268	87.1%	180,700
Park Tower	Sacramento	CA	489,171	92.6%	489,171	92.6%	163,500
Sorrento Towers	San Diego	CA			296,327	95.6% ¹	146,000
One Town Center	Boca Raton	FL			191,294	94.7% ²	99,500
			3,889,004	91.7%	4,376,625	92.1%	1,650,700

Source: Manager information

1. Based on leased occupancy as at March 2021, and excluding new lease executed for 7,610 sf that increases leased occupancy to 98.2%

2. Based on leased occupancy as at March 2021



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