(A real estate investment trust constituted on 7 September 2018
under the laws of the Republic of Singapore)
(Managed by KBS US Prime Property Management Pte. Ltd.)

PRIME US REIT'S ANNUAL GENERAL MEETING HELD BY WAY OF ELECTRONIC MEANS ON 27 APRIL 2022 RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

The Board of Directors of KBS US Prime Property Management Pte. Ltd. (the "**Manager**"), as manager of Prime US REIT ("**PRIME**"), refers to:

(a) the notice of annual general meeting ("**AGM**") of PRIME dated 12 April 2022; and

(b) the accompanying announcements released on 12 April 2022 setting out, *inter alia*, the alternative arrangements relating to the participation of Unitholders at the AGM where Unitholders will be able to ask questions "live" during the "live" AGM audio-and-video webcast. Unitholders have also been asked to submit any substantial and relevant questions related to the resolutions to be tabled at the AGM in advance of the AGM by 19 April 2022, via the pre-registration website, by post or by email in relation to the agenda of the AGM.

The Manager would like to thank PRIME Unitholders for submitting their questions in advance of PRIME's annual general meeting to be convened and held by way of electronic means on Wednesday, 27 April 2022, at 9.00 am (Singapore time). For the purposes of transparency, the responses to the list of substantial and relevant questions received from Unitholders addressed by the Chief Executive Officer and the Chief Financial Officer during the AGM will also be subsequently published on PRIME's website and on SGXNET.

Please refer to **Appendix A** hereto for the responses to the list of substantial and relevant questions received from Unitholders.

BY ORDER OF THE BOARD

Barbara Cambon
Chief Executive Officer

KBS US Prime Property Management Pte. Ltd.
(Company Registration No. 201825461R)
As manager of Prime US REIT
22 April 2022

APPENDIX A

PRIME US REIT AGM 2021
27 APRIL 2022, 9AM (WEDNESDAY)

RESPONSES TO UNITHOLDER QUESTIONS - GROUPED BY TOPIC

A. Leasing Environment and Occupancy		
1.	How does the work-from-home (WFH) trend in the U.S. affect PRIME? How do companies moving their headquarters out of first-tier cities affect PRIME?	Return-to-office continues to be impacted by the recent Omicron outbreak, as companies are just now establishing return-to-office guidelines and setting target dates for returning. Most guidelines incorporate a hybrid approach, at least for the first phase of the return. We are now seeing an increase in leasing activity, and we expect that this will further promote employers to encourage employees to return to the office as soon as feasible. We note an increased percentage of market activity in secondary markets as employers and employees seek less dense, more affordable markets with attractive lifestyle amenities. Many companies are looking to establish multiple locations, or regional headquarters, in order to align their growth plans in markets that have strong and well-educated talent pools. PRIME's diversified asset base is in high growth non-gateway cities and will stand to benefit from this trend. PRIME's focus continues to be on quality assets, tenants and markets with strong fundamentals that align with where corporate America seeks to grow. We continue to evaluate growth opportunities in key non-gateway markets as the economy regains momentum. By assessing key market attributes, we can identify growth and acquisition opportunities that align with the long-term workspace needs of corporations. We remain committed to delivering long-term sustainable growth through prudent capital management, to maximise Unitholder value.

2.	What are your plans to improve the weak occupancy level of PRIME?	Our portfolio occupancy was 90.3% as at December 31, 2021, well above the average occupancy rate for U.S. Class A Offices of 83.5%. (Source: CoStar as of January 2022, 4/5 star properties) We have several leasing initiatives underway. The first is to focus on tenant renewals, including early tenant renewals that provide tenants with some flexibility as they plan for the resumption of their in-office activities. Second, we work on the conversion of sublease tenants to direct tenants based on their positive experience in the property and the ability to take a longer-term view of their workspace needs as they return to office. Third, we work to provide high-quality spaces and market-competitive amenity bases to attract new tenants to our properties. Our plans include the creation of move-in-ready spaces for tenants prepared to move forward quickly to fulfil their space requirements. The focus of our asset enhancement initiatives is to meet the evolving tenant needs in the current market environment, taking into account the health, safety and well-being of our tenants.
3.	What is the current office population and leasing outlook for PRIME's properties? Have the office spaces vacated by WeWork been backfilled?	In FY2021, we saw a meaningful increase in leasing activity across our markets, with leasing volumes doubling in 2H2021 compared to 1H2021. While the level of recovery has varied across individual markets, leasing activity is now approaching pre-pandemic levels and is a strong indicator that companies are preparing to make long-term leasing decisions. Overall, we are optimistic about the market outlook as the U.S. economy is improving with declining unemployment rate and increasing vaccination rates. PRIME reached an agreement with WeWork in November 2021 to terminate its lease. Per the terms of the agreement, PRIME's security package was converted into a termination fee that has been received, which when added to the cash security already on hand, covers the lease payments to PRIME through to early 4Q2022. PRIME has also taken possession of the said space, allowing for it to be marketed to potential new tenants. The improvements done to the space are relatively new, and while not backfilled to date, we are beginning to see interest for this space. are in discussion with some prospects for portions of the space.

4	What are the main reasons for (i) the increase of property valuation for 171 17th street and (ii) decrease of property valuation for One Washingtonian Center and Reston Square?	The increase in valuation for 171 17th Street reflected a lengthened lease term executed in 3Q2021 with Arnall Golden Gregory (AGG), a major tenant and a top 200 law firm in the U.S. according to American Lawyer's 2021 annual ranking. The decrease in valuation of Reston Square reflects the near-term lease expiry of its largest tenant, who is vacating their space post them being acquired last year. Similarly, the decrease in valuation for One Washingtonian Center reflects a near term tenant expiry and PRIME is engaging in renewal conversations with the tenant. Ultimately, valuation depends on the strength and timing of leasing activity, which are varied across our markets. Recent research reports note the “flight to quality” and the importance of high-quality assets such as PRIME’s assets, in the current leasing environment. At the portfolio level, the valuation remained stable year-over-year, which reflects the strength of our diversified portfolio despite the disruptions faced in FY2021.
	B. DPU	
1.	What is the DPU impact arising from rising interest rates and utility costs?	Our proactive capital management strategy has allowed us to maintain financial flexibility with low gearing, a strong interest coverage ratio, access to significant liquidity, and ample debt headroom. As of December 31, 2021, c.87% of PRIME’s debt was either fixed rate debt or floating rate debt hedged to fixed. In addition, a fully extended weighted average debt maturity of 3.7 years mitigates against any near-term refinancing risks in the potential rising interest rate environment. A 1% increase in interest rate assuming our debt position as at 31 December 2022 would constitute a less than US 0.1 cent change in PRIME’s distribution per unit (DPU). We have minimal interest rate exposure given our hedging position and will continue to actively monitor interest rates and adopt the appropriate hedging strategies to manage interest rate exposure where applicable. With regards to utility costs for buildings that are triple net leases (NNN), the increased costs should be 100% recoverable. For our gross lease buildings, we would also be able to recover the increased costs so long as the total expenses are greater than the base year expenses. Overall, higher operating expenses should be substantially offset by higher operating expense reimbursement income from tenants. Furthermore, more than 99% of PRIME’s leases by cash rental income (CRI) have in-built rental escalations of 1-3% per annum, which provides organic growth opportunities and a buffer against rising costs to the extent not recoverable per above.