Manulife US REIT

PRESS RELEASE

MUST agrees to sell Peachtree for ~US$133.8 million to repay 58% of 2026 debts

- **Sale is subject to approval of lenders of MUST and will generate net proceeds of ~US$118.8 million**
- **Together with 20% of 2026 debts paid in March 2025, this brings proportion of 2026 debts repaid to 78%**
- **Sale of Peachtree to mitigate risk amidst challenging U.S. market conditions**

Singapore, 11 May 2025 – Manulife US Real Estate Investment Trust (MUST) said today it has agreed to sell Peachtree, a 28-storey Class A office building in Atlanta, Georgia, to an unrelated third-party purchaser for a gross price of ~US$133.8 million. The purchase and sale agreement is subject to approval of the lenders of MUST[1], among other conditions.

Net proceeds of ~US$118.8 million[2] (excluding seller's credit and transaction costs) from the sale will enable MUST to make an early repayment of its 2026 debts, bringing the total debt repayment to ~78% of total debts due in 2026. With this latest repayment, ~US$45.1 million of MUST's 2026 debts will remain outstanding.

Chief Executive Officer and Chief Investment Officer of the Manager of MUST, John Casasante, said: "From the onset of the Recapitalisation Plan, management has prioritised risk management to enable MUST to meet our upcoming debt obligations. The sale of Peachtree will enable us to reduce a substantial portion of our 2026 debts and achieve 82% of the net sales proceeds target under the Master Restructuring Agreement (MRA), putting MUST in a stronger position to negotiate a path for recovery and growth with its lenders.

[1] Pursuant to the terms of the Master Restructuring Agreement dated 18 December 2023 as announced in the announcement titled "Entry into Master Restructuring Agreement" on 18 December 2023, it was provided that MUST may sell up to two Tranche 2 Assets (as defined in the Circular dated 29 November 2023). As mentioned in the Circular, the sale of more than two Tranche 2 Assets would require the requisite approval of the lenders. MUST had previously sold two Tranche 2 Assets, being Capitol and Plaza, and Peachtree is another Tranche 2 Asset. Accordingly, approval of all the lenders is required for the sale of Peachtree. The Manager is currently in discussions with the lenders to seek their approval for the sale of Peachtree. However, there is no assurance that approval would be obtained, or even if the approval is obtained, the lenders may require additional conditions, such as requiring additional amounts to repay the loans. The Manager will release further announcement(s) as and when required.

[2] Subject to closing adjustments.

"Along with the previous divestments of Capitol in California and Plaza in New Jersey, the repayment from this divestment of Peachtree as well as cash contribution from our balance sheet will bring MUST's total debt repayment to close to US$290 million since November 2024. We remain focused on moving MUST towards recovery as soon as possible so that we may return to a growth trajectory."

Under an MRA signed with its lenders, MUST is required to achieve minimum cumulative net sales proceeds of US$328.7 million by 30 June 2025. The sale of Peachtree, together with Capitol and Plaza, enables MUST to achieve ~82% of its net proceeds target. The disposition is expected to be completed by June 2025, subject to closing conditions including requisite approvals from the lenders and Trustee[3].

Mr Casasante added: "The heightened economic uncertainty surrounding trade policies, on top of ongoing challenges which continue to hamper office transactions such as remote and hybrid work arrangements and lack of financing, have created a challenging commercial real estate environment. We remain in active discussions on the divestment of additional properties. In view of current headwinds, we believe that disposing Peachtree would enable us to mitigate risks and achieve the best possible outcome for Unitholders."

After deducting an estimated seller's credit of ~US$12.6 million[4] for outstanding tenant improvement allowances, capital expenditure costs, free rent and lease commissions, the sale will generate a net consideration of ~US$121.1 million (excluding transaction costs). The latest independent valuation of the asset was US$133.4 million as at 28 April 2025.

In November 2024, MUST made an early repayment of all its US$130.7 million of loans maturing in 2025 using net proceeds from the sale of Capitol, topped up with existing cash reserves. This was followed by the early repayment of US$40.0 million, or approximately 20% of its 2026 debts, in March 2025 with divestment proceeds from the sale of Plaza. The Manager completed the divestments of Capitol and Plaza for net considerations of ~US$110 million and ~US$40 million in October 2024 and February 2025, respectively.

Assuming that as at 31 December 2024, the Plaza and Peachtree divestments were completed and net sales proceeds were fully used to repay existing loans, MUST's pro forma aggregate leverage is expected to improve to 57.7% from 60.8% and pro forma weighted average interest

[3] Please refer to SGX Announcement dated 11 May 2025 Paragraph 3.3 for details.
[4] Subject to closing adjustments.

cost is expected to reduce to 4.07% from 4.53%. The pro forma weighted average debt maturity will also be extended to 3.3 years from 2.9 years.

As at 31 December 2024, Peachtree has a net lettable area (NLA) of 560,629 square feet and an occupancy rate of 77.0%, with a weighted average lease expiry by NLA of 5.0 years. Upon completion of the sale, MUST will own seven properties in the U.S. with an aggregate NLA of approximately 3.5 million square feet.

Moving forward, the Manager will focus on improving the operational performance of its portfolio, while strategically repositioning the portfolio through investment opportunities in other real estate sectors that offer accretive cash yield and are less capital intensive. MUST will also leverage its Sponsor's global real estate platform and in-house capabilities to capitalise on value opportunities in the dislocated U.S. real estate market for the benefit of Unitholders.

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About Manulife US REIT
Manulife US Real Estate Investment Trust ("Manulife US REIT" or "MUST") is the first pure-play U.S. office REIT listed in Asia. It is a Singapore-listed REIT established with the investment strategy principally to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States ("U.S."), as well as real estate-related assets. MUST's portfolio comprises eight freehold office properties in Arizona, California, Georgia, New Jersey, Virginia and Washington D.C. The current portfolio has an aggregate net lettable area of 4.1 million square feet.

About the Sponsor – The Manufacturers Life Insurance Company ("Manulife")
Manulife is part of a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. The Sponsor operates as John Hancock in the U.S. and as Manulife in other parts of the world, providing a wide range of financial protection and wealth management products, such as life and health insurance, group retirement products, mutual funds and banking products. The Sponsor also provides asset management services to institutional customers. Manulife Financial Corporation is listed on the Toronto Stock Exchange, the New York Stock Exchange, the Hong Kong Stock Exchange and the Philippine Stock Exchange.

About the Manager – Manulife US Real Estate Management Pte. Ltd.
The Manager is Manulife US Real Estate Management Pte. Ltd., an indirect wholly-owned subsidiary of the Sponsor. The Manager's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

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