



# PRIME US REIT Corporate Presentation

November 2020



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The information presented in this document as at and for the quarter ended 30 September 2020 is not audited or reviewed by the external auditors.

**DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering (“IPO”) of Prime US REIT.**

# Content

- 04 Overview
- 06 9M 2020 Key Highlights
- 08 Operational and Portfolio Updates
- 16 Future of Office
- 18 Return to Work Updates
- 21 Appendix

# Our Differentiated Proposition in US Office



## Quality

- Class A
- Established Tenants
- Depth of Real Estate DNA



## Diversity & Growth

- Markets
- Industry Sectors
- Tenants



## Stability

- Balance Sheet
- Cash Flows
- Locations

# Milestones **Since IPO**



## IPO LISTING ON JULY 19, 2019

Our Sponsors:

**KBS sph**

**Keppel Capital**

**at** CAPITAL  
PTE. LIMITED



## IPO PORTFOLIO

- 11 Class A Office Buildings
- Diversified over Nine Strategic Markets



## INCLUSION INTO MSCI SINGAPORE SMALL CAP INDEX

- 20 November 2019



## OUTPERFORMED IPO FORECAST

- 2019 DPU of US 3.15 cents
- 7.5% higher than IPO Forecast



## ACCRETIVE ACQUISITION

- 24 February 2020
- Maiden acquisition of Park Tower for US\$165.5M completed

# 9M 2020 Key Highlights

## Delivering Performance and Stability



### OUTPERFORMED IPO FINANCIAL PROJECTIONS<sup>1</sup>

- 9M NPI exceeded forecast by 8.3%, and distributable income exceeded by 15.2%



### STRONG BALANCE SHEET THROUGH PROACTIVE CAPITAL MANAGEMENT

- Low gearing of 32.7%
- Interest coverage ratio of 5.8x
- Debt headroom of US\$324M at 45% leverage limit



### ROBUST LEASING ACTIVITY CONTINUES IN 3Q

- 83,168 sq ft leased with 8.9% positive rental reversion in 3Q
- 165,717 sq ft leased YTD



### RESILIENT PORTFOLIO

- Portfolio occupancy stable at 92.6%
- WALE of 4.6 years
- Over 70% of tenants in growth and established sectors
- Consistent rental collections of 99%

# Financially Strong and Committed Sponsor Group

**KBS**

Three decades of experience as leading US Office player

Transacted US\$42b with over \$8 bn of AUM

Experienced asset management team

Depth of deal pipeline and target market opportunities

**Keppel Capital**

Preeminent player in Singapore real estate and REIT markets.

Keppel DC REIT CEO active representative on the board

Provision of support services on the ground

**sph at CAPITAL**  
PTE LIMITED

Financial commitment to the REIT and Manager

Active representation on the board

# Outperformance of Distributable Income by 15.4%

	3Q 2020 1 July to 30 September 2020			9M 2020 1 January to 30 September 2020		
	Actual <sup>1</sup> (US '000)	IPO Projection <sup>2</sup> (US\$ '000)	Variance (%)	Actual <sup>1</sup> (US '000)	IPO Projection <sup>2</sup> (US\$ '000)	Variance (%)
	<b>Gross Revenue</b>	36,733	33,681	+9.1	107,930	101,043
<b>Net Property Income</b>	24,207	22,044	+9.8	71,656	66,134	+8.3
<b>Distributable Income</b>	17,987	15,592	+15.4	53,865	46,777	+15.2



# Conservative Gearing with Ample Liquidity

	31 December 2019	30 September 2020
NAV per unit (US\$)	0.89	0.86
Aggregate Leverage	33.7%	32.7%
Interest Coverage <sup>1</sup>	5.1x	5.8x
% Fixed Rate	88.0%	91.4%
Average Debt Maturity	5.2 years	4.4 years 4.9 years [fully extended] <sup>2</sup>
Available Undrawn Facility	US\$47.4 M	US\$98.9 M
Effective Interest Cost <sup>3</sup>	3.3%	2.7%

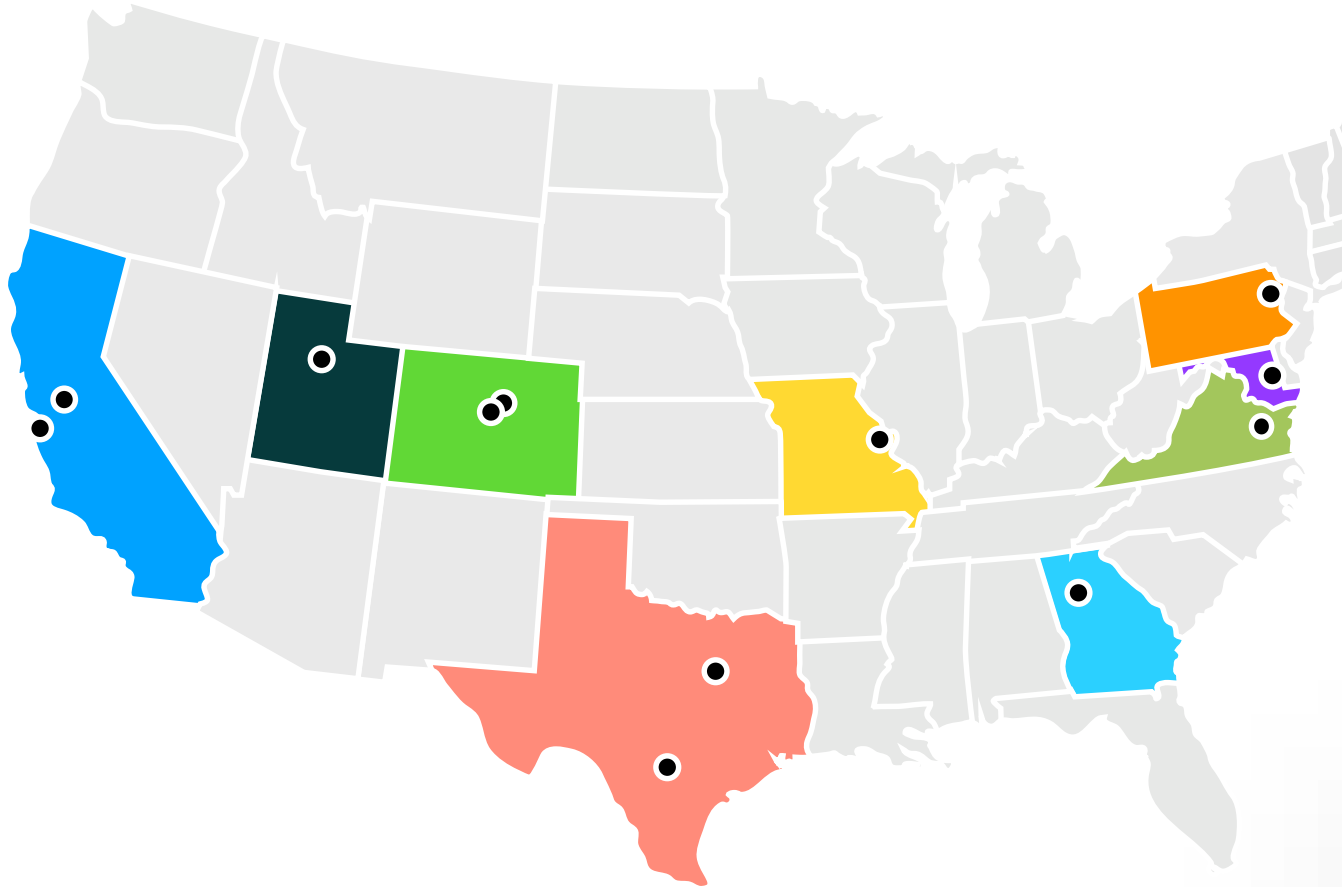
[1] Calculated as net income plus tax expense, net finance expense, change in fair value of derivatives and amortisation of lease commissions, minus net change in fair value of investment properties divided by finance expenses, including amortisation of upfront debt-related costs and commitment fees, for period from listing date 19 July 2019 to 31 December 2019, and for trailing 12-month period ended 30 September 2020.

[2] Fully extended debt maturity. Extension options are available to the borrower to extend the 4-year term loan and revolver maturities to 2024.

[3] Based on interest expense (excluding amortisation of upfront debt-related transaction costs and commitment fees) on loans and borrowings outstanding as of 31 December 2019 and 30 September 2020.

# Focus on Growth Cities

In established and growth markets



State	Metro	Property	Sq. Ft.	Occupancy
California	Sacramento	Park Tower	489,171	93.6%
	San Fran/Oakland	Tower I at Emeryville	222,207	94.5%
Utah	Salt Lake City	222 Main	433,346	94.9%
Colorado	Denver	Village Center Station I	241,846	65.1%
		Village Center Station II	325,576	100.0%
Texas	Dallas	Tower 909	374,251	90.3%
	San Antonio	Promenade I & II	205,773	97.5%
Missouri	St. Louis	101 S. Hanley	360,505	97.6%
Pennsylvania	Philadelphia	Crosspoint	272,360	99.3%
Washington DC	Washington DC (VA)	Reston Square	139,018	100.0%
Washington DC	Washington DC (MD)	One Washingtonian	314,284	95.5%
Georgia	Atlanta	171 17th St.	510,268	86.3%

- Highly educated workforce
- Strong employment growth
- Affordability
- Transportation infrastructure
- Lower density urban environments

# Resilient Income

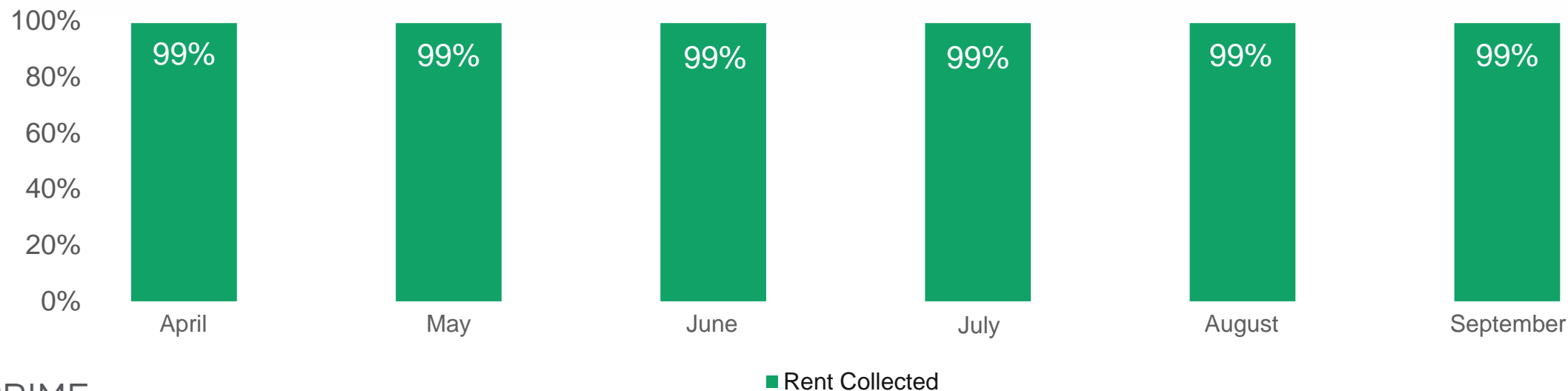
Solid rent collection rate of 99% maintained

99.8% of Cash Rental Income (CRI) has built in rental escalations averaging 2%

Well diversified with no one property contributing more than 13.4% to CRI

Granted rent deferral to tenants of small retail businesses and other specific impacted industries, amounting to an aggregate of approximately US\$0.2M in 3Q and US\$0.27M YTD

Focus on leasing and property expense management to drive property performance



# Proactive Lease Management

Strong leasing activity of **83,168 sq ft** in 3Q 2020 with positive rental reversion of 8.9%<sup>1</sup>

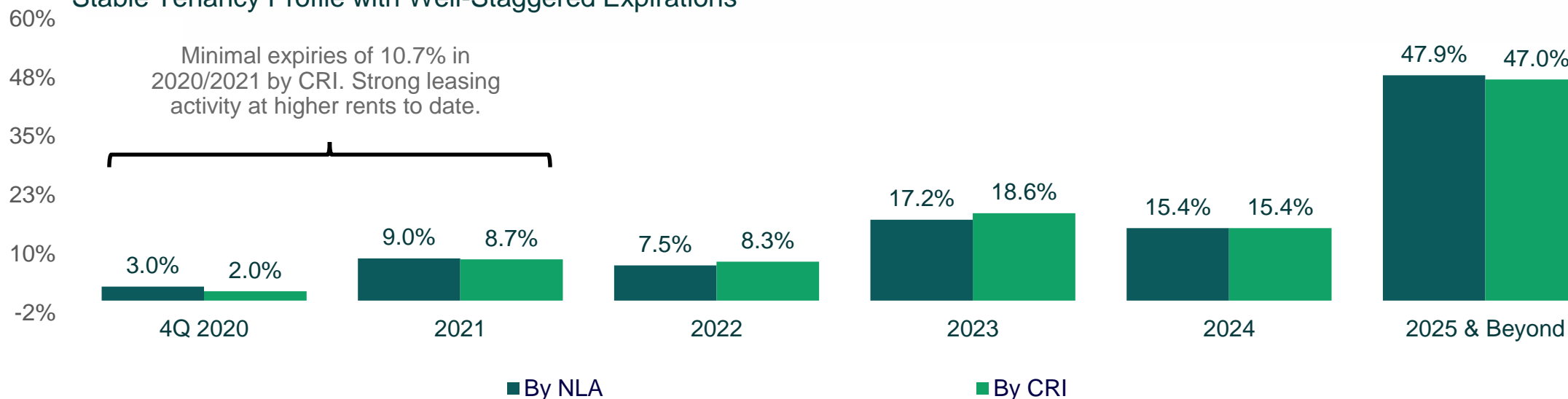
- YTD, **165,717 sq ft** with over 60% from renewal/expansion by existing tenants
- New tenants largely from established and technology sectors
- Key new/renewal tenants include Nutraceutical, California Nurses Association and State Farm Insurance

**2.5%**  
by CRI of portfolio  
leased in 3Q 2020

**4.6yrs**  
WALE

**8.9%**  
Positive rental  
reversion

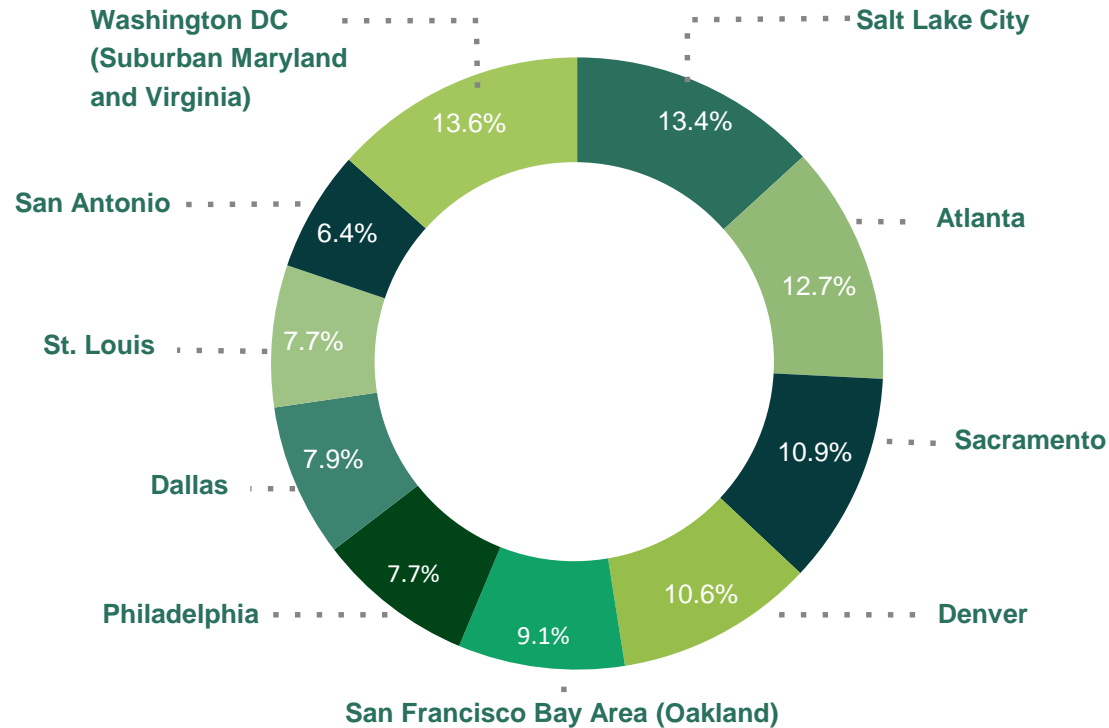
## Stable Tenancy Profile with Well-Staggered Expirations



# Capture Growth & Minimize Risks

## Geographic Diversification

CRI<sup>1</sup> by Primary Market



10 Primary Markets

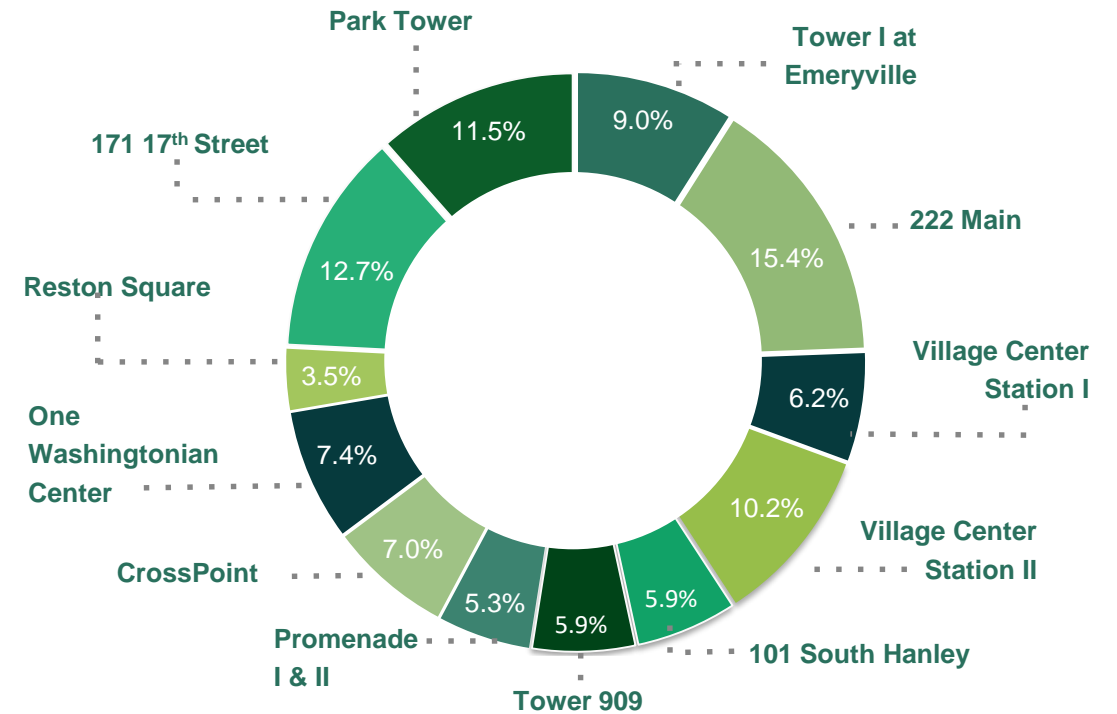
No single market contributing more than

13.6%

Total CRI

## Asset Diversification

Asset by Valuation



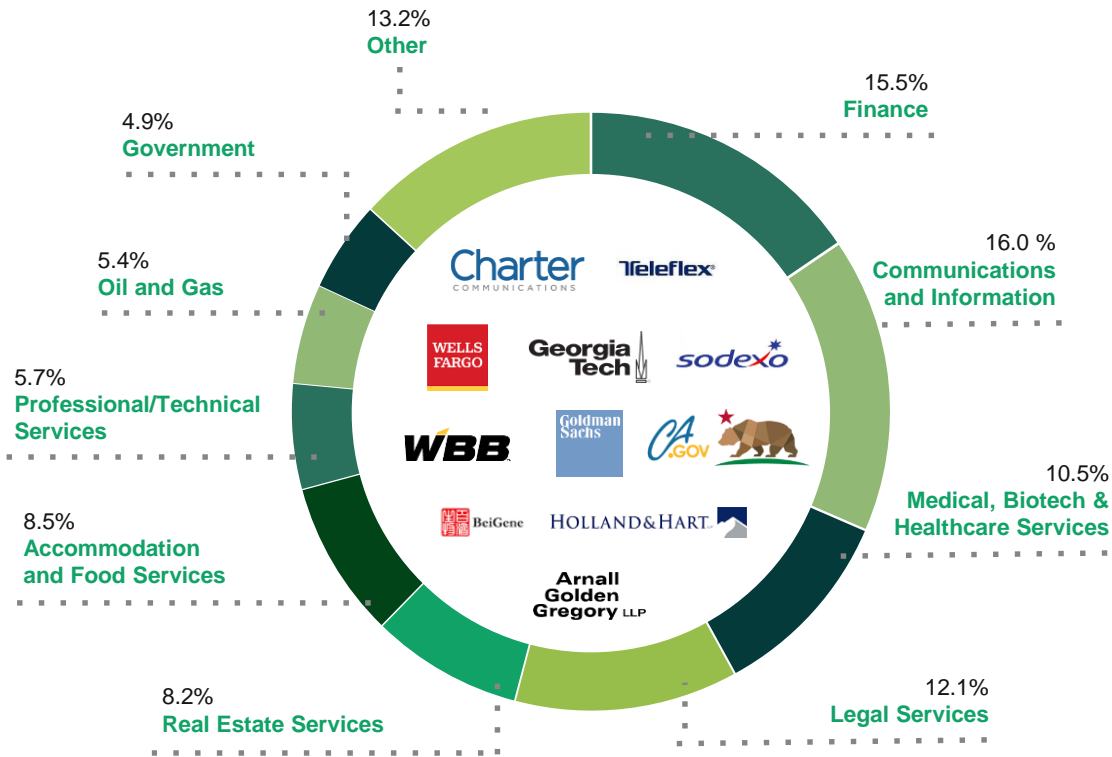
12 Assets

No single market contributing more than

15.4%

Total Portfolio Valuation

# Balanced Industry Sector Diversification



**>70%** In Established + Growth (STEM/TAMI)<sup>2</sup> Sectors

## Top 10 Tenants

Tenant	Industry	Credit Rating	Property	Leased Sq Ft	% of Portfolio CRI <sup>1</sup>
Charter Communications	Communications and Information	Moody's: Ba1	Village Center Station I & II	419,881	9.0%
Goldman Sachs Group Inc.	Finance	Moody's: A3 S&P: BBB+ Fitch: A	222 Main	177,206	6.1%
Sodexo Operations LLC	Accommodation and Food Services	S&P: A-	One Washingtonian Center	190,698	5.6%
Wells Fargo Bank NA	Finance	Moody's: a1 S&P: A+	171 17th Street	106,030	3.4%
Arnall Golden Gregory LLP	Legal Services	Private Firm	171 17th Street	122,240	3.4%
Holland & Hart	Legal Services	Private Firm	222 Main	89,960	3.3%
State of California	Government	Fitch: AA Moody's: Aa2	Park Tower	140,772	3.2%
Whitney, Bradley & Brown	Professional/Technical	Private Firm	Reston Square	73,511	2.8%
WeWork	Real Estate Services	Fitch: CCC	Tower I at Emeryville	56,977	2.4%
Teleflex	Medical, Biotech & Healthcare	S&P: BB+	CrossPoint	84,008	2.3%
<b>Total</b>				<b>1,461,283</b>	<b>41.6%</b>
<b>WALE Top 10</b>				<b>5.4 Years</b>	

# Solid Markets with Rental Reversion Potential

- Portfolio asking rent higher than in place rent by 6.7%
- Upcoming lease expiries well spread across portfolio reducing single asset exposure
- High occupancy of 92.6%

Name of Property	Annual In Place Rent (US\$)	Annual Asking Rent (US\$)	Potential Rental Reversion	WALE	Occupancy	Lease expiry through 2021 by CRI
Tower I at Emeryville	\$52.93	\$54.60	3.1%	6.1	94.5%	0.1%
222 Main	\$37.50	\$36.90	-1.6%	4.3	94.9%	2.1%
Village Center Station I	\$24.00	\$24.00	0.0%	3.0	65.1%	0.0%
Village Center Station II	\$24.21	\$23.50	-2.9%	7.8	100.0%	0.0%
101 South Hanley	\$27.50	\$30.00	9.1%	4.3	97.6%	1.2%
Tower 909	\$29.15	\$32.24	10.6%	4.1	90.3%	1.3%
Promenade I & II	\$25.97	\$28.00	7.8%	3.7	97.5%	1.6%
CrossPoint	\$33.23	\$38.00	14.3%	3.5	99.3%	0.4%
One Washingtonian Center	\$33.21	\$36.00	8.4%	3.4	95.5%	1.5%
Reston Square	\$42.29	\$37.00	-12.5%	3.4	100.0%	0.0%
171 17th Street	\$27.50	\$27.00	-1.8%	4.9	86.3%	0.8%
Park Tower	\$31.03	\$40.50	30.5%	4.7	93.6%	1.6%
<b>Total / Weighted Average</b>	<b>\$31.70</b>	<b>\$33.81</b>	<b>6.7%</b>	<b>4.6</b>	<b>92.6%</b>	<b>10.7%</b>

# The Future of Office: Flexibility

***Favorable trends for PRIME's current portfolio and growth strategies***

## Demand

- Established professional and financial services sectors will continue to provide a stable base of demand
- Growing technology sectors will continue to drive office demand for collaboration and innovation

## Work From Home

- Pre-COVID, corporates had WFH policies in place
- Companies with WFH policies still require office space for efficiency, creativity, and collaboration
- Focus on more flexible work environment and task focused approach
- Physical office remains important for collaboration, talent management and development, business development, and creativity

## Location

- Urban environments have historically weathered event driven shocks
- Companies prefer locations that offer access to large numbers of skilled employees
- Incoming generation of office workers value lifestyle amenities of urban environment

## De-densification

- Short-term – spread out employees to create less dense environments; create more in-office collaborative space; use hybrid approach combining WFH and Return to Office
- Longer-term – current footprint sizes likely to remain steady, balancing relaxing of space density with potentially less office space headcount



# What Our Tenants Say



Office is Central to Collaboration and Relational Equity

“As a bank, our first priority is our customers. Being available for them is very important to us. Collaboration and relational equity are the two things we gain most from being in the office together. We have a stronger opportunity to thrive when we are able to connect personally.”

— InBank (Village Center Station I, Denver, Colorado)



Office is the Heart of Company Culture

“Our collaborative workspace provides opportunities for enhanced productivity, development of trust, and creative thinking. It brings a level of energy to the environment that leads to optimal results.”

— Starbucks (Village Center Station I, Denver, Colorado)

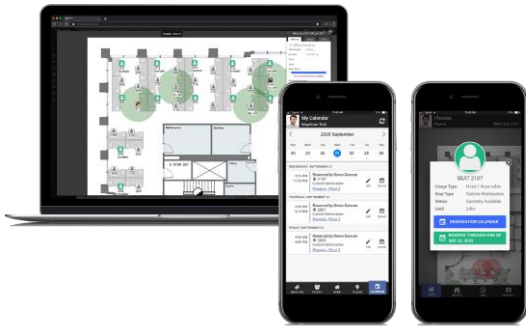


Office is a Component of Growth and Success

“I love officing here in this building. I believe it has helped make my business more successful. It is a very impressive building with a great view. When people visit my office, they often say, “Wow, nice office.” It reinforces that my company is successful. My employees love it here too. Now that we have restaurants in walking distance, we like it even more. Plus, I live just 2 miles away – that’s really convenient.”

— TransSynergy (Tower 909, Dallas, Texas)

# Return to Work Initiatives



## Leveraging Technology

- Working with tenants to use Maptician software to manage social distancing, staggered work schedules and proximity contact tracing.
- Installation of contactless building access through DataWatch.



## Building Operations

- Installed high efficiency, Merv-13 air filters.
- Designated stairwells for one directional (up/down) traffic.
- Conducting Microsoft "Teams" Town Halls with tenant contacts.



## Facilitating Social Distancing and Hygiene

- Sanitation stations available in common area and multi-tenant floors.
- Using Oxivir electrostatic fogger nightly in common areas and weekly in tenant space.
- Installed NanoSeptic, self-cleaning buttons in elevators.

# PRIME Strengths in the Current Environment

## Resilient income with organic growth

- Strong tenant base with >70% in established and growth sectors
- 4.6 year WALE, modest expiry to end of 2021
- Stable occupancy of 92.6%, with organic growth of 2% in 99.8% of leases
- Consistent strong monthly rental collections of 99% through 9 months YTD

## Robust leasing in current environment

- Leased 83,168 sq ft in 3Q 2020 and 165,717 sq ft YTD 2020
- Portfolio asking rent is 6.7% higher than in place rent, providing sufficient cushion
- Strong rental reversions and over 60% tenant retention

## Strong balance sheet with low gearing of 32.7% and ample liquidity





# Thank You



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Singapore 048616





# Appendix

*Village Center Station II,  
Denver*

# Tower I at Emeryville

1900 Powell Street  
Emeryville  
California 94608



## Property Features

- 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.
- Energy Star certified.

# Park Tower

980 9<sup>th</sup> Street,  
Sacramento,  
California 95814



## Property Features

- Park Tower is located in Sacramento, California and is part of the CBD submarket within the Sacramento primary market.
- It is a prominent 24-storey Class A office tower with an adjacent 5-storey mixed-use space.
- Park Tower underwent significant improvements in 2019 and features newly renovated amenities including a three-storey atrium lobby, fitness centre, locker rooms, conference centre and tenant lounge.
- The property is three blocks away from the State Capitol building and two blocks from the newly developed Downtown Commons and Golden 1 Center, a mixed-use hotel, entertainment and shopping complex that serves as the home of the Sacramento Kings.
- LEED Gold certified.

# 222 Main

222 South Main Street  
Salt Lake City  
Utah 84101



## Property Features

- 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.
- 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.
- Located within 7 miles (11km) of Salt Lake City International Airport which is undergoing a \$4 billion expansion.
- LEED Gold certified.

# 101 South Hanley

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



## Property Features

- 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, other important local destinations 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.

# Village Center Station I

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



## Property Features

- 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.
- A recently renovated state-of-the-art fitness center features new shower facilities, TRX, Peloton bikes, and studio facilities currently offering a variety of classes. Village Center Station also recently completed a lobby remodel and a totally new conference and collaboration center for the use of tenants of the property.
- LEED Gold certified.

- 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 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 Station II

6360 S. Fiddler's Green Circle  
Greenwood Village  
Colorado 80111



## Property Features

- 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.
- LEED Silver certified.



# Tower 909

909 Lake Carolyn  
Parkway  
Irving  
Texas 75039



## Property Features

- 19-storey Class A multi-tenanted office tower located in the Las Colinas Urban Center submarket within the Dallas Fort-Worth primary market with a seven-storey parking structure.
- The Urban Center is a highly established business address, and a live-work-play atmosphere with tremendous amenities, including a convention center, hotels, variety of residential, restaurants, retail and entertainment amenities, and green space.
- Direct access to State Highways 114, 12, and 183, as well as Interstate 1-35, providing access to the Dallas Metroplex and Dallas Fort-Worth Airport.
- Excellent access to public transportation, including an on-site stop for the Las Colinas Area Personal Transit System, and direct access to the DART light rail system that provides access throughout Dallas, including Dallas Fort-Worth Airport.
- Full array of amenities, including a conference centre; a tenant lounge; fitness centre with full locker rooms; private shuttle to the adjacent Water Street mixed-use retail project and the Toyota Music Factory venue; on-site lake front café; dry cleaning, concierge, and covered parking.
- LEED certified, Energy Star Certified and WiredScore Silver Certified.

# Promenade

## I & II

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



## Property Features

- 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.
- 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.
- Energy Star certified.

# CrossPoint

550 East Swedesford  
Road, Wayne  
Pennsylvania 19087



## Property Features

- 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, REI and LA Fitness.
- Served by commuter bus service, and the property provides free shuttle service to a nearby commuter rail station.
- High quality finishes throughout with extensive window lines, and provides tenants with a full-service dining facility, conference centre and fitness centre.
- LEED Gold, Energy Star and Wired Score Gold certified.

# One Washingtonian Centre

9801 Washingtonian  
Boulevard,  
Gaithersburg Marland  
20878



## Property Features

- 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.
- LEED Platinum E-BOM certified.

# Reston Square

11790 Sunrise Valley Drive, Reston Virginia 20191



## Property Features

- 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.
- LEED Silver – New Construction certified.

# 171 17th Street

171 17<sup>th</sup> Street NW, Atlanta Fulton County Georgia 30363



## Property Features

- 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, coffee bar, outdoor patio lounge and shuttle service.
- LEED Platinum certified.