

Prime US REIT and its subsidiaries
(Constituted under a trust deed dated 7 September 2018
in the Republic of Singapore)

Unaudited Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

Prime US REIT and its subsidiaries

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Prime US REIT and its subsidiaries

Introduction

Prime US REIT (the “Trust”) is a Singapore real estate investment trust constituted pursuant to the trust deed (the “Trust Deed”) dated 7 September 2018 (as amended and restated) between Prime US REIT Management Pte. Ltd. (the “Manager”) and DBS Trustee Limited (the “Trustee”). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust. The Trust and its subsidiaries are collectively referred to as the “Group”.

The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited on 19 July 2019. The Group’s principal investment strategy is to own and invest, directly or indirectly, in a portfolio of income-producing office real estate in major markets in the United States, as well as real estate-related assets. The Group’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution per unit and net asset value per unit while maintaining an appropriate capital structure.

As at 31 December 2024, the portfolio of the Group comprises 13 freehold, Class A office properties in the United States, with an aggregate net lettable area of approximately 4.2 million square feet and approximately US\$1.4 billion in value, as follows:

1. 171 17th Street
2. 222 Main
3. CrossPoint
4. Park Tower
5. Promenade I & II
6. Reston Square
7. Sorrento Towers
8. The 101 (formerly known as “101 South Hanley”)
9. Tower 909
10. Tower I at Emeryville
11. Village Center Station I
12. Village Center Station II
13. Waterfront at Washingtonian (formerly known as “One Washingtonian Center”)

Prime US REIT and its subsidiaries

Summary of Results

	Group					
	2H2024 US\$'000	2H2023 US\$'000	+/- %	FY2024 US\$'000	FY2023 US\$'000	+/- %
Gross revenue	67,478	80,336	(16.0)	140,963	159,803	(11.8)
Net property income	35,418	46,392	(23.7)	75,975	93,559	(18.8)
Income available for distribution	14,841	28,599	(48.1)	38,175	57,825	(34.0)
Income available for distribution per unit ⁽¹⁾ (US cents)	1.13	2.19	(48.1)	2.92	4.42	(34.0)
Distribution to Unitholders ⁽²⁾	1,439	2,974	(51.6)	3,793	32,176	(88.2)
Distribution per unit ⁽¹⁾ (US cents)	0.11	0.23	(51.6)	0.29	2.46	(88.2)

⁽¹⁾ Based on the number of Units entitled to distribution for 2H2024 and FY2024 of 1,308,259,171. The number of Units entitled to distribution has taken into account bonus issue of new Units on the basis of 1 bonus unit to be credited as fully paid for every 10 existing Units on 28 March 2024. The amounts for 2H2023 and FY2023 have been re-presented to take into account the effect of the bonus issue.

⁽²⁾ Amount to be distributed to Unitholders is less than 90% of the distributable income. The amount retained will be used to fund capital expenditures on the properties and pare down borrowings.

Prime US REIT and its subsidiaries

Unaudited Condensed Statements of Financial Position
As at 31 December 2024

	Note	Group				Trust		
		2024 US\$'000	2023 US\$'000	+/- %		2024 US\$'000	2023 US\$'000	+/- %
Current assets								
Cash and cash equivalents		27,485	11,756	>100.0	(i)	4,430	3,627	22.1
Trade and other receivables		3,281	4,262	(23.0)		228	97	>100.0
Prepaid expenses		1,527	1,723	(11.4)		1	1	–
Derivative assets		7,291	2,707	>100.0	(ii)	–	–	n.m.
		<u>39,584</u>	<u>20,448</u>	93.6		<u>4,659</u>	<u>3,725</u>	25.1
Non-current assets								
Investment properties	5	1,352,070	1,407,950	(4.0)	(iii)	–	–	n.m.
Derivative assets		3,038	15,712	(80.7)	(ii)	–	–	n.m.
Investment in subsidiaries		–	–	n.m.		712,317	710,926	0.2
		<u>1,355,108</u>	<u>1,423,662</u>	(4.8)		<u>712,317</u>	<u>710,926</u>	0.2
Total assets		<u>1,394,692</u>	<u>1,444,110</u>	(3.4)		<u>716,976</u>	<u>714,651</u>	0.3
Current liabilities								
Trade and other payables		26,311	20,904	25.9	(iv)	940	851	10.5
Amounts due to related parties		566	1,016	(44.3)		555	1,016	(45.4)
Loans and borrowings	6	–	478,403	(100.0)	(v)	–	–	n.m.
Rental security deposits		454	395	14.9		–	–	n.m.
Rent received in advance		8,764	7,356	19.1		–	–	n.m.
		<u>36,095</u>	<u>508,074</u>	(92.9)		<u>1,495</u>	<u>1,867</u>	(19.9)
Non-current liabilities								
Loans and borrowings	6	637,266	218,018	>100.0	(v)	–	–	n.m.
Rental security deposits		4,830	4,238	14.0		–	–	n.m.
Preferred shares		125	125	–		–	–	n.m.
		<u>642,221</u>	<u>222,381</u>	>100.0		<u>–</u>	<u>–</u>	n.m.
Total liabilities		<u>678,316</u>	<u>730,455</u>	(7.1)		<u>1,495</u>	<u>1,867</u>	(19.9)
Net assets		<u>716,376</u>	<u>713,655</u>	0.4		<u>715,481</u>	<u>712,784</u>	0.4
Represented by:								
Unitholders' funds		<u>716,376</u>	<u>713,655</u>	0.4		<u>715,481</u>	<u>712,784</u>	0.4
Units in issue and to be issued ('000)								
	7	<u>1,308,259</u>	<u>1,308,259</u>	–	(vi)	<u>1,308,259</u>	<u>1,308,259</u>	–
Net asset value per Unit (US\$)	8	<u>0.55</u>	<u>0.55</u>	–	(vi)	<u>0.55</u>	<u>0.54</u>	1.9

n.m.: not meaningful

The accompanying notes form an integral part of the condensed consolidated financial statements.

Prime US REIT and its subsidiaries

Unaudited Condensed Statements of Financial Position As at 31 December 2024

Explanatory Notes

- (i) Cash and cash equivalents – Please refer to Unaudited Condensed Consolidated Statement of Cash Flows for more details.
- (ii) Derivative assets – Pertains to the fair value of the interest rate swaps entered into by the Group to hedge interest rate risk.
- (iii) Investment properties – Pertains to the fair value of portfolio properties. Please refer to Note 5 for details on the valuation technique and key inputs.
- (iv) Trade and other payables – Increase is mainly due to accrual for property and borrowings related expenses.
- (v) Loans and borrowings – Decrease in current borrowings is due to the reclassification of the main facility from current to non-current upon the completion of the refinancing. Decrease in total borrowings is mainly due to repayment of debt with the divestment proceeds of an asset.
- (vi) Units in issue and to be issued – Units in issue and to be issued has taken into account bonus issue of new Units on the basis of 1 bonus unit to be credited as fully paid for every 10 existing Units on 28 March 2024. The amount as at 31 December 2023 has been re-presented. Computation of net asset value per Unit is based on the number of Units in issue and to be issued.

The accompanying notes form an integral part of the condensed consolidated financial statements.

Prime US REIT and its subsidiaries

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the six months and full year ended 31 December 2024

	Note	Group						
		2H2024 US\$'000	2H2023 US\$'000	+/(-) %	FY2024 US\$'000	FY2023 US\$'000	+/(-) %	
Gross revenue	9	67,478	80,336	(16.0)	140,963	159,803	(11.8)	(i)
Property operating expenses	10	(32,060)	(33,944)	(5.6)	(64,988)	(66,244)	(1.9)	(i)
Net property income		35,418	46,392	(23.7)	75,975	93,559	(18.8)	
Manager's base fee		(1,649)	(3,178)	(48.1)	(4,242)	(6,425)	(34.0)	(ii)
Trustee's fee		(92)	(101)	(8.9)	(182)	(201)	(9.5)	
Other trust expenses	11	(1,149)	(950)	20.9	(2,235)	(1,972)	13.3	
Net change in fair value of derivatives		(6,314)	(9,950)	(36.5)	(8,091)	(11,534)	(29.9)	(iii)
Finance expenses	12	(21,261)	(14,473)	46.9	(36,035)	(28,104)	28.2	(iv)
Finance income		624	60	>100.0	670	91	>100.0	
Net income before tax and fair value change in investment properties		5,577	17,800	(68.7)	25,860	45,414	(43.1)	
Net fair value change in investment properties	5	(8,117)	(161,206)	(95.0)	(15,063)	(161,206)	(90.7)	(v)
Loss on disposal of investment property		(2,627)	–	n.m.	(2,627)	–	n.m.	(vi)
Net (loss)/income before tax		(5,167)	(143,406)	(96.4)	8,170	(115,792)	>(100.0)	
Tax expense		(96)	(11)	>100.0	(121)	(45)	>100.0	
Net (loss)/income for the period		(5,263)	(143,417)	(96.4)	8,049	(115,837)	>(100.0)	
(Loss)/Earnings per Unit (US cents)								
Basic and diluted	13	(0.40)	(10.97)	(96.4)	0.62	(8.88)	>(100.0)	

Explanatory Notes

- (i) Please refer to Review of Performance (page 26) for more details.
- (ii) Manager's base fee – The Manager has elected to receive 100% of its base fee in cash.
- (iii) Net change in fair value of derivatives relates to the non-cash marked to market movements of the fair value of the interest rate swaps.
- (iv) Finance expenses – Finance expenses increased mainly due to increase in finance cost on the unhedged portion of borrowings and incremental drawdowns on debt facilities for capital expenditures.
- (v) Net fair value change in investment properties – The Group obtains independent appraisals on an annual basis and recognises changes in fair value in the consolidated statement of comprehensive income. The valuation of the 13 assets in the portfolio recorded a 2.2% increase of approximately US\$28.9 million as compared to FY2023 but after taking into consideration the capital expenditures incurred in FY2024, a net fair value loss of US\$8.1 million was recognised in 2H2024. The remaining fair value loss recognised in 1H2024 pertained to divested asset, One Town Center. Please refer to Note 5 for more details on valuation techniques and inputs.
- (vi) Loss on disposal of investment property pertained to the divestment of One Town Center.

The accompanying notes form an integral part of the condensed consolidated financial statements.

Prime US REIT and its subsidiaries

Unaudited Distribution Statement For the six months and full year ended 31 December 2024

The Distribution Statement presents the distributions made to Unitholders during the period and the income available for distribution to Unitholders at the end of the period.

	Group			
	2H2024 US\$'000	2H2023 US\$'000	FY2024 US\$'000	FY2023 US\$'000
Income available for distribution to Unitholders at the beginning of the period	2,392	29,239	3,011	35,861
<u>Income available for distribution to Unitholders for the period</u>				
Net (loss)/income for the period	(5,263)	(143,417)	8,049	(115,837)
Distribution adjustments (Note A)	20,104	172,016	30,126	173,662
Income available for distribution	14,841	28,599	38,175	57,825
Amount retained	(13,258)	(25,625)	(34,237)	(25,625)
	1,583	2,974	3,938	32,200
<u>Distributions to Unitholders</u>				
Distribution of 3.03 US cents per unit for the period from 1 July 2022 to 31 December 2022	–	–	–	(35,848)
Distribution of 2.46 US cents per unit for the period from 1 January 2023 to 30 June 2023	–	(29,202)	–	(29,202)
Distribution of 0.25 US cents per unit for the period from 1 July 2023 to 31 December 2023	–	–	(2,974)	–
Distribution of 0.18 US cents per unit for the period from 1 January 2024 to 30 June 2024	(2,354)	–	(2,354)	–
	(2,354)	(29,202)	(5,328)	(65,050)
Income available for distribution at the end of the period after retention	1,621	3,011	1,621	3,011
Distribution per Unit⁽¹⁾ (US cents)	0.11	0.23	0.29	2.46

Note A – Distribution adjustments comprise:

Property related non-cash items ⁽²⁾	(305)	631	834	(200)
Trustee's fee	92	101	182	201
Amortisation of debt-related transaction costs	2,937	742	2,968	1,513
Net change in fair value of derivatives	6,314	9,950	8,091	11,534
Net fair value change in investment properties	8,117	161,206	15,063	161,206
Loss on disposal of investment property	2,627	–	2,627	–
Others ⁽³⁾	322	(614)	361	(592)
	20,104	172,016	30,126	173,662

⁽¹⁾ Amount to be distributed to Unitholders is less than 90% of the annual distributable income. The amount retained will be used to fund capital expenditures on the properties and pare down borrowings.

⁽²⁾ Mainly comprise straight-line rent adjustments and amortisation of lease incentives and lease commissions.

⁽³⁾ Mainly comprise adjustments related to lease termination income.

The accompanying notes form an integral part of the condensed consolidated financial statements.

Prime US REIT and its subsidiaries

Unaudited Condensed Statements of Changes in Unitholders' Funds
For the six months and full year ended 31 December 2024

	Attributable to Unitholders		
	Units in issue and to be issued US\$'000	Retained earnings US\$'000	Total US\$'000
Group			
At 1 January 2024	915,785	(202,130)	713,655
Net income for the period	–	13,312	13,312
Increase in net assets resulting from operations	–	13,312	13,312
Distribution to Unitholders	(595)	(2,379)	(2,974)
Decrease in net assets resulting from Unitholders' transactions	(595)	(2,379)	(2,974)
At 30 June 2024	915,190	(191,197)	723,993
Net loss for the period	–	(5,263)	(5,263)
Decrease in net assets resulting from operations	–	(5,263)	(5,263)
Distribution to Unitholders	–	(2,354)	(2,354)
Decrease in net assets resulting from Unitholders' transactions	–	(2,354)	(2,354)
At 31 December 2024	915,190	(198,814)	716,376
At 1 January 2023	932,803	(39,010)	893,793
Net income for the period	–	27,580	27,580
Increase in net assets resulting from operations	–	27,580	27,580
Issue of new units for Distribution Reinvestment Plan ⁽¹⁾	398	–	398
Distribution to Unitholders	(11,594)	(24,254)	(35,848)
Decrease in net assets resulting from Unitholders' transactions	(11,196)	(24,254)	(35,450)
At 30 June 2023	921,607	(35,684)	885,923
Net loss for the period	–	(143,417)	(143,417)
Decrease in net assets resulting from operations	–	(143,417)	(143,417)
Issue of new units for Distribution Reinvestment Plan ⁽²⁾	351	–	351
Distribution to Unitholders	(6,173)	(23,029)	(29,202)
Decrease in net assets resulting from Unitholders' transactions	(5,822)	(23,029)	(28,851)
At 31 December 2023	915,785	(202,130)	713,655

⁽¹⁾ 897,509 new Units were issued on 31 March 2023 at the issue price of US\$0.444 per Unit for the period from 1 July 2022 to 31 December 2022.

⁽²⁾ 2,177,168 new Units were issued on 28 September 2023 at the issue price of US\$0.161 per Unit for the period from 1 January 2023 to 30 June 2023.

Prime US REIT and its subsidiaries

**Unaudited Condensed Statements of Changes in Unitholders' Funds
For the six months and full year ended 31 December 2024**

	Attributable to Unitholders		
	Units in issue and to be issued US\$'000	Retained earnings US\$'000	Total US\$'000
Trust			
At 1 January 2024	915,785	(203,001)	712,784
Net income for the period	–	23,173	23,173
Increase in net assets resulting from operations	–	23,173	23,173
Distribution to Unitholders	(595)	(2,379)	(2,974)
Decrease in net assets resulting from Unitholders' transactions	(595)	(2,379)	(2,974)
At 30 June 2024	915,190	(182,207)	732,983
Net loss for the period	–	(15,148)	(15,148)
Decrease in net assets resulting from operations	–	(15,148)	(15,148)
Distribution to Unitholders	–	(2,354)	(2,354)
Decrease in net assets resulting from Unitholders' transactions	–	(2,354)	(2,354)
At 31 December 2024	915,190	(199,709)	715,481
At 1 January 2023	932,803	(39,545)	893,258
Net income for the period	–	22,937	22,937
Increase in net assets resulting from operations	–	22,937	22,937
Issue of new units for Distribution Reinvestment Plan ⁽¹⁾	398	–	398
Distribution to Unitholders	(11,594)	(24,254)	(35,848)
Decrease in net assets resulting from Unitholders' transactions	(11,196)	(24,254)	(35,450)
At 30 June 2023	921,607	(40,862)	880,745
Net loss for the period	–	(139,110)	(139,110)
Decrease in net assets resulting from operations	–	(139,110)	(139,110)
Issue of new units for Distribution Reinvestment Plan ⁽²⁾	351	–	351
Distribution to Unitholders	(6,173)	(23,029)	(29,202)
Decrease in net assets resulting from Unitholders' transactions	(5,822)	(23,029)	(28,851)
At 31 December 2023	915,785	(203,001)	712,784

⁽¹⁾ 897,509 new Units were issued on 31 March 2023 at the issue price of US\$0.444 per Unit for the period from 1 July 2022 to 31 December 2022.

⁽²⁾ 2,177,168 new Units were issued on 28 September 2023 at the issue price of US\$0.161 per Unit for the period from 1 January 2023 to 30 June 2023.

The accompanying notes form an integral part of the condensed consolidated financial statements.

Prime US REIT and its subsidiaries

**Unaudited Condensed Consolidated Statement of Cash Flows
For the six months and full year ended 31 December 2024**

	Group			
	2H2024 US\$'000	2H2023 US\$'000	FY2024 US\$'000	FY2023 US\$'000
Cash flows from operating activities				
Net (loss)/income before tax	(5,167)	(143,406)	8,170	(115,792)
Adjustments for:				
Property related non-cash items	(305)	631	834	(200)
Allowance for/(reversal of allowance) for expected credit losses	241	38	394	(84)
Net change in fair value of derivatives	6,314	9,950	8,091	11,534
Foreign exchange (gains)/losses	(4)	(7)	2	(8)
Finance expenses	21,261	14,473	36,035	28,104
Finance income	(624)	(60)	(670)	(91)
Net fair value change in investment properties	8,117	161,206	15,063	161,206
Loss on disposal of investment property	2,627	-	2,627	-
	32,460	42,825	70,546	84,669
Changes in working capital:				
Trade and other receivables	(104)	(678)	(159)	132
Prepaid expenses	1,575	810	196	(261)
Trade and other payables	(1,352)	(1,620)	132	(440)
Amounts due to related parties	(295)	643	(450)	655
Rental security deposits	62	188	651	332
Rent received in advance	3,203	(45)	1,408	579
Cash flow from operations	35,549	42,123	72,324	85,666
Taxes paid	(90)	-	(133)	(39)
Net cash generated from operating activities	35,459	42,123	72,191	85,627
Cash flows from investing activities				
Net proceeds from disposal of investment property	75,373	-	75,373	-
Payment for capital expenditure relating to investment properties	(21,920)	(15,869)	(38,197)	(24,429)
Interest received	624	60	670	91
Net cash generated from/(used in) investing activities	54,077	(15,809)	37,846	(24,338)

Prime US REIT and its subsidiaries

Unaudited Condensed Consolidated Statement of Cash Flows
For the six months and full year ended 31 December 2024

	Group			
	2H2024 US\$'000	2H2023 US\$'000	FY2024 US\$'000	FY2023 US\$'000
Cash flows from financing activities				
Distribution to Unitholders	(2,354)	(28,851)	(5,328)	(64,301)
Dividends on preferred shares	(8)	(8)	(16)	(16)
Proceeds from loans and borrowings	509,300	69,000	536,800	150,000
Repayment of loans and borrowings	(582,064)	(56,200)	(584,064)	(120,200)
Payment of transaction costs related to loans and borrowings	(9,359)	(464)	(9,359)	(464)
Interest paid on loans and borrowings	(18,357)	(13,544)	(32,339)	(26,141)
Net cash used in financing activities	(102,842)	(30,067)	(94,306)	(61,122)
Net (decrease)/increase in cash and cash equivalents	(13,306)	(3,753)	15,731	167
Cash and cash equivalents at the beginning of the period	40,787	15,502	11,756	11,581
Effect of exchange rate fluctuations on cash held in foreign currency	4	7	(2)	8
Cash and cash equivalents at end of the period	27,485	11,756	27,485	11,756

The accompanying notes form an integral part of the condensed consolidated financial statements.

Prime US REIT and its subsidiaries

Unaudited Consolidated Portfolio Statement
As at 31 December 2024

Description of property	Location	Tenure of land	Fair value	Percentage of	Fair value	Percentage of
			2024	total net assets	2023	total net assets
			US\$'000	%	US\$'000	%
171 17 th Street	Atlanta	Freehold	178,870	25.0	171,250	24.0
222 Main	Salt Lake City	Freehold	194,300	27.1	183,000	25.6
CrossPoint	Philadelphia	Freehold	98,000	13.7	92,700	13.0
One Town Center ⁽¹⁾	Boca Raton	Freehold	–	–	84,800	11.9
Park Tower	Sacramento	Freehold	129,000	18.0	143,000	20.0
Promenade I & II	San Antonio	Freehold	72,300	10.1	66,900	9.4
Reston Square	Washington D.C. Area (Suburban Virginia)	Freehold	29,800	4.2	24,700	3.5
Sorrento Towers	San Diego	Freehold	123,500	17.2	125,000	17.5
The 101 ⁽²⁾	St. Louis	Freehold	74,800	10.4	67,100	9.4
Tower 909	Dallas	Freehold	87,100	12.2	74,800	10.5
Tower I at Emeryville	San Francisco Bay Area (Oakland)	Freehold	103,400	14.4	104,300	14.6
Village Center Station I	Denver	Freehold	64,600	9.0	71,000	10.0
Village Center Station II	Denver	Freehold	140,190	19.6	145,900	20.4
Waterfront at Washingtonian ⁽³⁾	Washington D.C. Area (Suburban Maryland)	Freehold	56,210	7.8	53,500	7.5
Total investment properties			1,352,070	188.7	1,407,950	197.3
Other assets and liabilities (net)			(635,694)	(88.7)	(694,295)	(97.3)
Net assets			716,376	100.0	713,655	100.0

⁽¹⁾ Divested on 10 July 2024

⁽²⁾ Formerly known as 101 South Hanley

⁽³⁾ Formerly known as One Washingtonian Center

The accompanying notes form an integral part of the condensed consolidated financial statements.

Prime US REIT and its subsidiaries

Notes to the Unaudited Condensed Consolidated Financial Statements For the six months and full year ended 31 December 2024

1. General

Prime US REIT (the "Trust") is a Singapore real estate investment trust constituted pursuant to the trust deed (the "Trust Deed") dated 7 September 2018 (as amended and restated) between Prime US REIT Management Pte. Ltd. (the "Manager") and DBS Trustee Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust. The Trust and its subsidiaries are collectively referred to as the "Group".

KBS Asia Partners Pte. Ltd. is the sponsor (the "Sponsor") of the Trust.

The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 July 2019.

The registered office and principal place of business of the Manager is located at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly or indirectly, in a portfolio of income-producing office real estate in major markets in the United States, as well as real estate-related assets. The Group's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution per unit and net asset value per unit while maintaining an appropriate capital structure.

2. Basis of preparation

2.1 Statement of compliance

The condensed financial statements for the six months and full year ended 31 December 2024 have been prepared in accordance with IAS 34 – *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The Group adopted the revised IFRS and interpretations that are effective for application for annual financial periods beginning on or after 1 January 2024. The adoption of these revised IFRS and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

The condensed financial statements are presented in United States dollars ("US\$"), which is the functional currency of the Trust. All financial information presented in United States dollars has been rounded to the nearest thousand (US\$'000), unless otherwise stated.

**Notes to the Unaudited Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024**

2. Basis of preparation (cont'd)

2.2 Significant accounting judgements and estimates

The preparation of the Group's condensed consolidated financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

Judgements made in applying accounting policies

There are no critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the condensed consolidated financial statements.

Key sources of estimation uncertainty

The Group based its assumptions and estimates on parameters available when the condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period are described as follows:

Valuation of investment properties

The Group carries its investment properties at fair value with changes in fair values being recognised in profit or loss. The fair values of investment properties are determined with inputs from independent real estate valuation experts using recognised valuation techniques. These techniques include the discounted cash flow method, income capitalisation method and direct comparison method. The key assumptions used to determine the fair value of these investment properties are provided in Note 5.

Prime US REIT and its subsidiaries

Notes to the Unaudited Condensed Consolidated Financial Statements For the six months and full year ended 31 December 2024

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group's investment properties are primarily commercial office properties and are located in the United States. Therefore, the directors consider that the Group operates within a single business segment and within a single geographical segment in the United States. Accordingly, no segment information has been presented in the condensed consolidated financial statements.

5. Investment properties

	Group	
	2024	2023
	US\$'000	US\$'000
Condensed Statements of Financial Position		
As at 1 January	1,407,950	1,542,200
Capital expenditure ⁽¹⁾	33,625	23,731
Disposal of investment property	(78,000)	-
Fair value changes in investment properties	(11,505)	(157,981)
As at 31 December	<u>1,352,070</u>	<u>1,407,950</u>
Condensed Consolidated Statement of Comprehensive Income		
Fair value changes in investment properties	(11,505)	(157,981)
Net effect of straight-lining	(3,558)	(3,225)
Net fair value change recognised in the Statement of Comprehensive Income	<u>(15,063)</u>	<u>(161,206)</u>

⁽¹⁾ Includes lease incentives of US\$885,000 (2023: US\$909,000)

Prime US REIT and its subsidiaries

Notes to the Unaudited Condensed Consolidated Financial Statements For the six months and full year ended 31 December 2024

5. Investment properties (cont'd)

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed by independent valuers. The valuations were performed by Cushman & Wakefield and Kroll, LLC (2023: Cushman & Wakefield and Kroll, LLC), who are independent valuers with the relevant professional qualifications and experience in the location and category of the properties being valued.

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the key unobservable inputs used as at 31 December 2024:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Discounted cash flow method	<ul style="list-style-type: none">Discount rate of 7.50% to 9.75% (2023: 7.75% to 9.75%)Terminal capitalisation rate of 6.50% to 8.50% (2023: 6.25% to 8.50%)	Higher discount rate would result in a lower fair value, while lower rate would result in a higher fair value.
Income capitalisation method	<ul style="list-style-type: none">Capitalisation rate of 6.50% to 8.50% (2023: 6.50% to 8.25%)	Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.
Direct comparison method	<ul style="list-style-type: none">Price per square foot of US\$170 to US\$476 (2023: US\$160 to US\$485)	Higher price per square foot would result in a higher fair value, while lower rate would result in a lower fair value.

The Group carries its investment properties at fair value with changes in fair value being recognised in profit or loss, determined annually by independent professional valuers based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy based on the inputs to the valuation techniques used.

Property pledged as security

Investment properties with carrying value of US\$1,352,070,000 (2023: US\$392,800,000) are mortgaged to secure credit facilities (Note 6).

Prime US REIT and its subsidiaries

Notes to the Unaudited Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

5. Investment properties (cont'd)

Investment properties held by the Group

Property	Description and Location	Tenure	2024 US\$'000	2023 US\$'000
171 17 th Street	21-storey Class A office building located in Atlanta, Georgia	Freehold	178,870	171,250
222 Main	21-storey Class A office building located in Salt Lake City, Utah	Freehold	194,300	183,000
CrossPoint	4-storey Class A office building located in Wayne, Pennsylvania	Freehold	98,000	92,700
One Town Center ⁽¹⁾	10-storey Class A office building located in Boca Raton, Florida.	Freehold	–	84,800
Park Tower	24-storey Class A office building located in Sacramento, California.	Freehold	129,000	143,000
Promenade I & II	Two 4-storey Class A office buildings located in San Antonio, Texas	Freehold	72,300	66,900
Reston Square	7-storey Class A office building located in Reston, Virginia	Freehold	29,800	24,700
Sorrento Towers	7-storey Class A office building located in San Diego, California.	Freehold	123,500	125,000
The 101 ⁽²⁾	19-storey Class A office building located in St. Louis, Missouri	Freehold	74,800	67,100
Tower 909	19-storey Class A office building located in Irving, Texas	Freehold	87,100	74,800
Tower I at Emeryville	12-storey Class A office building located in Emeryville, California	Freehold	103,400	104,300
Village Center Station I	9-storey Class A office building located in Greenwood Village, Colorado	Freehold	64,600	71,000
Village Center Station II	12-storey Class A office building located in Greenwood Village, Colorado	Freehold	140,190	145,900
Waterfront at Washingtonian ⁽³⁾	14-storey Class A office building located in Gaithersburg, Maryland	Freehold	56,210	53,500
			1,352,070	1,407,950

(1) Divested on 10 July 2024

(2) Formerly known as 101 South Hanley

(3) Formerly known as One Washingtonian Center

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements For the six months and full year ended 31 December 2024

6. Loans and borrowings

	Group	
	2024 US\$'000	2023 US\$'000
Amount repayable within one year	–	478,800
Amount repayable after one year	651,111	219,575
Less: Unamortised transaction costs	(13,845)	(1,954)
	637,266	696,421

As at 31 December 2024, the Group has US\$69.9 million of borrowings due in July 2025. This facility has a 1-year extension option and the Group has the discretion to roll over the facility upon meeting certain conditions. Management has assessed that they are able to meet these conditions and plans to exercise the extension option upon maturity in July 2025. Accordingly, the Group continues to disclose this as a non-current liability. The committed amount is US\$72.2 million comprising US\$69.9 million non-revolving portion which is drawn and US\$2.3 million revolving portion which is undrawn.

In August 2024, the Group entered into a new credit facility with a maturity date in July 2026, and a further 1-year extension option. The committed amount is US\$550.0 million comprising US\$400.0 million non-revolving portion which is drawn and US\$150.0 million revolving portion, of which US\$76.3 million is drawn as at 31 December 2024. The proceeds from the facility were used to refinance borrowings amounting to US\$478.8 million as at 31 December 2023.

The Group has in place interest rate swaps with a notional amount of US\$330.0 million (2023: \$444.6 million) to manage its exposure to interest rate movements on certain of its floating rate interest-bearing borrowings by swapping the interest expenses on these borrowings from floating to fixed rates.

The weighted average interest rate (including amortisation of debt-related transaction costs) on loans and borrowings for 2024 was 5.1% (2023: 4.0%). As at 31 December 2024, aggregate leverage ratio and interest coverage ratio, as defined under the Property Funds Appendix, were 46.7% and 2.0 times respectively.

7. Units in issue and to be issued

	Group and Trust			
	2024		2023	
	No. of Units '000	US\$'000	No. of Units '000	US\$'000
Units in issue				
As at the beginning of the year	1,189,327	915,785	1,183,035	931,448
Issue of new Units:				
- Units issued pursuant to Distribution Reinvestment Plan	–	–	3,075	749
- Management fees paid in Units	–	–	3,217	1,355
- Distribution to Unitholders	–	(595)	–	(17,767)
- Bonus issue	118,932	–	–	–
As at the end of the year	1,308,259	915,190	1,189,327	915,785
Total Units in issue and to be issued as at the end of year	1,308,259	915,190	1,189,327	915,785

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements For the six months and full year ended 31 December 2024

7. Units in issue and to be issued (cont'd)

The Trust does not hold any Units in treasury as at 31 December 2024 and 31 December 2023. There are no sales, transfers disposals, cancellation and/or use of treasury Units.

The Trust's subsidiaries do not hold any Units in the Trust as at 31 December 2024 and 31 December 2023.

Manager's fee

Pursuant to the Trust Deed, the Manager is entitled to a base fee at the rate of 10.0% per annum of the Trust's annual distributable income (calculated before accounting for the base fee and performance fee, if any). The base fee is payable in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager.

The Manager has elected to receive 100.0% (2023: 100.0%) of its base fee in the form of cash for the year ended 31 December 2024.

8. Net asset value per Unit

	Group		Trust	
	2024	2023	2024	2023
Net asset value per Unit is based on:				
- Net assets (US\$'000)	716,376	713,655	715,481	712,784
- Total Units in issue and to be issued ('000)	1,308,259	1,308,259	1,308,259	1,308,259

9. Gross revenue

	Group			
	2H2024	2H2023	FY2024	FY2023
	US\$'000	US\$'000	US\$'000	US\$'000
Rental income	53,275	61,743	110,093	123,423
Recoveries income	9,914	13,460	22,277	26,662
Other operating income	4,289	5,133	8,593	9,718
	67,478	80,336	140,963	159,803

Recoveries income includes, amongst others, charges to tenants for recovery of certain operating costs and real estate taxes and is estimated in accordance with the individual tenant leases.

Other operating income includes parking income and lease termination income.

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

10. Property operating expenses

	Group			
	2H2024 US\$'000	2H2023 US\$'000	FY2024 US\$'000	FY2023 US\$'000
Property taxes	9,829	11,080	20,969	22,694
Utilities	4,656	4,775	8,716	9,074
Repair and maintenance expenses	4,435	4,337	8,721	8,235
Property management fees	2,823	3,279	5,962	6,365
Other property operating expenses	10,317	10,473	20,620	19,876
	32,060	33,944	64,988	66,244

Other property operating expenses comprise mainly janitorial, security, insurance, lot and landscaping costs and amortisation of lease commissions.

11. Other trust expenses

	Group			
	2H2024 US\$'000	2H2023 US\$'000	FY2024 US\$'000	FY2023 US\$'000
Audit and related fees paid/payable to auditors of the Group	311	318	617	608
Tax compliance fees	204	187	436	384
Valuation fees	138	84	213	145
Other expenses	496	361	969	835
	1,149	950	2,235	1,972

Other expenses include legal fees, investor relations and miscellaneous expenses.

12. Finance expenses

	Group			
	2H2024 US\$'000	2H2023 US\$'000	FY2024 US\$'000	FY2023 US\$'000
Interest expense on loans and borrowings	18,941	13,562	32,869	26,222
Amortisation of debt-related transaction costs	2,254	742	2,967	1,513
Commitment fees	58	161	173	343
Dividends on preferred shares	8	8	26	26
	21,261	14,473	36,035	28,104

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

13. Consolidated earnings per unit (“EPU”) and distribution per unit (“DPU”)

	Group			
	2H2024	2H2023	FY2024	FY2023
<u>EPU</u>				
Net (loss)/income for the period (US\$'000)	(5,263)	(143,417)	8,049	(115,837)
Weighted average number of Units ⁽¹⁾ ('000)	1,308,259	1,307,101	1,308,259	1,304,861
Basic and diluted EPU ⁽²⁾ (US cents)	(0.40)	(10.97)	0.62	(8.88)
<u>DPU</u>				
Income available for distribution to Unitholders (US\$'000)	14,841	28,599	38,175	57,825
Distribution to Unitholders (US\$'000)	1,439	2,974	3,793	32,176
Number of Units in issue at the end of the period ⁽¹⁾ ('000)	1,308,259	1,308,259	1,308,259	1,308,259
DPU (US cents)	0.11	0.23	0.29	2.46

⁽¹⁾ Weighted average number of Units in issue and number of Units in issue at the end of the year have taken into account bonus issue of new Units on the basis of 1 bonus unit to be credited as fully paid for every 10 existing Units on 28 March 2024.

⁽²⁾ Diluted EPU is equivalent to basic EPU as there were no dilutive instruments in issue during the period.

14. Significant related party transactions

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the year, in addition to those disclosed elsewhere in the condensed consolidated financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group			
	2H2024	2H2023	FY2024	FY2023
	US\$'000	US\$'000	US\$'000	US\$'000
Manager's divestment fee	390	–	390	–

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

15. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

	Group US\$'000			
	Fair value measured at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
31 December 2024				
Assets measured at fair value				
– recurring				
Non-financial assets				
Investment properties	–	–	1,352,070	1,352,070
Total non-financial assets	–	–	1,352,070	1,352,070
Financial assets				
Derivative assets				
- <i>Interest rate swaps</i>	–	10,329	–	10,329
Total financial assets	–	10,329	–	10,329
31 December 2023				
Assets measured at fair value				
– recurring				
Non-financial assets				
Investment properties	–	–	1,407,950	1,407,950
Total non-financial assets	–	–	1,407,950	1,407,950
Financial assets				
Derivative assets				
- <i>Interest rate swaps</i>	–	18,419	–	18,419
Total financial assets	–	18,419	–	18,419

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

15. Fair value of assets and liabilities (cont'd)

(c) Classification and fair values

Group	Carrying amount US\$'000			Total carrying amount
	Financial assets at amortised cost	Financial liabilities carried at amortised cost	Economic hedging instruments at fair value through profit or loss	
31 December 2024				
Financial assets not measured at fair value				
Cash and cash equivalents	27,485	–	–	27,485
Trade and other receivables ⁽¹⁾	3,053	–	–	3,053
	<u>30,538</u>	<u>–</u>	<u>–</u>	<u>30,538</u>
Financial assets measured at fair value				
Derivative assets	–	–	10,329	10,329
	<u>–</u>	<u>–</u>	<u>10,329</u>	<u>10,329</u>
Financial liabilities not measured at fair value				
Trade and other payables	–	26,311	–	26,311
Amounts due to related parties	–	566	–	566
Rental security deposits	–	5,284	–	5,284
Loans and borrowings	–	637,266	–	637,266
Preferred shares	–	125	–	125
	<u>–</u>	<u>669,552</u>	<u>–</u>	<u>669,552</u>

⁽¹⁾ Excludes GST Receivables

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

15. Fair value of assets and liabilities (cont'd)

(c) Classification and fair values (cont'd)

Group	Carrying amount US\$'000			Total carrying amount
	Financial assets at amortised cost	Financial liabilities carried at amortised cost	Economic hedging instruments at fair value through profit or loss	
31 December 2023				
Financial assets not measured at fair value				
Cash and cash equivalents	11,756	–	–	11,756
Trade and other receivables ⁽¹⁾	4,160	–	–	4,160
	<u>15,916</u>	<u>–</u>	<u>–</u>	<u>15,916</u>
Financial assets measured at fair value				
Derivative assets	–	–	18,419	18,419
	<u>–</u>	<u>–</u>	<u>18,419</u>	<u>18,419</u>
Financial liabilities not measured at fair value				
Trade and other payables	–	20,904	–	20,904
Amounts due to related parties	–	1,016	–	1,016
Rental security deposits	–	4,633	–	4,633
Loans and borrowings	–	696,421	–	696,421
Preferred shares	–	125	–	125
	<u>–</u>	<u>723,099</u>	<u>–</u>	<u>723,099</u>

⁽¹⁾ Excludes GST Receivables

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements
For the six months and full year ended 31 December 2024

15. Fair value of assets and liabilities (cont'd)

(c) Classification and fair values (cont'd)

Trust	Carrying amount		
	Financial assets at amortised cost US\$'000	Financial liabilities carried at amortised cost US\$'000	Total carrying amount US\$'000
31 December 2024			
Financial assets not measured at fair value			
Cash and cash equivalents	4,430	–	4,430
Trade and other receivables ⁽¹⁾	1	–	1
	<u>4,431</u>	<u>–</u>	<u>4,431</u>
Financial liabilities not measured at fair value			
Trade and other payables	–	940	940
Amounts due to related parties	–	555	555
	<u>–</u>	<u>1,495</u>	<u>1,495</u>
31 December 2023			
Financial assets not measured at fair value			
Cash and cash equivalents	3,627	–	3,627
	<u>3,627</u>	<u>–</u>	<u>3,627</u>
Financial liabilities not measured at fair value			
Trade and other payables	–	851	851
Amounts due to related parties	–	1,016	1,016
	<u>–</u>	<u>1,867</u>	<u>1,867</u>

⁽¹⁾ Excludes GST Receivables

Prime US REIT and its subsidiaries

Notes to the Condensed Consolidated Financial Statements For the six months and full year ended 31 December 2024

16. Financial ratios

	Group	
	2024	2023
	%	%
Ratio of expenses to weighted average net assets ⁽¹⁾		
- Including performance component of the Manager's management fees	0.91	0.99
- Excluding performance component of the Manager's management fees	0.91	0.99
Portfolio turnover rate ⁽²⁾	—	—

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance expenses, net foreign exchange differences and income tax expense. The Group did not incur any performance fee for the years ended 31 December 2024 and 31 December 2023.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value in accordance with the formula stated in the CIS Code. There was no purchase of properties during the years ended 31 December 2024 and 31 December 2023.

17. Subsequent events

Distribution

On 19 February 2025, the Manager announced a cumulative distribution per Unit of 0.11 US cents for the period from 1 July 2024 to 31 December 2024. This distribution will be paid on 28 March 2025.

Prime US REIT and its subsidiaries

Other Information required by Listing Rule Appendix 7.2

1. Audit

The condensed consolidated financial statements of Prime US REIT and its subsidiaries have not been audited or reviewed by the auditor.

2. Review of performance of the Group

2H2024 vs 2H2023

Gross revenue for 2H2024 was US\$67.5 million, a decrease compared to US\$80.3 million in 2H2023, mainly due to divestment of One Town Center in July 2024 and lower contribution from Waterfront at Washingtonian which was undergoing asset enhancement initiatives during the year.

Property operating expenses for 2H2024 was US\$32.1 million, a decrease compared to US\$33.9 million in 2H2023 mainly due to the divestment of One Town Center.

As a result, net property income for 2H2024 was lower at US\$35.4 million.

The manager had elected to receive 100% of its base fee for both 2H2024 and 2H2023 in cash. Manager's base fee for 2H2024 was lower at US\$1.6 million.

Net fair value change in derivatives was a loss of US\$6.3 million in 2H2024, lower than 2H2023. This pertains to non-cash marked to market movements of the fair value of the interest rate swaps. Changes in fair value are mainly driven by market outlook on the interest rates.

Finance expenses for 2H2024 was US\$21.3 million, an increase compared to US\$14.5 million in 2H2023, mainly due to increase in finance cost on the unhedged portion of borrowings and incremental drawdowns on debt facilities for capital expenditures.

Net fair value loss in investment properties was US\$8.1 million in 2H2024, a decrease compared to US\$161.2 million in 2H2023. The Group obtains independent appraisals on an annual basis and recognises changes in fair value in the consolidated statement of comprehensive income. The valuation of the 13 assets in the portfolio recorded a 2.2% increase as compared to FY2023 but after taking into consideration the capital expenditures incurred in FY2024, a net fair value loss of US\$8.1 million was recognised in 2H2024.

Loss on disposal of investment property of US\$2.6 million pertained to the divestment of One Town Center that was completed in July 2024.

Due to the above, net loss for 2H2024 was lower at US\$5.3 million.

Overall, income available for distribution to Unitholders for 2H2024 was US\$14.8 million, lower than 2H2023, mainly due to lower income contribution from Waterfront at Washingtonian, divestment of One Town Center and higher finance expenses.

Prime US REIT and its subsidiaries

Other Information required by Listing Rule Appendix 7.2

2. Review of performance of the Group (cont'd)

FY2024 vs FY 2023

Gross revenue for FY2024 was US\$141.0 million, a decrease compared to US\$159.8 million in FY2023, mainly due to divestment of One Town Center on 10 July 2024 and lower contribution from Waterfront at Washingtonian which was undergoing asset enhancement initiatives during the year.

Property operating expenses for FY2024 was US\$65.0 million, a decrease compared to US\$66.2 million in FY2023 mainly due to the divestment of One Town Center.

As a result, net property income for FY2024 was lower at US\$76.0 million.

The manager had elected to receive 100% of its base fee for both FY2024 and FY2023 in cash. Manager's base fee for FY2024 was lower at US\$4.2 million.

Net fair value change in derivatives was a loss of US\$8.1 million in FY2024, lower than FY2023. This pertains to non-cash marked to market movements of the fair value of the interest rate swaps. Changes in fair value are mainly driven by market outlook on the interest rates.

Finance expenses for FY2024 was US\$36.0 million, an increase compared to US\$28.1 million in FY2023, mainly due to increase in finance cost on the unhedged portion of borrowings and incremental drawdowns on debt facilities for capital expenditures .

Net fair value loss in investment properties was US\$15.1 million in FY2024, a decrease compared to US\$161.2 million in FY2023. The Group obtains independent appraisals on an annual basis and recognises changes in fair value in the consolidated statement of comprehensive income. The valuation of the 13 assets in the portfolio recorded a 2.2% increase of approximately US\$28.9 million as compared to FY2023 but after taking into consideration the capital expenditures incurred in FY2024, a net fair value loss of US\$8.1 million was recognised in 2H2024. The remaining fair value loss recognised in 1H2024 pertained to divested asset, One Town Center.

Loss on disposal of investment property of US\$2.6 million pertained to the divestment of One Town Center that was completed in July 2024.

Due to the above, a net income of US\$8.0 million was recorded for FY2024, compared to a net loss for FY2023 of US\$115.8 million.

Overall, income available for distribution to Unitholders for FY2024 was US\$38.2 million, lower than FY2023, mainly due to lower income contribution from Waterfront at Washingtonian, divestment of One Town Center and higher finance expenses.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Manager has not disclosed any financial forecast.

Other Information required by Listing Rule Appendix 7.2

4. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

U.S. real GDP grew 2.3% in 4Q2024¹. Unemployment rate edged down to 4.0% in January 2025, versus 4.1% in December 2024². U.S. job growth moderated in January 2025. Personal consumption expenditure (PCE) price index was up 2.6% YoY in December 2024². CPI inflation rate increased by 3.0% YoY in January 2025².

The Fed kept the target fed rate unchanged at 4.25%-4.50% in January 2025, after a series of rate cuts (aggregated 100bps) that commenced in September 2024, as the Fed weighs in on economic stability, job market, progress on curbing inflation, along with Trump's tariffs stances³.

With return-to-office mandates gaining momentum, office leasing volume has established a new post-pandemic high. Leasing activity was up 4.9% QoQ, and 17.6% YoY in 4Q2024. Office leasing volume has climbed for three consecutive quarters, establishing a new post-pandemic high in 4Q2024. Sublease additions fell 26% YoY in December 2024, in tandem with a broader decline in downsizing activities. Sublease backfills have also been active, growing 11% YoY even as availability levels are declining. Sublease availability is declining rapidly⁴.

The pipeline of new supply has also continued to fall. Office groundbreakings remain near all-time lows in 4Q2024. Overall availability declined for two consecutive quarters, pointing to potential decline in vacancy in 2025. Office inventory removals have increased at a rate of more than 20% annually since 2019. Class A assets in prime urban and suburban submarkets outperform, driven by tenant preferences for modern, amenity-rich spaces⁴.

The Group's lease signings increased 1.9% YoY from 581k sf in FY2023 to 592k sf of leases in FY2024. New leases and renewals executed in FY2024 recorded a positive rental reversion of +1.8%, extending the WALE from 4.0 years a year ago to 4.4 years. Leased occupancy was 80.0%. The Group has seen good leasing momentum in several of its assets as reflected in sizable potential new leases in Sacramento, Maryland, Denver, Atlanta, St Louis, and St Antonio.

The Group's 2024 portfolio valuation saw a 2.2% increase in portfolio valuation as compared to 2023. The Manager attributes the higher valuation to several factors including (1) well-diversified portfolio and active management (2) prudent allocation of capital expenditure in 2024, (3) positive leasing momentum (4) high quality assets, and (5) limited new constructions. Consequently, aggregate leverage improved to 46.7% as at 31 December 2024.

Looking ahead, the Manager remains cautiously optimistic. As the economic landscape stabilises, the Group is expected to continue benefiting from a positive leasing momentum, with a diversified and resilient tenant base supporting steady rental income. While the interest rate outlook remains uncertain, the Group's focus on maintaining operational efficiency, deeper tenant engagements and a strong balance sheet positions the Group to navigate the current environment and provide value to investors going forward.

With the Group's long-term interest in mind, similar to 2H2023, the Manager has made the decision to announce a distribution per Unit of 0.11 US cents, equating to approximately 10% of the distributable income, in order to balance the Group's objectives to preserve a substantial proportion of distributable income to meet capital expenditure needs and reinvest cash flows in the business. Going forward, the Manager will continue to evaluate the Group's distribution policy dynamically, factoring in macro, regulatory and REIT-specific developments.

¹ U.S. Bureau of Economic Analysis Advance Estimate 4Q 2024

² U.S. Bureau of Labor Statistics December 2024 and January 2025

³ U.S. Federal Reserve Press Release (29 January 2025)

⁴ JLL Research Office Outlook Q4 2024

Prime US REIT and its subsidiaries

Other Information required by Listing Rule Appendix 7.2

5. Distributions

(a) Current Financial Period

Any distribution recommended for the current financial period?

Yes

(i) 11th distribution of 0.11 US cents for the period from 1 July 2024 to 31 December 2024

Distribution period : 11th Distribution for the period from 1 July 2024 to 31 December 2024

Distribution type/rate : Distribution of 0.11 US cents per Unit comprising tax-exempt income of 0.11 US cents per Unit

Tax rate : Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders.

Unitholders who do not submit required U.S. tax forms completely and accurately by Tuesday, 11 March 2025 will be subject to withholding taxes on the distribution.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year?

Yes

(ii) 9th distribution of 0.25 US cents for the period from 1 July 2023 to 31 December 2023

Distribution period : 9th Distribution for the period from 1 July 2023 to 31 December 2023

Distribution type/rate : Distribution of 0.25 US cents per Unit comprising:
a. Tax-exempt income: 0.20 US cents per Unit
b. Capital: 0.05 US cents per Unit

(c) Book closure date

11th Distribution – 27 February 2025

(d) Date paid/payable

11th Distribution – 28 March 2025

Prime US REIT and its subsidiaries

Other Information required by Listing Rule Appendix 7.2

6. Distribution Statement

Other than disclosed in item 5 above, no other distribution has been declared/recommended.

7. Segmental Information

Segment revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

Not applicable. The Group operates within a single business segment and within a single geographical segment in the U.S.

8. Material changes in contribution by operating segments

In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

Please refer to item 2 above for the review of performance.

9. General Mandate relating to Interested person transactions

The Group has not obtained a general mandate from Unitholders for Interested Person Transactions.

10. Breakdown of revenue

	2024	2023	Change
	US\$'000	US\$'000	%
First half year			
Gross Revenue	73,485	79,467	(7.5)
Net Property Income	40,557	47,167	(14.0)
Second Half Year			
Gross Revenue	67,478	80,336	(16.0)
Net Property Income	35,418	46,392	(23.7)

11. Breakdown of Annual Total Distribution

	FY2024	FY2023
	US\$'000	US\$'000
1 July 2022 to 31 December 2022 (paid)	–	35,848
1 January 2023 to 30 June 2023 (paid)	–	29,202
1 July 2023 to 31 December 2023 (paid)	2,974	–
1 January 2024 to 30 June 2024 (paid)	2,354	–
1 July 2024 to 31 December 2024 (to be paid)	1,439	–
	<u>6,767</u>	<u>65,050</u>

Prime US REIT and its subsidiaries

Other Information required by Listing Rule Appendix 7.2

12. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

13. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule Pursuant to Rule 704(13) of the Listing Manual, the Manager confirms that there is no person occupying a managerial position in the Manager who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial unitholder of the Group.

**On behalf of the Board
Prime US REIT Management Pte. Ltd.
(Company Registration Number: 201825461R)
As Manager of Prime US REIT**

**Professor Annie Koh
Chairman**

**John French
Director**

19 February 2025

Prime US REIT and its subsidiaries

Other Information required by Listing Rule Appendix 7.2

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. The value of units in Prime US REIT (the "Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, DBS Trustee Limited (as trustee of Prime US REIT) or any of their affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (the "Unitholder") have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

The past performance of Prime US REIT is not necessarily indicative of its future performance

**By Order of the Board
Prime US REIT Management Pte. Ltd.
(Company Registration Number: 201825461R)
As Manager of Prime US REIT**

**Lun Chee Leong
Company Secretary
19 February 2025**