



1H2025 Net Property Income and Distributable Income Up +1.1% and +12.3% vs 2H2024

- *Flight-to-quality and return-to-office trends accelerate leasing momentum*
- *1H2025 Leasing Activities: 400,000 square feet, 24% increase over 2H2024*
- *WALE extended to 4.7 years with positive 3.4% rent reversion in 1H2025*

Singapore, 12 August 2025 – Prime US REIT Management Pte. Ltd., the Manager (the “**Manager**”) of Prime US REIT (“**PRIME**”), is pleased to report the financial results for the first half year (“**1H2025**”).

1H2025 Financials¹

PRIME’s 1H2025 net property income increased by 1.1% to US\$35.8 million compared to US\$35.4 million in 2H2024. Distributable income increased by 12.3% to US\$16.7 million from US\$14.8 million in 2H2024.

Focus on Leasing and Extending Portfolio WALE, with a Path to Stabilisation

With return-to-office momentum accelerating and increasing U.S. office leasing demand, PRIME has seen increased interest and leasing activities at several assets. Given PRIME’s ample debt headroom and access to committed undrawn facilities, PRIME was able to actively pursue major tenant opportunities, as prospective tenants increasingly favour landlords with robust balance sheets and strong liquidity positions.

In June 2025, PRIME signed a new 11-year lease of minimum 120,000 square feet at the re-branded Waterfront At Washingtonian (“**WAW**”) in Gaithersburg, Suburban Maryland, Washington D.C., marking a major commitment since completing targeted upgrades to the property. This new anchor lease, together with earlier leasing activities, had brought WAW to above 85% occupancy, up from 33% prior to the building renovations. The WAW deal follows a new 43,000-square-foot lease signed in the middle of June at another asset in the portfolio, Village Center Station I, with a leading global engineering and consultancy firm who is also a new tenant at WAW.



In 1H2025, PRIME secured 400,000 square feet of leases, up 24% against 2H2024. The leases have annual rent escalations of 2 to 3% and achieved positive rental reversion of 3.4%. Portfolio occupancy climbed to 80.2% as of 30 June 2025, and the portfolio's weighted average lease expiry ("**WALE**") has extended to 4.7 years, moving up from 4.3 years in the last quarter.

Distribution

While leasing momentum has accelerated, the Manager continues to prioritise reinvestment in the portfolio to activate the newly signed leases and maximise long-term value. A distribution of 0.12 US cents per unit has been declared for 1H2025, maintaining a 10% payout ratio of distributable income but representing a modest increase from 2H2024's distribution per unit.

The capital retained is strategically allocated to prepare for approximately 440,000 square feet of new leases (equivalent to 10.5% of portfolio occupancy), where rental cash flows will commence on a staggered basis as early as 3Q2025 onwards, with majority of the space commencing only in year 2026. This deployment is expected to drive meaningful yield expansion as these leases transition from rent-free periods to contributing income.

Current Market Outlook

U.S. real GDP grew 3.0% in 2Q 2025². Personal consumption expenditure price index and consumer price index inflation rate were up 2.6%³ and 2.7%³ YoY, respectively in June 2025. U.S. unemployment rose to 4.2%⁴ in July 2025, compared to 4.3%³ in July 2024. Target federal fund rate remained unchanged at 4.25%-4.50%⁴ at the last Federal Open Market Committee meeting on 30 July 2025.

With the return-to-office push accelerating into mid-2025, the U.S. office leasing environment continued its slow but visible path to stabilisation. Active tenant requirements increased 5.8% over the previous quarter, reflecting the highest demand since late 2021. Class A and trophy assets continue to command strong tenant interest, with the average asking rent in the construction pipeline reaching a record high fuelled by tenants competing for top-tier, amenity-rich product. Rate of downsizing has dramatically abated, with larger tenants now reducing their footprints by only 2.8% over the past year, compared to more than 11% in the previous twelve months. Occupancy losses have largely stabilized, in part due to inventory removals for conversion and redevelopment, and availability rates have declined for four consecutive quarters, suggesting overall vacancy is nearing its peak⁵.



On the supply front, office groundbreakings hit all-time lows, and the construction pipeline contracted to near historic levels, at a fraction of pre-pandemic levels. At the same time, inventory removals for conversions and demolitions outpaced new deliveries, resulting in a net decline of 700,000 square feet nationally in Q2. Scarcity of new, high-end supply is driving aggressive rent growth in the trophy segment and is expected to spur increased spillover demand in well-located, renovated assets as the pipeline dries up⁵.

On the capital markets front, U.S. office saw meaningful improvement in the first half of 2025. Single-asset office transaction volume totalled \$12.0 billion in Q2 2025, the strongest Q2 activity since 2022 and a 60% improvement against Q2 2024. Overall, the flight to quality endures, and landlords of modern assets with strong tenant amenities remain the clear beneficiaries.

Looking ahead, the Manager remains cautiously optimistic. As the economic environment progresses, PRIME is expected to maintain strong leasing activity, bolstered by a diverse and resilient tenant base that ensures steadily increasing rental income. PRIME's focus on operational excellence, cultivating stronger tenant partnerships, and maintaining a healthy balance sheet positions the REIT to navigate present market environment and continue creating value for investors.

¹ The financial results have not been audited or reviewed by auditors.

² U.S. Bureau of Economic Analysis Advance Estimate 2Q 2025

³ U.S. Bureau of Labor Statistics June and July 2025

⁴ U.S. Federal Reserve Press Release (30 July 2025)

⁵ JLL Research Office Market Dynamics Q2 2025

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About Prime US REIT

Prime US REIT ("PRIME") (SGX: **OXMU**), listed on the Main Board of the Singapore Exchange on 19 July 2019, is a well-diversified real estate investment trust ("REIT") focused on stabilised income-producing office assets in the United States ("U.S."). With the objective to achieve long-term growth in distributions per unit and net asset value per unit while maintaining a robust capital structure, PRIME offers investors unique exposure to a high-quality portfolio of 13 Class A freehold office properties which are strategically located in 12 key U.S. office markets. PRIME's portfolio has a total carrying value of US\$1.37 billion as of 30 June 2025.

About the Sponsor

KBS Asia Partners Pte. Ltd. ("KAP") is the Sponsor of PRIME. The shareholders of KAP include founding members of KBS, one of the largest owners of premier commercial real estate in the U.S. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliated companies have completed more than US\$43 billion of transactional volume on behalf of private and institutional investors globally since inception in 1992.

About the Manager

PRIME is managed by Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) which is jointly owned by KBS Asia Partners Pte. Ltd., Keppel Capital Two Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Management Pte Ltd, Times Properties Private Limited, a wholly-owned subsidiary of Cuscaden Peak Investment Pte Ltd (formerly known as Singapore Press Holdings Limited), and Experion Holdings Pte. Ltd., a wholly-owned subsidiary of AT Holdings Pte. Ltd. The Manager has general powers of management over the assets of PRIME. The Manager's main responsibility is to manage PRIME's assets and liabilities for the benefit of Unitholders. The Manager will set the strategic direction and provide, investment, asset management, capital management, internal audit, human resource, information technology, accounting, compliance, and investor relations services to PRIME. For more information, please visit www.primeusreit.com.

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