



# Annual General Meeting

17 June 2020



# Important Notice

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Prime US REIT.

This document 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.

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

The information presented in this document as at and for the quarter ended 31 March 2020 is not audited or reviewed by the external auditors.

# Agenda

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# Delivering Performance and Stability



## IPO listing

Our Sponsors:



19 July 2019



Inclusion in **MSCI Singapore Small Cap Index**  
improved trading liquidity

26 November 2019

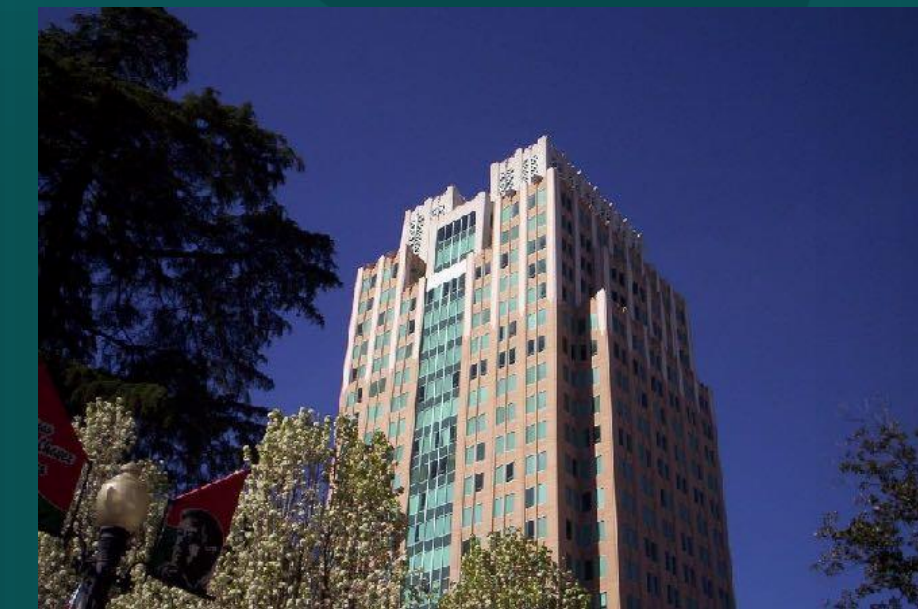


## Outperformed IPO Forecast

2019 DPU of US 3.15 cents

7.5% higher than IPO Forecast

31 December 2019



Accretive acquisition of **Park Tower** for \$165.5M

24 February 2020



Restructured debt to provide interest cost savings

29 April 2020

# Q1 2020

## Key Highlights

1

### Completed **Accretive Acquisition of Park Tower** for US\$165.5 M

AUM increased 13.6% to US\$1.42 billion<sup>1</sup>, adding new market and broader industry sector diversification

2

### **Resilient Portfolio**

- Portfolio 94.9% occupancy 96.1% leased
- WALE of 4.9 years
- Well diversified portfolio - no one property contributes more than 16% to NPI

3

### **Outperformed Projections<sup>2</sup> for NPI by 6.7%, for Distributable Income by 12.9%**

Driven by contribution from Park Tower acquisition and higher income from IPO portfolio

4

### **Strong Balance Sheet** through Prudent and Proactive Capital Management

- Low gearing ratio of 33.7%
- Interest coverage ratio 5.8x
- Substantial debt capacity and headroom

[1.] Based on appraised valuation of US \$1.25 billion as at 31 December 2019.

[2.] Refers to IPO Portfolio's forecast figures for Forecast Year 2020 as disclosed in the Prospectus, pro-rated by months.

# Our Differentiated Proposition in US Office



## Quality

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



## Diversity & Growth

- Growth Markets
- Industry Sectors
- Tenant Base



## Stability

- Balance Sheet
- Cash Flows
- Locations

# 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

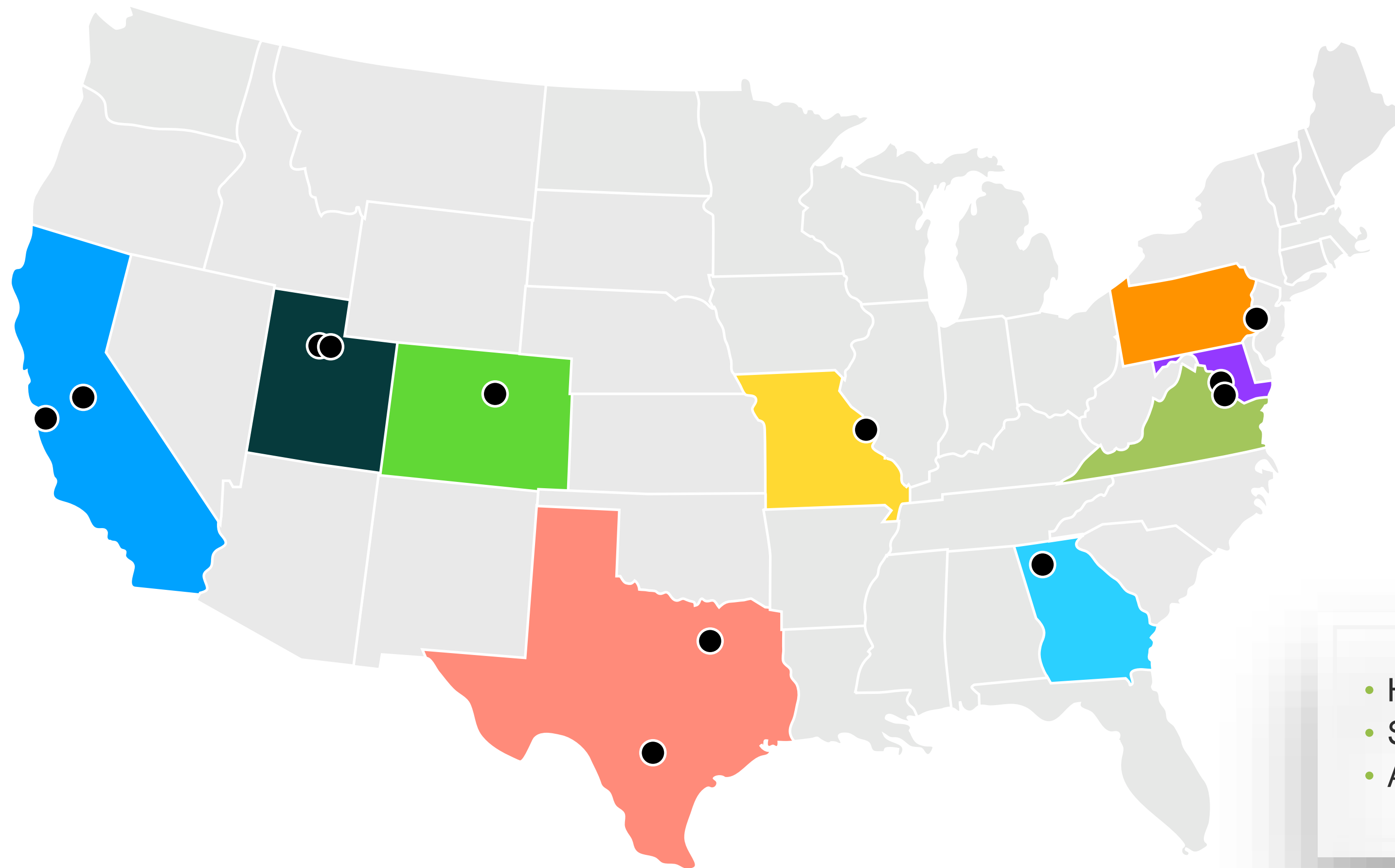
## sph at CAPITAL PTE LIMITED

Financial commitment to the REIT and Manager

Active representation on the board

# Focus on Growing Cities

In established and growth markets

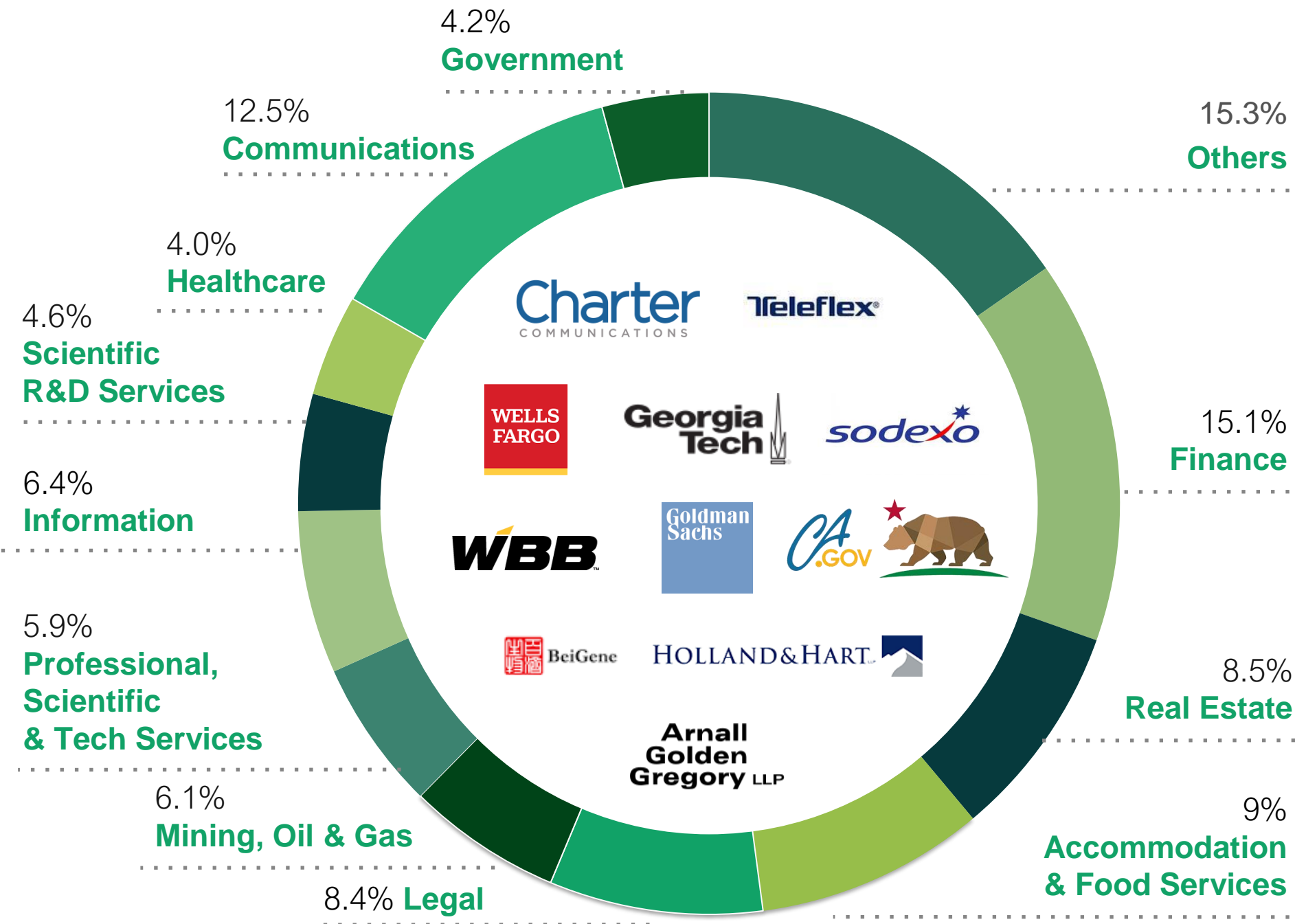


State	Metro	Property	Sq. Ft.	Occupancy <sup>1</sup>
Colorado	Denver	Village Center Station I	241,846	87.2%
		Village Center Station II	325,576	100%
Missouri	St. Louis	101 S. Hanley	360,505	95.7%
Utah	Salt Lake City	222 Main	433,346	94.4%
Texas	Dallas	Tower 909	374,251	92.9%
	San Antonio	Promenade I & II	205,773	99.6%
California	Sacramento	Park Tower	489,171	92.2%
	San Fran/Oakland	Tower I at Emeryville	222,207	91.5%
Pennsylvania	Philadelphia	Crosspoint	272,360	100%
Washington DC	Washington DC (MD)	One Washingtonian	314,284	95.5%
Washington DC	Washington DC (VA)	Reston Square	139,018	100%
Georgia	Atlanta	171 17th St.	510,268	96.6%

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



# Balanced Industry Sector Diversification



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

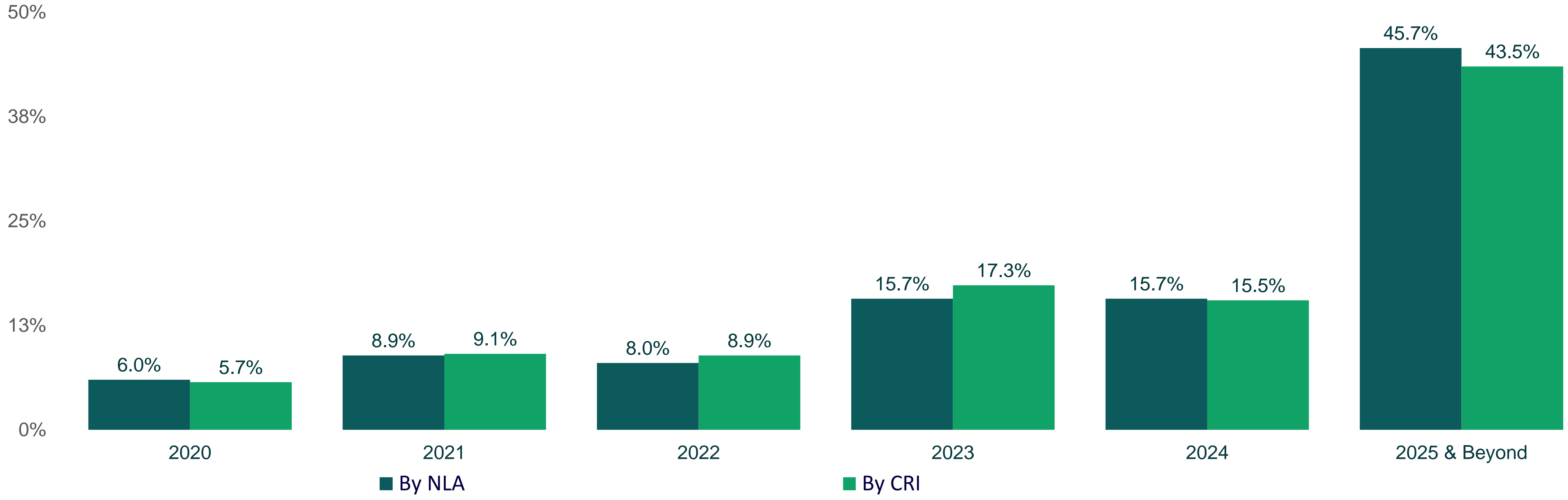
[1.] Data as per March 31 2020  
 [2.] Established: Finance, Real Estate, Legal, Government  
 STEM/TAMI: Communications, Health Care, Scientific R&D Services, Information, Professional, Scientific and Tech Services.



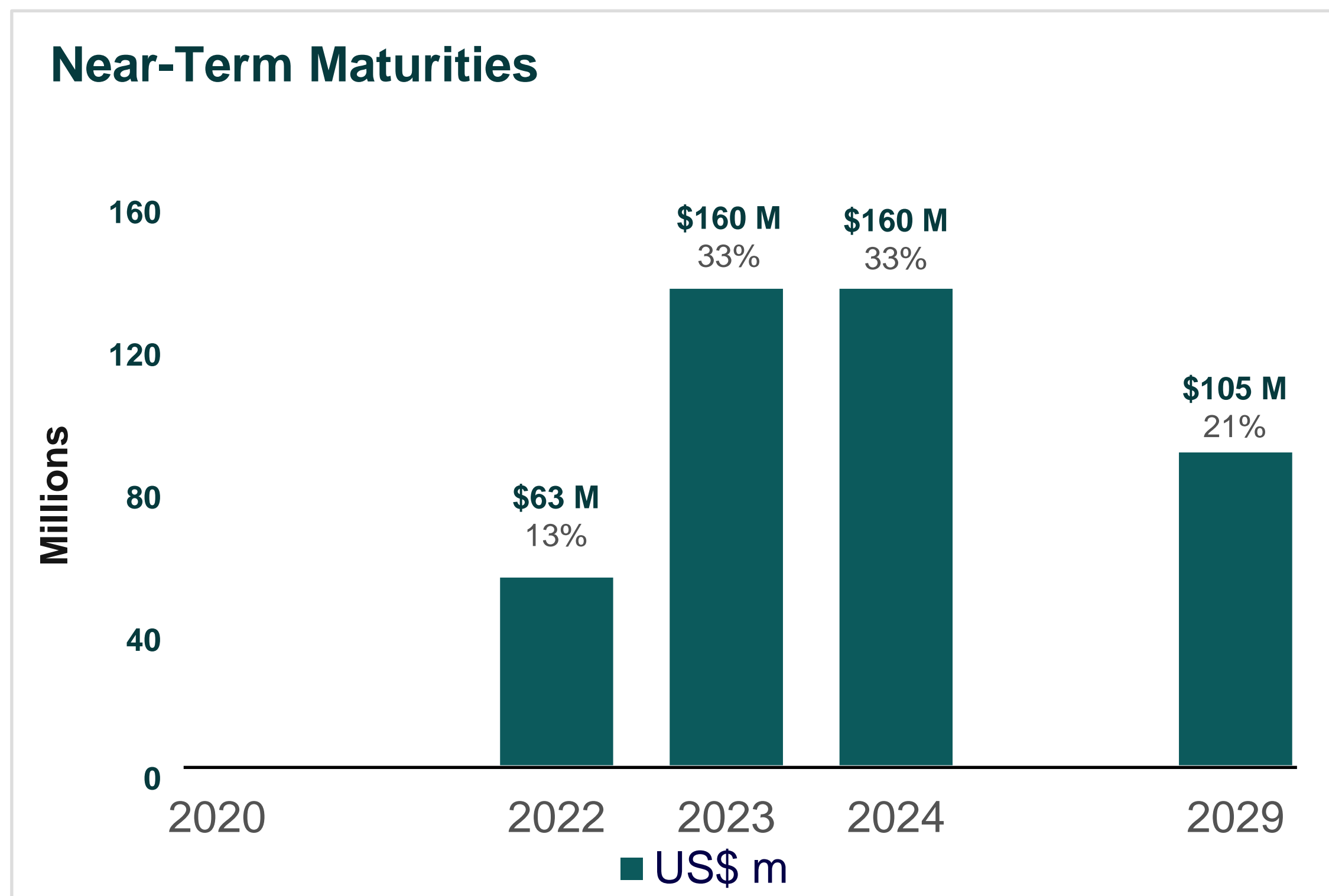
Top 10 Tenants <sup>1</sup>					
Tenant	Industry	Credit Rating	Property	Leased Sq.Ft.	% of Portfolio CRI
Charter Communications	Communications	Moody's: Ba1	Village Center Station I & II	419,881	9%
Goldman Sachs Group Inc.	Finance	Moody's: A3 S&P: BBB+ Fitch: A	222 Main	177,206	6.2%
Sodexo Operations LLC	Accommodation and Food Services	S&P: A-	One Washingtonian Center	190,698	5.8%
Holland & Hart LLP	Legal Services	Private Firm	222 Main; Village Center Station I	114,103	4.2%
Wells Fargo Bank,NA	Finance	Moody's: a1 S&P: A+	171 17th Street	156,104	4.2%
State of California	Government	Fitch: AA Moody's: Aa2	Park Tower	141,372	3.2%
Arnall Golden Gregory LLP	Professional, Scientific, and Technical Services	Private Firm	171 17th Street	122,240	3.2%
Whitney, Bradley & Brown	Communications Equipment Manufacturing	Private Firm	Reston Square	73,511	2.8%
WeWork	Real Estate and Rental and Leasing	Fitch: CCC+	Tower I at Emeryville	56,977	2.3%
Apache Corporation	Mining, Quarrying, and Oil and Gas Extraction	S&P: BB+ Fitch: BBB	Promenade I&II	70,596	2.3%
<b>Total</b>				<b>1,522,688</b>	<b>43.3%</b>

# Proactive Lease Management

**1.3%** by CRI of portfolio leased in 1Q 2020 | **4.9 yrs** WALE | **6.3%** Positive rental reversion



# Robust Balance Sheet



	Q4 2019	Q1 2020
Gearing	33.7%	33.7%
Interest Coverage	5.5x	5.8x
% Fixed Rate	88.0%	89.1%
Average Debt Maturity	5.2 years	4.8 years / 5.4 yrs <sup>1</sup>
Available Undrawn Facility	\$47.4 M	\$86.9 M
Weighted Interest Cost	3.3%	3.3%
Interest Cost After Debt Restructure		2.8%

[1.] Fully extended debt maturity

# Navigating Near Term COVID-19 Impact



## Rent Collections

- April and May collections are at 99%
- Continued Tenant Engagement
- Minimal Deferrals



## Re-occupancy Plan

- All 50 states have commenced phased re-openings
- Preparing properties for re-occupancy with focus on health & safety



## Leasing Strategies

- Lease extensions
- Lease expansions
- Benefit from de-densification

# Focus on Health and Safety

## Re-occupancy Strategy



### Cleaning

- Frequent and Deep Cleaning
- Air & Water Quality Ventilation Improvements
- Technology Solutions including efficient UV Light Treatments



### Physical Distancing

- Occupant Density Monitoring
- Access & Elevators
- Shared Conference Rooms & Amenity Spaces
- Events & Visitors



### Protective Measures

- Personal Protective Equipment (PPE)
- Hand Sanitizing Stations



### Communications

- On-Premise Signage Standards
- Ongoing Communication
- Proactive Tenant Engagement

# Perspective on the Future of Office

*Trends favor PRIME's current portfolio and growth strategies*

## Demand

- Established professional and financial services sectors provide 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
- Gensler survey findings: Only 1 in 8 would like to continue WFH after the pandemic. Most want flexibility – majority of time at offices, and ability to WFH for part of week

## 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 – to spread out employees to create less dense environments
- Longer-term – current footprint sizes to remain steady, balancing relaxing of space density with potentially less office space headcount

# Durable Today Positioned To Thrive





# Get in Touch

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