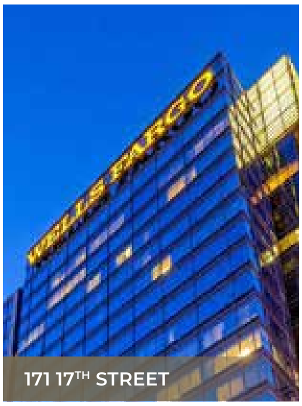
ANNUAL
REPORT
2024

# Building Tomorrow Today


PRIME US REIT

# CONTENTS






171 17TH STREET


222 MAIN

PARK TOWER

# CORPORATE PROFILE

## PRIME US REIT

Prime US REIT ("**PRIME**") was listed on the Main Board of the Singapore Exchange on 19 July 2019. It is a well-diversified real estate investment trust ("**REIT**") holding stable income-producing prime office assets in the United States ("**U.S.**"). PRIME offers investors direct exposure to a portfolio of 13 high-quality Class A freehold office properties strategically located in 12 key U.S. office markets. PRIME's portfolio has a total carrying value of US$1.35 billion as at 31 December 2024.


SORRENTO TOWERS


CROSSPOINT

## THE SPONSORS

The shareholders of KBS Asia Partners Pte. Ltd. ("**KAP**", Sponsor of PRIME) include founding members of KBS, a large operator 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 affiliates have generated more than US$45 billion worth of transactions on behalf of private and institutional investors since its inception in 1992.


CROSSPOINT

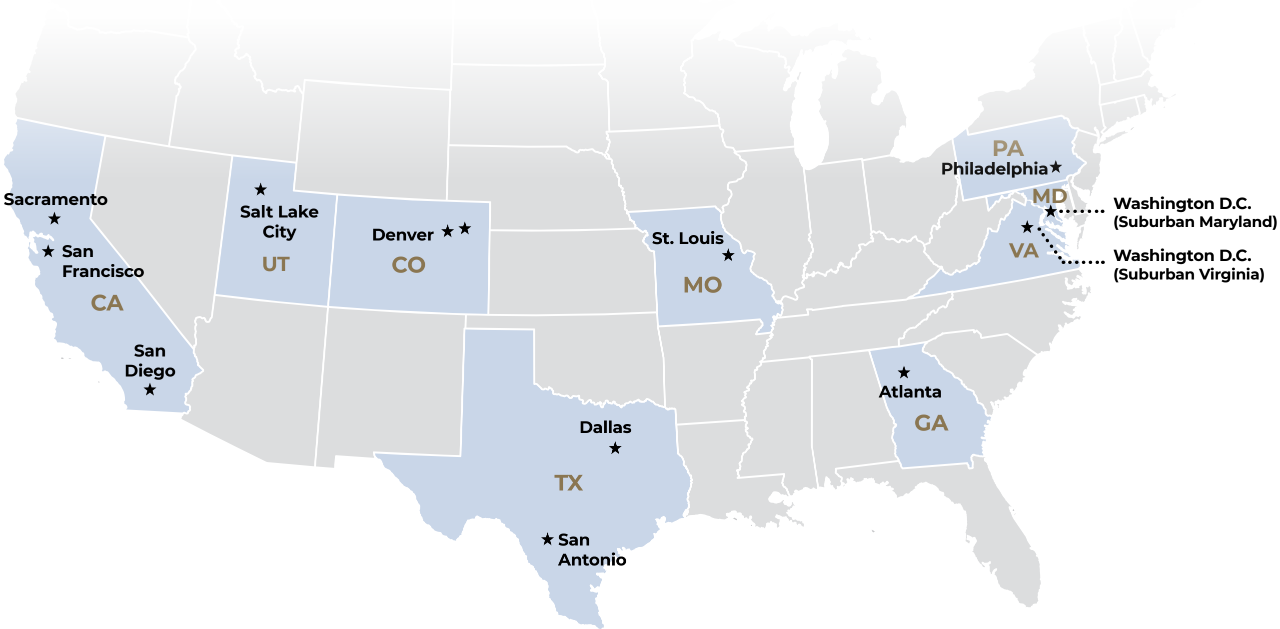

THE 101


VILLAGE CENTER STATION I

## THE MANAGER

PRIME is managed by Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) (the "**Manager**") which is jointly owned by KAP, 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.

# HIGH QUALITY PORTFOLIO OF PRIME OFFICE PROPERTIES DIVERSIFIED ACROSS KEY U.S. OFFICE MARKETS




## DIVERSIFIED INCOME PROVIDES STABILITY

AS OF 31 DECEMBER 2024

### Geographical Diversification

Cash Rental Income ("CRI") by Primary Markets

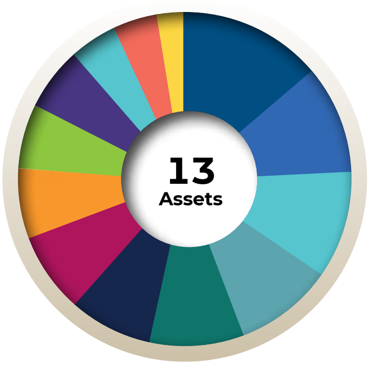
No single market contributing more than 14.8% of CRI


| | |
|---|---|
| Salt Lake City | 14.8% |
| Atlanta | 12.4% |
| San Diego | 11.2% |
| Denver | 10.8% |
| Dallas | 9.6% |
| Philadelphia | 9.5% |
| Sacramento | 9.4% |
| San Francisco, Emeryville | 6.2% |
| St. Louis | 5.7% |
| San Antonio | 5.2% |
| Suburban Maryland | 3.4% |
| Suburban Virginia | 1.8% |

### Asset Diversification

Carrying Value by Assets

No single asset contributing more than 14.4% of valuation




| | |
|---|---|
| 222 Main | 14.4% |
| 171 17th Street | 13.2% |
| Village Center Station II | 10.4% |
| Park Tower | 9.5% |
| Sorrento Towers | 9.1% |
| Tower I at Emeryville | 7.7% |
| CrossPoint | 7.2% |
| Tower 909 | 6.4% |
| The 101 | 5.5% |
| Promenade I & II | 5.4% |
| Village Center Station I | 4.8% |
| Waterfront at Washingtonian | 4.2% |
| Reston Square | 2.2% |

## KEY MILESTONES 2024

- Portfolio Valuation Up +2.2% YoY to US$1.35 billion
- Completed new financing of US$550m; a testament to lenders' confidence in the quality of PRIME's assets
- Divested One Town Center (Boca Raton, FL) for US$82m in furtherance of its deleveraging objective
- Completed major asset enhancement initiative at Waterfront At Washingtonian

# KEY HIGHLIGHTS

AS AT 31 DECEMBER 2024

**13**
**Prime U.S. Office Properties**

**4.2M sq ft**
**Net Lettable Area**

**Transit-rich locations**

**100%**
**Class A**

**100%**
**Freehold**

**Amenity-rich buildings**

## OPERATIONAL HIGHLIGHTS

Leased Occupancy
**80.0%**

Rental Reversion FY2024
**+1.8%**

Weighted Average Lease Expiry by Net Lettable Area
**4.4** years

Leasing Volume FY2024 592k sf
**+1.9% YoY**

## FINANCIAL HIGHLIGHTS

Total Assets
**US$1.39B**

Net Asset Value
**US$716.4M**

Net Asset Value per Unit
**US$0.55**
Price to Book[1] (times): 0.31

Aggregate Leverage[2]
**46.7%**

Debt Hedged or Fixed
**67%** to mid-2026 and Beyond

Debt Headroom[3]
**US$92.5M**

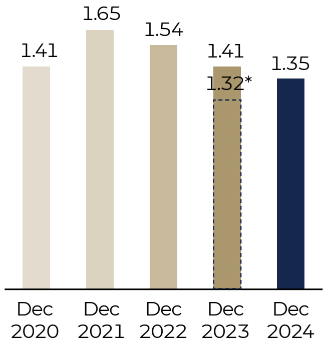
Undrawn & Available Facilities
**US$76.1M**

Weighted Average Maturity[4]
**2.8** years

1. Based on closing unit price of US$0.171 on 31 December 2024
2. Computed in accordance with the Property Funds Appendix set out in the CIS Code
3. Debt headroom to 50% aggregate leverage
4. Based on fully extended terms

Investment Properties

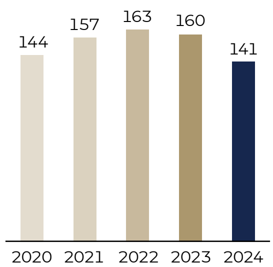
**US$1.35B**




* Excluding One Town Center which was divested in 2024, portfolio valuation increased by +2.2% YoY.

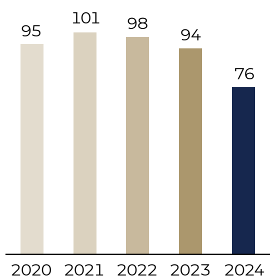
Gross Revenue

**US$141.0M**



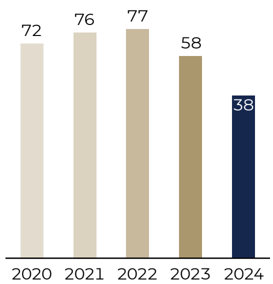

Net Property Income

**US$76.0M**




Income Available for Distribution

**US$38.2M**



# LETTER TO UNITHOLDERS

**Dear Unitholders,**

On behalf of the Board of Prime US REIT Management Pte. Ltd., the Manager (the "Manager") of Prime US REIT ("PRIME"), we are pleased to present PRIME's annual report for the period from 1 January 2024 to 31 December 2024 ("FY2024"). This year presented a complex but ultimately encouraging environment for the U.S. office sector, and we believe PRIME is strategically positioned to capitalize on emerging opportunities.

## Market Overview

The U.S. office real estate market showed definitive signs of improvement throughout 2024. This positive shift was primarily driven by a confluence of factors: an anticipated easing of interest rates, a stabilization of capitalization rates, and a gradual thawing of credit conditions. Increased leasing demand and activity were also observed as companies increasingly enforced in-office attendance policies, recognizing that collaboration and innovation thrive better in physical workspaces.

As a direct consequence of these factors, the overall U.S. office market recorded its first quarter of positive net absorption in Q4 2024, not seen since 2021. This marked a significant turning point, indicating a renewed appetite for office space among businesses across various sectors. Furthermore, the pipeline of new supply continued to contract, with office groundbreakings remaining near all-time lows in Q4 2024. This scarcity of new construction, combined with the increase demand, created a more favourable supply-demand balance for the office sector in certain submarkets. The temporary reduction of supply due to conversion and redevelopment of existing office spaces in certain areas further contributed to this dynamic.

## Key Trends Shaping the U.S. Office Market

We are strategically aligned with two pivotal trends that are reshaping the U.S. office market. By embracing these trends, we are confident in our ability to deliver superior value for our unitholders.

A discernible and growing trend among tenants is the *"flight to quality,"* where businesses prioritize Class A office buildings that offer premium amenities and strategic locations. These companies recognize that high-quality office spaces are essential for attracting and retaining top talent, fostering a positive work environment, and enhancing their overall brand image. This trend aligns perfectly with PRIME's portfolio, which comprises high-quality assets in prime, transit-rich locations. This alignment positions PRIME to effectively attract and retain tenants seeking superior office spaces that meet their evolving needs.

The implementation of *return-to-office mandates* by major companies has resulted in more employees returning to physical workplaces. This shift is stabilizing office vacancy rates and increasing demand for office space, particularly in well-located, amenity-rich buildings. Companies are recognizing the importance of in-person collaboration, mentorship, and culture-building, which are often difficult to replicate under remote work environments. PRIME's focus on Class A office assets in submarkets are experiencing in-migration of residents and increased employment. This positions it well to capitalize on the evolving office market dynamics.

## Strategic Positioning and Outlook

As the leasing environment improves, interest rates ease, asset valuations stabilize, and leverage declines, we believe that PRIME is at an inflection point and is poised to recover in the longer term. Our decision to invest in the buildings in 2024 has laid a foundation for future growth and value creation.

In 2024, PRIME successfully divested One Town Center in Boca Raton, Florida, at a commendable price of US$82 million. This strategic divestment, along with our ongoing capital preservation measures, significantly reduced our gearing from 48.4% to 46.7% as at end of 2024. This improved financial position provides us with greater flexibility to pursue strategic opportunities and navigate the evolving market landscape.

We also completed a significant achievement by closing a US$550 million refinancing that includes a US$150 million committed revolving credit line amid tight credit conditions, thereby extending our debt maturity to July 2027. This refinancing demonstrates the confidence that lenders have in the quality of PRIME's assets and our management team's ability to execute our strategic plan.

Furthermore, our 2024 year-end portfolio valuations increased by 2.2% year-on-year ("YoY") to US$1,352 million. The Manager attributes the higher valuation to several key factors: (1) PRIME's 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 construction. With these recent developments, we strongly believe that PRIME is well-positioned to see better days ahead.

## Operational and Financial Highlights

Leasing remains the Manager's foremost priority for PRIME. Lease signings increased by 1.9% YoY, from 581k square feet in FY2023 to 592k square feet in FY2024. New leases and renewals executed during FY2024 achieved a positive rental reversion of +1.8%, underscoring robust demand for PRIME's high-quality office spaces and its ability to command better rental terms. Additionally, the weighted average lease expiry (WALE) was extended from 4.0 years at the end of FY2023 to 4.4 years as of December 2024, enhancing stability and predictability in future cash flows while mitigating exposure to short-term market fluctuations.

**Asset Enhancement Initiative (AEI) at Waterfront At Washingtonian**

In alignment with PRIME's strategy to maintain premium Class A assets and capitalize on the "flight to quality" trend, a strategic AEI was undertaken at One Washingtonian Center (rebranded as Waterfront At Washingtonian) in early 2024. The initiative involved rebranding and upgrading the iconic 13-storey lakefront office building. Enhancements included repositioning the lobby entrance, revitalizing tenant lounges, adding a conference center, installing a full-service gym, and introducing a Grab & Go Café with banquette seating overlooking the waterfront.

Following the completion of these upgrades in Q4 2024, leased occupancy surged from 33.3% to 48.7% at the end of 2024—a testament to the effectiveness of PRIME's AEI strategy to attract high-quality tenants.

Including this repositioned asset, PRIME's portfolio leased occupancy reached 80.0% as of December 31, 2024. Waterfront At Washingtonian continues to attract leasing interest, while discussions with several notable prospective tenants across other properties indicate a strong pipeline for future leases. As PRIME progresses toward stabilizing portfolio occupancy, Waterfront At Washingtonian is expected to contribute to organic growth within the portfolio.

As leasing momentum gains traction, PRIME endeavours to remain committed to driving higher occupancy rate, and in-turn top-line performance. This ongoing phase which will encompass necessary capital spend for both building and tenant improvements, and concurrent capital preservation by temporary distribution retention will continue in the near-term.

FY2024 gross revenue, net property income and distributable income per Unit were US$141.0 million, US$76.0 million and 2.92 US cents, respectively. We continue to recognize the importance of regular distributions to Unitholders. In view of this, we have announced a distribution per unit of 0.29 US cents, equating to approximately 10% of the distributable income for FY2024. The decision was made to allow PRIME to preserve a substantial proportion of distributable income to meet its ongoing capex needs as we reinvest cash flows to drive better operational performance. Going forward, we will continue to evaluate PRIME's distribution policy dynamically, factoring in macro, regulatory, industry and REIT-specific developments, to ensure that it aligns with the long-term interests of our Unitholders.

# LETTER TO UNITHOLDERS

### Prudent Balance Sheet Management

PRIME continues with its prudent approach to capital management, to ensure its debt ratios remain within regulatory thresholds. We are committed to maintaining a strong and flexible balance sheet that allows us to weather market uncertainties and capitalize on strategic opportunities.

As part of PRIME's deleveraging strategy in 2024, the divestment of One Town Center was a strategic sale which not only brought down the aggregate leverage but also provided immediate additional liquidity, as PRIME sought to pare down existing debt, manage interest cost and provide for capital expenditures which are essential to enhance PRIME's income resilience and deliver sustainable total return to Unitholders.

PRIME entered into a new credit facility agreement in August 2024 for an aggregate principal amount of up to US$550 million, comprising a US$400 million term loan facility and a US$150 million committed revolving credit facility. The facility has an initial maturity of July 2026 and a further one-year extension option. The completion of US$550 million in financing amidst cautious credit conditions is a strong testament of lenders' confidence in the quality of PRIME's assets.

Following the divestment and refinancing exercises in 2024, PRIME's aggregate leverage fell to 46.7%. This represents approximately US$92.5 million debt headroom to MAS 50% leverage threshold. As of 31 December 2024, 67% of borrowings are hedged or fixed to mid-2026 and beyond. PRIME has a fully extended weighted average debt maturity of 2.8 years.

Net asset value ("NAV") attributable to unitholders increased to US$716.4 million as of 31 December 2024, at US$0.55 cents per unit.

### Market Environment

As of early 2025, the U.S. economy is characterized by moderate growth, persistent inflation, and a job market that remains relatively resilient. The U.S. economy expanded by 2.3% in 4Q2024, down from 3.1% in 3Q2024. Full-year GDP growth for 2024 was 2.8%, slightly lower than the 2.9% growth in 2023.

In 2024, the Federal Reserve began easing monetary policy after years of tightening. The Fed kept the target fed rate unchanged at 4.25%-4.50% in March 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 in curbing inflation, along with Trump's tariffs stances. Looking ahead, further rate cuts are anticipated. However, geopolitical events such as ongoing conflicts in Ukraine and the Middle East, as well as evolving trade restrictions internationally could affect supply chains and economic growth, complicating the interest rate outlook.

The return-to-office trend in the U.S. is gradually reshaping the office leasing environment, fostering optimism for a stronger market. In 2025, office attendance in major cities reached 65-75% of pre-pandemic levels, driven by hybrid work models and increasing mandates for in-person work. This shift is stabilizing the office market, with leasing volumes projected to rise as businesses adapt to new workforce realities and prioritize prime office spaces with modern amenities. Class A assets in prime urban and suburban submarkets outperform, driven by tenant preferences for modern, amenity-rich spaces. These trends signal a pivotal recovery phase for U.S. office leasing, supported by rising investor confidence and a steady return of employees to urban workspaces.

Looking ahead, the Manager will continue to focus on leasing, increasing occupancy and valuation of each asset. We will continue to enhance our engagements with current and prospective tenants to better understand their long-term workspace needs, and where appropriate, we will execute timely and cost-effective asset enhancement initiatives to attract and retain tenants.

## Acknowledgements

We would like to express our gratitude to Professor Annie Koh who retired from her positions as Chairperson of the Board and Independent Non-Executive Director to focus on other commitments. We would like to thank Professor Annie Koh for her contributions during her tenure and we wish her all the best in her future endeavours.

Mr. Richard Peter Bren has been appointed Chair of the board, taking over from Professor Annie Koh as at 25 February 2025. The appointment of Mr. Richard Peter Bren also reinforces PRIME's increased focus on strategic alignment of stakeholders' interests and sponsor-led strategic growth initiatives.

Following the abovementioned change, Mr. John Robert French has been appointed as the Lead Independent Director.

We would like to extend our heartfelt appreciation to Ms. Janice Wu who resigned from her appointment as Non-Independent and Non-Executive Director of the Manager in September 2024. We wish her the best in her future endeavours.

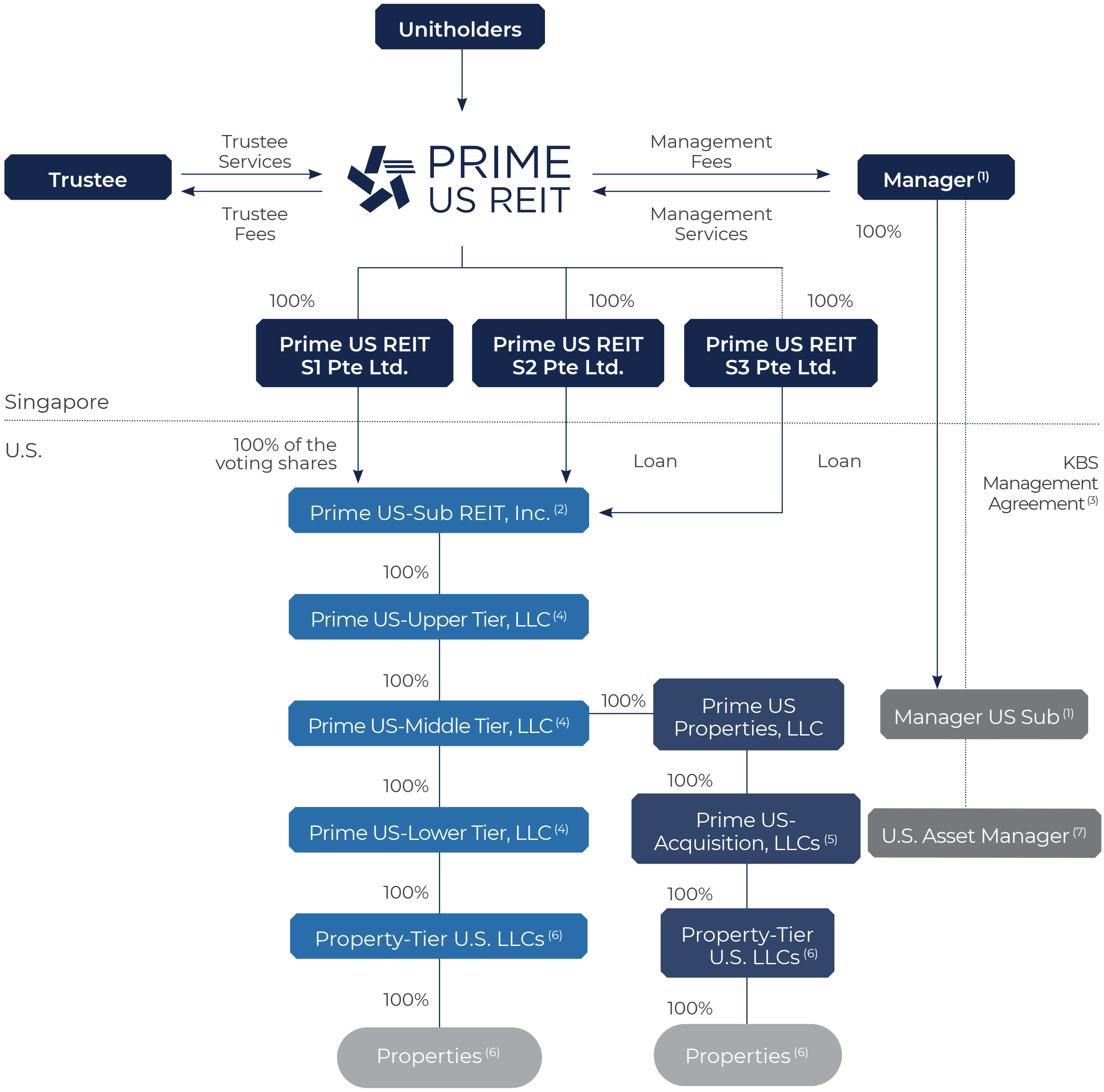
We would like to thank our management, Board of Directors, valued partners at KBS Asia Partners, Keppel Capital, Cuscaden Peak Investments Pte. Ltd. and AT Capital, and all our colleagues for their contributions.

Finally, we would also like to thank our Unitholders for your continued support and trust. The Manager of PRIME is fully committed to delivering on our strategic priorities to enhance our portfolio's value and generate sustainable returns to Unitholders. We look forward to your continued support as we chart our strategic and operational plans in the coming year.

**Mr. Richard Peter Bren**
Chairman, Non-Executive Director

**Mr. Rahul Rana**
Chief Executive Officer

# TRUST STRUCTURE




1 The Manager wholly owns the Manager US Sub. The Manager has organised the Manager U.S. Sub such that to the extent activities of the Manager, including those under the KBS Management Agreement, are required to be performed within the U.S., those activities will be delegated to the Manager U.S. Sub.
2 125 preferred shares have been issued by Prime US-Sub REIT, Inc. ("Parent U.S. REIT") to parties who are not related to the Sponsor with a coupon of 12.5%. The preferred shares are non-voting, non-participating and redeemable at the option of Parent U.S. REIT. The terms of the preferred shares are in accordance with customary terms offered to other accommodation shareholders (which are third party holders required to meet the 100 shareholder test) for U.S. REITs in the U.S.. The Certificate of Incorporation for Parent U.S. REIT contains provisions that ensure that this 100 shareholder requirement is continuously met at all times as required under U.S. tax rules applicable to U.S. REITs.
3 An agreement entered into between the Manager, the Manager US Sub, the U.S. Asset Manager, the Parent U.S. REIT and the Property Holding LLCs.
4 For the avoidance of doubt, there will only be one Upper-Tier U.S. LLC, one Middle-Tier U.S. LLC and one Lower-Tier U.S. LLC.
5 Each Acquisition LLC holds one Property-Tier U.S. LLC.
6 Each Property will be held by an individual Property-Tier U.S. LLC.
7 For the avoidance of doubt, KBS Realty Advisors ("KBS RA") is not a subsidiary of the Manager, and KBS RA does not hold any shares in the Manager (whether directly or indirectly) and vice versa.

*As at the date of this Annual Report, PRIME is in compliance with the relevant tax laws and regulations for its relevant subsidiaries and associates to qualify as a real estate investment trust for U.S. federal income tax purposes.*

*Unitholders and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding units, subject to any increase or waiver pursuant to the terms of the Trust Deed and on the recommendation of the Manager.*

# BOARD OF DIRECTORS

## MR RICHARD PETER BREN, 61

**Chairman, Non-Executive Director**

Member of Nominating and Remuneration Committee
Date of Appointment: 22 July 2022

Mr Bren was appointed as the Chairman with effect from 1 March 2025 and is a substantial shareholder in the Manager through his shareholdings in KAP.

As Managing Member since 2004 of Wave Hill Investors, LLC, Mr Bren was portfolio manager for multiple institutional funds investing in various specialty finance and real estate strategies.

From 1996 to 2003, Mr Bren was a partner of Best Property Fund L.P., an investment vehicle of KBS Realty Advisors, a private equity real estate company and an SEC-registered investment advisor that has achieved over $44 billion of transactions since its inception in 1992. During this tenure, he ran the daily operations of its Commercial Mortgage-Backed Securities investment portfolio.

Prior to joining KBS in 1996, Mr Bren was a partner of Onyx Partners, Inc. He was a managing general partner of Onyx Opportunity Fund, which acquired operating real estate assets and distressed mortgages from the Resolution Trust Company.

Prior to joining Onyx, Mr Bren was an associate at Morgan Stanley Realty in New York and Los Angeles where he participated on project teams providing various real estate financial services to developers, financial institutions, pension funds and corporations.

Mr Bren started his career at Drexel Burnham Lambert in Beverly Hills, California in 1986, where he worked extensively with the Commercial Mortgage Capital Markets Group.

Mr Bren earned an MBA at The Anderson Graduate School of Management at UCLA with a concentration in real estate finance. Mr Bren graduated with honors from Tufts University in 1985.

Mr Bren does not presently hold any other directorships in any other listed company.

# BOARD OF DIRECTORS

**MR JOHN R. FRENCH, 66**

**Lead Independent and Non-Executive Director**

Chairman, Audit and Risk Committee
Member of Nominating and Remuneration Committee
Date of Appointment: 8 November 2019

Founding Principal, French Asset Management, Inc., which manages real estate investments and provides advisory and other services to the real estate industry.

After 37 years serving public and private real estate clients, Mr French retired from Ernst & Young LLP (EY) in June 2019 as a Senior Assurance Partner. His specialties include real estate investment funds/advisors/sponsors, REITs, land developers, homebuilders and hospitality companies. Prior to being a partner at EY, Mr French was an Assurance Partner at Kenneth Leventhal & Company, a real estate accounting firm acquired by EY in 1995. As a Senior Assurance Partner at EY, Mr French served some of the largest real estate investment sponsor, REITs, homebuilders, and other real estate and hospitality companies in the U.S.

For many years, Mr French was actively involved with the National Association of Real Estate Investment Trusts (NAREIT) and the Urban Land Institute (ULI). Mr French also served on the Executive Board of University of California at Irvine (UCI) Paul Merage School of Business Center for Real Estate and the Policy Advisory Board of the Fisher Center for Real Estate and Urban Economics University of California at Berkeley. Mr French received the 2018 UCI Paul Merage School of Business Center for Real Estate Lifetime Achievement Award recognising his long-term commitment to serving the real estate industry.

In January 2025, Mr French was appointed an Independent Director and Audit Committee Chairman of Nautilus International Holding Corporation, a privately held maritime company based in the U.S.

Mr French graduated from California State University, Long Beach with a Bachelor of Science in Accountancy (1981) and a Master of Business Administration (1990). He is a Certified Public Accountant in California (inactive).

Mr French does not presently hold any other directorships in any other listed company.

**MR KEVIN J.E. ADOLPHE, 62**

**Independent Non-Executive Director**

Chairman, Nominating and Remuneration Committee
Member of Audit and Risk Committee
Date of Appointment: 4 August 2020

Mr Adolphe has over 35 years of global experience in real estate, asset management and financial services. As a Partner with CEO Coaching International, Mr Adolphe works with, advises and mentors CEOs and their leadership teams from around the world to achieve extraordinary results. Mr Adolphe was with Manulife for 13 years. As the President and CEO of Manulife Asset Management Private Markets and Manulife Real Estate, Mr Adolphe commercialized Manulife's Private Asset Management capabilities to clients and investors worldwide. He profitably grew Manulife's Real Estate platform threefold, expanding the business internationally including launching the first U.S. Office REIT on the Singapore Exchange. Prior to Manulife, Mr Adolphe was with CIBC for 16 years and held a variety of senior roles, including Chief Administrative Officer and Chief Financial Officer of CIBC World Markets.

Mr Adolphe is a Fellow of the Chartered Professional Accountants (Ontario), a member of the Institute of Corporate Directors and serves on the Boards of PRIME, Rogers Bank, Nieuport Aviation, and the Ontario Provincial Judges Pension Plan.

Mr Adolphe does not presently hold any other directorships in any other listed company.

### PROFESSOR STEPHEN PHUA LYE HUAT, 61

**Independent Non-Executive Director**

Member of Audit and Risk Committee
Member of Nominating and Remuneration Committee
Date of Appointment: 1 January 2023

Professor Phua is an Associate Professor at the Faculty of Law, National University of Singapore. He has been teaching taxation laws since 1990 and currently holds the offices of Tax Director at the EW Barker Centre for Law & Business as well as the Director of the LLM (International Business Law) programme.

Professor Phua was a member on all 3 tax tribunals during the last 3 decades. He is a Consultant with a law firm, Allen & Gledhill LLP, since August 2024. He is also the Chairman of the Home Team Council as well as a member of the Curriculum Development and Examination Committee of the Tax Academy of Singapore.

Professor Phua has delivered papers in many international conferences and published articles in refereed journals and chapters in books. He is the editor of 2 books.

Professor Phua graduated from the National University of Singapore with a Bachelor of Laws in 1988 and obtained a Master of Laws (Tax) from University College London in 1990.

Professor Phua does not presently hold any other directorships in any other listed company.

### MR CHUA HSIEN YANG, 47

**Non-Executive Director**

Date of Appointment: 26 July 2018

Mr Chua has extensive experience in the real estate fund management and hospitality industries, including mergers and acquisitions, real estate investments, business development and asset management globally.

Mr Chua was appointed Chief Executive Officer of Keppel REIT Management Limited with effect from 1 January 2025. Prior to this appointment, Mr Chua was the Managing Director & Head (Mergers & Acquisitions) at Keppel Limited since 15 February 2021. Prior to that, he served as the Chief Executive Officer of Keppel DC REIT Management from the listing of Keppel DC REIT in 2014 to 14 February 2021. Prior to joining the manager of Keppel DC REIT, Mr Chua was Senior Vice President of Keppel REIT Management Limited where he headed the investment team.

From 2006 to 2008, Mr Chua was Director of Business Development and Asset Management at Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust) and before that, he was with Hotel Plaza Limited (now known as Pan Pacific Hotels Group Limited) as Assistant Vice President of Asset Management, where he was responsible for the business development and asset management activities of the group-owned properties.

Mr Chua was also appointed the President of REIT Association of Singapore (REITAS) with effect from 1 January 2025.

Mr Chua holds a Master of Business Administration, University of Western Australia and a Bachelor of Engineering (Civil), University of Canterbury.

Mr Chua does not presently hold any other directorships in any other listed company.

# MANAGEMENT TEAM

**MR RAHUL RANA**
Chief Executive Officer

Mr Rahul Rana is the Chief Executive Officer of the Manager of Prime US REIT ("PRIME").

Mr Rana works closely with the Board and management team to define the overall corporate strategy for PRIME, while overseeing its strategic development, day-to-day management and operations. He is also in charge of executing PRIME's strategic priorities and capital management plans to enhance PRIME's portfolio value.

Mr Rana brings with him extensive investment banking experience in Singapore and the U.S. Mr Rana is a shareholder of KBS Asia Partners Pte. Ltd., which is the sponsor of PRIME, and holds 40% of the shares of the Manager. Prior to joining PRIME, he held senior investment banking roles with Deutsche Bank in Singapore and UBS in the U.S. Mr Rana was also significantly involved in the IPO of PRIME and has deep understanding of the portfolio and U.S. commercial landscape.

Mr Rana received his Master of Business Administration from the University of Illinois Urbana-Champaign and Bachelor of Commerce in Accounting and Finance from Shri Ram College of Commerce, University of Delhi.

**MS CINDY TEO**
Chief Financial Officer

Ms Cindy Teo is the Chief Financial Officer ("CFO") of the Manager.

Ms Teo brings with her more than 15 years of experience in the real estate industry in the areas of fund management and investment, corporate finance, treasury and statutory reporting. Prior to joining PRIME, Ms Teo was with LOGOS Property Group, a subsidiary of ESR Group for over 2 years, initially as Group Financial Controller and then Deputy CFO. She has also worked with the OUE group for over 11 years where she held various positions in finance, including a role with the manager of OUE Hospitality REIT between 2013 and 2016.

Ms Teo is a Singapore Chartered Accountant, starting her career as an auditor with KPMG Singapore focusing on real estate clients. She holds a Bachelor of Accountancy from Nanyang Technological University of Singapore, and was admitted as a member of the Institute of Certified Public Accountants of Singapore (reconstituted as Institute of Singapore Chartered Accountants) in March 2009.

# FINANCIAL REVIEW

Overview (US$'000)

| | 2024 | 2023 | +/(-)% |
|---|---|---|---|
| Gross revenue | 140,963 | 159,803 | (11.8) |
| Property operating expenses | (64,988) | (66,244) | (1.9) |
| **Net property income** | **75,975** | **93,559** | **(18.8)** |
| Manager's base fee | (4,242) | (6,425) | (34.0) |
| Trustee's fee | (182) | (201) | (9.5) |
| Other trust expenses | (2,235) | (1,972) | 13.3 |
| Net change in fair value of derivatives | (8,091) | (11,534) | (29.9) |
| Finance expenses | (36,035) | (28,104) | 28.2 |
| Finance income | 670 | 91 | >100.0 |
| **Net income before tax and fair value change in investment properties** | **25,860** | **45,414** | **(43.1)** |
| Net change in fair value of investment properties | (15,063) | (161,206) | (90.7) |
| Loss on disposal of investment property | (2,627) | - | N.M. |
| **Net income/(loss) before tax** | **8,170** | **(115,792)** | **>(100.0)** |
| Tax expense | (121) | (45) | >100.0 |
| **Net income/(loss) attributable to Unitholders** | **8,049** | **(115,837)** | **>(100.0)** |
| Distribution adjustments | 30,126 | 173,662 | (82.7) |
| **Income available for distribution to Unitholders** | **38,175** | **57,825** | **(34.0)** |

## Income Available for Distribution

Distributable income for FY2024 was US$38.2 million, 34.0% lower than FY2023, mainly due to lower net property income and higher finance expenses.

Distribution per Unit (DPU) for FY2024 was 0.29 US cents, which is less than 90% of the annual distributable income. The amount retained of approximately US$34.2 million will be used to fund capital expenditures on the properties and pare down borrowings.

## Gross Revenue

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 in July 2024 and lower contribution from Waterfront at Washingtonian which was undergoing asset enhancement initiatives during the year.

**Gross Revenue Contribution by Asset (%)**
for financial year ended 31 December

| | 2024 | 2023 |
|---|---|---|
| 171 17th Street | 11.7 | 11.7 |
| 222 Main | 14.4 | 12.8 |
| CrossPoint | 7.8 | 6.4 |
| One Town Center* | 4.3 | 7.1 |
| Park Tower | 10.0 | 9.8 |
| Promenade I & II | 5.1 | 4.9 |
| Reston Square | 1.3 | 1.7 |
| Sorrento Towers | 10.5 | 8.9 |
| The 101 | 6.9 | 7.3 |
| Tower 909 | 8.0 | 6.5 |
| Tower I at Emeryville | 5.1 | 4.6 |
| Village Center Station I | 3.5 | 4.1 |
| Village Center Station II | 8.8 | 7.7 |
| Waterfront at Washingtonian | 2.6 | 6.5 |
| **Total** | **100.0** | **100.0** |

* Divested on 10 Jul 2024

# FINANCIAL REVIEW

## Net Property Income (NPI)

NPI for FY2024 was US$76.0 million, a decrease compared to US$93.6 million in FY2023, primarily due to lower gross revenue.

## Net Income

Net income for FY2024 was US$8.0 million, compared to a net loss for FY2023 of US$115.8 million, attributed primarily to higher finance expenses, lower fair value loss on investment properties and loss on disposal of investment property.

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

Net fair value loss on investment properties was US$15.1 million in FY2024, as compared to a net fair value loss of 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 with the remaining fair value loss attributed to the divested asset, One Town Center. As this is a non-cash item, it does not affect income available for distribution to Unitholders.

Loss on disposal of investment property of US$2.6 million pertained to the divestment of One Town Center to Miles Capital LLC, an unrelated third party, that was completed in July 2024. The independent valuer had considered valuation techniques including direct comparison method, income capitalisation method and discounted cash flow method in arriving at the open market value as at 31 December 2023.

## Investment Properties

As at 31 December 2024, assets under management (AUM) were approximately US$1,352.1 million. This was 2.2% higher than AUM as at 31 December 2023 of US$1,323.2 million (excluding valuation of One Town Center which was divested in July 2024) primarily due to fair value gain as a result of year end valuations, before taking into consideration the capital expenditures incurred in FY2024.

**Valuation of Investment Properties (US$m)**
as at 31 December

| | 2024 | 2023 |
|---|---|---|
| 171 17th Street | 178.9 | 171.3 |
| 222 Main | 194.3 | 183.0 |
| CrossPoint | 98.0 | 92.7 |
| One Town Center* | - | 84.8 |
| Park Tower | 129.0 | 143.0 |
| Promenade I & II | 72.3 | 66.9 |
| Reston Square | 29.8 | 24.7 |
| Sorrento Towers | 123.5 | 125.0 |
| The 101 | 74.8 | 67.1 |
| Tower 909 | 87.1 | 74.8 |
| Tower I at Emeryville | 103.4 | 104.3 |
| Village Center Station I | 64.6 | 71.0 |
| Village Center Station II | 140.2 | 145.9 |
| Waterfront at Washingtonian | 56.2 | 53.5 |
| **Total** | **1,352.1** | **1,408.0** |

* Divested on 10 Jul 2024.

## Net Asset Value (NAV) per Unit

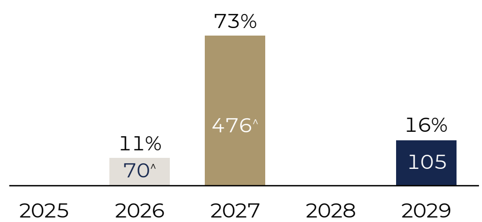
As at 31 December 2024, NAV per Unit was US$0.55 (31 December 2023: US$0.55). Computation of NAV per Unit is based on the number of Units in issue and to be issued which has taken into account bonus issue of new Units on the basis of 1 bonus unit to be credited as fully paid for every 10 existing Units on 28 March 2024.

## Funding and Borrowings

As at 31 December 2024, PRIME's gross borrowings were US$651.1 million.

All of PRIME's borrowings are US dollar-denominated, providing a natural currency hedge for its income and investments. The weighted average interest rate (including amortisation of debt-related transaction costs) on borrowings was 5.1% with an interest coverage ratio of 2.0 times.

**Debt Maturity Profile (US$m)**




^ With extension options fully exercised

PRIME has a fully extended weighted average debt maturity of 2.8 years and its gearing stood at 46.7% as at 31 December 2024 with US$76.1 million of undrawn credit facilities. Debt headroom to MAS' 50% aggregate leverage is US$92.5 million.

## Cash Flows and Liquidity

As at 31 December 2024, PRIME's cash and cash equivalents were US$27.5 million.

Net cash generated from operating activities was US$72.2 million, lower than FY2023 mainly due to lower net property income.

Net cash generated from investing activities amounted to US$37.8 million, mainly comprising net proceeds from disposal of One Town Center of US$75.4 million, offset by payment for capital expenditure relating to investment properties of US$38.2 million.

Net cash used in financing activities amounted to US$94.3 million. This comprised mainly net repayment of loans and borrowings and related transaction costs of US$56.6 million, interest payments of US$32.3 million and distribution paid to Unitholders of US$5.3 million.

## Capital Management

The Manager regularly reviews PRIME's financial policy, as well as its debt and capital management structures to optimise PRIME's funding sources.

The Manager seeks to maintain an optimal combination of debt and equity in order to balance the cost of capital and maximise returns to Unitholders. The Manager also monitors externally imposed capital requirements and ensures PRIME's adopted capital structure complies with these requirements.

The Group is subjected to the aggregate leverage limits as defined in the Property Funds Appendix set out in the CIS Code. The Property Funds Appendix previously stipulated that the total borrowings and deferred payments (collectively the "Aggregate Leverage") for Singapore REITs ("S-REITs") may only exceed 45% of the REIT's deposited property (up to a maximum of 50%) only if the REIT has a minimum adjusted interest coverage ratio ("ICR") of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. With effect from 28 November 2024, revised CIS Code subjects all S-REITs to a minimum ICR threshold of 1.5 times and a aggregate leverage limit of 50%.

The Property Funds Appendix also states that the Aggregate Leverage limit or minimum ICR requirement is not considered to be breached if it is due to circumstances beyond the control of the Manager. However, the Manager should not incur additional borrowings or enter into further deferred payment arrangements.

PRIME has complied with the aggregate leverage limit and minimum ICR threshold during the financial year ended 31 December 2024. PRIME's aggregate leverage was 46.7% as at 31 December 2024 (as compared to an aggregate leverage of 48.4% as at 31 December 2023) with an ICR of 2.0x.

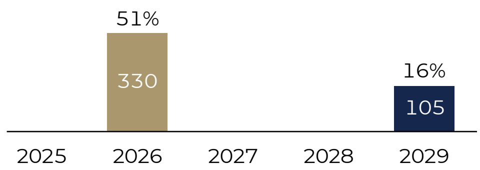
## Financial Risk Management

PRIME's activities expose it to tax risk, market risk, interest rate risk, credit risk and liquidity risk in the normal course of its business. Its overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

PRIME's financial risk management is discussed in more detail in the notes to the financial statements.

The Manager continues to adopt appropriate hedging strategies to manage interest rate exposure for PRIME. Interest rate swaps have been entered into to hedge interest rate volatility in the long-term loans. As at 31 December 2024, 51% of the variable interest rate borrowings had been hedged using floating-to-fixed interest rate swaps. Including a 10-year term loan, PRIME had fixed, or swapped into fixed, the interest rates on 67% of total gross borrowings to mitigate against near-term interest rate risks.

### Hedge Expiry & Fixed Rate Loan Maturity (US$'m)




## Accounting Policy

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed.

PRIME's significant accounting policies are discussed in more detail in the notes to the financial statements.

# PORTFOLIO REVIEW

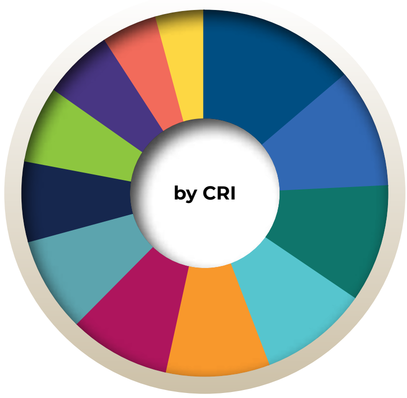
PRIME has a portfolio comprising 13 high-quality freehold Class A office buildings located in 12 key U.S. markets with an aggregate net lettable area ("NLA") of 4.2 million sq ft as at 31 December 2024. The assets are strategically located in high growth cities with access to an educated workforce and lifestyle amenities.

## As of 31 December 2024

### Geographical Diversification

**No single market contributing more than 14.8% of Total Cash Rental Income ("CRI")**

CRI by Primary Markets




| | | | |
|---|---|---|---|
| Salt Lake City | 14.8% | Sacramento | 9.4% |
| Atlanta | 12.4% | San Francisco, Emeryville | 6.2% |
| San Diego | 11.2% | St. Louis | 5.7% |
| Denver | 10.8% | San Antonio | 5.2% |
| Dallas | 9.6% | Suburban Maryland | 3.4% |
| Philadelphia | 9.5% | Suburban Virginia | 1.8% |

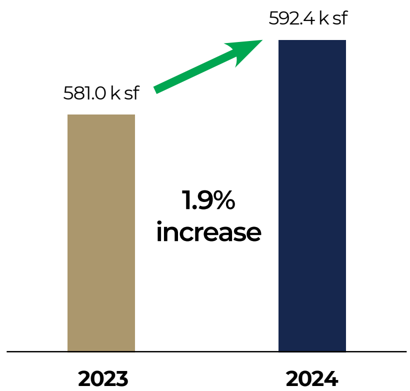
### Asset Diversification

**No single asset contributing more than 14.4% of Total Portfolio Carrying Value**

Carrying Value by Assets


| | | | |
|---|---|---|---|
| 222 Main | 14.4% | Tower 909 | 6.4% |
| 171 17th Street | 13.2% | The 101 | 5.5% |
| Village Center Station II | 10.4% | Promenade I & II | 5.4% |
| Park Tower | 9.5% | Village Center Station I | 4.8% |
| Sorrento Towers | 9.1% | Waterfront at Washingtonian | 4.2% |
| Tower I at Emeryville | 7.7% | Reston Square | 2.2% |
| CrossPoint | 7.2% | | |

### Leasing Activity




Leasing environment improved in 2024. Lease signings increased by 1.9% year-on-year ("YoY") from 581.0k sf in FY2023 to 592.4k sf in FY2024. New leases signed in FY2024 represented 16.9% of the portfolio CRI as at 31 December 2024. New leases and renewals executed in FY2024 recorded a positive rental reversion of +1.8%. Portfolio occupancy was 80.0% as at 31 December 2024.

Almost half of the leased area executed in 2024 have minimum lease terms of 7 years or more.

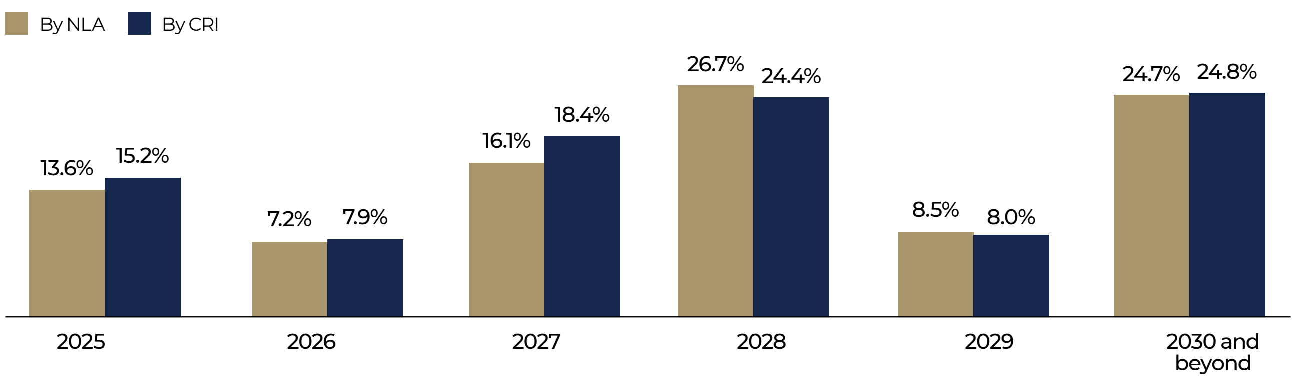
With the longer-term lease signings in 2024, the WALE of the portfolio was extended.

| Name of Property (As at 31 December 2024) | Primary Market, State | Leased Occupancy 31-Dec-24 | % Contribution by Carrying Value | WALE (years) | % Lease Expiry in 2025 by CRI[1] |
|---|---|---|---|---|---|
| 222 Main | Salt Lake City, Utah | 100.0% | 14.4% | 2.9 | 4.1% |
| CrossPoint | Philadelphia, Pennsylvania | 100.0% | 7.2% | 6.6 | 1.3% |
| Village Center Station II | Denver, Colorado | 100.0% | 10.4% | 3.5 | - |
| Sorrento Towers | San Diego, California | 96.3% | 9.1% | 3.7 | 0.3% |
| Tower 909 | Dallas, Texas | 92.8% | 6.4% | 3.5 | 1.5% |
| The 101 | St. Louis, Missouri | 83.4% | 5.5% | 7.0 | 0.9% |
| Promenade I & II | San Antonio, Texas | 77.0% | 5.4% | 3.7 | 1.3% |
| Tower I at Emeryville | San Francisco Bay Area, California | 74.8% | 7.7% | 3.7 | 2.8% |
| 171 17th Street | Atlanta, Georgia | 73.7% | 13.2% | 5.0 | 0.9% |
| Reston Square | Suburban Virginia, Washington D.C. | 65.7% | 2.2% | 9.1 | 1.0% |
| Park Tower | Sacramento, California | 65.5% | 9.5% | 3.2 | 1.1% |
| Village Center Station I | Denver, Colorado | 50.2% | 4.8% | 2.6 | - |
| Waterfront At Washingtonian | Suburban Maryland, Washington D.C. | 48.7% | 4.2% | 7.0 | - |
| **Total / Weighted Average** | | **80.0%** | **100.0%** | **4.4** | **15.2%** |

## Stable Lease Profile with Well-Staggered Expiries

PRIME's lease expiries are well spread out across the portfolio, with 15.2% by CRI expiring in 2025 and 7.9% in 2026. Weighted average lease expiry ("WALE") by NLA extended from 4.0 years as at 31 December 2023 to 4.4 years as at 31 December 2024. The WALE for new leases signed in 2024 is 6.2 years (computed from lease commencement date).

## Lease Expiry Profile[1] as at 31 December 2024



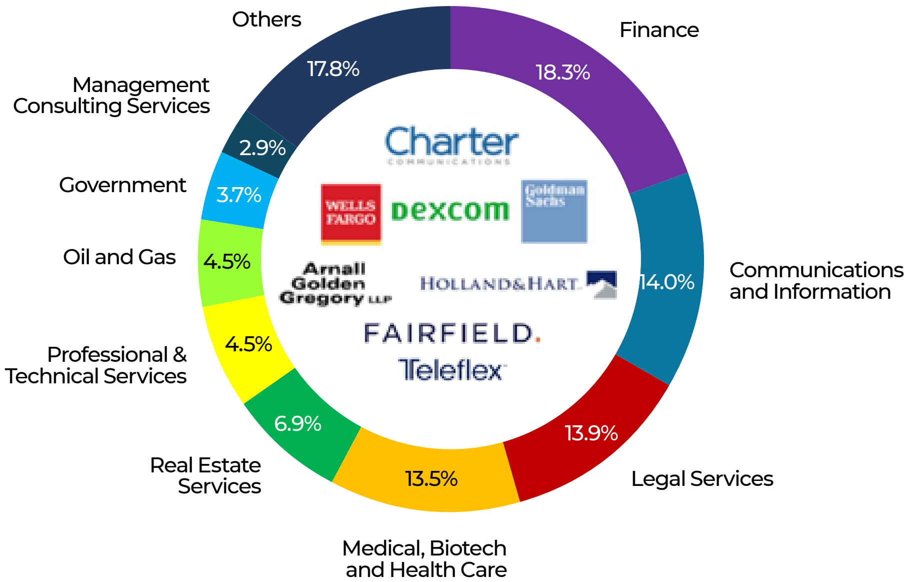

1 Excludes month-to-month leases accounting for 3.2% of NLA or 1.3% of annualized CRI.

# PORTFOLIO REVIEW

## Diversified Portfolio with Established Tenants Continue to Provide Sustainable Growth

PRIME's resilient portfolio is underpinned by a well-diversified, established tenant mix of 215 tenants across 23 sectors. As at 31 December 2024, 78% of PRIME's tenants by CRI are in established and growing STEM/ TAMI[1] sectors such as finance, communications and information, legal services, medical and health care, and real estate.

### CRI[2] by Trade Sector




### Top 10 Tenants

| Tenant | Industry | Property | Leased area (sq ft) | % of Portfolio CRI |
|---|---|---|---|---|
| Charter Communications | Communications and Information | Village Center Station I & II | 419,881 | 10.0% |
| Goldman Sachs | Finance | 222 Main | 177,206 | 6.4% |
| Dexcom | Medical, Biotech & Health Care | Sorrento Towers | 148,383 | 5.7% |
| Holland & Hart | Legal Services | 222 Main | 89,960 | 3.8% |
| Wells Fargo | Finance | 171 17th Street | 106,030 | 3.8% |
| Arnall Golden Gregory | Legal Services | 171 17th Street | 103,079 | 3.7% |
| Matheson Tri-Gas | Oil and Gas | Tower 909 | 118,685 | 3.3% |
| Fairfield Residential | Real Estate Services | Sorrento Towers | 58,957 | 2.5% |
| Adamas Pharmaceuticals | Medical, Biotech & Health Care | Tower One Emeryville | 37,627 | 2.0% |
| Teleflex | Medical, Biotech & Health Care | Crosspoint | 57,559 | 2.0% |
| **Total** | | | **1,317,367** | **43.2%** |
| **WALE of Top 10 Tenants** | | | **3.9 Years** | |

1 Established: Finance, Real Estate, Legal, Government; STEM: Science, Technology, Engineering, and Mathematics; TAMI: Technology, Advertising, Media, and Information.
2 As at 31 December 2024.

## Top 10 Tenants

As at 31 December 2024, PRIME's top 10 tenants contributed 43.2% of the portfolio's CRI. WALE of the top 10 tenants was 3.9 years.

## Charter Communications (Village Center Station I and II)

Charter Communications, a leading telecommunications and mass media company with a Moody's Ba2 credit rating, is the anchor tenant at Village Center Station I & II. As PRIME's largest tenant leasing 419,881 sq ft of space, Charter Communications contributes 10.0% of PRIME's portfolio by CRI. This office serves as the regional (west coast) HQ, as well as for their research and development and main patent office.

## Goldman Sachs (222 Main)

A multinational investment bank and financial services company with an Moody's A2 credit rating, taking up 177,206 sq ft of space at 222 Main and contributing 6.4% of PRIME's portfolio by CRI. Opened in 2000, the Goldman Sachs' office in Salt Lake City is now one of the largest offices in the organization. Initially a hub for a handful of functions, the Salt Lake City office now has operations across 14 of Goldman Sachs' 16 divisions.

## Dexcom (Sorrento Towers)

Dexcom, Inc. is a medical device company primarily focused on the design, development and commercialization of continuous glucose monitoring systems for use by people with diabetes and by healthcare providers. Headquartered in San Diego, Dexcom currently leases 148,383 sq ft at Sorrento Towers, contributing 5.7% of PRIME's portfolio by CRI. With Dexcom's expansion into the full 5375 Building of Sorrento Towers, Dexcom relocated all corporate executives and the majority of corporate (non-manufacturing, non-R&D, etc) operations into Sorrento Towers and established this location as their main "Guest & Visitor Center".

## Holland & Hart (222 Main)

Founded in 1947, the Colorado-based Holland & Hart is one of the largest law firms in the Mountain West Region with more than 450 attorneys operating in 13 offices across eight states with a diverse practice. Salt Lake City is the firm's 2nd largest office. Occupying over 89,960 sq ft, they contribute 3.8% of PRIME's portfolio by CRI.

## Wells Fargo (171 17th Street)

Wells Fargo is a diversified financial services firm providing banking, investment and mortgage products and services, as well as consumer and commercial finance, with a Moody's Aa2 credit rating. Wells Fargo occupies 106,030 sq ft, contributing 3.8% of PRIME's portfolio by CRI. Their office at 171 17th Street serve as the bank's Atlanta regional headquarters.

## Arnall Golden Gregory (171 17th Street)

Arnall Golden Gregory ("AGG"), an Am Law 200 law firm, serves clients in healthcare, real estate, retail, fintech/payment systems, global commerce/global mobility, government investigations, life sciences, and logistics and transportation. The aggregate area of 103,079 sq ft at 171 17th Street currently serves as AGG's headquarters and houses the majority of the firm's senior leadership. The firm currently contributes 3.7% of PRIME's portfolio by CRI.

## Matheson Tri-Gas (Tower 909)

Matheson Tri-Gas is a company that produces and supplies industrial and specialty gases, and gas handling equipment in the U.S. and internationally. The firm provides complete customer solutions, offering everything from on-site air separation plants to small portable cylinders and all the services required to support these products and customer applications. Headquartered in Tower 909, Matheson Tri-Gas currently has 4,500 employees across the U.S. Matheson currently occupies 118,685 sq ft, contributing 3.3% of PRIME's portfolio by CRI.

## Fairfield Residential (Sorrento Towers)

Fairfield Residential is a leading multifamily real estate operator and investment manager. Founded in 1985, the company specializes in development, construction, acquisition, and management of residential properties. With over 37 years of experience, Fairfield has developed or acquired more than 1,015 communities nationwide, totaling over 285,000 units. Their commitment to creating vibrant neighborhoods and sustainable living solutions underscores their mission of "Creating Better Living for Better Lives" while fostering strong partnerships within the community. Occupying 58,957 sq ft, Fairfield contributes 2.5% of PRIME's portfolio by CRI.

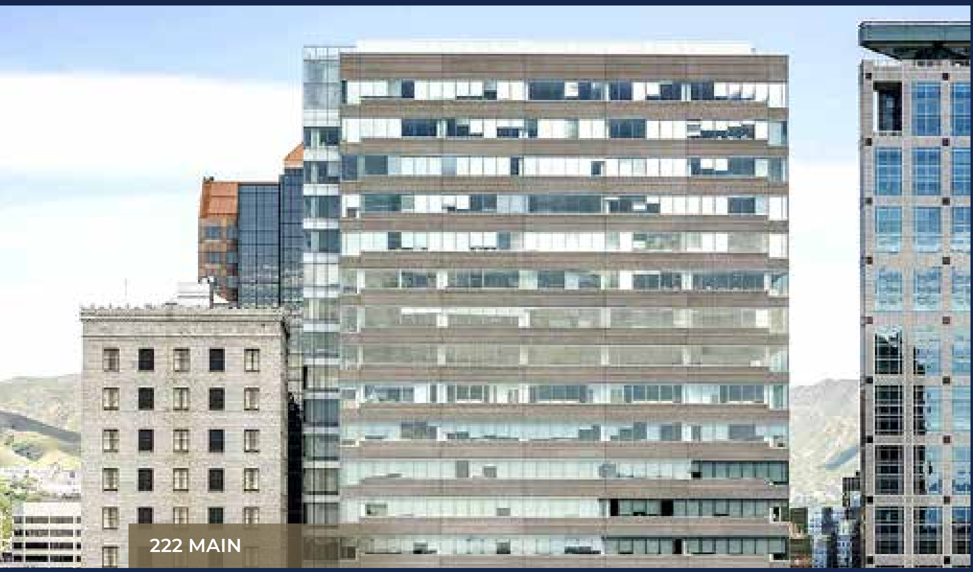
## Adamas Pharmaceuticals (Tower 1 Emeryville)

Adamas Pharmaceuticals is a leading biopharmaceutical company specializing in developing innovative therapies for neurological disorders. It focuses on creating treatments for conditions like Parkinson's disease, multiple sclerosis, and dementia. Adamas is known for its commitment to scientific excellence and patient wellbeing, offering products like Gocovri and Namzaric. The company operates as a fully integrated entity, driving innovation through strategic partnerships and robust research and development efforts. Adamas currently occupies 37,627 sq ft, contributing 2.0% of PRIME's portfolio by CRI.

## Teleflex (Crosspoint)

Teleflex is a leading global provider of medical technologies. Founded in 1943, the company has evolved from aviation controls to a major medical device manufacturer. Teleflex offers a diverse portfolio of single-use devices for critical care, surgery, and various medical specialties. With operations in 40 countries and over 15,000 employees, Teleflex is committed to improving healthcare outcomes worldwide. Occupying over 57,559 sq ft, Teleflex contributes 2.0% of PRIME's portfolio by CRI.

# PROPERTIES PROFILE
AS AT 31 DECEMBER 2024


222 MAIN


171 17TH STREET


PARK TOWER

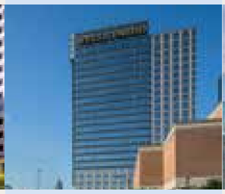

SORRENTO TOWERS


VILLAGE CENTER STATION I

CROSSPOINT


THE 101

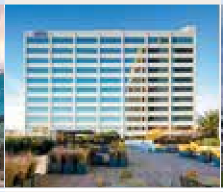

TOWER 909

| Property Primary Market, State | Portfolio | 222 Main Salt Lake City, Utah | 171 17th Street Atlanta, Georgia | Village Center Station II Denver, Colorado | Park Tower Sacramento, California |
|---|---|---|---|---|---|
| | |  |  |  |  |
| Office Grade | A | A | A | A | A |
| Land Tenure | Freehold | Freehold | Freehold | Freehold | Freehold |
| Ownership Interest | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Net Lettable Area (sq ft) | 4,196,897 | 433,346 | 510,268 | 325,576 | 489,171 |
| Acquisition Date | NA | 19 Jul 2019 | 19 Jul 2019 | 19 Jul 2019 | 24 Feb 2020 |
| Purchase Price (US$ million) | 1,533.7 | 211.3 | 176.5 | 144.6 | 165.5 |
| Carrying Value of Investment Properties (31 December 2024) (US$ million) | 1,352.1 | 194.3 | 178.9 | 140.2 | 129.0 |
| % Contribution by Carrying Value | 100.0% | 14.4% | 13.2% | 10.4% | 9.5% |
| Weighted Average Lease Expiry (By NLA) (years) | 4.4 | 2.9 | 5.0 | 3.5 | 3.2 |
| Committed Occupancy | 80.0% | 100.0% | 73.7% | 100.0% | 65.5% |
| Number of Tenants | 215 | 16 | 14 | 1 | 37 |
| Gross Revenue FY2024 (US$ million) | 141.0[1] | 20.3 | 16.5 | 12.5 | 14.1 |
| Address | NA | 222 South Main Street, Salt Lake City, Utah 84101 | 171 17th Street NW, Atlanta, Georgia 30363 | 6360 S. Fiddler's Green Circle, Greenwood Village, Colorado 80111 | 980 9th Street, Sacramento, California 95814 |

1 Included contribution from One Town Center which was divested on 10 Jul 2024.

# PROPERTIES PROFILE

AS AT 31 DECEMBER 2024

| Property Primary Market, State | Sorrento Towers San Diego, California | Tower I at Emeryville San Francisco Bay Area, California | CrossPoint Philadelphia, Pennsylvania | Tower 909 Dallas, Texas | Village Center Station I Denver, Colorado |
|---|---|---|---|---|---|
| |  |  |  |  |  |
| Office Grade | A | A | A | A | A |
| Land Tenure | Freehold | Freehold | Freehold | Freehold | Freehold |
| Ownership Interest | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Net Lettable Area (sq ft) | 296,327 | 222,606 | 272,360 | 374,251 | 241,846 |
| Acquisition Date | 23 Jul 2021 | 19 Jul 2019 | 19 Jul 2019 | 19 Jul 2019 | 19 Jul 2019 |
| Purchase Price (US$ million) | 146.0 | 121.1 | 97.7 | 76.3 | 89.1 |
| Carrying Value of Investment Properties (31 December 2024) (US$ million) | 123.5 | 103.4 | 98.0 | 87.1 | 64.6 |
| % Contribution by Carrying Value | 9.1% | 7.7% | 7.2% | 6.4% | 4.8% |
| Weighted Average Lease Expiry (By NLA) years | 3.7 | 3.7 | 6.6 | 3.5 | 2.6 |
| Committed Occupancy | 96.3% | 74.8% | 100.0% | 92.8% | 50.2% |
| Number of Tenants | 15 | 12 | 16 | 40 | 6 |
| Gross Revenue FY2024 (US$ million) | 14.8 | 7.1 | 11.0 | 11.3 | 4.9 |
| Address | 5355-5375 Mira Sorrento Pl, San Diego, California 92121-3803 | 1900 Powell Street, Emeryville, California 94608 | 550 East Swedesford Road, Wayne Pennsylvania 19087 | 909 Lake Carolyn Parkway, Irving, Texas 75039 | 6380 S. Fiddler's Green Circle, Greenwood Village, Colorado 80111 |

| Property Primary Market, State | The 101 St. Louis, Missouri | Promenade I & II San Antonio, Texas | Waterfront At Washingtonian Suburban Maryland, Washington D.C. | Reston Square Suburban Virginia, Washington D.C. |
|---|---|---|---|---|
| |  |  |  |  |
| Office Grade | A | A | A | A |
| Land Tenure | Freehold | Freehold | Freehold | Freehold |
| Ownership Interest | 100.0% | 100.0% | 100.0% | 100.0% |
| Net Lettable Area (sq ft) | 360,505 | 205,773 | 325,455 | 139,413 |
| Acquisition Date | 19 Jul 2019 | 19 Jul 2019 | 19 Jul 2019 | 19 Jul 2019 |
| Purchase Price (US$ million) | 79.7 | 72.8 | 102.1 | 51.0 |
| Carrying Value of Investment Properties (31 December 2024) (US$ million) | 74.8 | 72.3 | 56.2 | 29.8 |
| % Contribution by Carrying Value | 5.5% | 5.4% | 4.2% | 2.2% |
| Weighted Average Lease Expiry (By NLA) years | 7.0 | 3.7 | 7.0 | 9.1 |
| Committed Occupancy | 83.4% | 77.0% | 48.7% | 65.7% |
| Number of Tenants | 29 | 15 | 15 | 7 |
| Gross Revenue FY2024 (US$ million) | 9.7 | 7.1 | 3.7 | 1.9 |
| Address | 101 S. Hanley Road, Clayton, St. Louis, Missouri 63105 | 17802 & 17806 IH-10 W, San Antonio, Texas 78256 & 78257 | 9801 Washingtonian Boulevard, Gaithersburg, Maryland 20878 | 11790 Sunrise Valley Drive, Reston, Virginia 20191 |

# PROPERTIES PROFILE

AS AT 31 DECEMBER 2024

## 222 MAIN

Salt Lake City, Utah

- 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 seven miles (11km) of Salt Lake City International Airport which is undergoing a $4 billion expansion.

| | | | |
|---|---|---|---|
| **100%** Occupancy | **US$194.3M** Carrying Value | **14.4%** Contribution (By Carrying Value) | **433,346** Net Lettable Area (sq ft) |

## 171 17TH STREET

Atlanta, Georgia


- 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.
- On-site amenities include tenant lounge, café, conference centre, coffee bar, outdoor patio lounge and shuttle service.

| | | | |
|---|---|---|---|
| **73.7%** Occupancy | **US$178.9M** Carrying Value | **13.2%** Contribution (By Carrying Value) | **510,268** Net Lettable Area (sq ft) |

## VILLAGE CENTER STATION I

Denver, Colorado

| 50.2% | US$64.6M | 4.8% | 241,846 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

- 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.
- Amenities include a state-of-the- art fitness center with private lockers and shower facilities, conference center, collaboration areas, outdoor courtyard/patio, and on-site restaurants. Primary access to 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.' 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

Denver, Colorado

| 100% | US$140.2M | 10.4% | 325,576 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

- 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.
- Amenities include a state-of-the- art fitness center with private lockers and shower facilities, conference center, collaboration areas, outdoor courtyard/patio, and on-site restaurants. Primary access to 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.' 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.

# PROPERTIES PROFILE

AS AT 31 DECEMBER 2024

## PARK TOWER

Sacramento, California

- 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 a complimentary shuttle service and easy access to Light Rail and RT Bus service. Amenities include a 3-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.

| 65.5% | US$129.0M | 9.5% | 489,171 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

## SORRENTO TOWERS

San Diego, California

- Sorrento Towers is located in San Diego, California and is part of the Sorrento Mesa submarket, a technology and life science hub.
- It comprises two 7-storey Class A office towers above a 3-storey podium garage with an NLA of 296,327 sq ft. Sorrento Towers was last refurbished in 2020 and offers amenities such as state-of-the-art fitness centre, conferencing spaces, a training centre, and multiple outdoor, collaborative meeting areas.
- It has good visibility and excellent access to local and regional transportation arteries, including Inland Freeway ("I-805"), and to Sorrento Court shopping centre that offers two dozen eateries, banking, and lifestyle amenities.

| 96.3% | US$123.5M | 9.1% | 296,327 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

## TOWER I AT EMERYVILLE

San Francisco Bay Area, California

| | | | |
|---|---|---|---|
| **74.8%** Occupancy | **US$103.4M** Carrying Value | **7.7%** Contribution (By Carrying Value) | **222,606** Net Lettable Area (sq ft) |

- Tower I at Emeryville is a 12-storey Class A multi- tenant office building located in the Emeryville submarket which is part of the East Bay - Oakland Metropolitan Office Market. Tower I at Emeryville is located just a few minutes' drive east of downtown San Francisco.
- Situated close 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.

## CROSSPOINT

Philadelphia, Pennsylvania

| | | | |
|---|---|---|---|
| **100%** Occupancy | **US$98.0M** Carrying Value | **7.2%** Contribution (By Carrying Value) | **272,360** Net Lettable Area (sq ft) |

- 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 fourth largest mall in the U.S., a Walmart Supercenter, and the King of Prussia Town Center, a live-work- play 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. The building also sits within a 1-mile radius of 2,648 multi-family units that have been constructed within the past seven years.
- Dramatic lobby, high-quality finishes throughout with extensive window lines, and provides tenants with a full-service dining facility, conference centre and fitness centre.

# PROPERTIES PROFILE

AS AT 31 DECEMBER 2024

## TOWER 909

Dallas, Texas

| 92.8% | US$87.1M | 6.4% | 374,251 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

- 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 centered around a small lake 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 patio and cafe, dry cleaning, concierge, on-site property management, electric vehicle charging stations, and covered parking.

## THE 101

St. Louis, Missouri

| 83.4% | US$74.8M | 5.5% | 360,505 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

- The 101 is a 19-storey Class A multi-tenanted office tower located in the Clayton submarket within the St. Louis primary market with a 4-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 and 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.

## PROMENADE I & II

San Antonio, Texas

| 77.0% | US$72.3M | 5.4% | 205,773 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

- Promenade I and II are two 4-storey multi-tenanted Class A office buildings located in the Far Northwest submarket within the San Antonio primary market.
- Located within the Eilan mixed use development which includes a boutique hotel, restaurants, retail, apartment complexes 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.
- Promenade's on-site amenities include a new fitness center with lockers and showers, a new tenant lounge, a new conference center, on-site management office, and covered parking, along with walkable access to the broader amenities within Eilan. Feature amenities within Eilan include workout facilities, spa services, conference rooms, convenience store, dry cleaning services, tennis courts, indoor and outdoor pools, and drinking and dining options.

## WATERFRONT AT WASHINGTONIAN

Suburban Maryland, Washington D.C.

| 48.7% | US$56.2M | 4.2% | 325,455 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

- Waterfront at Washingtonian 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 biotech and medical research market.
- Part of an exclusive mixed-use project, the Rio Lakefront, Gaithersburg's premier lakefront shopping, dining, and entertainment destination features 644k SF of fully leased premier retailers.
- Offers direct on-and-off access to Interstate 270 as well as the newly constructed Inter County Connector which connects the Interstate 270/370 corridor and the Interstate 95/US Route 1 corridor.
- Newly constructed in 2024, on-site amenities include a grab-and-go café, full-service fitness center, private locker rooms and showers, conference center, tenant lounge, outdoor courtyard/patio, on-site security and covered parking.

# PROPERTIES PROFILE

AS AT 31 DECEMBER 2024

## RESTON SQUARE

Suburban Virginia, Washington D.C.

| 65.7% | US$29.8M | 2.2% | 139,413 |
|---|---|---|---|
| Occupancy | Carrying Value | Contribution (By Carrying Value) | Net Lettable Area (sq ft) |

- 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, the property enjoys proximity to local neighbourhood amenities such as Reston Town Center and the Reston Town Center Metrorail station. It is also conveniently situated between the Sheraton and Westin hotels and just eight miles of Washington Dulles International Airport.
- Features on-site amenities including a virtual concierge, tenant lounge, electric vehicle car charging stations, on-site security, coffee bar, conference and fitness centre with private lockers. The building also offers Uber for Business at this location to provide tenants access to the two metro stops and Reston Town Center.

# INDEPENDENT MARKET REVIEW

*By Cushman & Wakefield*

For the final quarter of 2024, GDP grew at a 2.3% annual rate. While this was down from 3.1% in the third quarter, it nonetheless characterized an encouraging end to a year in which the economy defied expectations.

## United States (U.S.) Economy

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. We are monitoring the impact on both factors as they relate to the Federal Reserve's historical and projected interest rate changes, inflation, and other macroeconomic factors, which have increased uncertainty in the financial and CRE markets. Furthermore, Cushman & Wakefield is closely examining all latest economic developments, and their effects on the subject and its market.

### Economic Conditions

We are starting out 2025 on solid macroeconomic footing with a measured, albeit positive outlook for the broader CRE industry, and for the capital markets environment more specifically. 2025 will be a rebound year, offering further price discovery as sellers become more motivated and willing to meet the market and as buyers are enticed by the values reset.

Underlying this strength and making a positive case for CRE demand formation and performance, is the fact that we have robust gross domestic product (GDP) growth. For the final quarter of 2024, GDP grew at a 2.3% annual rate. While this was down from 3.1% in the third quarter, it nonetheless characterized an encouraging end to a year in which the economy defied expectations.

In terms of interest rates, the topic at the forefront of most CRE investors' minds, the Federal Reserve is being patient but is still firmly in an easing stance. We expect them to remain on hold until around September so they can assess the macro stage against the new Trump administration. In fairness, some of the policies do have the potential to add inflationary impulse to the outlook, but the macro backdrop is still solid, so it is only natural that they will have a bias towards patience and pause.

Perhaps most telling for the CRE capital markets recovery is the positive traction witnessed throughout the debt markets, particularly in the face of significant recent volatility. The CRE debt markets continue to loosen, broaden, and grow more competitive. Annualized CRE lending origination is up 7% year-over-year (YOY) for 2024, highlighting that the worst of this cycle's volumes are behind us. The CRE lending landscape will continue to broaden and diversify across lender types, particularly into private credit and debt fund channels. Debt funds have already increased their origination market share by 72% relative to the pre-pandemic average and have recently captured nearly as much YTD debt origination share (at 16% share) as CMBS lending has (at 18% share).

In early 2022, the Federal Reserve was holding the federal funds rate at around zero. They were buying billions of dollars of bonds every month to stimulate the economy, but various measures of inflation kept inching up and reaching 40-year highs. To combat inflation, the Federal Reserve employed multiple increases to the effective federal funds rate in 2022 and into the first half of 2023. After a series of three cuts at the end of 2024, the Federal Reserve left rates unchanged for their first meeting of 2025, citing uncertainty on inflation as the cause. Currently, the benchmark federal funds rate ranges between 4.25% and 4.50%, and the bar for further cuts remains high. The Federal Reserve reported that it would take definitive progress on inflation or weakness in the labor market before any additional adjustments would be made.

### U.S. Real Estate Market Implications

There have been two related shocks to the commercial property market over the last five years. The first was in 2020, of course, when the pandemic pummeled tenant demand, resulting in a huge amount of uncertainty. Getting over that shock took a combination of patience, stimulus spending, and record-low interest rates. The sharp decline in commercial property prices that started in 2022, was a side effect of the market adjusting to the stimulus wearing off. In 2024, especially during the second half, commercial real estate property markets turned a corner with deal volume increasing and price declines tapering for the first time in several years.

The fourth quarter of 2024 was particularly healthy with deal volume up 32% over the same time last year, and total activity closing at US$130.6 billion. While this figure remains lower than an average pre-pandemic quarter, it is not too far below the US$161.9 billion fourth quarter average that took place between 2015 and 2019. Cap rate trends are also indicative of strong deal activity. After having dipped in 2022 and 2023, as the market grappled with rising interest rates, they have now stabilized as investors have gained confidence and are reentering the market.

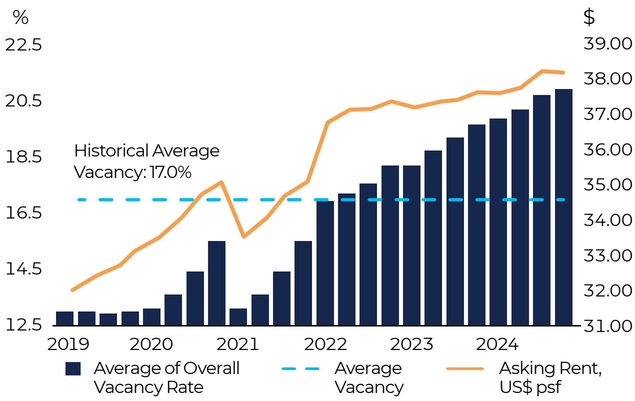
# INDEPENDENT MARKET REVIEW

| Economic Indicators | U.S. | Salt Lake City, Utah | Atlanta, Georgia | Denver, Colorado | Sacra-mento, California | San Diego, California | San Francisco Oakland, MSA | Phila-delphia, Pennsyl-vania | Dallas, Texas | St Louis, Missouri | San Antonio, Texas | Suburban Maryland | Suburban Virginia |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nonfarm Employment | | | | | | | | | | | | | |
| Q4 2023 | 142.2m | 829k | 3,157k | 1,683k | 1,084k | 1,600k | 2,443k | 3,130k | 4,299k | 1,440k | 1,249k | 3,420k | 851k |
| Q4 2024 | 159.2m | 843k | 3,157k | 1,666k | 1,083k | 1,519k | 2,384k | 3,131k | 4,334k | 1,455k | 1,281k | 3,402k | 858k |
| 12-Month Forecast | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ |
| Unemployment Rate | | | | | | | | | | | | | |
| Q4 2023 | 3.7% | 2.7% | 3.5% | 3.3% | 4.3% | 4.0% | 4.2% | 3.7% | 3.9% | 3.4% | 3.8% | 2.4% | 2.4% |
| Q4 2024 | 4.2% | 3.6% | 3.6% | 4.2% | 4.8% | 4.6% | 4.4% | 3.8% | 3.9% | 3.8% | 3.9% | 3.2% | 3.2% |
| 12-Month Forecast | ▲ | ▼ | ▲ | ▼ | ▼ | ▼ | ▼ | ▲ | ▼ | ▲ | ▼ | ▲ | ▲ |

While prices are stabilizing overall, the apartment sector is no longer leading the pack. Instead, retail has taken the lead, alongside industrial, posting YOY growth at 3.2% and 2.7%, respectively. Timing is also a factor. The CBD office price index was down most of the year with a 9.3% drop, however, fourth quarter shows 2.1% annualized price growth for CBD offices when compared to just third quarter.

## U.S. Office Market Overview

### Overall Vacancy and Asking Rents

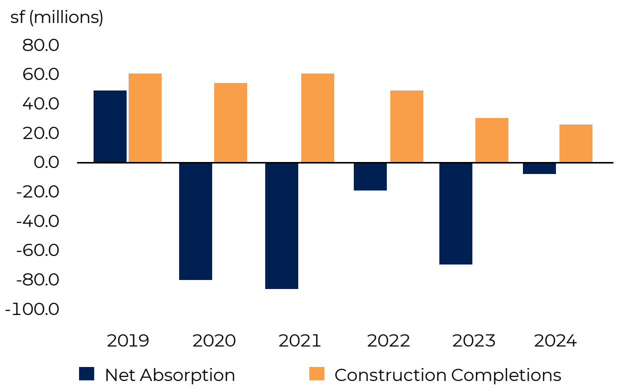



The office market is continuing to weather the storm surrounding softened demand for office inventory, higher interest rates and economic uncertainty. Furthermore, new inventory is being leased up quickly, signaling a positive outlook for absorption over the next few quarters. National office vacancy rate increased by 6.1% from fourth quarter 2023 to 20.9% at the end of fourth quarter 2024.

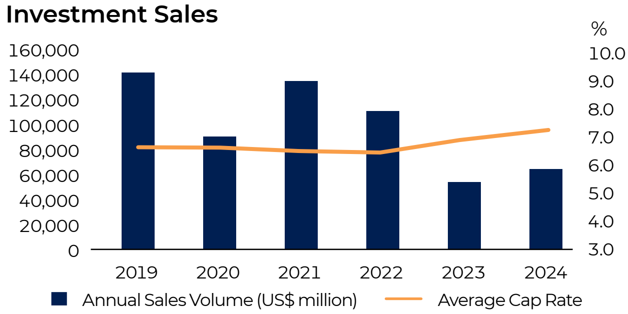
Office vacancy in the U.S. increased by 20 basis points (bps) from the previous quarter, marking the 11th consecutive quarter of rising vacancy rates. At 20.9%, the national vacancy rate has reached its highest level recorded by Cushman & Wakefield Research, representing an increase of 830 bps since the first quarter of 2020. In the fourth quarter of 2024, vacancy rates declined in 32 U.S. office markets, with another seven markets showing no change. Of the 93 markets tracked by Cushman & Wakefield Research, 31 have vacancy rates below 15%.

A total of 32.6 million square feet (msf) of new office space delivered in 2024, largely unchanged from 2023, but well below the pandemic-era average of 43.6 msf. Construction activity has slowed considerably, driven by market uncertainty, higher interest rates, and construction cost challenges. By the end of 2024, the construction pipeline had shrunk to 29.3 msf, which is half the size it was just a year ago. The total amount of U.S. office space under construction is below 30 msf for

### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

the first time since 2011. This pipeline now represents 0.7% of total inventory, down 50 bps from a year ago and less than half the pre-pandemic average of 1.5% (2010-2019). The continued construction slowdown will soften supply-side pressure and will insulate existing higher-quality assets in the coming years.

Asking rents are lagging real-time market softness. After reaching a new record high in first quarter 2020, at US$33.69 per square foot (psf), the national average asking rent has continued to climb, reaching US$38.20 psf in fourth quarter 2024, even in the face of an increasing national overall vacancy rate and economic uncertainty. In fourth quarter 2024, the national weighted average asking rent increased by 1.4% YOY and was up significantly since bottoming 11 years ago in the first quarter of 2011.

## U.S. Office Market Outlook

Demand for office space is projected to increase as return-to-office efforts increase in the public and private sectors. Firms have prioritized renewals or subleasing office space as employers have opted for work-from-home scenarios. Employers are encouraging more employees to come back to the office, and it is expected that office usage will trend higher due to the benefits of proximity and teamwork.

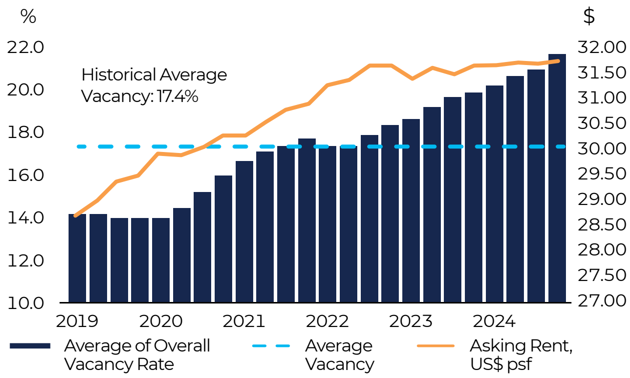
The national office market has put a focus on asset quality since the start of the pandemic and will be a key driver in bringing employees back to the office over the near term. The social aspects of being in an office, with a space to collaborate with peers is more important than ever. While the ultimate picture could take shape over a variety of office strategies that will vary based on the length of the U.S. economic recovery, at this point we do not anticipate long-term net changes in office sector demand across the real estate spectrum.

## Combined Twelve Local Markets

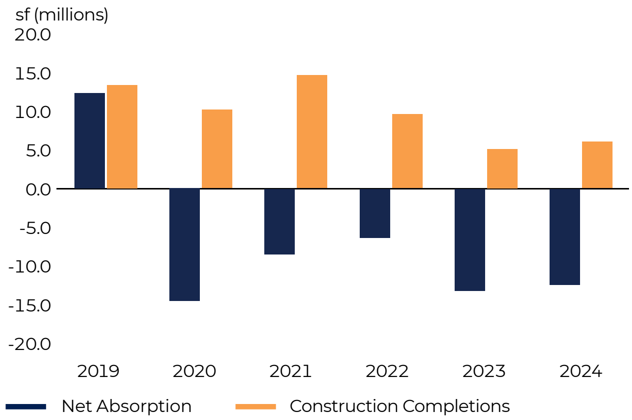
Twelve markets are reviewed within this report:

- Salt Lake City, Utah
- Atlanta, Georgia
- Denver, Colorado
- Sacramento, California
- San Diego, California
- Oakland, California
- Philadelphia, Pennsylvania
- Dallas, Texas
- St Louis, Missouri
- San Antonio, Texas
- Suburban Maryland
- Suburban Virginia

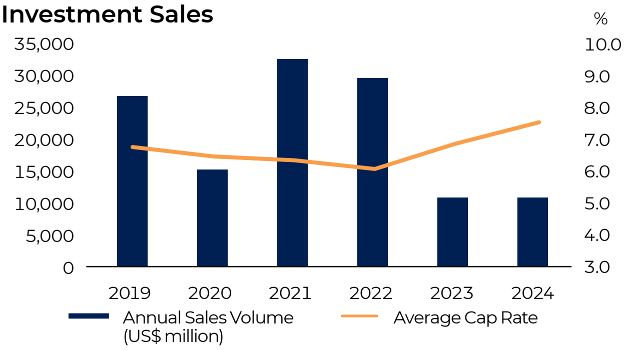
**Overall Vacancy and Asking Rents**




**Office Space Demand and Deliveries**




**Investment Sales**




Source: Real Capital Analytics

The tables presented on this page represent combined market statistics for these twelve markets, depicting general trends over these markets.

Consistent with national trends, the net absorption across the twelve markets plummeted YOY from 2019 to 2020, but recovered overtime through 2022, post-COVID recovery. Due to interest rate hikes by the Fed in 2021 and 2022, the markets saw a tightening of the credit environment and business conditions, indicating demand for space shrinking, facing large supply of space. As a result, absorption remains challenged in 2023 and 2024. However, as rates eased in later 2024, credit and lending have seen recoveries and demand is better positioned to recover through 2025.

# INDEPENDENT MARKET REVIEW

Office construction completions increased from 6.2 msf in 2023 to 8.2 msf in 2024 throughout the 12 local markets. The markets have seen increases in back to office initiatives and increases in right sizing of space demand, increasing leasing activities. As demand improves, in conjunction with improved construction completion, net absorption will be poised to recover gradually.

Investment sales of office buildings were down 59.1% in 2024 (US$11.9 billion) from the dramatic rebound post-COVID in 2021 (US$29.3 billion) for these twelve markets. Cap rates increased to 7.76% in 2024 from 7.03% in 2023. This is commensurate with the increase in interest rates by the Fed. Commensurate with the easing interest rates at the end of 2024, we have seen interest in well-placed office real estate increase, with improved lending conditions available, including CMBS options/offerings.

| Office Market Indicators | US | Salt Lake City, Utah | Atlanta, Georgia | Denver, Colorado | Sacra-mento, California | San Diego, California | Oakland, (East Bay) California | Phila-delphia, Pennsyl-vania | Dallas, Texas | St Louis, Missouri | San Antonio, Texas | Suburban Maryland | Suburban Virginia |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vacancy Rate | | | | | | | | | | | | | |
| Q4 2023 | 19.7% | 23.6% | 23.8% | 23.0% | 14.4% | 14.5% | 21.1% | 21.9% | 21.2% | 17.3% | 17.3% | 20.4% | 21.5% |
| Q4 2024 | 20.9% | 24.8% | 25.2% | 25.0% | 15.2% | 14.6% | 24.6% | 21.2% | 25.2% | 17.3% | 16.5% | 22.6% | 24.2% |
| 12-Month Forecast | ▲ | — | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▲ | ▼ | ▲ | ▲ | ▲ |
| YTD Net Absorption (sf) | | | | | | | | | | | | | |
| Q4 2023 | -19.2m | -140k | -2,500k | -470k | -823k | 395k | -223k | -1,820k | -1,900k | 288k | 103k | -156k | 32k |
| Q4 2024 | -5.8m | 255k | -1,400k | -235k | -840k | 110k | -356k | -36k | -5,500k | -495k | 105k | -777k | 2,400k |
| 12-Month Forecast | ▲ | ▼ | ▲ | ▲ | ▲ | ▼ | ▲ | ▼ | ▼ | ▲ | ▼ | ▼ | ▼ |
| Under Construction (sf) | | | | | | | | | | | | | |
| Q4 2023 | 59.9m | 377k | 2,330k | 2,259k | 569k | 1,196k | 0k | 1,045k | 6,068k | 0k | 277k | 276k | 703k |
| Q4 2024 | 29.3m | 180k | 450k | 811k | 569k | 582k | 0k | 545k | 2,061k | 0k | 182k | 0k | 163k |
| 12-Month Forecast | ▼ | ▼ | ▼ | ▼ | — | ▼ | ▲ | ▼ | ▼ | ▲ | — | ▼ | ▼ |
| Average Asking Rent | | | | | | | | | | | | | |
| Q4 2023 (Annual psf) | US$ 37.67 | US$ 25.64 | US$ 31.70 | US$ 32.59 | US$ 26.40 | US$ 41.16 | US$ 51.00 | US$ 28.09 | US$ 29.48 | US$ 23.14 | US$ 23.33 | US$ 30.83 | US$ 35.52 |
| Q4 2024 (Annual psf) | US$ 38.20 | US$ 25.56 | US$ 32.53 | US$ 32.80 | US$ 26.52 | US$ 40.80 | US$ 47.52 | US$ 28.63 | US$ 32.74 | US$ 22.65 | US$ 24.05 | US$ 31.35 | US$ 35.56 |
| 12-Month Forecast | ▼ | — | ▲ | — | — | ▼ | ▼ | — | ▲ | — | ▼ | — | — |

## Salt Lake City, Utah

### Economic Indicators

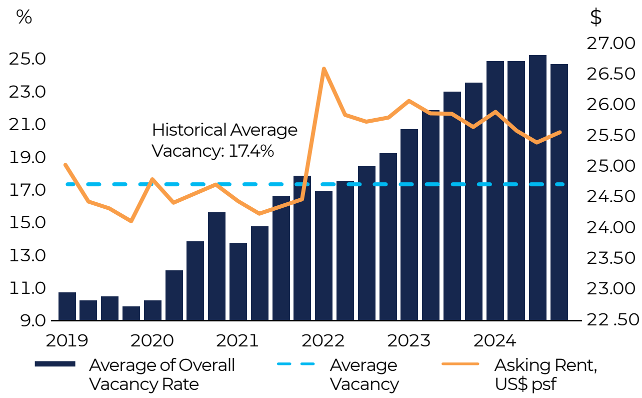
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Salt Lake City MSA Employment | 829k | 843k | ▲ |
| Salt Lake City MSA Unemployment | 2.7% | 3.6% | ▼ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

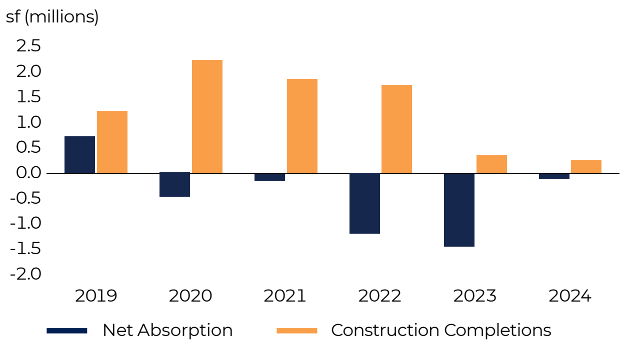
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 23.6% | 24.8% | — |
| YTD Net Absorption (sf) | -140k | 255k | ▼ |
| Under Construction (sf) | 377k | 180k | ▼ |
| Average Asking Rent* | US$25.64 | US$25.56 | — |

* Rental rates reflect gross asking US$psf/year

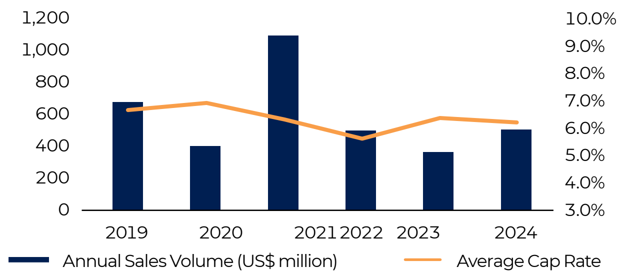
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

## Local Economy

The Salt Lake City market recorded an employment level of 843,200 jobs and the unemployment rate increased YOY from 2.7% to 3.6%. Wage growth continues to bring job seekers back into the labor market, as the median household income reached US$96,100 in fourth quarter 2024, a 1.8% rise YOY. The Salt Lake City economy of US$117.1 billion, as measured by 2024 gross metro product, is forecasted to climb to US$120.8 billion in 2025 and US$124.5 billion in 2026.

## Office Market Trends

The overall vacancy rate decreased by 40 bps quarter-over-quarter (QOQ), from 25.2% to 24.8%, but increased by 120 bps YOY. Direct vacancy rose to 20.1%, equating to 10.5 msf, up from 19.8% in the previous quarter, while sublease vacancy dropped to 4.7% (2.4 msf), compared to 5.4% last quarter.

The year ended on a strong note, with 255,000 sf of positive net absorption in the fourth quarter. Sublease absorption has remained positive for four consecutive quarters, with over 400,000 sf absorbed in fourth quarter 2024. Additionally, Class A office buildings have been the only property class to experience positive absorption over the past three quarters, with 327,000 sf absorbed in fourth quarter 2024.

The overall average asking rent for all classes decreased by US$0.08 psf, or 0.3%, YOY to US$25.56 psf. However, Class A properties saw an increase with average asking rent rising 1.3% YOY to US$29.07 psf. For Class B properties, the average was US$23.56 psf while Class C averaged US$21.30 psf.

There were no new office deliveries in 2024. The office construction pipeline has nearly come to a standstill, with just 180,000 sf of new office space underway at a single project, The Beverly at Holladay Hills, 67% of which has already been pre-leased. Over the past 10 years, new office construction has averaged 1.2 msf annually. However, with limited new projects planned, this figure is expected to decline going forward until office demand, interest rates, and difficult lending conditions recover.

According to Real Capital Analytics, sale activity declined in 2023 to just under US$394 million. This is down 62.7% from US$1,055 in 2021 - the highest level of volume seen since records kept in 2012. Cap rates averaged 6.4% as of year-end 2023.

## Outlook

Class A space will continue to outperform all other Classes. Landlords who take the hospitality approach by having amenities such as conference centers with a large training room, lounge spaces, outside patio areas, and fitness facilities are going to be more successful at attracting tenants. Landlords that build spec suites will see more leasing activity among smaller tenants. Most tenants now have clarity on their space needs. As such, 2025 should see the start of a recovery in demand for office space. New office construction will not commence until there are significant improvements in the leasing market. Availability of quality sublease space will continue to decline as leasing activity increases.

# INDEPENDENT MARKET REVIEW

## Atlanta, Georgia

### Economic Indicators

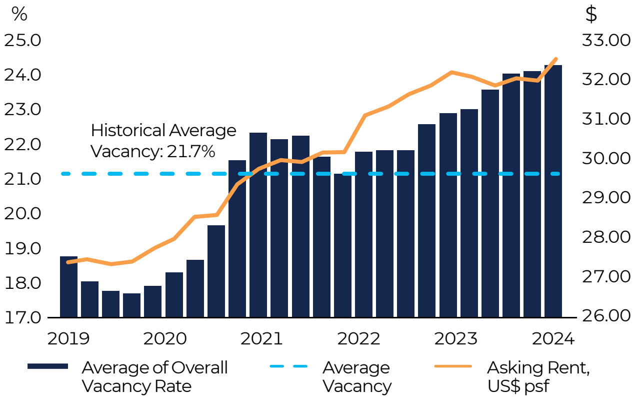
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Atlanta MSA Employment | 3,157k | 3,157k | ▲ |
| Atlanta MSA Unemployment | 3.5% | 3.6% | ▲ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

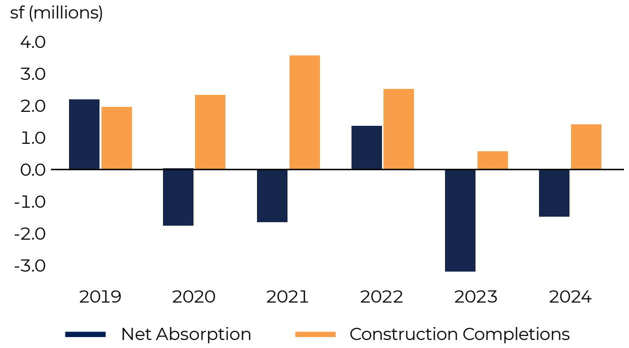
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 23.8% | 25.2% | ▲ |
| YTD Net Absorption (sf) | -2,500k | -1,400k | ▲ |
| Under Construction (sf) | 2,330k | 450k | ▼ |
| Average Asking Rent* | US$31.70 | US$32.53 | ▲ |

* Rental rates reflect gross asking US$psf/year

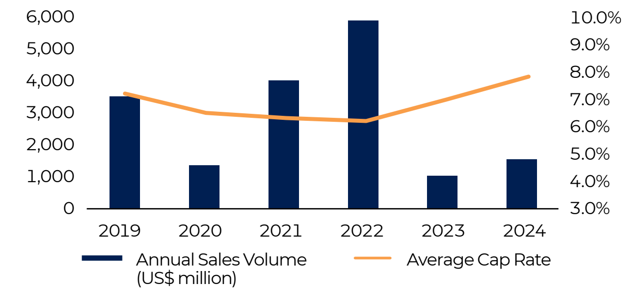
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

Job growth in Metro Atlanta increased by a modest 0.8% YOY, a deceleration amid ongoing employment loss in the information sector. However, payroll growth of 1.7% in financial activities helped bolster broader office-using employment. The sector is poised to maintain growth as financial companies such as Truist, Morgan Stanley, and SouthState Bank are in various stages of expansion across Atlanta. Additionally, Atlanta has recently yielded job announcements from companies across an array of industries, notably AIG, an insurance company that plans to establish a new tech office at Perimeter Summit with 600 new hires; and cybersecurity provider Fortinet, which will establish a global innovation hub at the Pace on Parkwood near Truist Park. With additional interest rate cuts expected in 2025, resiliency in the job market is poised to continue in 2025.

### Office Market Trends

Atlanta's overall vacancy rate increased 140 bps YOY to 25.2%. Overall vacancy in the CBD increased by 110 bps to 31.2% as the percentage of vacant space in Midtown continued to rise with the addition of Society Atlanta and 1020 Spring. Both buildings delivered with no preleasing, adding 606,618 sf of vacancy to the Midtown core.

Direct rental rates in the Atlanta Metro increased by 2.6% YOY to US$32.53 psf. Rate growth was concentrated in Midtown, where new trophy product propelled the average rent up 4.8% to US$45.67 psf. The Society Atlanta and 1020 Spring buildings both delivered in Midtown during fourth quarter 2024 with asking rates exceeding US$50.00 psf. Outside of Midtown, rent growth was largely muted. The prevalence of vacancies in older office product, coupled with a lack of new construction, have restricted rental rate growth outside of Midtown.

Transaction volume for investment sales had trended downward over the previous six years, reversing course in 2021 and continued growing into 2022. However, Real Capital Analytics estimates sales at US$1.2 billion, a 78.7% YOY decrease from 2022 and the lowest level of transaction volume since 2020. Capitalization rates were up 58 bps from 2022 to 6.75%.

### Outlook

Office construction is expected to hit historically low levels in 2025 as still-elevated interest rates restrict financing for new buildings.

Fueled by Atlanta's economic diversity and a growing number of return-to-office announcements, the metro area is expected to continue its recent momentum in securing large office leases during 2025.

Ongoing improvement in office occupancy is expected as occupiers re-evaluate their office space needs and limit the amount of sublease space they put on the market.

As the slowdown in office construction limits the availability of top-tier vacancies, the pace of rental rate growth in Midtown is expected to normalize in the coming year.

## Denver, Colorado

### Economic Indicators

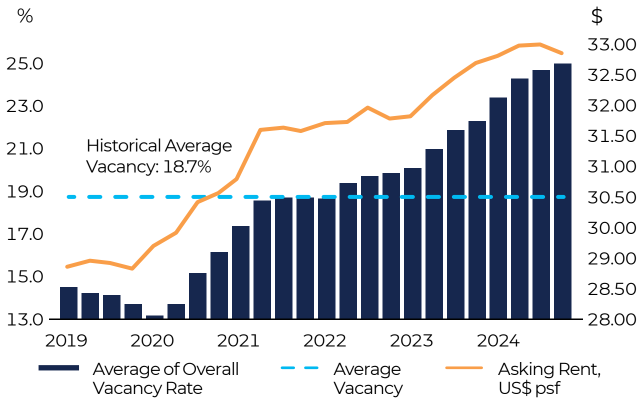
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Denver MSA Employment | 1,683k | 1,666k | ▲ |
| Denver MSA Unemployment | 3.3% | 4.2% | ▼ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

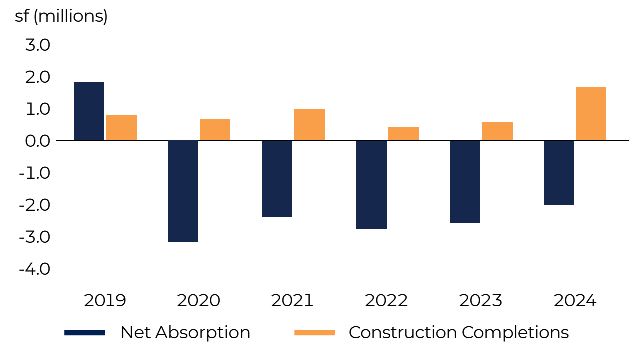
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 23.0% | 25.0% | ▲ |
| YTD Net Absorption (sf) | -470k | -235k | ▲ |
| Under Construction (sf) | 2,259k | 811k | ▼ |
| Average Asking Rent* | US$32.59 | US$32.80 | — |

* Rental rates reflect gross asking US$psf/year

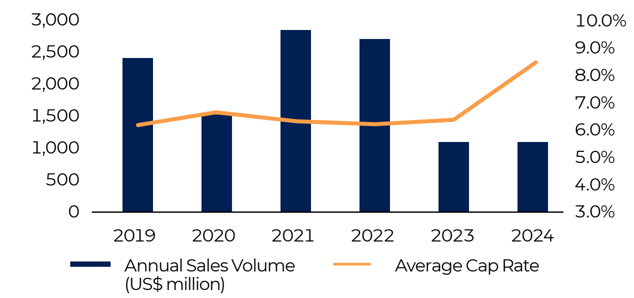
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

Metro Denver saw an uptick in unemployment, rising 4.2% in 2024. Similarly, the national unemployment rate also increased to 4.2%. While the national trend underscores concerns about economic headwinds, the upward shift in Metro Denver's unemployment rate suggests that local economic pressures, such as changes in hiring patterns and industry-specific fluctuations, may be contributing factors.

### Office Market Trends

The overall vacancy rate in Denver increased by 200 bps YOY. The vacancy rate increases in Denver Metro were mostly driven by sublease expirations translating into direct vacancy, as sublease availability in the Denver Metro area decreased, totaling just under 5.3 msf by the end of fourth quarter 2024.

The overall average asking rate for the Denver Metro remained steady, ending fourth quarter 2024 at US$32.80 psf. This represented a slight increase of US$0.21 psf increase compared to the fourth quarter 2024.

Net absorption was negative for the 5th year in a row, but decreasing to -235,000 sf. The flight-to-quality trend remained strong, as Class A space contributed approximately 984,100 sf, which constituted 66.5% of the activity, while Class B accounted for 370,800 sf (25.1%).

Metro Denver's absorption is improving, primarily due to several relatively large move-ins, including Crowheart Energy and Invenergy LLC, which together accounted for 70,100 sf of positive absorption at 1001 17th Street.

Office investment sales decreased 58.6% YOY to approximately US$1.0 billion in 2023. This is the lowest level of sales volume for Denver in the past five years and reverses a major rebound in 2021 and 2022 after two years of decline in 2019 and 2020. Capitalization rates were up slightly from 2022, averaging 6.4% but were generally in line with the range over the past five years.

### Outlook

Office leasing is expected to face continued pressure through the first half of 2025, as tenants navigate economic uncertainty with a cautious approach.

Sublease availability continues to be substantial, compared to pre-pandemic figures as tenants continue to downsize. As subleases continue to expire, a portion of this availability is expected to convert into direct vacancy, which will result in elevated vacancy figures. This conversion can already be seen as the number of sublease availabilities coming off the market has resulted in a rise of direct vacancy in recent quarters.

The under-construction pipeline continues to shrink due to economic headwinds and rising construction costs. Proposed projects continue to be on hold as developers and investors face financial challenges in securing appropriate funding.

Flight-to-quality trend continues as tenants are opting for newer, more modern, and better amenitized buildings.

# INDEPENDENT MARKET REVIEW

## Sacramento, California

### Economic Indicators

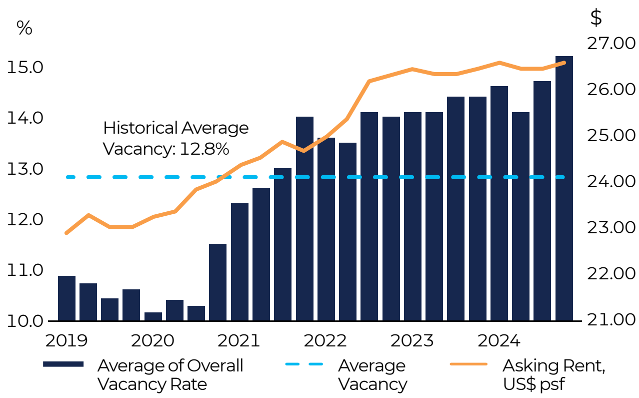
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| ForecastSacramento MSA Employment | 1,084k | 1,083k | ▲ |
| Sacramento MSA Unemployment | 4.3% | 4.8% | ▼ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

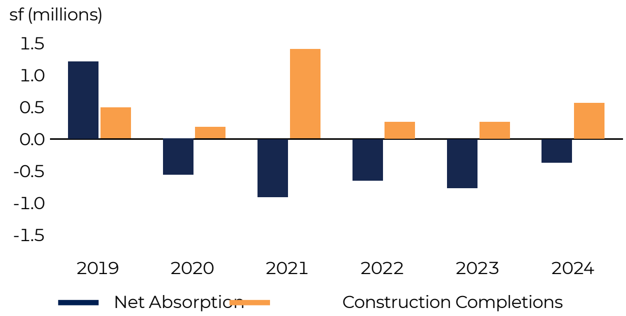
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 14.4% | 15.2% | ▲ |
| YTD Net Absorption (sf) | -823k | -840k | ▲ |
| Under Construction (sf) | 569k | 569k | — |
| Average Asking Rent* | US$26.40 | US$26.52 | — |

* Rental rates reflect gross asking US$psf/year

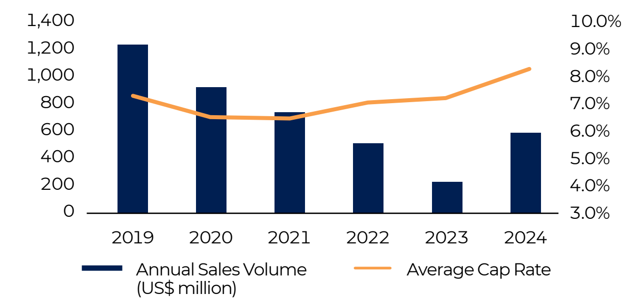
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

The Sacramento office market remains one of the more resilient markets in Northern California. While vacancy has risen as occupiers continue to streamline operations, they are demonstrating confidence in the region through commitments to longer-term leases, including renewals, relocations, and new signings. Despite the broader challenges facing office markets nationwide, Sacramento consistently outperforms many of its Northern California counterparts. With economic uncertainty persisting into early 2025, the region may face additional hurdles, but signs of gradual economic improvement suggest potential for recovery in the latter half of the year.

### Office Market Trends

Over the course of the year, leasing activity reached nearly 2 msf, with lease renewals accounting for over half of all transactions, totaling slightly more than 1 msf. Tenant requirements in the fourth quarter amounted to 1.5 msf, consistent with prior year levels but representing only about one-third of the demand seen five years ago.

Despite ongoing market challenges, asking rates demonstrated YOY stability, concluding 2024 at US$26.52 psf. Over the past 24 months, asking rents have been stable, although when compared to fourth quarter 2019, rents are up nearly 15%. In response to softened demand, landlords have maintained asking rents while simultaneously enhancing concession packages to attract tenants.

The market-wide vacancy rate rose 80 bps in 2024, reaching 15.2%. While this marks the highest vacancy rate since mid-2015, it remains comparatively low relative to the peak of 20.7% recorded during the Great Financial Crisis.

According to Real Capital Analytics, sale activity declined for the fifth consecutive year in 2023 to just under US$265 million. This is down 47.2% from 2022 and is the lowest annual total since 2015. Activity did pick up near the end of 2023 with capitalization rates rising slightly, averaging approximately 7.35% for the year.

### Outlook

While many occupiers are choosing to renew their leases, there is a noticeable trend of others upgrading to high-quality, amenity-rich spaces designed to deliver a modern, next-generation work experience.

Beyond traditional office tenants, the life sciences and tech sectors are poised for organic growth in the Sacramento metro area. These industries are likely to attract tenants from other markets, drawn by the region's talented workforce.

## San Diego, California

### Economic Indicators

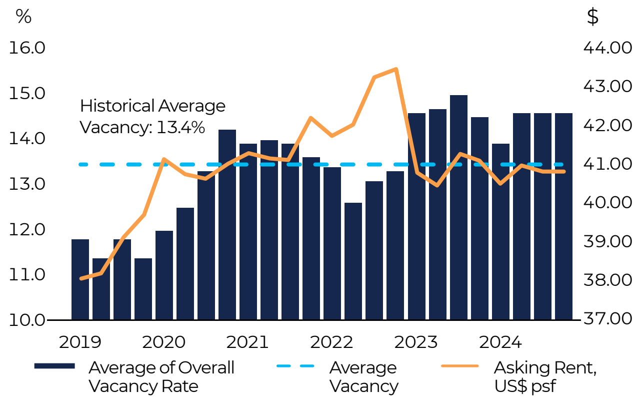
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| San Diego MSA Employment | 1,600k | 1,519k | ▲ |
| San Diego MSA Unemployment | 4.0% | 4.6% | ▼ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

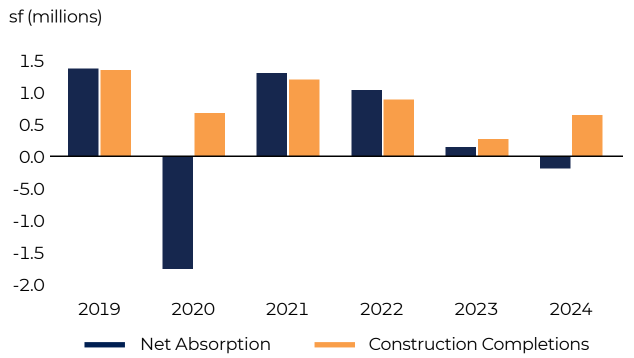
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 14.5% | 14.6% | ▲ |
| YTD Net Absorption (sf) | 395k | 110k | ▼ |
| Under Construction (sf) | 1,196k | 582k | ▼ |
| Average Asking Rent* | US$41.16 | US$40.80 | ▼ |

* Rental rates reflect gross asking US$psf/year

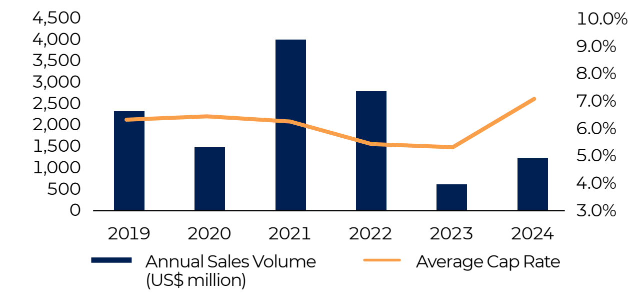
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

Total nonfarm employment in San Diego grew by 8,900 jobs or 0.6% YOY. The private education and health services sector accounted for the most significant job gains, at +4.7% YOY. The monthly unemployment rate increased from 4.0% to 4.6%.

The recovery from the 249,300 nonfarm job losses between March and April 2020 has been completed, with 313,400 jobs fully recovered between May 2020 and year-end 2024. All employment sectors are projected to grow at a combined growth rate of 1.1% in 2025 and 0.9% in 2026, compared to the five-year historical average of 0.8%.

### Office Market Trends

San Diego's overall vacancy rate rose 50 bps YOY to 14.6%. Sublease vacancy declined 30 bps YOY to 1.2%, while sublease availability fell by 40 bps to 3.9%. However, direct vacancy increased by 70 bps to 13.3%.

After three consecutive quarters of negative absorption, overall absorption was positive in fourth quarter 2024 at 110,000 sf, driven by occupancy gains in class A properties. New leasing for 2024 is down 1.1% from 2023, totaling 2.2 msf. Renewals accounted for a significant portion of leasing activity. Companies continue to focus on trophy assets and revamped spaces, aiming to return employees to the office, as many tenants reassess their space needs in response to the rise of remote work.

The overall asking rent declined by US$0.36 psf YOY. Class A average rent increased by 0.9% to US$47.16 psf YOY, while Class B average rent remained flat YOY at US$35.88 psf. Sublease space is starting to decline but is only slightly below the 10-year historical peak. At the same time, direct vacancy in most major submarkets has yet to rise significantly enough to cause substantial asking rent reductions in suburban submarkets, particularly for top-tier properties.

San Diego County currently has 581,876 sf of new inventory under construction, of which 58% is pre-leased. Of the space under construction, 71% of inventory is speculative, and the remaining 29% is build-to-suit.

Real Capital Analytics estimated investment sales volume at approximately US$802 million for the past 12 months, down 70.5% from US$2.7 billion in 2022. Cap rates decreased in 2023, averaging approximately 5.3% for the year.

### Outlook

Tenants are actively reassessing their real estate needs, considering work-from-home policies and their short and long-term requirements in the post-pandemic era. This evaluation is leading to changes in their real estate footprints. Leasing activity has been most robust for spaces under 10,000 sf, but demand for spaces ranging from 10,000 sf to 50,000 sf has increased in the past twelve months. Smaller tenants, occupying less than 10,000 sf, represent 27% of the total upcoming lease rollover.

Countywide, active tenant requirements total 2.5 msf for spaces over 10,000 sf over the next 24 months. Tenants are re-entering the market, generally seeking higher-quality spaces that align with their adjusted footprints and evolving needs. However, not all tenants in the market will transact in the short term.

# INDEPENDENT MARKET REVIEW

## Oakland (East Bay), California

### Economic Indicators

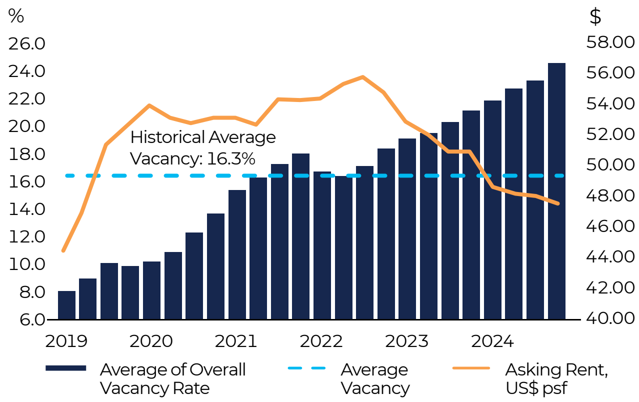
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| San Francisco Oakland MSA Employment | 2,443k | 2,384k | ▲ |
| San Francisco Oakland MSA Unemployment | 4.2% | 4.4% | ▼ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

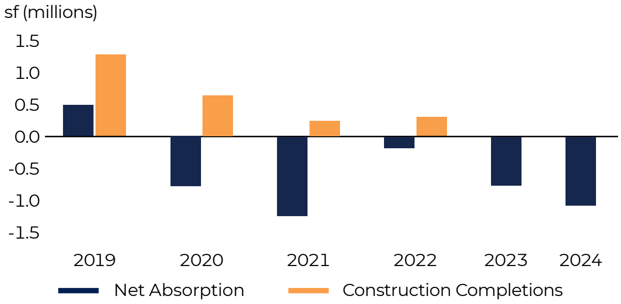
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 21.1% | 24.6% | ▲ |
| YTD Net Absorption (sf) | -223k | -356k | ▲ |
| Under Construction (sf) | 0k | 0k | ▲ |
| Average Asking Rent* | US$51.00 | US$47.52 | ▼ |

* Rental rates reflect gross asking US$psf/year

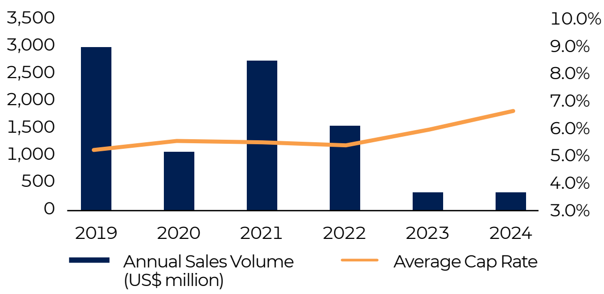
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

The East Bay, consisting of Alameda and Contra Costa counties, recorded positive job growth with 10,500 jobs added YOY, bringing regional employment to 1.20 million. Despite the growth in positions, new jobs have not kept pace with a growing workforce and the unemployment rate rose 20 bps YOY, closing the fourth quarter at 4.4%. As it relates to office markets, new macroeconomic uncertainties, coupled with persistent remote work trends have weighed heavily on office demand, particularly in the technology sector, which had been a driving force for growth in the region.

### Office Market Trends

The overall vacancy rate in the East Bay Oakland office market was 24.6% at the close of the fourth quarter, up 350 bps YOY. Compared to Oakland's CBD, the submarkets of Jack London Square and the Oakland Airport, which cater to smaller tenants and offer lower cost options, continued to outperform not just the CBD but the greater Bay Area, with vacancy below 12% in both submarkets.

The overall asking rate closed the fourth quarter at US$47.52 psf, down US$2.76 psf YOY. Having held near historic highs through much of the Pandemic, despite rising vacancy, the market has only recently begun to reprice as landlords look to capture limited tenant demand and boost occupancy in the face of looming loan maturities. This trend has accelerated through 2024, with the overall asking rate for Oakland's CBD down 21.8% from its pre-pandemic high to US$51.00 psf in the fourth quarter.

Leasing for the year totaled 1.2 msf, up 37.6% from 2023 but still below 50% of pre-pandemic levels which averaged 2.9 million sf in the five years leading up to the pandemic. While overall activity was down, there was a growing number of new leases in the mid-size segment of the market, between 3,000-10,000 sf. This aligns with the trend that tenants are continuing to "right size" within the market, shedding larger suites for new locations that better accommodate hybrid work models. C&W was tracking just over 400,000 sf of office requirements at the end of the quarter, well below the 10-year average of over 1.0 msf. Existing demand must also be taken with a grain of salt, as many of these tenants already exist in the region and are exploring their options before potentially executing renewals or downsizing. The market will require an uptick of in-migration or existing tenant expansions before tracked demand will have a meaningful effect on vacancy.

According to Real Capital Analytics, sale activity decreased in 2023 to US$392 million, a 76% decreased from 2022. This level is 1/3 of the 2020 level, the lowest in the past 10 years. Average cap rates have remained relatively level, ending 2023 at 5.9%.

### Outlook

Asking rents are expected to decline as pricing slowly adjusts to elevated vacancy and lower demand. Investment activity will maintain momentum into 2025 as interest rates begin to fall and debt maturity places pressure on properties to trade.

Vacancy will continue rising into 2025 until new demand returns from outside of the market. Current leasing activity has been driven by tenants already in the market.

## Philadelphia, Pennsylvania

### Economic Indicators

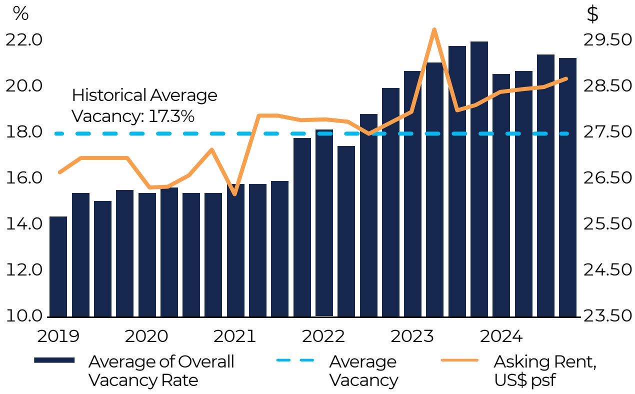
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Philadelphia MSA Employment | 3,130k | 3,131k | ▲ |
| Philadelphia MSA Unemployment | 3.7% | 3.8% | ▲ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

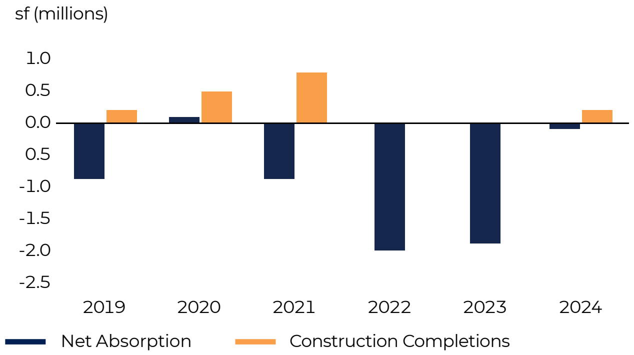
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 21.9% | 21.2% | ▲ |
| YTD Net Absorption (sf) | -1,820k | -36k | ▼ |
| Under Construction (sf) | 1,045k | 545k | ▼ |
| Average Asking Rent* | US$28.09 | US$28.63 | — |

* Rental rates reflect gross asking US$psf/year

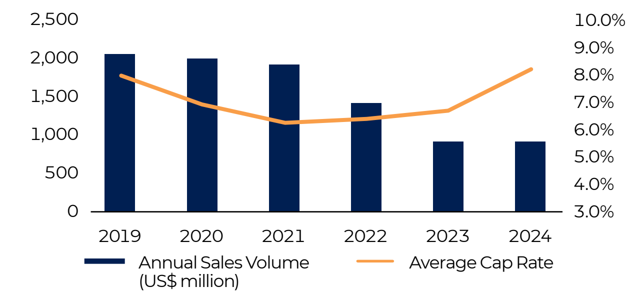
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

Unemployment settled at 3.8% with most employment gains driven in Montgomery, Chester and Bucks counties, where office using sectors finance, business services, government and education are at or have sustained all-time highs in employment.

### Office Market Trends

Overall vacancy sits at 21.2%. A key contributor remains the persistent sublease vacancy, which continues to hover above 2.0% for eight consecutive quarters. Although sublease vacancy has eased slightly, down 20 bps from its peak earlier in the year, direct vacancy has steadily climbed, now nearing 19.0%. This rise in direct vacancy is pushing the market toward potential all-time highs, signaling ongoing challenges for the suburban leasing landscape.

Total leasing activity was the second lowest since the pandemic, falling 10.9% YOY. In primary suburban markets, vacancy stands at 19.7% while leasing activity dropped 20.7% YOY. Meanwhile, secondary markets vacancy rose to 22.5%, while leasing activity dropped 35.7% YOY.

Class A leasing activity recorded its lowest levels since the pandemic, falling 18.0% YOY, while class B leasing activity increased 5.4% YOY. Class B leasing was driven by secondary markets, where activity surged by 14.7% YOY.

Pricing may be playing a significant factor as the rent disparity between class B spaces in primary versus secondary markets has grown substantially, now exceeds US$9.00 psf, representing a 14.3% increase YOY and a 47.7% increase over the past 24 months.

According to Real Capital Analytics, sale activity has decreased annually for the past 5 years, ending 2023 at just over US$872 billion. This is the lowest level of investment sales within the past 5 years, which peaked in 2019 at US$2,045 billion. The average cap rate increased to 7.1%, a 53bp increase from 2022.

### Outlook

The economy in the Philadelphia metro continues to struggle with market rents remaining relatively stagnant and vacancy remaining generally the same. There continues to be lower net absorption and no new construction completions in 2024. With no new construction, that trend is forecast to slow until absorption and vacancy are closer to historical levels. The amount of space currently in the market and the long lead times it takes for new office construction means that Philadelphia will remain a tenant's market for the foreseeable future, and tenant demand is expected to remain moderate for office product.

# INDEPENDENT MARKET REVIEW

## Dallas, Texas

### Economic Indicators

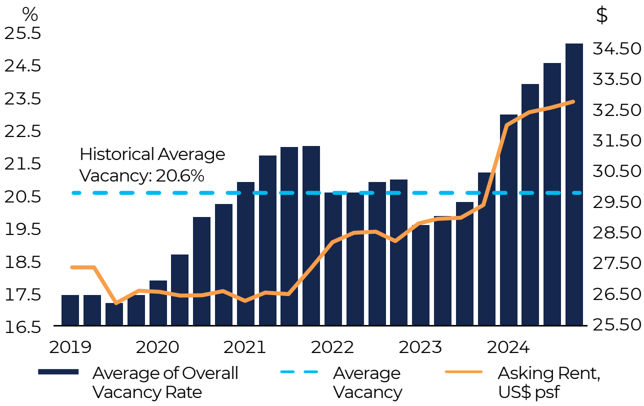
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Dallas-Ft Worth MSA Employment | 4,299k | 4,334k | ▲ |
| Dallas-Ft Worth MSA Unemployment | 3.9% | 3.9% | ▼ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

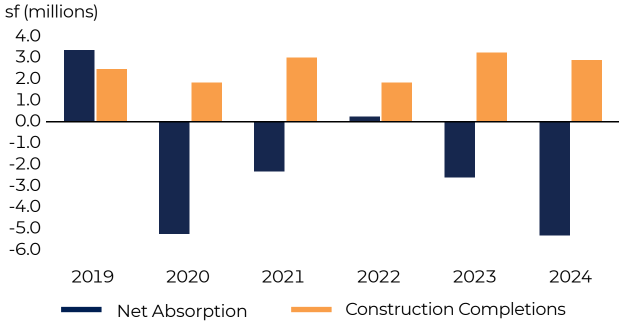
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 21.2% | 25.2% | ▲ |
| YTD Net Absorption (sf) | -1,900k | -5,500k | ▼ |
| Under Construction (sf) | 6,068k | 2,061k | ▼ |
| Average Asking Rent* | US$29.48 | US$32.74 | ▲ |

* Rental rates reflect gross asking US$psf/year

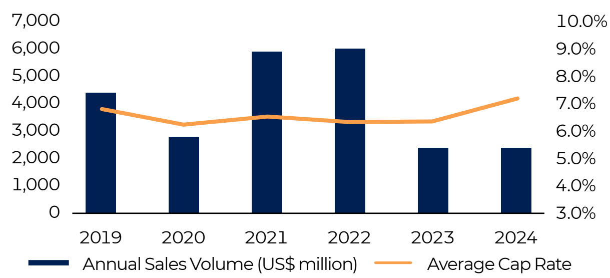
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

Employment continued growing in Dallas/Fort Worth (DFW) region at 1.4% YOY. Population growth continued at a robust pace of 194,257 new residents over the last 12 months, a YOY increase of 2.3%.

Office-using employment grew by 12,600 jobs or 1.0% YOY in 2024, above the national level of 0.3% YOY. Texas business leaders in the manufacturing and service sectors noted general improvement to their outlooks in each Dallas Fed survey since the election, although some short-term uncertainty exists regarding the incoming administration's trade policy, potential inflationary impact, and a response by the Federal Reserve to hold interest rates higher for longer.

### Office Market Trends

Demand for office space continued to reflect compressed deal activity amid higher interest rates and slowing job growth, as well as the larger trend of right-sizing footprints in light of new work patterns. Overall leasing activity over the last 12 months totaled 15.6 msf. New leasing activity declined 2.7% YOY to reach 11.5 msf over the last 12 months.

Overall net absorption reached negative 5.5 msf over the last 12 months, on par with levels seen in 2020 during the initial onset of the COVID-19 pandemic. Negative absorption was recorded in both Class A and Class B properties.

Vacancy continued rising with negative absorption and speculative deliveries. Vacancy increased and 400 bps YOY to 25.2%, the highest level since 2004. Overall vacancy reached 27.3% in Class A and 22.5% in Class B properties.

New construction continued slowing with just 2.5 msf delivered for the year—the lowest figure in over a decade. Only one project is expected to deliver in 2025: 23Springs for 626,200 sf in Uptown/Turtle Creek.

Despite rising vacancy rates, DFW office rents continued climbing. Asking rents increased 11.1% YOY to reach US$32.74 psf, another all-time high. New construction accounted for more than half of rent growth as rents in properties delivered in 2024 averaged US$66.01 psf. Excluding new deliveries, overall asking rent growth was more modest at 2.1% YOY.

Like most other markets, investment sales activity rebounded from the suppressed levels of 2020, increasing nearly 103% in 2021, then increasing 2.1% YOY to nearly US$6.0 billion in office investment sales in 2022. However, 2023, investment sales dropped 59.9% to US$2.4 billion, a level even lower than the initial COVID year, 2020. Average capitalization rates remained relatively stable at 6.2%.

### Outlook

Little has changed with office headwinds over the past year. Right-sizing will continue driving negative absorption and higher vacancy over the next 12 months.

As direct vacancy rises in the short term, the number of acutely distressed properties will likely increase.

Current rent spreads support opportunities to reposition viable buildings at a favorable cost basis.

Disposition of surplus office inventory through conversion, user purchase or redevelopment will continue but require time to improve market fundamentals.

## St Louis, Missouri

### Economic Indicators

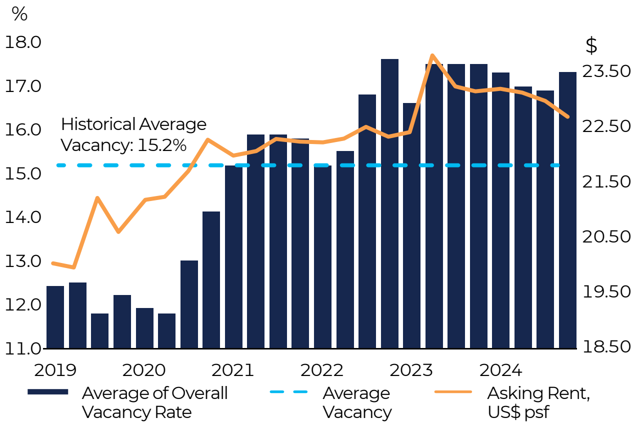
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| St Louis MSA Employment | 1,440k | 1,455k | ▲ |
| St Louis MSA Unemployment | 3.4% | 3.8% | ▲ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

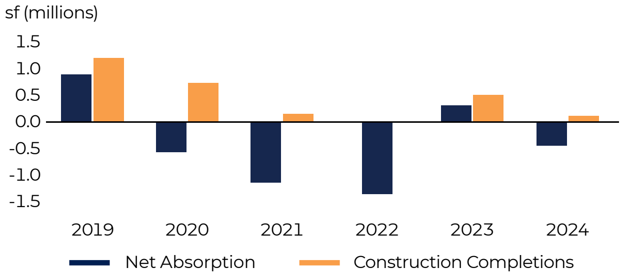
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 17.3% | 17.3% | ▼ |
| YTD Net Absorption (sf) | 288k | -495k | ▲ |
| Under Construction (sf) | 0k | 0k | ▲ |
| Average Asking Rent* | US$23.14 | US$22.65 | — |

* Rental rates reflect gross asking US$psf/year

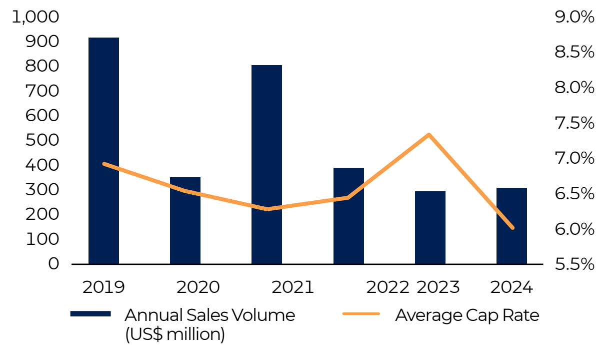
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

The St. Louis unemployment rate closed the year at 3.8%, a 40 bps increase, based on 15,000 person increase in employment.

### Office Market Trends

Vacancy rates in the St. Louis office market peaked to 17.3% to remain flat YOY. This shift in occupancy was largely driven by the 150,800 sf downsize of United Healthcare. This consolidation was a key contributor to the market's overall absorption total of -494,691 sf. The market has recorded annual negative absorption in four of the last five years, as the St. Louis office sector continues its recovery. Despite elevated supply levels, new leasing velocity in St. Louis remains steady, as the market recorded approximately 1.4 msf of new leasing activity in 2024.

The St. Louis office market recorded a drop in asking rents, ending the year at US$22.65 psf, a US$0.49 psf decrease YOY. Overall asking rents in the region have now declined for six consecutive quarters, evidence of the continued trend of flight-to-quality that has taken top-tier space off the market in St. Louis' most costly submarkets. Though vacant Class A space still accounted for 65.5% of all availabilities throughout the region, Class A asking rents also recorded an US$0.18 psf decrease QOQ closing fourth quarter 2024 at US$24.36 psf.

According to Real Capital Analytics, sale activity decreased in 2023 to just under US$295 million from US$779 million in 2021. 2019, at US$940, was the highest year on record since 2015, which had volume of US$791 million. Average capitalization rates remained relatively stable at 8.0%.

### Outlook

Flight-to-quality will continue to impact the St. Louis market despite economic headwinds.

Buildings with some combination of modern buildout and sought-after amenities will continue to see an outsized share of leasing activity as the market continues to trend towards a higher quality, more flexible workplace.

Hybrid/remote work strategies will continue to impact the market but return-to-office initiatives may boost activity, especially in higher quality assets.

# INDEPENDENT MARKET REVIEW

## San Antonio, Texas

### Economic Indicators

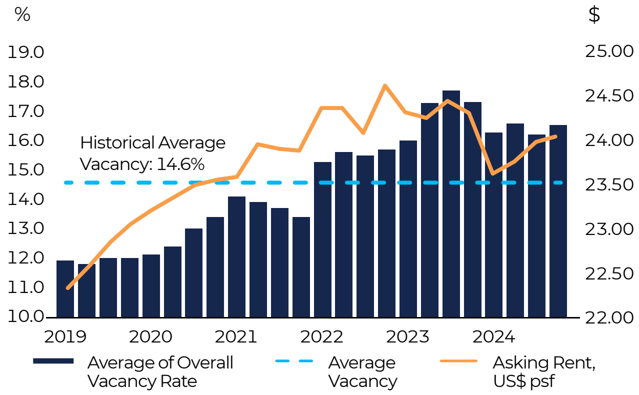
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| San Antonio MSA Employment | 1,249k | 1,281k | ▲ |
| San Antonio MSA Unemployment | 3.8% | 3.9% | ▼ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

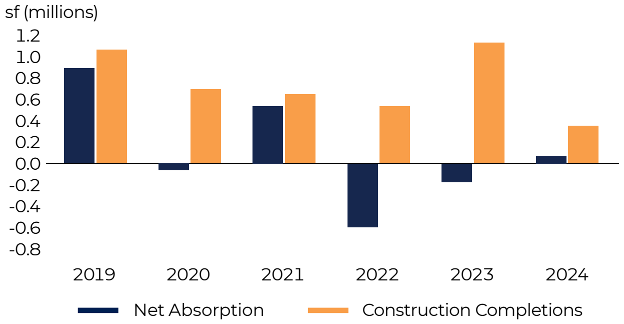
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 17.3% | 16.5% | ▲ |
| YTD Net Absorption (sf) | 103k | 105k | ▼ |
| Under Construction (sf) | 277k | 182k | — |
| Average Asking Rent* | US$23.33 | US$24.05 | ▼ |

* Rental rates reflect gross asking US$psf/year

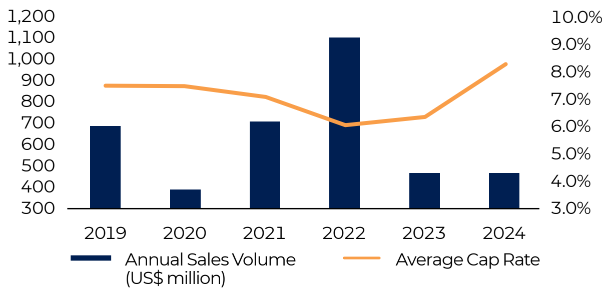
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

San Antonio continued its steady growth despite lingering economic pressures. The region's unemployment rate rose slightly from last year to 3.9% but remained below the national average of 4.2%. Robust performance in healthcare and manufacturing sectors has helped sustain this advantage. Unemployment rates are expected to decline over the coming year, supporting San Antonio's positive economic trajectory.

### Office Market Trends

Demand in San Antonio's office market remained tepid during 2024, with the overall vacancy rate decreasing to 16.5%, down 80 bps YOY. Class A vacancy climbed 50 bps to 20.1% during the quarter.

Despite these trends, 105,000 sf of positive net absorption was recorded. Leasing activity declined for the second consecutive quarter, with only 408,000 sf of new deals completed, bringing the annual total to 2.8 million sf. Office construction activity remained sluggish, with just one major project underway and limited development expected in the coming years.

Asking rents rose for the third consecutive time this year, closing at US$24.05 psf. The overall rent growth reflects the higher proportion of premium-priced Class A space in the market.

According to Real Capital Analytics, sale activity increased to over US$470 million in 2023, after increasing in 2022 to US$1,105 billion. This is a decrease of 57.5% after increasing 53% in 2022. With the significant decrease in sales in 2023 also included a modest increase in cap rates from 6.2% up to 6.3%.

### Outlook

San Antonio office market fundamentals remain steady, with strong rent levels and strong leasing activity in most submarkets. Rental rate growth is expected to decelerate after steady growth over the last five years in most submarkets. Thus, the San Antonio office market is expected to moderate as space is absorbed and rental rates steady.

## Suburban Maryland

### Economic Indicators

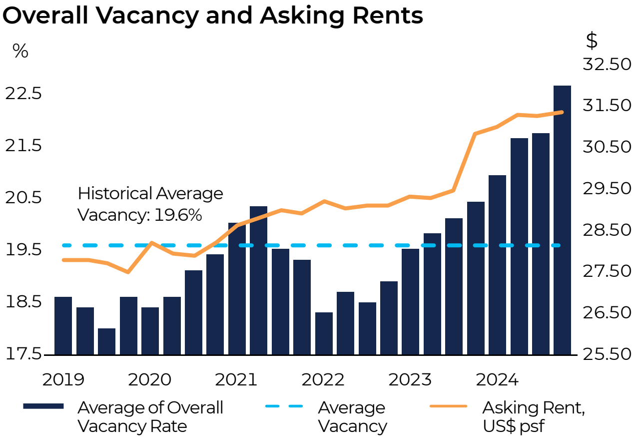
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| (Suburban MD) WA-Arlington-Alexandria MSA Employment | 3,420k | 3,402k | ▲ |
| (Suburban MD) WA-Arlington-Alexandria MSA Unemployment | 2.4% | 3.2% | ▲ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

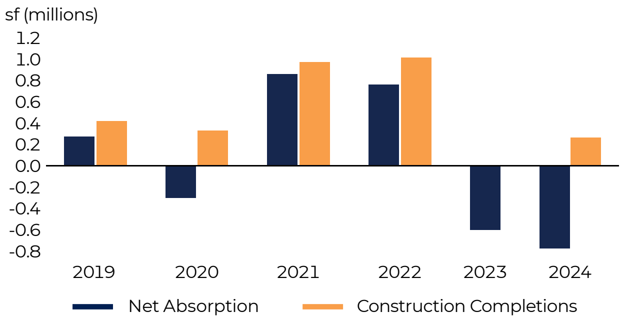
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 20.4% | 22.6% | ▲ |
| YTD Net Absorption (sf) | -156k | -777k | ▼ |
| Under Construction (sf) | 276k | 0k | ▼ |
| Average Asking Rent* | US$30.83 | US$31.35 | — |

* Rental rates reflect gross asking US$psf/year

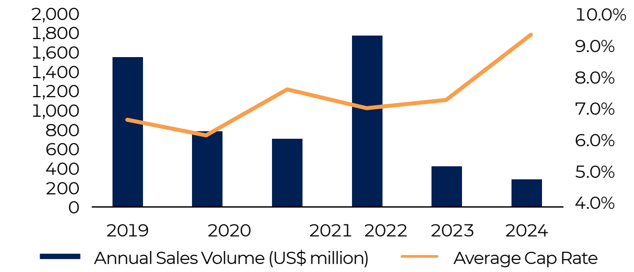
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

The Suburban Maryland market has witnessed a decrease in employment and corresponding increase in unemployment rate; the education and health services sectors contributing significantly to job creation and although contracting slightly, the strength of Federal Government employment. Financial services, mining, logging and construction also experienced net losses in jobs over the past year.

### Office Market Trends

Suburban Maryland recorded nearly 387,500 sf of new leasing in fourth quarter 2024 and just under 182,000 sf of renewal activity. In all of 2024, Suburban Maryland registered just over 1,762,000 sf of new leasing and inked 1,195,500 sf of renewals.

Suburban Maryland recorded 144,000 sf of negative absorption in fourth quarter 2024, bringing year-end absorption to negative 777,000 sf.

The federal government was the primary driver of negative absorption, with the Department of Energy vacating nearly 100,000 sf and the FDA vacating over 85,000 sf. Both agencies transitioned to owner-occupied facilities. Another significant move involved the American Nurses Association, which downsized from over 50,000 sf to 40,000 sf.

Overall vacancy rates closed fourth quarter 2024 at 22.6%, representing a 110 bps increase YOY. Class A vacancy rose to 24.1%, up 340 bps YOY, while Class B recorded 22.0%, up 70 bps YOY. Unlike DC's office market, Suburban Maryland's Class A vacancy is higher than Class B, reflecting the flight-to-quality trend of occupiers leaving older Class A buildings for newly delivered buildings that offer the ability to increase efficiency across the floorplate.

Suburban Maryland's average overall asking rates increased to US$31.35 psf, up US$0.52 psf YOY. Bethesda/Chevy Chase maintained the highest asking rates at US$43.34 psf, followed by Rock Spring Park at US$32.20 psf.

Real Capital Analytics estimated investment sales volume at approximately US$439 million for the past 12 months, down 75% from US$1,739 billion in 2022, the lowest level over the past 5 years. The average cap rates were 7.25%, up from a high of 7.25% in 2022.

### Outlook

Suburban Maryland's continued economic growth can be seen throughout the office market fundamentals. The increasing willingness to invest large sums in the city's urban core and high lease rates combine to create a vibrant and dynamic office landscape. Optimism continues in 2024 as the lack of new speculative construction protects the market from exposure to oversupply.

# INDEPENDENT MARKET REVIEW

## Suburban Virginia

### Economic Indicators

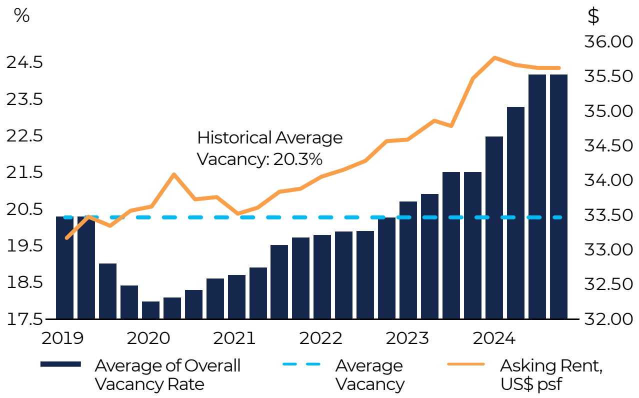
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Virginia MSA Employment | 851k | 858k | ▲ |
| Virginia MSA Unemployment | 2.4% | 3.2% | ▲ |
| U.S. Unemployment | 3.7% | 4.2% | ▲ |

### Office Market Indicators (Overall, All Classes)

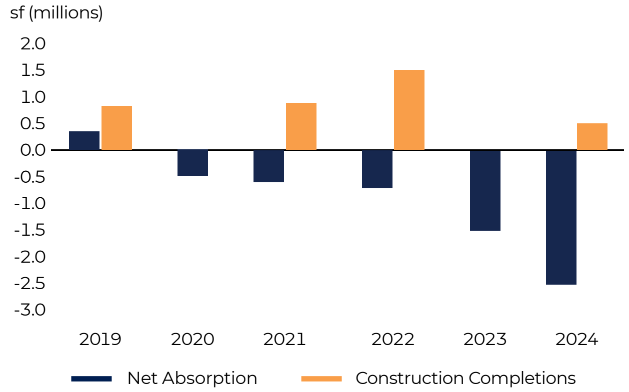
| | Q4 2023 | Q4 2024 | 12-Month Forecast |
|---|---|---|---|
| Vacancy | 21.5% | 24.2% | ▲ |
| YTD Net Absorption (sf) | 32k | 2,400k | ▼ |
| Under Construction (sf) | 703k | 163k | ▼ |
| Average Asking Rent* | US$35.52 | US$35.65 | — |

* Rental rates reflect gross asking US$psf/year

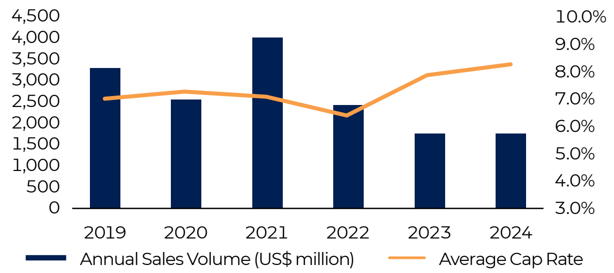
### Overall Vacancy and Asking Rents




### Office Space Demand and Deliveries




### Investment Sales




Source: Real Capital Analytics

### Local Economy

The suburban Virginia market has been strengthened by new job creation in 2024; however unemployment has increased to 3.2%. The largest gain in employment was in the professional and business sector which had over 2.9% growth from the prior year.

### Office Market Trends

In 2024, Northern Virginia recorded 2,993,000 sf in new and 4,378,000 sf in renewal activity. Gross leasing activity is up 3% YOY.

Northern Virginia recorded negative 2.4 msf of net absorption. Alexandria submarkets totaled negative 954,000 sf YTD while Fairfax County recorded negative 719,676 sf and Arlington registered negative 611,725 sf YTD.

Vacancy rates rose 270 bps YOY to 24.2%. Class A vacancy rose 260 bps YOY to 23.8%, Class B rose 140 bps YOY to 27.3%, and Class C remained stable YOY at 16.3%.

Overall average asking rates remained stable at US$35.65 psf US$0.13 increase from last year. Class A rates rose US$0.11 YOY to US$37.98 psf while Class B dropped US$0.29 YOY to US$32.77 psf.

According to Real Capital Analytics, sale activity decreased to over US$1.77 billion in 2023, after decreasing in 2022 to US$2.5 billion. The 2023 level was similar to 2020, with the COVID effects, down 38% from 2021. The average cap rates increased to 7.6% from 6.5% in 2022.

### Outlook

Only one project remains in the development pipeline – Comstock's 1880 Reston Row Plaza is expected to deliver 163,331 of space in Q2 of 2025 and will complete Reston Row. With interest rates on construction loans elevated, materials and labor pricing at near peak levels and long-term uncertainty in the market, we are seeing a much slower construction pipeline. Additionally, developers needing debt to construct office are now facing much higher pre-leasing requirements from users before breaking ground, which is even harder due to the reduced demand market-wide.

Office-to-residential conversions are on the rise and have accounted for over 1.2 msf of office product being removed from Northern Virginia's total inventory. On top of the projects that have broken ground, conversions of more than 4.3 msf across 27 office properties have been planned or proposed by developers. There are currently four conversions under construction totaling 640,000 sf in Old Town and Rosslyn.

## Use and Reliance

This Independent Market Review (IMR) was prepared and compiled by Cushman & Wakefield Western, Inc. and affiliates (Cushman & Wakefield). The content of this IMR is for information only and should not be relied upon as a substitute for professional advice. Prime US REIT Management Pte. Ltd. (as Manager of Prime US REIT) is the only identified Intended Users of the IMR. The IMR is to be used in connection with the publication of an annual report. C&W disclaims any and all liability to any party with regard to the IMR other than the Intended Users identified herein.

The information contained within this IMR is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

## Methodology

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the local office markets. Generally, owner-occupied and federally-owned buildings are not included. Single tenant buildings and privately-owned buildings in which the federal government leases space are included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

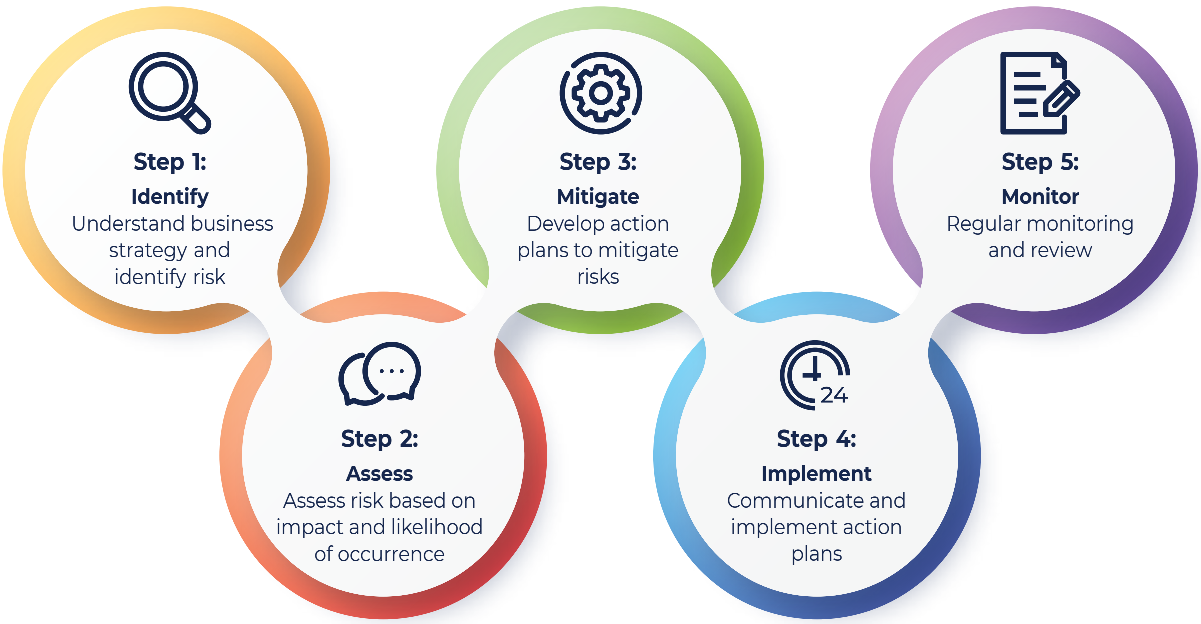
# ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management ("ERM") is an integral component of PRIME's strategic decision-making and forms part of PRIME's risk governance process. Under the ERM framework, significant risk areas are identified and assessed with plans put in place to mitigate, manage, and control the identified risks through systems, policies and processes.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK

A sound and robust risk management framework to enable the Manager to be ready to meet challenges and to seize opportunities. The ERM framework provides a systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as PRIME's policies and limits in addressing and managing identified key risks. The ERM framework also allows PRIME to respond promptly and effectively in the constantly evolving business landscape.

### 5-STEP RISK MANAGEMENT PROCESS




**Robust ERM Framework**

The Manager adopts a five-step risk management process comprising risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation of action plans, as well as regular monitoring and review. The ERM framework is dynamic and evolves to adapt to the changing business environment.

The risk assessment takes into account both the impact and likelihood of occurrence of the risk, and covers investment, financial, operational, reputational and other major aspects of PRIME's business. Tools deployed include risk rating matrices, risk heat map and risk registers to assist the Manager in its performance of risk management.

Guided by the framework, the Manager ensures that each type of risk is assessed in the right way and makes the right decision (or most optimal ones) about choices with uncertain outcomes in a manner that is well-understood and in line with the below three risk tolerance guiding principles:-

1. Risks taken should be carefully evaluated, commensurate with rewards, and are in line with PRIME's core strengths and strategic objectives;

2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger PRIME; and

3. PRIME does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as unlawful acts such as fraud, bribery and corruption.

## KEY RISKS

### 1. Operational Risk

- All operations are aligned with PRIME's strategies to deliver strong total returns to its Unitholders;

- The Manager works closely with the asset manager and property manager to optimise asset performance and control property expenses. The Manager oversees an active asset management program that has been put in place to oversee leasing, capital projects and operations at the properties. Measures include prompt lease renewals to reduce rental voids, active monitoring of rental payments from tenants to minimise rental arrears and bad debts, controlling property expenses to maximise net property income, and evaluating the counterparties on an ongoing basis;

- The Manager, through its relationship with the KBS asset management team, actively engages and fosters close relationships with tenants and manages a well-spread lease expiry profile;

- Business continuity plans are updated and tested regularly to ensure PRIME is able to respond effectively to disruptions resulting from internal and external events, while continuing its critical business functions and minimising impact on its people, operations and assets;

- PRIME's assets undergo regular audits to review the operational property management processes of its buildings and ensure that safety standards and security processes are in line with latest local requirements;

- Asset enhancement works are conducted, when required, to ensure that the properties remain competitive; and

- Insurance coverage is reviewed annually to ensure that PRIME's assets are adequately and appropriately insured.

### 2. Economic and Taxation Risks

- PRIME may be adversely affected by economic and real estate market conditions in the U.S. as well as changes in taxation legislation, administrative guidance or regulations.

- The Manager manages this by closely monitoring the U.S. economic situation, political environment, economic developments and tax regime so that it may take anticipatory moves to safeguard income flows. The Manager also works closely with tax agents and advisors in the U.S. and Singapore to anticipate and evaluate the impact of any changes in taxation legislation, administrative guidance and regulations on the business of PRIME.

### 3. Liquidity and Financing Risks

- Liquidity and financing risks are managed in accordance with established guidelines and policies. The Manager proactively monitors PRIME's cash flow, debt maturity profile, gearing and liquidity positions, including evaluating the diversification of its future funding sources and managing tenure of borrowings, to ensure a well-staggered debt maturity profile; and

- The Manager maintains a robust cash flow position and working capital to ensure that there are adequate liquid reserves to meet financial obligations. Steps have also been taken to plan for capital and expense requirements to manage the cash position at any point in time.

- Details on PRIME's debt maturity profile as at 31 December 2024 as well as the capital management structures are discussed in the Financial Review and Financial Statements sections of this Annual Report.

# ENTERPRISE RISK MANAGEMENT

**4. Exposure to Financial Markets Risk**

- The Manager constantly monitors exposure to interest rates. It utilises various financial derivative instruments, where appropriate, to hedge against such risks;

- Details on PRIME's debt hedging profile as at 31 December 2024 are discussed in the Financial Review and Financial Statements sections of this Annual Report;

- In 2024, PRIME was not exposed to significant foreign currency risk as its functional currency is in United States Dollars ("US$") and the cash flows from the operations of its properties are denominated in US$. The Trust will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ (at their option) or converted to Singapore Dollars ("S$") at the spot foreign exchange rate on the designated date. PRIME also borrows in US$ as a form of natural hedge against foreign currency risk; and

- The Trust is exposed to fluctuations in the cross-currency rates of the US$ and S$ for operating expenses incurred in Singapore, but these are not material. Where appropriate, based on the prevailing market conditions, PRIME may adopt suitable hedging strategies to minimise any US$ and S$ foreign exchange risk.

**5. Credit Risk**

- Credit risk assessments of tenants are carried out prior to signing of lease agreements. Credit risks are further mitigated through various mechanisms, including the upfront collection of security rental deposits where applicable;

- Systematic rental collection procedures are implemented to ensure regular collection of rents, thereby reducing the incidence of rental arrears; and

- The Manager also monitors the tenant mix to ensure no individual tenant contributes a significant percentage of the gross revenue.

**6. Investment Risk**

- Comprehensive due diligence is conducted prior to any proposed transaction to assess and evaluate potential investment risks. All investment proposals are evaluated objectively based on the Manager's investment criteria, as well as the target asset's specifications, location, expected returns, yield accretion, growth potential and performance sustainability, taking into account the prevailing economic climate and market conditions;

- The Board reviews and approves all investment proposals only after evaluating the feasibilities, merits and risks; and

- The Manager takes into consideration investment risk in a controlled manner, exercising the spirit of enterprise as well as prudence to earn the optimal risk-adjusted returns on invested capital.

**7. Compliance Risk**

- The Manager, being a Capital Markets Services Licence holder, complies with applicable laws and regulations, including the Listing Rules of the Singapore Exchange, Code of Corporate Governance 2018, CIS Code and the Property Funds Appendix, and conditions of the Capital Markets Services Licence for REIT Management issued by the MAS under the SFA as well as tax rulings in the relevant jurisdictions in which it operates;

- PRIME and the Manager undergo regular internal and external audits to ensure that they adhere to relevant policies and processes;

- Recognising that non-compliance with laws and regulations has potential significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all of PRIME's business operations;

- The Manager closely monitors changes in legislations and regulations, as well as new developments in its operating environment; and

- PRIME adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to ensure relevant policies, processes and controls are effectively designed, managed and implemented so that compliance risks and controls are effectively managed.

**8. Information Technology Risks**

- The Manager is cognisant of modern-day risks associated with Information Technology and aligns its cyber hygiene practices with the MAS Notice on Cyber Hygiene.

- PRIME identifies its critical information systems and conducts periodic reviews of its cyber security risk profile via methods such as cyber penetration testing and vulnerability assessment. Mitigating measures are put in place to address vulnerabilities and safeguard PRIME's business operations and data. Through its business continuity and disaster recovery plans, PRIME minimises the impact of disruption to its business and operations.

- The Manager ensures that its employees undergo regular training to raise overall awareness on emerging cyber threats and implements measures to respond to real-time cyber threats.

**9. Sustainability Risks**

- Certain sustainability issues, such as climate change risks, tend to manifest over a longer and more uncertain timeframe.

- With the objective of adopting a balanced approach in managing risks to optimize returns for Unitholders, there is also a need to balance short-term returns against longer-term interests of PRIME and its stakeholders and corporate sustainability.

- Managing key sustainability risks can lead to the realization of new opportunities that are in line with PRIME's business engines and core competencies.

- The Manager has rolled out the Sustainability Risk Framework as a risk management tool to allow PRIME to assess the risks related to the environmental, social and governance consequences of PRIME's business activities. The Sustainability Risk Framework is part of PRIME's overall risk management framework.

# CORPORATE GOVERNANCE REPORT

The Singapore Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "**MAS**") on 6 August 2018 (the "**Code**") and read together with the Practice Guidance which complements the Code, has played a significant role in corporate governance reform. Incorporating global principles and internationally recognised practices of corporate governance has positively influenced the corporate governance practices of Prime US REIT ("**PRIME**") since its listing on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). PRIME was constituted by a deed of trust (as amended) dated 7 September 2018 entered into between Prime US REIT Management Pte. Ltd., as the manager (the "**Manager**") and DBS Trustee Limited, as the trustee (the "**Trustee**") (the "**Trust Deed**"). PRIME has adopted the above approach to promote greater internalisation of desirable corporate governance culture.

The Board of Directors (the "**Board**" or "**Directors**" and individually, a "**Director**") of the Manager views corporate governance as a fundamental process contributing towards achieving long-term Unitholders' value. The Board continuously strives to refine the corporate governance practices and processes to ensure that they consistently reflect market practices and stakeholders' expectations. The term "corporate governance" refers to the entire system for managing and supervising an entity, including its organisation values, as well as all internal and external regulatory and monitoring mechanisms. The Board and the management team of the Manager ("**Management**") are committed to good corporate governance practices that enhance the confidence placed in it by the Unitholders, business partners, employees and the financial markets.

This Corporate Governance Report (the "**Report**") sets out details on the applicability of each of the principles and provisions of the Code for the financial year ended 31 December 2024 ("**FY2024**"). PRIME is pleased to confirm that it has adhered to the principles and provisions of the Code in all material aspects, save for specific deviations for which detailed explanations are provided in this Report, as well as adopted practices that are consistent with the intent and philosophy of the relevant principles of the Code.

### THE MANAGER OF PRIME US REIT

The Manager has general powers of management over PRIME's assets and is mainly responsible for managing the assets and liabilities of PRIME for the benefit of the Unitholders. The Manager's primary role is to formulate and establish the strategic direction and business plans of PRIME in accordance with its mandate. This includes making recommendations to the Trustee on any opportunities on the investment, divestment, development and/or enhancement of assets of PRIME in accordance with the investment strategy of PRIME. The Manager aims to maximise returns from investments and ultimately the distributions and total returns to Unitholders, and in doing so, will ensure that the research, evaluation and analysis required for the foregoing activities are coordinated and carried out.

The Manager uses its best endeavours to ensure that PRIME conducts its business in a proper and efficient manner and conducts all transactions with or for PRIME on an arm's length basis and on normal commercial terms. The Manager's principal functions and responsibilities include:

- Formulating investment strategy, including determining the location, sub-sector type and other characteristics of the property portfolio of PRIME, overseeing negotiations and providing supervision in relation to investments of PRIME, and making final recommendations to the Trustee;

- Formulating asset management strategy, including determining the tenant mix, asset enhancement works and the rationalisation of operational costs and providing supervision in relation to asset management of PRIME, and making final recommendations to the Trustee on material matters;

- Formulating plans for equity and debt financing for PRIME, which includes proposals and forecasts on gross revenue, capital expenditure, acquisitions, divestments and valuations, distribution payments, expense payments and property maintenance payments, as well as executing capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee; and

- Attending to all communications and liaisons with Unitholders, investors, analysts and the investment community.

# CORPORATE GOVERNANCE REPORT

The Manager discharges its responsibilities for the benefit of the Unitholders in accordance with all applicable laws and regulations, including the applicable provisions of the Securities and Futures Act 2001 (the "**SFA**"), the listing manual of the SGX-ST (the "**Listing Manual**"), the Code on Collective Investment Schemes issued by the MAS (the "**CIS Code**"), including Appendix 6 of the CIS Code (the "**Property Funds Appendix**"), the Trust Deed, tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of PRIME and the Unitholders as well as other applicable guidelines prescribed by SGX-ST, MAS or other relevant authorities and applicable laws.

## BOARD MATTERS

### Board's Conducts of Its Affairs

***Principle 1 : The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

The Board, which is responsible for the long-term success of PRIME, is entrusted with overall responsibility for the corporate governance of the Manager. The Board maintains a reasonable balance between striving for the highest standard of corporate governance and performing their role of setting strategy and policy as the ultimate decision-making body. With a focus on enhancing sustainable value for Unitholders, the Board exercises due care and independent judgement in the discharge of its stewardship duties over the business as well as management of the assets and liabilities of PRIME. All Directors exercise reasonable diligence and independent judgement when making decisions and are obliged to act honestly and consider the interests of the Manager and PRIME at all times. The Board has delegated certain responsibilities to two Board Committees, each of which is chaired by an independent director, and such responsibilities are defined in their respective Terms of Reference ("**ToR**"). The work of each committee is carried out by non-executive directors and they report to the Board. The Chief Executive Officer (the "**CEO**"), together with the rest of the Management team, is accountable to the Board.

## ROLE OF THE BOARD AND BOARD'S APPROVAL

The Board has formalised a set of internal guidelines and protocols wherein key matters such as investments, divestments, bank borrowings, issuance of new units, income distributions and other returns to Unitholders, corporate strategies and policies of PRIME, annual budget, financial performance of PRIME and approval to release semi-annual and full-year results and, where applicable, audited financial statements, are specifically reserved for the approval of the Board. The approval of operational transactions below certain limits are delegated to the Management to optimise operational efficiency. This is clearly communicated to Management in writing.

The principal roles and responsibilities of the Board are:

- guiding the corporate strategy, policies and directions of the Manager;
- ensuring that Management discharges its responsibility to provide business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- overseeing the proper conduct of the Manager;
- ensuring measures relating to corporate governance, financial regulations, and other required policies are in place and enforced;
- ensuring that the necessary financial and human resources are in place for the Manager to meet their objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding PRIME's assets and the interests of the Unitholders;
- reviewing Management's performance;

# CORPORATE GOVERNANCE REPORT

- identifying the key stakeholder groups and recognising that their perceptions affect the reputation of PRIME;
- setting the Manager's values and standards (including ethical standards), and ensuring that obligations to Unitholders and other stakeholders are understood and met; and
- considering sustainability issues (including environmental and social factors) as part of the Manager's overall strategy.

Directors are fiduciaries who are bound to act in the best interests of the Manager and PRIME and to hold Management accountable for their performance. The Board, in discharging its responsibilities, sets the appropriate tone-from-the-top and desired organisational culture via a code of conduct and ethics with clear policies and procedures for dealing with conflicts of interest. Where a Director faces an actual or potential conflict of interest in any matter, he or she must recuse himself or herself from the discussions and decisions of the Board on matters involving the issues of conflict.

### COMPOSITION OF THE BOARD

As at the date of this Report, the Board[1] is comprised of:

- Mr Richard Peter Bren[2] (Chairman, Non-Independent and Non-Executive Director)
- Mr John Robert French[3] (Lead Independent and Non-Executive Director)
- Mr Kevin John Eric Adolphe (Independent Non-Executive Director)
- Professor Stephen Phua (Independent Non-Executive Director)
- Mr Chua Hsien Yang (Non-Independent and Non-Executive Director)

**Notes:**

(1) Professor Annie Koh had ceased to be the Board Chairperson and Independent Non-Executive Director with effect from 28 February 2025.
Ms Janice Wu had ceased to be the Non-Independent Non-Executive Director of the Board with effect from 30 September 2024.

(2) Mr Richard Peter Bren was appointed as the Chairman of the Board with effect from 1 March 2025.

(3) Mr John Robert French was appointed as the Lead Independent Director and a member of the NRC with effect from 1 March 2025.

Profiles of the Directors and the diverse skills and experience they bring to PRIME can be found between pages 9 and 11 of this Annual Report.

### BOARD COMMITTEES

There is a clear delineation of roles between the Board and Management, with the CEO acting as the conduit between the Board and Management to drive the success of PRIME's governance and management function. To assist in the delegation of its responsibilities, two Board Committees, namely the NRC and the ARC, were established to oversee their respective functions within PRIME.

The Board Committees are governed by their respective ToRs, which define their specific responsibilities, authorities and duties. The Board Committees and their delegated authority from the Board can be found between pages 61 to 64 and pages 70 to 71 of this Annual Report. The Chairman of the respective Board Committees reports to the Board on the outcomes of committee meetings and make their recommendations on specific agendas as directed by the Board. The Board is ultimately responsible for all decisions.

# CORPORATE GOVERNANCE REPORT

As at the date of this Report, the composition of the Board Committees are as follows:

| Designation | ARC | NRC |
|---|---|---|
| Chairman | John Robert French | Kevin John Eric Adolphe |
| Member | Kevin John Eric Adolphe | Richard Peter Bren |
| Member | Professor Stephen Phua | Professor Stephen Phua |
| Member | | John Robert French |

### BOARD MEETINGS AND ACTIVITIES

The Board and the ARC meet on a quarterly basis to review key business activities while the NRC meets on a semi-annual basis. In each meeting where matters requiring the Board's approval are to be considered, all members of the Board attend and actively participate in the discussions and deliberations. Provision 1.5 of the Code requires Directors to attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in this Report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

Prior to Board meetings and on an ongoing basis, Management provides complete, adequate and timely information to the Board to enable the Board to make informed decisions and discharge their duties and responsibilities effectively. Directors may request for further explanations, briefings or informal discussions on any aspect of the Manager's operations or business issues from Management and Management will make the necessary arrangements to hold these briefings or discussions, or furnish satisfactory explanations to the Board. Management is also required to furnish any additional information, when requested by the Board, as and when the need arises.

The Board has separate and independent access to Management and the Company Secretary at all times, at the Manager's expense. The appointment and removal of the Company Secretary is subject to the approval of the Board. The Company Secretary attends all Board and Board Committee meetings and is responsible for ensuring Board procedures are followed and for providing periodic updates of relevant regulatory changes to the Board. The Board also has access to external advisers and, if requested, be provided such access at the Manager's expense.

At each Board meeting, the CEO provides updates on PRIME's business and operations, as well as financial performance. Presentations in relation to specific business areas are also made by key executives and external consultants. This allows the Directors to understand PRIME's business and promotes active engagement between the Board and the key executives of the Manager.

Updates and changes to regulatory requirements that bear relevance to PRIME are monitored and reported to the Board either during Board meetings or at specially convened sessions involving the relevant advisers and professionals, where necessary, or via circulation of Board papers. Legal advisers and/or auditors, who can provide additional insight into the matters for discussion may be invited from time to time to attend selected meetings. The Constitution of the Manager allows for participation in meetings via telephone conference, video conference or similar means of telecommunication where the physical presence of the Board member at such meetings is not feasible.

The Manager provides meeting schedules in advance to allow Board members to plan ahead, provide the required time commitment and to ensure that there is sufficient time for the Board to fully deliberate and thoroughly discuss matters relating to PRIME. For that purpose, Board and Board Committee meeting schedules of a given year are arranged in the final quarter of the preceding year. Ad hoc meetings are convened as and when required to enable the Board and Board Committees to raise questions and seek clarification through discussion forums with Management in respect of significant matters. Ad hoc matters requiring the Board's approval may also be passed via circular resolutions.

# CORPORATE GOVERNANCE REPORT

## ORIENTATION AND TRAINING FOR DIRECTORS

The NRC ensures that new directors are aware of their duties and obligations. Upon appointment to the Board, every Director is given a formal letter of appointment explaining the terms of appointment setting out the duties and obligations of a Director (including their roles as executive, non-executive or IDs). New directors are provided with the ToR of the ARC and NRC, and are made aware of their duties and obligations to familiarise themselves with their new roles. In addition, an induction, training and development programme is arranged for newly appointed Directors to familiarise them with the business, operations, and financial performance of PRIME. The newly appointed Directors will also be briefed on the Manager's governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealing in securities, and restrictions on disclosure of price-sensitive information. All directors are kept informed of the new updates on corporate governance processes, changes to accounting standards, Listing Manual and other regulatory developments from time to time.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge. The Manager arranges for the Directors to be routinely updated on developments and changes in the operating environment and applicable laws and regulations, including directors' duties and responsibilities, corporate governance matters and changes in financial reporting standards, at the Manager's expense, to enable them to discharge their duties effectively as members of the Board and where applicable, as Board Committee members. During FY2024, the Directors were briefed on new regulations or updates to existing regulations such as revisions to the CIS Code and the enhanced SGX-ST sustainability reporting regime. All Directors have also undergone training on sustainability matters as prescribed by the SGX-ST, as required under Rule 720(7) of the Listing Manual.

The Manager also arranges for the Board to be kept abreast of developments in the real estate industry on a regular basis. To keep pace with the fast-changing laws and regulations and operating environment, Directors may attend, at the Manager's expense, relevant courses, conferences and seminars including programmes run by the Singapore Institute of Directors. The Directors, either individually or collectively, may at the Manager's expense, seek independent professional advice, where appropriate, to discharge their duties effectively.

### Board Composition and Guidance

***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

The Board reviews the size and composition of the Board with a view to ensure effective decision-making by taking into account the scope and nature of the operations of PRIME.

## REVIEW OF INDEPENDENCE OF DIRECTORS

The Board recognises the importance of independence and objectivity in its decision-making process, and that the presence of the IDs is essential in providing unbiased and impartial opinion, advice and judgement to ensure the interests of PRIME, Unitholders, employees, customers and other stakeholders are well-represented and taken into account.

The Board assesses the independence of the IDs in accordance with the requirements of the Listing Manual, the Code, the Practice Guidance complementing the Code, and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCB Regulations**") to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of PRIME. A Director is considered to be independent if he or she is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, substantial shareholders who hold 5% or more of the voting shares of the Manager, or substantial Unitholders who hold 5% or more of the units in PRIME or its officers that could interfere or reasonably be perceived to be capable of interfering with the exercise of the Director's independent business judgement in the best interests of the Manager, and is independent from Management and any business relationship with the Manager and PRIME, every substantial shareholder of the Manager and every substantial Unitholder of PRIME, is not a substantial shareholder of the Manager or a substantial Unitholder of PRIME and has not served on the Board for a continuous period of nine years or longer.

# CORPORATE GOVERNANCE REPORT

The IDs individually complete an annual confirmation of independence whereby they are required to assess their own independence, including independence from the major Unitholders and Management. The NRC considers this review, with each of the NRC members recusing himself or herself from deliberations on his or her own independence.

The Board, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, wishes to set out its assessment in respect of each of the Director's independence as follows:

| Name of Director | (i) had been independent from the management of the Manager and PRIME during FY2024 | (ii) had been independent from any business relationship with the Manager and PRIME during FY2024 | (iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder of PRIME during FY2024 | (iv) had not been a substantial shareholder of the Manager or a substantial Unitholder of PRIME during FY2024 | (v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2024 |
|---|---|---|---|---|---|
| Mr Richard Peter Bren[(1)] | ✓ | ✓ | – | – | ✓ |
| Mr John Robert French*[(2)] | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Kevin John Eric Adolphe* | ✓ | ✓ | ✓ | ✓ | ✓ |
| Professor Stephen Phua* | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr Chua Hsien Yang[(3)] | ✓ | ✓ | – | ✓ | ✓ |
| Ms Janice Wu[(4)] | ✓ | ✓ | – | ✓ | ✓ |
| Professor Annie Koh*[(5)] | ✓ | ✓ | ✓ | ✓ | ✓ |

**Notes:**

* Refer to ID

(1) Mr Richard Peter Bren was appointed as the Board Chairman with effect from 1 March 2025. He is a substantial shareholder of the Manager as he holds more than 20% of the shares of KBS Asia Partners Pte. Ltd., and KBS Asia Partners Pte. Ltd. holds 40% of the shares of the Manager. As such, Mr Bren is deemed interested in 40% of the shares of the Manager. Pursuant to the SFLCB Regulations, during FY2024, Mr Bren was deemed not to be independent from every substantial shareholder of the Manager and substantial Unitholder of PRIME. Nonetheless, the Board is satisfied that during FY2024, Mr Bren had acted in the best interests of the Unitholders as a whole.

(2) Mr John Robert French was appointed as the Lead Independent Director and a member of the NRC with effect from 1 March 2025.

(3) Mr Chua Hsien Yang is the CEO of Keppel REIT Management Limited since 1 January 2025 and prior to this appointment, he was the Managing Director (Group Mergers & Acquisitions) of Keppel Limited which is a substantial Unitholder of PRIME. Keppel Limited, through its indirect wholly-owned subsidiary, Keppel Capital Two Pte. Ltd., holds 30% of the shares of the Manager. Pursuant to the SFLCB Regulations, during FY2024, Mr Chua was deemed not to be independent from every substantial shareholder of the Manager and substantial Unitholder of PRIME by virtue of his employment with Keppel Limited. Nonetheless, the Board is satisfied that during FY2024, Mr Chua had acted in the best interests of the Unitholders as a whole.

(4) Ms Janice Wu ceased to be the Non-Independent Non-Executive Director of the Board since 30 September 2024. Prior to that, she was the Executive Vice President, Corporate Development at Cuscaden Peak Investments Pte. Ltd., which through its indirect wholly-owned subsidiary, Times Properties Private Limited, holds 20% of the shares of the Manager. Pursuant to the SFLCB Regulations, during FY2024, Ms Wu was deemed not to be independent from every substantial shareholder of the Manager and substantial Unitholder of PRIME by virtue of her employment with Cuscaden Peak Investments Pte. Ltd. Nonetheless, the Board is satisfied that during FY2024, Ms Wu had acted in the best interests of the Unitholders as a whole.

(5) Professor Annie Koh ceased to be the Board Chairperson and Independent Non-Executive Director since 28 February 2025.

The Board has considered and determined, taking into account the views of the NRC, that the IDs of the Board as at 31 December 2024, namely, Mr John Robert French, Mr Kevin John Eric Adolphe, Professor Stephen Phua, and Professor Annie Koh have demonstrated independence in character and judgement in the discharge of their responsibilities as Directors during FY2024 and was satisfied that each of them had acted with independent judgement and were able to act in the best interests of all the unitholders of the REIT as a whole. The Board has also assessed the relationships or circumstances which are likely to affect or could appear to affect each of the Director's judgement. Arising from an annual review of Director's independence conducted by the NRC based on the criteria of independence as set out in the Code, Listing Manual Rule 210 (5) (d), SFLCB Regulations and the declarations by the IDs of their independence, the Board is satisfied that Mr John Robert French, Mr Kevin John Eric Adolphe, Professor Stephen Phua, and Professor Annie Koh are independent.

# CORPORATE GOVERNANCE REPORT

The Board presently comprises five (5) directors, three (3) of whom are IDs and all of whom are non-executive directors. The Chairman is not independent. Having a majority of IDs on the Board enables Management to benefit from their invaluable and objective perspectives on issues that are brought before the Board. The Board of the Manager was established on 26 July 2018 and none of the Directors has served on the Board for more than nine years.

The IDs contribute to the Board process by monitoring and reviewing the performance of Management against goals and objectives. Their views and opinions provide an alternative perspective to PRIME's business which enables the Board to make informed and balanced decisions and allows interaction between the Board and Management in shaping the strategic process. In the review of the proposals and decisions tabled by Management, the IDs bring their objective judgement to bear on business activities and transactions. Where actual or potential conflicts of interest exist, IDs meet to deliberate without the presence of Management or any interested party.

The IDs and Non-Executive Directors met or communicated amongst themselves, as regularly as warranted, without the presence of Management during FY2024 to discuss concerns or matters such as the effectiveness of Management. The Chairman of these meetings provided feedback to the Board and/or its Chairman as appropriate.

## BOARD DIVERSITY POLICY AND COMPOSITION

The Board adopted a Board Diversity Policy as it acknowledges the importance of board diversity in terms of age, gender, nationality, tenure, skills, expertise and experience, and recognises the benefits of this diversity. A diversity of tenure will achieve the progressive renewal of the Board so that there is a continuity of experienced directors as well as the onboarding of new directors to provide fresh perspectives on an ongoing basis. Given that PRIME is listed in Singapore and its properties are based in the U.S., a diverse mix of nationalities, and diverse set of skills and experience in accounting and finance, taxation, real estate and asset management in the U.S. are important to ensure effective functioning of the Board. All director appointments will be based on merit, having due regard to the overall balance and effectiveness of the Board, and the needs of the Manager.

The Board also recognises that having a range of different dimensions of skills, backgrounds, industry expertise and experience is essential to ensuring a broad range of viewpoints to facilitate optimal decision-making and effective governance. The Board is of the view that whilst promoting board diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and expertise to strengthen the Board, should remain a priority. The Board from time to time undertakes a review of its composition to determine areas to strengthen and identify improvement opportunities. The NRC will review the structure, size, balance and diversity of the Board annually and propose any changes to the Board to complement the objectives and strategies of PRIME. PRIME strives for diversity not only in the Board but also in the corporate workplace i.e. Management team.

Currently, the Board and its Board Committees are well-rounded and comprise Directors with an appropriate balance and diversity of skills, experience and expertise so as to avoid groupthink and foster constructive debate. The Directors have diverse backgrounds in accounting and auditing, mergers and acquisitions, fund and asset management, business advisory and commerce, real estate development, management consulting, law, taxation, strategic planning, and ESG. The Directors engage in open and constructive debate and provide their viewpoints and suggestions to Management regularly. Management has benefited from the Directors' invaluable views and experiences.

The Board has made good progress in achieving its objectives under the Board Diversity Policy and has achieved its FY2024 objective. The NRC is of the view that the Board and board committees are of an appropriate size, and that the members of the Board provide an appropriate balance and diversity of skills, experience and expertise required to serve the needs of PRIME. While there is no female director on the Board currently, half of the current Management team comprises women, including the CFO, who works closely with the Board and attends the Board meetings. This is a testament to our fair and inclusive corporate gender objective. The Board continues to seek to introduce greater diversity as it progressively reviews the composition of the Board and its Board Committees.

# CORPORATE GOVERNANCE REPORT

| Diversity Criteria | Progress and Timeline | Target Met |
|---|---|---|
| Ensuring the Board comprises members who collectively possess a diverse set of skills and experience | PRIME's Board is well-rounded with Directors from a wide range of expertise and experience.<br><br>The NRC will continue to identify gaps in Directors' skillset required to serve the future needs of PRIME, aligned with PRIME's overall strategy. | ✓ |
| Ensuring a diverse age range within the board members | The Board has directors with ages across 40s and 60s.<br><br>The NRC will continue to identify suitable candidates with relevant skills and experience while being mindful of age diversity. | ✓ |
| Ensuring a diverse board tenure within the board members | The board tenure of the board members is spread across the "less than 5 years" and "between 5 and 8 years" categories. | ✓ |
| Fair and inclusive corporate gender objective | 50% of Management team comprises women, including the CFO.<br><br>The NRC will continue to identify suitable candidates with relevant skills and experience while being mindful of gender diversity and strive to have at least one female director in the next 2 to 4 years. | ✓ |

**Chairman and Chief Executive Officer**

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.***

The Board is led by Mr Richard Peter Bren, who took over as Board Chairman on 1 March 2025 from Professor Annie Koh, who served as Board Chairperson since 24 February 2022 up until 28 February 2025 when she retired from her positions as Board Chairperson and Independent Non-Executive Director of the Manager.

Besides ensuring the non-repetition of duties and authority, the separation of the roles of the Chairman and the CEO and the clarity of roles and distinct responsibilities provide a healthy professional relationship between the Board and Management. This enhances the appropriateness of the existing balance of roles, responsibilities, power, authority and accountability to maintain an effective system of checks and balances and ensures greater capacity of the Board for independent decision making.

The Chairman and CEO collectively play an important role in the stewardship of the strategic direction and operations of PRIME. The Chairman and the CEO are not related, nor do they have any close family ties. The Board has assigned the day-to-day affairs and management of PRIME's business to the Management team comprising various departments including finance, operations and Investor Relations. The CEO is accountable for the conduct and performance of Management within the agreed business strategies.

# CORPORATE GOVERNANCE REPORT

## CLEAR DIVISION OF ROLES BETWEEN CHAIRMAN OF THE BOARD AND THE CEO OF THE MANAGER

The Chairman's role is to:

- carry out a visionary leadership role in facilitating the effective conduct of the Board;
- create a culture of openness characterised by constructive debate on strategy, business operations, enterprise risks and other matters amongst the Directors;
- promote and ensure the highest standards of integrity in regard to corporate governance processes; and
- undertake primary responsibility for the Board to receive accurate, timely, clear information and to be consulted on all relevant matters.

The CEO's role is to:

- assume overall responsibility for the management and conduct of the business of the Manager;
- be principally responsible for the business direction and operational decisions in managing PRIME;
- oversee Management team;
- develop, recommend and implement organisational strategy, targets, business plans and policies;
- foster a corporate culture promoting ethical practices and integrity;
- manage day-to-day conduct of business and affairs; and
- be the public face and official spokesperson of PRIME.

Provision 3.3 of the Code requires the Board to have a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The Lead Independent Director is available to Unitholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. As Mr Richard Peter Bren, the Chairman of the Board, is not an ID, Mr John Robert French was appointed as the Lead Independent Director with effect from 1 March 2025 when Mr Richard Peter Bren was appointed as the Chairman.

During FY2024, no Lead Independent Director was appointed as there were sufficient measures in place in the event of a conflict by the previous Chairperson, Professor Annie Koh, who served as Chairperson up until her retirement from the Board on 28 February 2025. The Manager is of the view that despite the deviation from Provision 3.3 of the Code during FY2024, the risk of conflict by the previous Chairperson was mitigated given that the previous Chairperson was not part of Management and was an ID, and the roles of the Chairperson and CEO were held by separate individuals who were not immediate family members and had no close family ties. Moreover, during FY2024, the Board had a strong independent element as four (4) out of six (6) directors (including the previous Chairperson) were Independent Non-Executive Directors. The Manager is accordingly of the view that its practice is consistent with the intent of Principle 3 of the Code as a whole.

# CORPORATE GOVERNANCE REPORT

## Board Membership

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

### ROLES AND RESPONSIBILITIES OF THE NRC

The NRC is governed by its ToR which establishes the functions, powers, duties and responsibilities of the NRC. The NRC comprises four members, all of whom are Non-Executive Directors, and three (3) out of four (4) members (including the NRC Chairman) are Independent Directors. Mr John Robert French was appointed as a member of the NRC with effect from 1 March 2025. Professor Annie Koh ceased to be a member of the NRC following her cessation as Independent Non-Executive Director of the Manager on 28 February 2025.

As at the date of this Report, the members of the NRC are as follows:

| Name | Designation | Directorship |
|---|---|---|
| Mr Kevin John Eric Adolphe | Chairman | Independent Director |
| Mr Richard Peter Bren | Member | Non-Executive Director |
| Professor Stephen Phua | Member | Independent Director |
| Mr John Robert French(1) | Member | Lead Independent Director |

**Notes:**

(1) Mr John Robert French was appointed as the Lead Independent Director and a member of the NRC on 1 March 2025.

The NRC makes recommendations to the Board on all Board appointments, oversees the Board and senior management's succession plans and conducts an annual review of board diversity, board size, board independence and directors' commitment. The NRC, in evaluating and assessing Board candidates, and making recommendations to the Board for approval, takes into consideration their qualifications, credentials, character, core competencies, time commitment and other qualities which the Director would bring to complement the Board, and the Director's ability to effectively discharge their duties as a Director.

The ToR of the NRC sets out the scope and authority in performing the function of the NRC, and these include assisting and making recommendations to the Board on matters relating to:

- identification, selection and appointment of new Directors and re-appointment of existing Directors of the Board taking into account the contribution, performance and ability to commit sufficient time and attention to the affairs of PRIME as well as their respective commitments outside of PRIME;

- reviewing the structure, size, independence, composition, balance and diversity of the Board and its Board Committees, and recommend to the Board such adjustments as it may deem necessary;

- determining the independence of Directors having regard to the circumstances set forth in Provisions 2.1 and 2.2 of the Code, Listing Rule 210 (5)(d) and SFLCB Regulations;

- reviewing succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and the key management personnel (the "**KMP**");

- developing the process and criteria for evaluation of the performance of the Board, Board Committees and individual Directors; and

- reviewing training and professional development programmes for the Directors.

# CORPORATE GOVERNANCE REPORT

## SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The NRC is responsible for reviewing succession plans for the Board and Board Committees, in particular the appointment and/or replacement of the Chairman, the CEO and the KMP.

The NRC regularly reviews the existing attributes and competencies of the Board and the suitability of any candidates put forward for appointment or re-appointment in order to determine the desired experience or expertise required to strengthen or complement the Board. The NRC is in charge of making recommendations to the Board regarding the appointment of new Directors and in identifying candidates for new appointments to the Board as part of the Board's renewal process. The NRC evaluates the candidate's suitability in accordance with MAS' Guidelines on Fit and Proper Criteria (Guideline Number: FSG-G01), taking into account the track record, age, experience and capabilities and such other relevant experience as may be determined by the Board.

In addition, as part of regulatory requirements, MAS also requires prior approval for any CEO or director appointments. Candidates are evaluated and selected based on their relevant expertise and potential contributions where other factors, including the current and medium-term needs and goals of PRIME, are also considered.

Upon establishment of the selection criteria, the search for potential candidates of the Board is initiated by considering recommendations from the Board and Management. The external search for candidates that fit the criteria is conducted through the Singapore Institute of Directors' Board Appointment Service. Candidates shortlisted and interviewed by the NRC are then evaluated by the Chairman of the Board and the IDs, thereby ensuring that recommendations made are objective and well-supported. Once a candidate is shortlisted by the Board, the NRC conducts due diligence and reference checks before recommending the candidate to the Board for approval.

Directors of the Manager are not subject to periodic retirement by rotation. Provision 2.2 of the Code requires IDs to make up a majority of the Board in situations where the Chairman is not an ID. Additionally, Regulation 13D of the SFLCB Regulations requires that at least half of the total number of Directors be independent in the case where Unitholders do not have a right to vote on the appointment of Directors. The current composition of the Board with a majority of IDs is in compliance with the Code and SFLCB Regulations and the Board will continue to ensure compliance with the relevant regulations.

The Manager believes that Board renewal is necessary and a continuous process for good governance. Board renewal ensures that the Board and Board Committees comprise Directors that, as a group, provide an appropriate balance and diversity. In reviewing the composition of the Board, the NRC and the Board also considered that an ID should serve no more than a maximum of nine years.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo the training required under Rule 210(5)(a) of the Listing Manual.

## INDEPENDENCE AND TIME COMMITMENT

The NRC is responsible for determining annually, and as and when circumstances require, the independence of the Directors. In doing so, the NRC takes into account the circumstances and existence of relationships that may cause a Director to cease to be independent. Following due review, the NRC has endorsed the independent status of all IDs for FY2024.

An assessment was carried out on the major commitments of the Directors, including employment and listed company directorships and the number of listed company directorships held by each of them at present was noted. The Board is to ensure that the duties of each Director can be and have been fully discharged. The NRC is of the view that setting a maximum number of listed company board representations a Director may hold is arbitrary, given that the time requirements for each listed company varies and thus should not be prescriptive. The Board concurs with the view of the NRC.

# CORPORATE GOVERNANCE REPORT

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors. The attendance of the Directors at Board and Board Committees meetings (as well as the frequency of such meetings) and the Annual General Meeting ("**AGM**") during FY2024 are as recorded below:

| | Annual General Meeting | | Board of Directors | | Audit and Risk Committee | | Nominating and Remuneration Committee | |
|---|---|---|---|---|---|---|---|---|
| | Number of meetings | | | | | | | |
| Name | Held | Attended | Held | Attended | Held | Attended | Held | Attended |
| Mr Richard Peter Bren[1] | 1 | 1 | 4 | 3 | N.A. | N.A. | 4 | 4 |
| Mr John Robert French[2] | 1 | 1 | 4 | 4 | 4^ | 4 | N.A. | N.A. |
| Mr Kevin John Eric Adolphe | 1 | 1 | 4 | 4 | 4 | 4 | 4^ | 4 |
| Professor Stephen Phua | 1 | 1 | 4 | 4 | 4 | 4 | 4 | 4 |
| Mr Chua Hsien Yang | 1 | 1 | 4 | 4 | N.A. | N.A. | N.A. | N.A. |
| Ms Janice Wu[3] | 1 | 1 | 4 | 3 | N.A. | N.A. | N.A. | N.A. |
| Professor Annie Koh[4] | 1^ | 1 | 4^ | 4 | 4 | 4 | 4 | 4 |

**Notes:**

^ Chairperson of the meeting.

N.A. – Not applicable

(1) Mr Richard Peter Bren was appointed as the Chairman of the Board with effect from 1 March 2025.

(2) Mr John Robert French was appointed as the Lead Independent Director and a member of the NRC with effect from 1 March 2025.

(3) Ms Janice Wu had ceased to be the Non-Independent Non-Executive Director of the Board with effect from 30 September 2024.

(4) Professor Annie Koh had ceased to be the Board Chairperson and Independent Non-Executive Director with effect from 28 February 2025.

Based on the Directors' attendance record at Board and Board Committee meetings, the AGM, and contributions outside of formal Board and Board Committee meetings, the NRC is satisfied that all Directors were able to and have committed sufficient time to the affairs of PRIME and discharged their duties adequately for FY2024. The Manager has no alternate directors on its Board. Key information on the Directors such as academic and professional qualifications, committee membership, date of appointment, a list of the present and past directorships of each Director, and unitholding in PRIME and its related corporations are reflected on pages 9 to 11 and 184 of this Annual Report.

## Board Performance

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

The NRC recommends for the Board's approval objective performance criteria and processes for the evaluation of the effectiveness of the Board as a whole, of each Board Committee separately, as well as the contribution by each individual Director to the effectiveness of the Board. The Board had conducted a formal performance evaluation exercise to assess the effectiveness of the Board as a whole and its Board Committees, the contribution by each individual Director to the effectiveness of the Board, and the effectiveness of the Chairperson of the Board for FY2024. The evaluations had been carried out by means of a board review survey which had been completed by each Director. The performance evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had facilitated the effective discharge of duties.

The objective performance criteria include Board composition and size, Board performance, Board processes, Board accountability, Board committees and committees' performance, Board independence, Board information and financial reporting process. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how Directors have enhanced long-term Unitholders' value. Evaluation of the contribution by each Director took into consideration various factors, including individual performance of principal functions and fiduciary duties, participation in meetings and commitment of time to Director's duties. The NRC also considers other contributions by a Director such as providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and contribution to strategic planning. The performance of each Director will be taken into account, if and when applicable, in their re-appointment.

# CORPORATE GOVERNANCE REPORT

To ensure that the assessments of Board performance were done promptly and fairly, the Board had appointed Ernst & Young Advisory Pte. Ltd., an independent third-party facilitator to assist in administering, collating and analysing the responses of the Directors for FY2024.

## REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

Level and Mix of Remuneration

***Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

Disclosure on Remuneration

***Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

## ROLES AND RESPONSIBILITIES OF THE NRC

The NRC plays an important role in ensuring the appropriate attraction, recruitment, motivation and retention of talents who are qualified and valuable to PRIME, through competitive remuneration and progressive policies, which are not excessive, so as to achieve PRIME's goals and to deliver sustainable Unitholder value. The ToR of the NRC, which sets out the scope, authority and functions of the NRC, provides that the NRC is to assist the Board in matters relating to:

- reviewing and recommending to the Board a framework of remuneration for the Board and the KMP;
- reviewing and recommending to the Board the specific remuneration packages for each Director as well as for the KMP;
- reviewing PRIME's obligations arising in the event of termination of, if and when applicable, executive directors' and executive officers' contracts of service and ensuring that such contracts of service contain fair, equitable and reasonable termination clauses;
- reviewing the disclosures in the Annual Report of the Manager's remuneration policies, level and mix of remuneration and the procedure for setting remuneration; and
- any and all relevant aspects of the Manager's remuneration policies.

# CORPORATE GOVERNANCE REPORT

The NRC considers all aspects of the Manager's remuneration matters including termination terms, to ensure they are fair, and, in particular, seeks to ensure that the remuneration paid to the KMP of the Manager are directly linked to the achievement of corporate and individual performance targets which are aligned with the interests of the Unitholders and other stakeholders, as well as promote the long-term success of PRIME. The performance targets approved by the Board in respect of each financial year are set with the purpose of motivating a high degree of business performance, with an emphasis on both short- and longer-term quantifiable goals. At the close of each financial year, the NRC reviews the achievements of the Manager against the targets set to determine the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends. Based on this review, the NRC approves a bonus pool that commensurates with the performance achieved. Where necessary, the NRC recommends a framework of remuneration to the Board for endorsement, in order to align the Manager's Board and KMP's compensation with the interests of the Unitholders. Remuneration of the Directors, Management and employees of the Manager are not paid out of the deposited property of PRIME but out of the fees received by the Manager. In addition, the NRC reviews the Manager's obligations in the event of any termination of a KMP's contract of service to ensure that such contracts of service contain fair, equitable and reasonable termination clauses. There were no termination, retirement and post-employment benefits that were granted to the Directors, the CEO or KMP during FY2024.

No remuneration consultants were engaged in FY2024.

### REMUNERATION DETERMINATION AND DISCLOSURES

PRIME is externally managed by the Manager as PRIME has no personnel of its own. The remuneration of all Directors and employees of the Manager is borne by the Manager. Save for the CEO, Mr Rahul Rana, there is no employee of the Manager who is a substantial shareholder of the Manager or substantial Unitholder of PRIME, who is an immediate family member of a Director or the CEO of the Manager or a substantial shareholder of the Manager or substantial Unitholder of PRIME and whose remuneration exceeds S$100,000 during FY2024. The CEO, Mr Rahul Rana, holds more than 20% of the shares of KBS Asia Partners Pte. Ltd. which holds 40% of the shares of the Manager. Mr Rahul Rana's remuneration is disclosed on page 67 of the Annual Report.

In recommending the Directors' and KMP's remuneration to the Board for approval, the NRC takes into account the following:

- the responsibilities of the Directors and the CEO;
- the pay and employment conditions of KMP;
- the corporate and individual performance of KMP;
- the general market conditions;
- accomplishment of strategic goals; and
- benchmarking against the remuneration arrangements of other companies of a similar position, size and complexity for guidance.

The Directors concerned will abstain from the decision-making process.

The remuneration of Directors is determined at levels which enable the Manager to attract, retain and motivate Directors with the relevant experience and expertise to provide good stewardship of the Manager and PRIME whereas the remuneration of KMP is determined at a level which enables PRIME to attract, develop and retain high-performing and talented individuals with the relevant experience as well as level of expertise and responsibility to successfully manage PRIME for the long term.

# CORPORATE GOVERNANCE REPORT

The Board believes in a competitive and transparent remuneration framework. The Directors' remuneration received from PRIME for FY2024, based on the structure of the Directors' fees for the Directors, comprising a base fee for serving as a Director and additional fees for serving on Board Committees as the case may be, are set out in the table below:

| | | |
|---|---|---|
| Main Board | Independent Chairman<br>Independent Director | S$40,000 – per annum<br>S$60,000 – per annum |
| NRC | Chairman<br>Member | S$20,000 – per annum<br>S$10,000 – per annum |
| ARC | Chairman<br>Member | S$30,000 – per annum<br>S$20,000 – per annum |

| Name of Director | Fixed Fees (S$) | Total Directors' Fees [6] (S$) |
|---|---|---|
| Mr Richard Peter Bren | – | – |
| Mr John Robert French[1] | 90,000 | 90,000 |
| Mr Kevin John Eric Adolphe[2] | 100,000 | 100,000 |
| Professor Stephen Phua[3] | 90,000 | 90,000 |
| Mr Chua Hsien Yang | – | – |
| Ms Janice Wu[4] | – | – |
| Professor Annie Koh[5] | 130,000 | 130,000 |

**Notes:**

(1) Mr John Robert French's director fees for FY2024 comprises: Independent Director fees (S$60,000) and ARC Chairman (S$30,000).

(2) Mr Kevin John Eric Adolphe's director fees for FY2024 comprises: Independent Director fees (S$60,000); ARC member (S$20,000); and NRC Chairman (S$20,000).

(3) Professor Stephen Phua's director fees for FY2024 comprises: Independent Director fees (S$60,000); ARC member (S$20,000); and NRC member (S$10,000).

(4) Ms Janice Wu had ceased to be the Non-Independent Non-Executive Director of the Board with effect from 30 September 2024.

(5) Professor Annie Koh had ceased to be the Board Chairperson and Independent Non-Executive Director with effect from 28 February 2025. Professor Koh's director fees for FY2024 comprises: Independent Director fees (S$60,000); ARC member (S$20,000); NRC member (S$10,000); and Independent Chairperson (S$40,000).

(6) In FY2024, the Directors' remuneration were paid in cash only. There are no variable fees or performance-related income or bonuses, benefits in kind, stock options granted, unit-based incentives and awards, or other long-term incentives granted during FY2024.

The Independent Chairman of the Board, if any, as well as the Chairman of each Board Committee are paid a higher fee as compared with the IDs and members of such Board Committees in view of the greater responsibilities carried by chairing the Board and the Board Committees in addition to their existing roles.

The NRC reviewed the total remuneration structure for FY2024 which addressed four key objectives, namely:

- Unitholder alignment: to incorporate performance measures that are aligned to Unitholders' interests;
- Long-term orientation: to motivate employees to drive sustainable long-term growth;
- Simplicity: to ensure that the remuneration structure is easy to understand and communicate to stakeholders; and
- Value creation: amount of value-add contributed by the individual, including but not limited to deal introduction to PRIME and cost-savings ideas and initiatives which have the potential of increasing the performance of PRIME.

Provision 8.1(b) of the Code requires REIT managers to disclose the remuneration of at least its top five KMP (which shall not include the CEO and directors), on a named basis, in bands of no wider than S$250,000 and in aggregate the total remuneration paid to these KMP.

# CORPORATE GOVERNANCE REPORT

In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions of the industry where the poaching of senior management is commonplace, the Manager is disclosing the remuneration of the KMP who are not Directors in bands of S$250,000 and is not disclosing the aggregate total remuneration paid to the top five KMP. The Manager is of the view that despite this partial deviation from Provision 8.1(b) of the Code, this is consistent with the intent of Principle 8 of the Code as a whole and will not be prejudicial to the interests of the Unitholders as sufficient information is provided in this Annual Report on the Manager's remuneration framework and the level and mix of remuneration accorded to such personnel to enable Unitholders to understand the link between remuneration and performance. The remuneration of PRIME's executive officers are payable either in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager. The level and mix of the remuneration of the CEO and KMP and their total remuneration per annum are categorised into the various bands as follows:

| Remuneration Band and Names of CEO and KMP(1) | Fixed Salary (%) | Variable or Performance-Related Income or Bonus (%) | Benefits-In-Kind (%) | Long-Term Incentive (%) | Total (5) (%) |
|---|---|---|---|---|---|
| ***Above S$750,000 to S$1,000,000*** | | | | | |
| Mr. Rahul Rana(2) (CEO since 1 April 2024) | 56% | 30% | – | 14%(4) | 100% |
| ***Above S$250,000 to S$500,000*** | | | | | |
| Mr. Harmeet Bedi(3) (CEO until 31 March 2024) | 91% | 9% | – | – | 100% |
| Ms. Cindy Teo | 71% | 19% | – | 10%(4) | 100% |

**Notes:**

(1) Ms. Cindy Teo, the CFO, is the only KMP other than the CEO.

(2) Mr. Rahul Rana was appointed as the CEO of the Manager with effect from 1 April 2024 and was awarded a total remuneration of S$766,530 (see breakdown in the table above) in FY2024, of which, the long-term incentive is payable in units in PRIME over a 3-year period.

(3) Mr. Harmeet Bedi was the CEO of the Manager up until 31 March 2024. During his employment as the CEO in FY2024, Mr. Bedi was paid a total remuneration of S$254,272 (see breakdown in the table above).

(4) Payable in units in PRIME over a 3-year period.

(5) There are no other stock options granted, or unit-based incentives and awards granted.

The Manager adheres to a practice that benchmarks total remuneration packages of its key employees to ensure they are sufficiently competitive to attract, retain and motivate them to enhance the performance of PRIME. They are designed to incentivise and reward performance of the CEO and KMP. The NRC reviews the remuneration packages of the CEO and KMP and submits its recommendations to the Board for endorsement. A fundamental element in the remuneration principles is the concept of pay for performance and the NRC will look at the total remuneration provided which comprises annual fixed salary and variable salary component including Units in PRIME. The NRC and Board have reviewed and ensured that the level and structure of remuneration for Directors and KMP are aligned with the long-term interests of PRIME.

### Accountability and Audit

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its Unitholders.***

The Board acknowledges that it is responsible for the risk management and internal control system in PRIME which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity to safeguard Unitholders' investments and PRIME's assets.

# CORPORATE GOVERNANCE REPORT

## ROLES OF THE BOARD AND ARC IN ENSURING EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for PRIME's risk management framework and system of internal controls and for reviewing the adequacy and integrity of the risk management framework and system of internal controls. Accordingly, the Board is required to ensure that the Manager has in place an effective system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The Board assumes responsibility for the effectiveness and adequacy of PRIME's risk management and internal control systems and has delegated the responsibility of undertaking periodic reviews to the ARC with an established ToR to assist in discharging this responsibility. However, the Board as a whole remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal controls.

The ARC assists the Board in examining the adequacy and effectiveness of internal controls policies and procedures to ensure that a robust risk management framework and internal control system is maintained while the Board reviews the adequacy and effectiveness of the risk management and internal control system. The ARC also assesses the materiality of specific developments or risks that might have an impact on the unit price of PRIME.

## ENTERPRISE RISK MANAGEMENT FRAMEWORK

### Risk Management

A sound and robust risk management framework ensures that the Manager is ready to meet challenges and seize opportunities. The Manager has adopted an Enterprise Risk Management (the "**ERM**") framework that provides a systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as PRIME's policies and limits in addressing and managing key risks identified. The ERM framework also allows PRIME to respond promptly and effectively in a constantly evolving business landscape. Additional details of the ERM framework are set out in the Enterprise Risk Management section of this Annual Report.

During FY2024, the Manager had conducted regular risk assessments which take into account both the impact and likelihood of occurrence of the risks, and covers the investment, financial, operational, reputational and other major aspects of PRIME's business. Tools deployed include risk rating matrices, heat maps and risk registers to assist the Manager in its performance of risk management. Quarterly risk and compliance updates are reported to the ARC and Board.

The Board is responsible for the governance of risk and ensuring that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders' interests and PRIME's assets. Assisted by the ARC, the Board provides valuable advice to Management in formulating various risk management policies and guidelines where necessary. The ToR of the ARC is disclosed on pages 70 to 71 of this Annual Report.

The Board and Management meet quarterly or, when necessary, more frequently to (a) review PRIME's performance; (b) assess its current and future operating, financial and investment risks; as well as (c) respond to feedback from the Risk & Compliance function, internal auditors and external auditors.

The Board, assisted by the ARC, has in place risk tolerance guiding principles for the Manager and PRIME. These principles, which determine the nature and extent of the significant risks that the Manager is willing to take in achieving its strategic objectives, include:

1. Risks taken should be carefully evaluated, commensurate with rewards, and should be in line with PRIME's core strengths and strategic objectives;

2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger PRIME; and

3. PRIME does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as unlawful acts such as fraud, bribery and corruption.

# CORPORATE GOVERNANCE REPORT

The ERM framework also guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within PRIME. During FY2024, the Board had assessed and deemed PRIME's risk management system to be adequate and effective in addressing the key risks identified. Other current, evolving or emerging risks are also monitored and reported to the Board where significant.

## RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

The ARC has been entrusted by the Board to review and monitor the risk management activities of PRIME and approve appropriate risk management procedures and measurement methodologies. The ARC provides guidance to Management in the formulation of risk management policies and processes and in identifying, evaluating and managing key risks, while the ownership of risk management lies with the CEO supported by the management team. The nature and extent of risks are assessed regularly by Management with input from the Risk and Compliance function and the internal auditors, and reports are submitted to the ARC as and when necessary. The ARC reports to the Board on material findings and makes recommendations or seeks guidance from the Board in respect of any material risk issues. The ARC directs and reviews the adequacy and work scopes of the internal auditors. Any findings on material non-compliance or weaknesses in internal controls and risk management system by the internal auditors are reported directly to the ARC. The recommendations to further improve the internal controls and risk management system are reported to the ARC and actions are taken by Management.

Further, the Board has obtained assurances from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of PRIME's operations and finance, as well as assurances from the CEO and CFO who are responsible regarding the adequacy and effectiveness of PRIME's risk management and internal control system.

Based on the internal control systems established and adhered to by PRIME, the assurances received from the CEO and CFO, work performed by the internal auditors, external auditors and the Risk and Compliance function, reviews conducted by Management and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that PRIME's internal controls (including financial, operational, compliance and information technology controls) and risk management systems have been adequately designed and operated effectively in all material aspects to address risks faced by PRIME in its current business environment as at 31 December 2024.

The Board notes that the internal control systems established provide reasonable, but not absolute, assurance against material misstatement or loss and that PRIME will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board accepts that the internal control systems contain inherent limitations and notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, fraud and other irregularities.

## MATERIAL CONTRACTS

There are no material contracts entered into by PRIME or any of its subsidiaries that involve the interests of the CEO, any Director or any controlling Unitholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year except as disclosed in this Annual Report.

# CORPORATE GOVERNANCE REPORT

**Audit Committee**

***Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.***

## AUDIT AND RISK COMMITTEE

The Manager keeps the Unitholders updated on PRIME's financial performance, position and prospects through periodic financial reports and business updates. In its presentation of the financial results, the Board strives to provide reports that are easily understandable of PRIME's financial position, its results, and its prospects. Management is accountable to the Board and presents financial statements/management accounts and its accompanying explanations of PRIME's performance, position and prospects to the ARC and the Board for review and/or approval on a quarterly basis or as the Board may require from time to time to enable the Board to make a balanced and informed assessment of PRIME's performance, financial position and prospects.

The ARC is governed by its ToR which establishes the functions, powers, duties and responsibilities of the ARC. In line with the Code with regard to the governance of the ARC, the ARC membership comprises at least three members, all of whom are Independent Non-Executive Directors, including the Chairman. As at the date of this Report, the members of the ARC are as follows:

| Name | Designation | Directorship |
|---|---|---|
| Mr John Robert French[1] | Chairman | Lead Independent Director |
| Mr Kevin John Eric Adolphe | Member | Independent Director |
| Professor Stephen Phua | Member | Independent Director |

**Notes:**

(1) Mr John Robert French was appointed as the Lead Independent Director with effect from 1 March 2025.

The Board is of the view that all members of the ARC bring with them recent, invaluable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. The Board considers Mr John Robert French as having sufficient audit, accounting and financial management knowledge to discharge his responsibilities as Chairman of the ARC. The members, Mr Kevin John Eric Adolphe and Professor Stephen Phua, jointly have extensive accounting, law, taxation, and financial management expertise and experience. Additional details of the ARC members' experience and professional qualifications are set out on pages 9 to 11 of this Annual Report.

The ARC members as a whole possess a wide range of necessary skills to discharge their duties and are financially literate. None of the ARC members are former partners or directors of PRIME's existing external auditing firm, Ernst & Young LLP ("**EY**"), within a period of two years commencing from the date of their ceasing to be partners of EY, or have any financial interest in EY.

## ROLES AND RESPONSIBILITIES OF THE ARC

The ARC has explicit authority to investigate any matter within its ToR. The ARC has full access to and co-operation by Management and the internal auditors and external auditors and has full discretion to invite Management, the Sponsor, external consultants or advisers to attend its meetings. The internal auditors and external auditors have unrestricted access to the ARC. In FY2024, four (4) ARC meetings were held. Further, on an annual basis, the ARC has also met separately with the internal auditors and external auditors, without the presence of Management to discuss issues and to confirm that they had full access to and received co- operation and support from Management.

# CORPORATE GOVERNANCE REPORT

The ARC, having considered the nature and level of the provision of non-audit related services and the statutory audit fee, is of the view that the external auditor's independence and objectivity are not impaired or threatened. In reviewing the nomination of EY for re-appointment, the ARC had taken into consideration the Audit Quality Indicators Framework. The ARC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, EY's experience in the REIT sector and the size and complexity of the audit. The ARC is satisfied with the independence and work of the external auditors and has recommended to the Board the re-appointment of EY as the external auditors of PRIME at the forthcoming AGM. The Manager confirms that PRIME complies with the requirements of Rules 712 and 715 of the Listing Manual in respect of the auditing firm for PRIME.

The ARC is collectively responsible for assisting the Board in corporate governance and compliance matters of PRIME. A summary of the work and key matters undertaken by the ARC during FY2024 included the following:

- Reviewing the significant financial reporting issues and judgements so as to ensure integrity of the financial statements of PRIME and any announcements relating to the financial performance;
- Reviewing the audit plans and reports of the internal auditors and external auditors and considering the effectiveness of remediation actions or measures taken by Management on the audit recommendations and observations;
- Reviewing, at least on an annual basis, the adequacy and effectiveness of the risk management and internal control systems;
- Reviewing the assurances from the CEO and CFO on the financial records and financial statements;
- Making recommendations to the Board on the proposal to the Unitholders on the appointment or removal of external auditors and the remuneration and terms of engagement of the external auditors;
- Reviewing the adequacy, effectiveness, independence, scope and results of the external auditors and the Internal Audit Function ("**IAF**");
- Reviewing the nature and extent of non-audit services performed by the external auditors;
- Reviewing the policy (including the Whistle Blowing Policy) and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- Reviewing IPTs, including ensuring compliance with the provisions of the Listing Manual and Property Funds Appendix relating to IPT; and
- Investigating any matters within the ARC's purview, whenever it deems necessary. Periodic updates on changes in accounting standards and their accounting implications on PRIME are prepared by external auditors and circulated to members of the ARC so that they are kept abreast of such changes and the potential corresponding impact on PRIME's financial statements, if any.

# CORPORATE GOVERNANCE REPORT

## INTERNAL AUDITORS

The role of the internal auditors is to provide independent assurance to the ARC that the Manager maintains a sound system of internal controls by conducting risk-based reviews of key controls and procedures and their effectiveness, undertakes investigations as directed by the ARC, and conducting regular in-depth audits of high-risk areas. The ARC approves the evaluation of the internal auditors, or the corporation(s) to which the internal audit function is outsourced. PRIME's and the Manager's internal audit functions are performed independently by KBS Realty Advisors LLC's internal audit function ("**KBS IA**") and Keppel Ltd.'s Group Internal Audit ("**Keppel GIA**") respectively. KBS IA and Keppel GIA are guided by (for the purposes of internal auditing standards) the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. KBS IA (through a combination of internal staff and suitably qualified third-party service providers) and Keppel GIA are staffed by suitably qualified personnel with the requisite skill sets and experience. The internal auditors are independent of Management and have a primary line of reporting to the Chairman of the ARC in relation to matters concerning PRIME, and administratively to the CEO. The ARC decides on the appointment, termination and compensation of the head of the IAF.

The internal auditors plan the internal audit schedules in consultation with, but independent of Management and the Manager. PRIME's internal audit requirements are met via a comprehensive internal audit plan that is executed between KBS IA and Keppel GIA and is submitted to the ARC for approval prior to the commencement of the internal audit work. The ARC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The ARC also reviews the needs of the IAF on a regular basis, including overseeing and monitoring the implementation of the improvements required for various internal control weaknesses identified by the internal auditors. The internal auditors have unfettered access to the ARC and to all of the Manager's documents, records, properties and personnel. For FY2024, KBS IA and Keppel GIA have conducted the audit reviews based on the approved internal audit plan. The results of the reviews were reported to the ARC via internal audit reports. Key findings were highlighted for follow-up action. For FY2024, the ARC is of the view that the IAF is adequately resourced and has appropriate standing within PRIME to discharge its duties effectively and independently. The ARC has reviewed and is satisfied with the adequacy, independence and effectiveness of the IAF, and is satisfied that the appointed internal auditors are adequately qualified.

The IAF is independent of the activities and operations of other operating units. Its principal role is to undertake independent, regular and systematic reviews of the systems of risk management and internal controls to provide reasonable assurance that the systems continue to operate efficiently and effectively to ensure an acceptable level of risk exposure.

In line with best practices, the IAF adopts a risk-based methodology in establishing its strategic and annual Internal Audit Plan to deploy audit resources to focus on significant risk areas which prioritises the audits to areas that have been assessed as having potentially higher risks for effective governance, risk management and internal controls. Where applicable, audit work was conducted on policies, manuals and standards governing the activities, processes, systems and on analysis of the data contained in the accounting and management information systems while key members of Management were interviewed.

# CORPORATE GOVERNANCE REPORT

## REVIEWS CONDUCTED BY THE ARC

The ARC is of the view, in its reasonable opinion, that the compliance arrangements of the Manager are adequate and effective, taking into account the nature, scale and complexity of the Manager's operations. In FY2024, the ARC performed independent reviews of the half-year and full-year financial results of PRIME before recommending that the Board approve the release of the financial statements and SGXNet announcements relating to PRIME's financial statements. In the process, the ARC reviewed the significant financial reporting issues and judgements, including the appropriateness of accounting policies and the quality and completeness of disclosure to ensure the integrity of the financial statements. The ARC also reviewed, among other matters, the following key audit matter as identified by the external auditors for FY2024:

Valuation of investment properties

The ARC considered the approach and methodology applied to the valuation model in assessing the valuation of investment properties, noted the objectivity, independence and expertise of the external appraisers engaged by the Manager, assessed the appropriateness of the valuation model and reasonableness of the significant assumptions adopted, evaluated major cost items capitalised in investment properties during the period for reasonableness and having reviewed the valuation reports and the carrying value of its investment properties are satisfied that the use of inputs and assumptions are reasonable and that the investment properties have been appropriately measured at fair value and valuations fall within a reasonable range.

The ARC has conducted a review of the nature and extent of all non-audit services provided by the external auditors, EY, during FY2024, and the fees paid for such services, and is of the opinion that they would not affect the independence of the external auditors. The external auditors have also provided confirmation of their independence to the ARC. The aggregate amount of fees paid and payable to EY for FY2024 was US$866,000, of which audit fees amounted to US$593,000, audit-related fees for services such as agreed upon procedures amounted to US$30,000, and non-audit fees amounted to US$243,000. Non-audit services include both routine and ad hoc tax related services. The ARC confirms that the non-audit services provided by the external auditors would not affect their independence.

The ARC reviewed and approved the audit plan and scope of the external auditors on the audit of the full-year financial statements for FY2024. The ARC also reviewed and approved the internal audit plan and scope of the internal auditors' work and audit programme. The ARC reviewed the findings during the year and Management's responses thereto and had satisfied itself of the adequacy of the IAF. In addition, the ARC reviewed the IPT to ensure compliance with the Listing Manual and the Property Funds Appendix. Changes to the accounting standards and issues which have a direct impact on the financial statements were reported and discussed with the ARC at its meetings. In carrying out its function, the ARC may also obtain independent legal or other professional advice or appoint external consultants as it considers necessary at the Manager's expense.

## WHISTLEBLOWING POLICY

PRIME acknowledges the importance of lawful and ethical behaviour in all its business activities and is committed to adhering to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs.

The Manager has put in place a Whistleblowing Policy which serves to encourage its employees and any other persons to raise concerns about possible improprieties in matters of financial reporting and other malpractices (including fraud, corruption, bribery or blackmail, criminal offences, failure to comply with any legal or regulatory obligation, miscarriage of justice, endangering the health and safety of an individual and concealment of any of the aforementioned) in confidence and in good faith.

# CORPORATE GOVERNANCE REPORT

PRIME's website at https://secure.ethicspoint.com/domain/media/en/gui/71338/index.html provides an avenue for employees or any other persons to raise concerns about illegal, unprofessional, fraudulent or other unethical behaviour, in good faith, by 1) submitting a report to Navex Global Ethics via the website in the link above; 2) calling the toll-free Navex Ethics Hotline; 3) contacting the Receiving Officer(s), Director & Head (Designate) and Director, Internal Audit of Keppel Ltd., contact details of whom are found on the website; or 4) mailing to the ARC Chairman. The ARC, with the assistance of the Receiving Officer(s), is responsible for oversight and monitoring of whistleblowing. Reports made via the Navex website or hotline will be sent to the Receiving Officer(s) and ARC Chairman. Reports received by the Receiving Officer(s) directly will be sent to the ARC Chairman. Every report received (whether anonymous or otherwise) will be assessed by the Receiving Officer(s), who will review the information disclosed, interview the Whistleblower when required and if contactable, and make recommendations to the ARC as to whether the circumstances warrant an investigation. If the ARC determines that an investigation should be carried out, the ARC will determine the appropriate investigative process to be employed. Independent and thorough investigation will be carried out by Keppel GIA and/or third parties as determined by the ARC. The outcome and findings from the investigation will be reported to the ARC including recommendations on any corrective or remedial actions to be taken. The ARC will determine the adequacy of corrective or remedial actions taken. The summary of status update on reports received, including the number received, status of investigations, recommendations and corrective and/or remedial actions taken, if any, will be reported to the ARC and reviewed at its quarterly scheduled meetings.

The Manager ensures that the identity of the Whistleblower and persons who participate in investigations initiated under this Whistleblowing Policy are kept confidential to the extent possible, and remains committed to protecting the Whistleblower from any detrimental or unfair treatment that may arise from furnishing a report of genuine concern. Establishing these policies reflects the Manager's commitment to conduct its business within a framework that fosters the highest ethical standards. The Whistleblowing Policy is made available to all employees when they join the Manager, and they are briefed on this upon onboarding. The policy is also publicly disclosed on PRIME's website.

### DEALING IN UNITS

The Manager has devised and adopted its own internal compliance code to provide guidance to its officers with regard to dealing in PRIME's units by the Manager and its officers. Each Director and the CEO of the Manager is to give notice to the Manager of any acquisition of Units or of any changes in the number of Units which he or she holds or in which he or she has an interest within two business days after such acquisition or the occurrence of such event giving rise to such changes in the number of Units to which he or she holds or in which he or she has an interest. All dealings in Units by the Directors and/or the CEO of the Manager will be announced via SGXNet. The Directors, officers and employees of the Manager are permitted to buy and hold PRIME's units but are strongly discouraged from dealing in PRIME's units on short-term considerations.

The Manager has imposed a blackout period commencing one month prior to the half year and full year announcements of PRIME's financial results and ending on the date of announcement. Directors, officers and employees of the Manager are prohibited from dealing in PRIME's units during a blackout period and at any time while in possession of price sensitive insider information. The insider trading rules stipulated in the SFA are to be adhered to at all times.

# CORPORATE GOVERNANCE REPORT

## UNITHOLDER RIGHTS AND ENGAGEMENT

### Unitholder Rights and Conduct of General Meetings

***Principle 11: The company treats all Unitholders fairly and equitably in order to enable them to exercise Unitholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives Unitholders a balanced and understandable assessment of its performance, and prospects.***

### Engagement with Unitholders

***Principle 12: The company communicates regularly with its Unitholders and facilitates the participation of Unitholders during general meetings and other dialogues to allow Unitholders to communicate their views on various matters affecting the company.***

## MANAGING STAKEHOLDER RELATIONSHIPS

### Engagement with Stakeholders

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

## CONDUCT OF GENERAL MEETINGS

PRIME supports and encourages active Unitholder participation at general meetings as general meetings serve as an opportune avenue for Unitholders to meet and interact with the Board and Management. Unitholders are informed of general meetings through notices published on SGXNet and PRIME's website. At general meetings, Unitholders are given the opportunity to participate effectively and vote. Where relevant rules and procedures govern such meetings (e.g. voting procedure), these rules and procedures are clearly communicated prior to the start of the meeting.

PRIME had convened and held its previous AGM for the financial year ended 31 December 2023 ("**AGM 2024**") physically in Singapore. The upcoming AGM to be held on 29 April 2025 will also be convened and held physically in Singapore. Further details on the arrangements put in place for the conduct of the upcoming AGM are set out in the Manager's notice of AGM dated 7 April 2025.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of Unitholders. The Trust Deed does not currently permit absentia voting methods such as voting via mail, email or fax but permits Unitholders to vote and participate at general meeting through the appointing of up to two proxies to vote on their behalf should they be unable to attend the meeting. The Manager will consider implementing the relevant amendments to the Trust Deed to permit absentia voting methods such as voting via mail, email or fax when issues such as the authentication of Unitholders' identity and other related issues on security and integrity of such information can be resolved. Based on the above, the Board is of the view that despite the minor deviation from Provision 11.4 of the Code, Unitholders will still be able to participate effectively in and vote at the general meetings even in the absence of absentia voting methods such as voting via mail, email or fax through appointment of proxies. Accordingly, the rights of Unitholders are consistent with the intent of Principle 11 of the Code.

In further adherence with Principle 11 of the Code, the Manager sets out separate resolutions, at general meetings, on each substantially separate issue (which are not interdependent and not linked so as to form one significant proposal) in compliance with Provision 11.2 of the Code which concerns the "bundling" of resolutions. Should there be resolutions which are interdependent and linked so as to form one significant proposal, the Manager will provide reasons and material implications of such "bundling" in the notice of the meetings or at general meetings at which Unitholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

# CORPORATE GOVERNANCE REPORT

For greater transparency and to better reflect Unitholders' interests, the Manager uses poll voting at the general meetings to facilitate greater and more efficient participation of all Unitholders present or represented at the general meetings. The voting results of all votes cast for, against or abstaining from each resolution are then displayed at the general meeting and announced to SGXNet after the general meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

All Board members, including the Chairman, Chairman of the NRC and ARC respectively, the Management and representatives from the Trustee will be present at the general meetings of Unitholders which includes participation in person or by means of teleconference, video conference or similar communication methods without the need to be present physically to address relevant questions raised by the Unitholders. The external auditors will also be present to provide professional independent clarification and to address Unitholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The minutes of Unitholders' general meetings which capture the attendance of Board members at the general meetings, matters approved by Unitholders, voting results and substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting together with responses from the Board and Management, are prepared by the Manager and are, as soon as practicable, published on the SGXNet and on PRIME's website at http://www.primeusreit.com/.

## FURTHER ENGAGEMENT

The Manager continues to (a) engage and manage stakeholders' needs and expectations; (b) take into consideration their viewpoints which provide new perspectives that may generate a positive impact for PRIME; (c) treat all Unitholders fairly and equitably; and (d) strive to establish timeliness and consistency in its disclosure while maintaining regular interaction and dialogue with Unitholders to generate awareness and understanding of PRIME's strategic business model, competitive strengths, growth strategy and investment merits as well as to garner feedback and views for consideration. In line with the Manager's commitment to promote regular and effective communication with Unitholders in order to allow them to make informed decisions, the Trust Deed is available for inspection at the Manager's office and all announcements (i.e. press releases, presentations, annual and sustainability reports and financial statements) are uploaded onto SGXNet and on PRIME's website in a timely and accurate manner.

Continuous and informed dialogue between the Manager and Unitholders is a central tenet of good corporate governance. The Manager is committed to maintaining regular engagements with stakeholders and to providing full disclosure on PRIME's performance and growth strategy in a timely manner. The CEO and the Investor Relations team of the Manager, in furtherance of the objective of soliciting and understanding the views of the investment community, actively engage with institutional investors, analysts and fund managers via (a) analyst briefings held after the financial results announcements; (b) one-on-one or group meetings; (c) conference calls; (d) investor luncheons; (e) local or overseas road shows and conferences; and (f) PRIME's website at https://www.primeusreit.com/. The Manager has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. This investor relations policy sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions. Unitholders can contact the Manager via the Investor Relations contact made available on PRIME's website for investor relations and media enquiry at https://investor.primeusreit.com/email_alerts.html. An email alert option is also available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications. In this way, PRIME seeks to establish good communication and engagement with all its stakeholders.

PRIME strives towards sustainable growth while optimising operational efficiency to create long-term value for its stakeholders. In recognition of the fact that stakeholders are important to PRIME's long-term growth and success, the Manager has identified stakeholder groups which have a significant influence and interest in PRIME's operations and business and has engaged these stakeholders to understand their viewpoints and to have a good grasp on their concerns. More information on stakeholder engagement can be found in the Sustainability Report section of this Annual Report.

# CORPORATE GOVERNANCE REPORT

The Manager believes that in order to build confidence among stakeholders, there is a need to deliver sustainable value. The Sustainability Report sets out PRIME's approach in identifying its material stakeholders, methods of engagement as well as means of addressing stakeholders' concerns. The Sustainability Report also sets out the key areas of focus in relation to the management of stakeholder relationships during the reporting period. PRIME is committed to conducting its business operations in a sustainable manner that upholds high standards of corporate governance and, in consideration of the environmental and social impact of its operations, PRIME has set up a dedicated ESG team responsible for formulating and implementing PRIME's sustainability strategy and best practices. Please refer to the Sustainability Report on pages 81 to 128 of this Annual Report for more information.

## DISTRIBUTION POLICY

PRIME's distribution policy is to distribute at least 90% of its Annual Distributable Income (as defined in the Trust Deed) for each financial year as practicable. The actual distribution will be determined at the discretion of the Board of Directors of the Manager. When declared, the Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period, which are typically paid on a semi-annual basis.

In light of the persistent high interest rate environment and the need to spend on capital expenditure and tenant incentives, there is a need to conserve capital. As announced on 19 February 2025, the Manager decided to distribute less than 90% of the annual distributable income for FY2024. The amount retained has been/will be used to fund capital expenditures on the properties and pare down borrowings. The Manager will evaluate PRIME's distribution policy dynamically, factoring in macro and REIT-specific developments.

## ESTABLISHMENT OF DISTRIBUTION REINVESTMENT PLAN

PRIME had announced the establishment of a distribution reinvestment plan ("**DRP**") on 21 June 2021, pursuant to which Unitholders may elect to receive new Units in respect of all or, at the discretion of the Manager, only part of the cash amount of any distribution to which the DRP applies.

The DRP may be applied from time to time to any distribution declared by PRIME as the Manager may determine in its absolute discretion. Participation in the DRP is optional and Unitholders may elect to participate in respect of part or all of their unitholdings. Unless the Manager has determined that the DRP will apply to any particular distribution, the distribution concerned will be paid to Unitholders in the usual manner.

The DRP provides Unitholders with an opportunity to elect to receive distributions in the form of fully-paid new Units, instead of cash. This will enable Unitholders to increase their unitholdings in PRIME without incurring brokerage fees and other related costs. The issue of new Units in lieu of cash distributions under the DRP will also strengthen PRIME's balance sheet, enhance its working capital reserves and improve the liquidity of the Units.

The Manager will make an announcement whenever it decides to apply the DRP to a particular distribution, and such announcement will contain, among others, (a) the procedures, timeline and other relevant details in relation to the application of the DRP to such distribution; and (b) details on whether PRIME is relying on a general mandate or specific Unitholders' approval for the issue of new Units under the DRP.

# INVESTOR RELATIONS REVIEW

## PROACTIVE INVESTOR ENGAGEMENT AND TRANSPARENT DISCLOSURES

The Manager is committed to engage with stakeholders proactively to provide full and transparent disclosures on PRIME's performance and business strategy on a timely basis. Efforts to help the broader market understand PRIME's resiliency and developments have supported the gradual institutionalisation of PRIME's Unitholding structure.

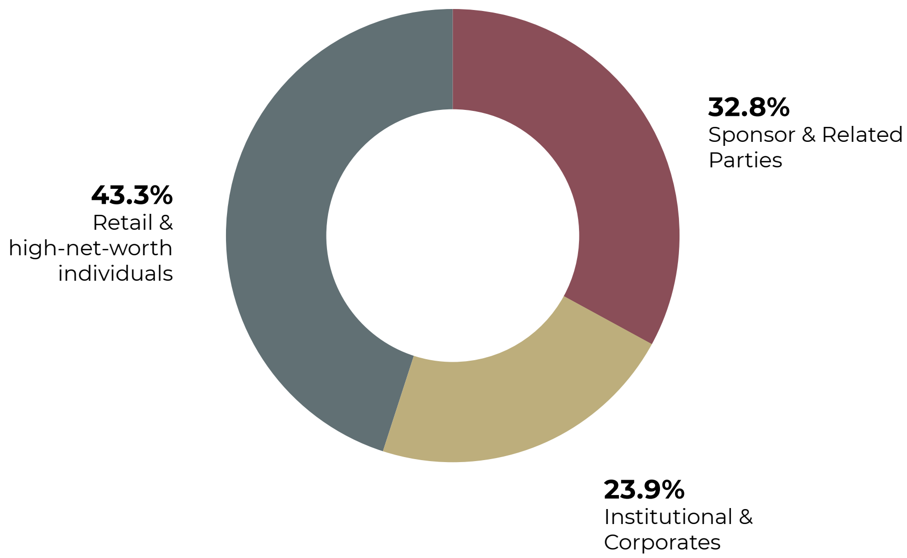
In 2024, the Manager continued to actively engage with Unitholders and the investment community through quarterly business updates, results briefings and corporate access events organised by financial institutions and SGX via various meeting platforms. As a member of Singapore Listed Companies ("SGListCos"), the Manager also participated in events organised by the associations.

Over the course of 2024, the Manager made presentations at more than 11 group investor meetings and conducted multiple one-on-one meetings which covered a broad spectrum of institutional, corporate, family office, private wealth and retail investors across Asia. The Manager maintained regular communications with capital market stakeholders and specifically the sell side analyst community. To date, there are four research firms covering PRIME from both local and foreign houses, including DBS, RHB, UOB Kay Hian, and Phillip Capital.

Investor packs containing tax forms and relevant information were dispatched to Unitholders in August 2024 and January 2025, ahead of the 1H2024 and 2H2024 distribution payments, respectively, as part of the Manager's continued efforts to ensure Unitholders comply with their tax obligations. Unitholders can also visit PRIME's website at www.primeusreit.com for taxation information or to download the relevant forms.

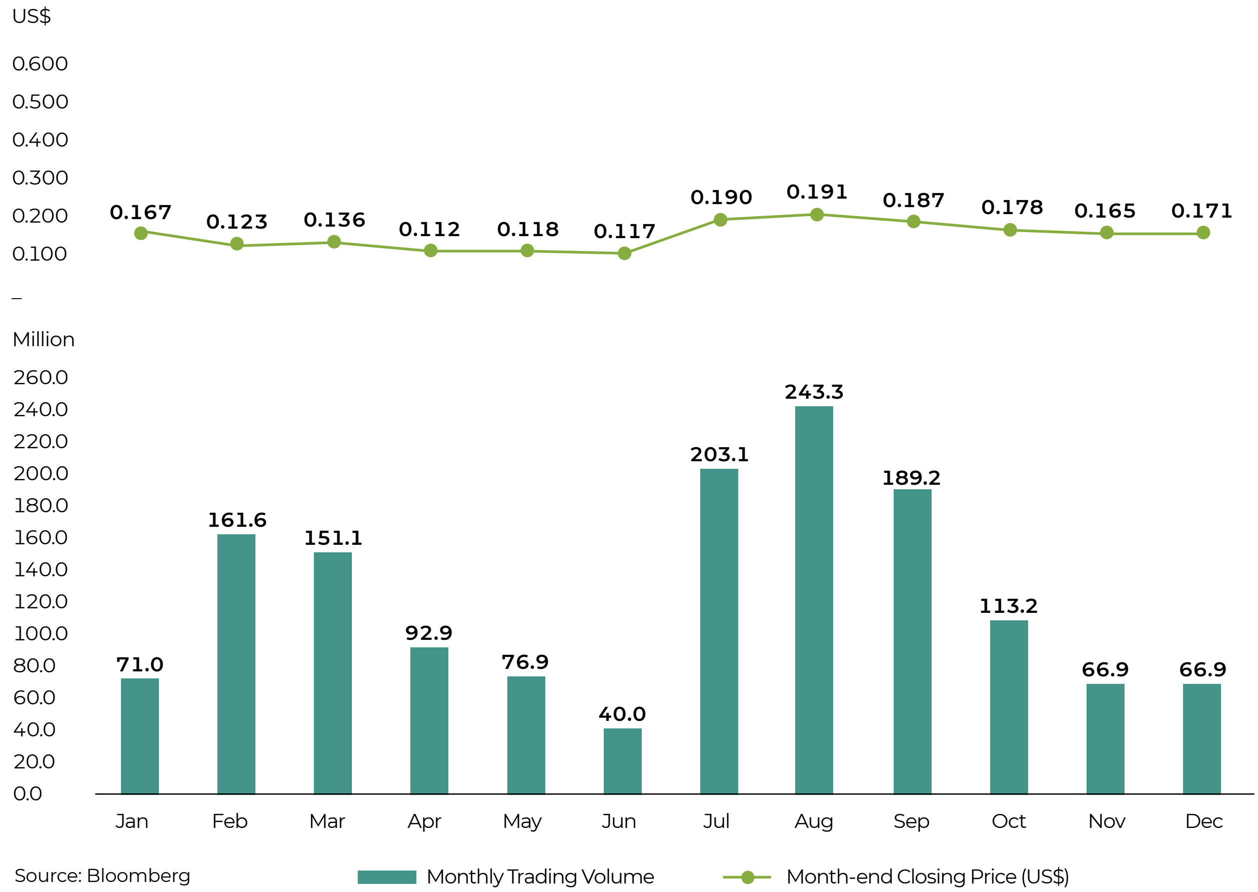
**Unitholding by Investor Types**

As at 31 December 2024



Prime US REIT's Annual General Meeting ("AGM") 2024 was held physically on 25 April 2024 at 9.00 a.m. PRIME received a total of 7 questions from Unitholders in relation to the agenda of the AGM. These questions were categorised according to key areas of focus and published on SGXNet and PRIME's website to ensure increased transparency prior to commencement of AGM. In addition, Unitholders participated in, voted and posed live questions to the Board of Directors and management. All resolutions were polled via electronic handsets, with independent scrutineer appointed to count and validate the AGM Votes. All resolutions tabled at the AGM were passed. Results of the AGM were announced during the meeting. Results of the AGM, minutes of the meeting, presentation slides, as well as responses to relevant and substantial questions from Unitholders were subsequently published on SGXNet and PRIME's webpage.

**PRIME's Monthly Trading Performance in FY2024**




Source: Bloomberg

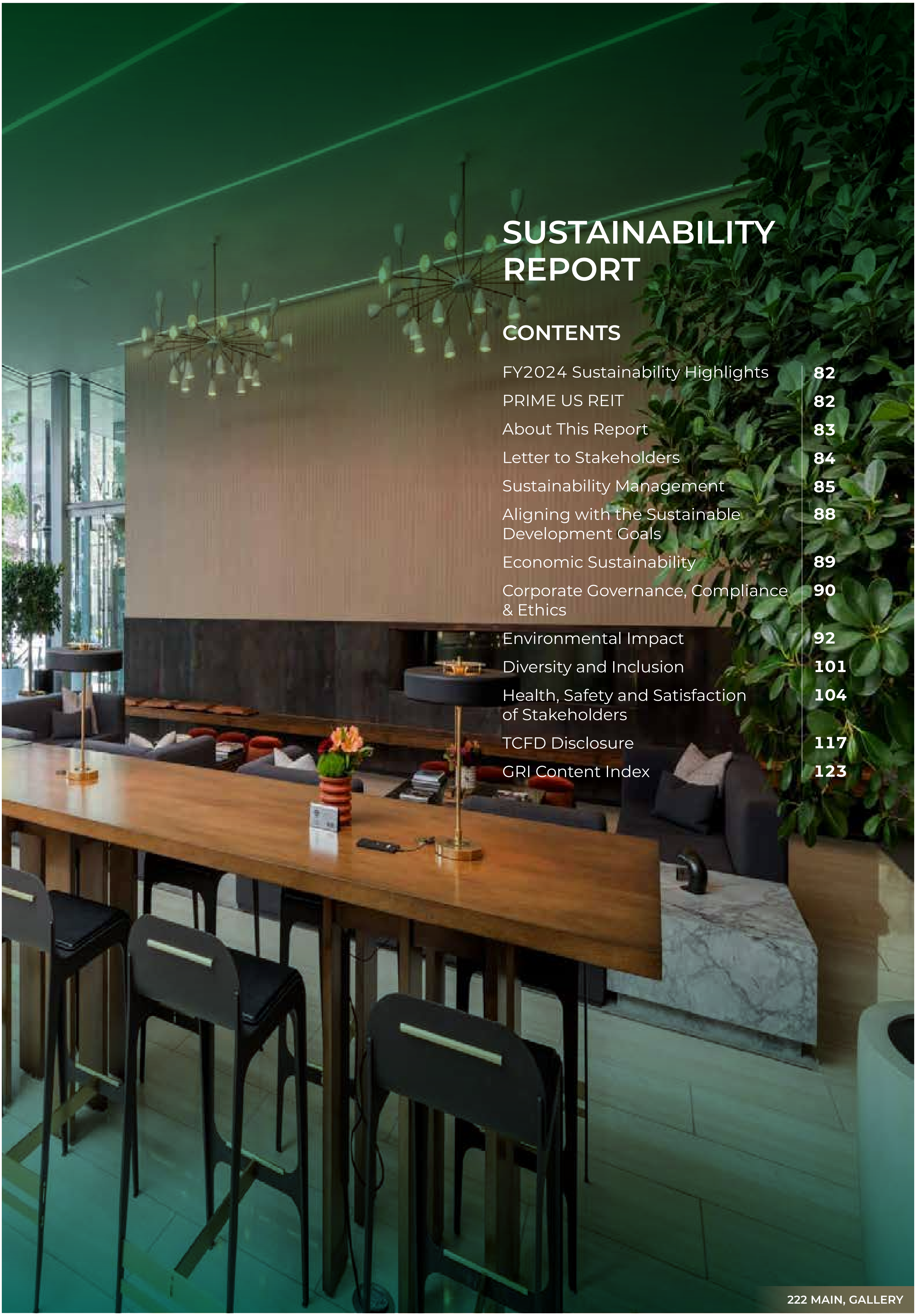
| Unit Price Performance | |
|---|---|
| Opening Price as at First Trading Day of the Year – 2 January 2024 (US$ per unit) | 0.245 |
| Closing Price as at Last Trading Day of the Year – 31 December 2024 (US$ per unit) | 0.171 |
| Highest closing price (US$ per unit) | 0.245 |
| Lowest closing price (US$ per unit) | 0.101 |
| Average closing price (US$ per unit) | 0.1550 |
| Volume weighted average price (VWAP) | 0.1555 |
| Trading Volume (million units) | 1,476.2 |
| Number of Units in Issue as at 31 December 2024 (million units) | 1,308.3 |
| Market Capitalisation as at 31 December 2024 (US million) | 223.7 |

Source: Bloomberg and company announcements

# INVESTOR RELATIONS REVIEW

**IR Calendar**

| DATE | EVENT |
|---|---|
| **FY2024** | |
| **February 2024** | |
| 22 Feb 2024 | FY2023 Analysts Briefing |
| 22 Feb 2024 | FY2023 Corporate Presentation to DBS Bank (Institutional Investors) |
| 22 Feb 2024 | FY2023 Corporate Presentation to DBS Private Bank |
| 22 Feb 2024 | FY2023 Phillip Securities Lunchtime Webinar |
| **March 2024** | |
| 5-6 Mar 2024 | UOB Kay Hian ASEAN Conference 2024 (Taipei Institutional Investors) |
| **April 2024** | |
| 25 April 2024 | Annual General Meeting |
| **May 2024** | |
| 8 May 2024 | 1Q2024 Key Business and Operational Update |
| 9 May 2024 | 1Q2024 Analysts Briefing |
| **August 2024** | |
| 13 Aug 2024 | 1H2024 Financial Results Announcement |
| 14 Aug 2024 | 2Q2024 Analysts Briefing |
| 21 Aug 2024 | 2Q2024 Media Engagements |
| **September 2024** | |
| 24 Sep 2024 | 2Q2024 Phillip Securities Retail Webinar |
| **October 2024** | |
| 2 Oct 2024 | RHB Non-Deal Roadshow |
| 19 Oct 2024 | Research Analyst Site-Visit to U.S. assets |
| 28 Oct 2024 | Korea Investment & Securities & SGX : Korean Non-Deal Roadshow (Institutional) |
| **November 2024** | |
| 14 Nov 2024 | 3Q2024 Key Business and Operational Update |
| 15 Nov 2024 | 3Q2024 Analysts Briefing |
| 15 Nov 2024 | 3Q2024 Corporate Presentation to UOB Kay Hian / UOB (Institutional) |
| 18 Nov 2024 | 3Q2024 Corporate Presentation to UOB Kay Hian (Retail) |
| 26 Nov 2024 | JP Morgan & SGX: Tokyo Non-Deal Roadshow (Institutional) |
| **FY2025** | |
| **February 2025** | |
| 19 Feb 2025 | FY2024 Financial Results Announcement |
| 20 Feb 2025 | FY2024 Analysts Briefing |
| 20 Feb 2025 | FY2024 Corporate Presentation to DBS Bank (Institutional) |
| 20 Feb 2025 | FY2024 Corporate Presentation to DBS Private Bank (Virtual) |
| 25 Feb 2025 | FY2024 Phillip Securities Lunchtime Webinar |



# SUSTAINABILITY REPORT

## CONTENTS



222 MAIN, GALLERY

# FY2024 SUSTAINABILITY HIGHLIGHTS

| | |
|---|---|
| **16%** Reduction in Energy Use Intensity from FY2022 levels | **20%** Reduction in Scope 1 and 2 emissions from FY2022 level |
| **76** GRESB score for FY2024 (Green Star) | **100%** Proportion of properties with WELL Health-Safety Ratings |
| **82** Average ENERGY STAR score | **Zero** Incidents of non-compliance or corruption |

# PRIME US REIT

Prime US REIT ("**PRIME**") is a real estate investment trust ("**REIT**") with a primary focus on stable income-producing prime office assets across the United States ("**U.S.**"). Listed on the Mainboard of the Singapore Exchange ("**SGX**") in 2019, PRIME is under the management of Prime US REIT Management Pte. Ltd. (the "**Manager**" or the "**Company**"). We provide investors with direct exposure to a premium portfolio of 13 Class A freehold office properties strategically positioned in 12 key office markets across the U.S. The Manager is focused on proactive and prudent asset management and capital management strategies to maximise long-term returns to Unitholders. Lincoln Property Company ("**LPC**"), as the property manager of most properties in our portfolio, is our key partner for the implementation of our environmental, social, and governance ("**ESG**") initiatives.

### PRIME'S AFFILIATIONS

During FY2024, PRIME is a member of the REIT Association of Singapore ("**REITAS**"), which was formed to promote the growth and development of the S-REIT industry. We are also members of SGListCos, which is a dedicated association that represents the interests of all SGX-listed companies on the Mainboard and Catalist and organises events and bespoke conferences for its members.

# ABOUT THIS REPORT

## REPORTING SCOPE

This is PRIME's fifth annual Sustainability Report. The information in this report is relevant to the financial year spanning from 1 January to 31 December 2024 ("**FY2024**"). This report outlines PRIME's sustainability strategies and achievements during FY2024, ESG factors most relevant to PRIME, and demonstrates our commitment to managing and integrating the ESG factors into our business decisions. The contents of this report relate to PRIME's operations across all 13 properties in the U.S., unless explicitly stated otherwise.

It is recommended that this report be read in conjunction with our Annual Report for FY2024 for a holistic understanding of PRIME's overall business operations and performance. While external assurance was not conducted in this reporting period, our sustainability reporting processes are subject to review by the internal auditors as part of a 3-year audit plan. The last review was conducted in FY2023, and a limited review of sample ESG data for selected properties was undertaken in FY2024. The Manager will review the need for external assurance in the future.

## REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("**GRI Standards**"), as the most globally recognised set of sustainability standards. The complete list of GRI disclosures can be found in the GRI Content Index on pages 123 to 128. This report is also compliant with SGX's Listing Rule 711A and 711B and is in alignment with Practice Note 7.6 Sustainability Reporting Guide.

Our climate-related disclosures are guided by recommendations of the Taskforce on Climate-related Financial Disclosures ("**TCFD**") and allow the Manager to integrate climate-related risks and opportunities into decision-making. Further information can be found in the TCFD Disclosures section from pages 117 to 122.

We are taking proactive steps to prepare for the adoption of the International Sustainability Standards Board's ("**ISSB**") International Financial Reporting Standards ("**IFRS**") S2 on Climate-related Disclosures. This preparation aligns with forthcoming Listing Rule requirements, ensuring our reporting stays transparent and in compliance with evolving regulatory expectations.

## RESTATEMENTS OF INFORMATION

Some information was restated in the Environmental Impact section. Please refer to pages 96 to 100 for descriptions of the restated data.

## FEEDBACK ON THE REPORT

This report was published on 7 April 2025. We are committed to continuously improving our sustainability performance and reporting, and we welcome any questions or feedback that can help us improve our reporting and communication with stakeholders. Please direct any feedback or suggestions to info@primeusreit.com.

# LETTER TO STAKEHOLDERS

Dear Stakeholder,

We are pleased to present PRIME's fifth Sustainability Report, which showcases our approach and initiatives to further integrate sustainability into our business activities. As market dynamics continue to evolve, PRIME remains steadfast in our commitment towards more sustainable business practices and long-term value creation for our stakeholders.

This year, we deepened our focus on improving the resource efficiency of our portfolio. The built environment contributes a significant proportion of global greenhouse gas ("**GHG**") emissions, and we recognise the responsibility we have in mitigating our environmental footprint. To that end, we adopt a data-driven approach to identifying areas for resource efficiency improvements. Our investments in technology solutions have resulted in reliable monitoring of environmental metrics across our properties. The data has empowered us to set quantitative targets surrounding emissions and energy management this year, guiding our future sustainability efforts.

We are motivated by our progress towards our environmental targets. This year, our Scope 1 and 2 emissions are reduced by 20% from the baseline year of FY2022, as a direct result of improved energy efficiency across our portfolio. We are also working with an external consultant to quantify the potential impact of selected climate-related risks on our properties, which will help guide strategic decision-making.

As part of our ongoing tenant engagement efforts, we will continue to create vibrant and attractive environments for our tenants. This year, we rebranded two of our properties, The 101 (previously known as 101 South Hanley) and Waterfront at Washingtonian (previously known as One Washingtonian Center), to further enhance the tenant experience. Additionally, our asset enhancement initiatives have led to significant upgrades to amenities across several properties. Waterfront at Washingtonian, for example, underwent renovation this year to provide tenants with a modern, refreshing and energy-efficient workplace environment, complete with a variety of new on-site amenities. We are encouraged by the rising levels of tenant satisfaction and will continue to invest in asset and amenity enhancement strategies to elevate tenant experience and satisfaction.

In July 2024, PRIME divested a property, One Town Center, and we remain focused on optimising our property portfolio through strategic initiatives.

Looking ahead, PRIME remains focused on delivering long-term value for our stakeholders whom we appreciate for their continued support, as we work together to build a more sustainable future.

**Mr Richard Peter Bren**
Chairman, on behalf of the Board

# SUSTAINABILITY MANAGEMENT

PRIME is committed to delivering sustainable value to all stakeholders and recognises that robust governance and conscientious management of environmental and social impacts are central in achieving this objective. A management-level working group, comprising employees from the Manager ("**Management**") and LPC's central ESG team, is entrusted to oversee ESG matters for PRIME. Management is guided by PRIME's sustainability strategy, integrating sustainable initiatives into business operations and monitoring PRIME's ESG performance over time. Property managers assist with the execution and monitoring of policies and practices at the operational level.

## SUSTAINABILITY GOVERNANCE

The ultimate responsibility for PRIME's sustainability strategy, and the management and monitoring of material ESG topics, lies with the Board of Directors (the "**Board**"). The Board offers guidance and oversees Management's performance in implementing the strategy and managing material topics. This ensures sustainability principles are integrated into the decision-making processes at the highest level, clearly communicating its importance across our entire value chain. Sustainability-related updates by Management are tabled at quarterly Board meetings.

In the preparation of this Sustainability Report, the Board has considered sustainability issues in relation to PRIME's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The Audit and Risk Committee ("**ARC**") assists the Board in its oversight of sustainability risks through the Enterprise Risk Management ("**ERM**") process, incorporating sustainability risks into the Company's risk register. The ARC reviews the Management's ERM updates and the risk register during quarterly meetings.

PRIME's Management is primarily responsible for integrating sustainability considerations into business operations in line with the sustainability strategy by developing action plans and tracking outcomes of these plans. The central ESG team from LPC is engaged to coordinate and manage key ESG issues for the U.S. portfolio and provide expertise in the execution and monitoring of sustainability action plans at the property level. Both teams refer to PRIME's Sustainability Risk Framework – which is part of PRIME's ERM framework – to manage and monitor sustainability risks and opportunities. The ARC receives updates on sustainability matters on a quarterly basis. Updates on sustainability matters are provided to the ARC on a quarterly basis.


*Figure 1: PRIME's Sustainability Governance Structure*

# SUSTAINABILITY MANAGEMENT

## STAKEHOLDER ENGAGEMENT

Engaging with our stakeholders is essential in improving our sustainability efforts. Through regular surveys, meetings, and events with various stakeholder groups, we gather valuable insights into their needs and priorities. Such feedback channels enable us to enhance our efforts and drive tangible and positive impact. We are committed to fostering long-term relationships and maintaining open communication with our stakeholder groups, deepening our understanding of how we can best create value for them.

This year, PRIME has continued to maintain open communication and engagement channels with tenants:

1. An annual Kingsley survey was conducted to gather tenants' feedback systematically;
2. Direct engagement by asset management and property management teams in response to tenants' needs, implementing new initiatives where appropriate.

| Stakeholder Group | Focus Areas | Engagement Channels | Frequency |
|---|---|---|---|
| **Employees** | • Vision and mission for PRIME<br>• Career development<br>• Open communication between staff and management<br>• Occupational safety and health | • Feedback channels for employees<br>• Educational activities | • Periodically<br>• Ongoing |
| **Regulators** | • Compliance with regulations, rules and guidelines issued by regulators<br>• Workplace Safety and Health Act<br>• Employment Act | • Electronic communications | • Periodically |
| **Local Communities** | • Community investment, development, and impact<br>• Liaison with community groups | • Community development programmes | • Ongoing |
| **Tenants** | • Healthy buildings with amenities and food options<br>• Conducive and productive workspace<br>• Safety and security | • Tenant engagement activities<br>• Tenant feedback survey | • Ongoing<br>• Yearly |
| **Investors** | • Financial sustainability and total returns<br>• ESG topics and commitments | • Annual General Meeting and Annual Report<br>• Results briefing<br>• Investor roadshows<br>• PRIME's website and announcements<br>• Face-to-face or online meetings | • Yearly<br>• Quarterly<br>• Periodically |
| **Financial Institutions** | • Compliance with loan covenants<br>• Liquidity and financial metrics<br>• Know Your Customer ("**KYC**") checks | • Electronic communications<br>• Face-to-face or online meetings | • Periodically |

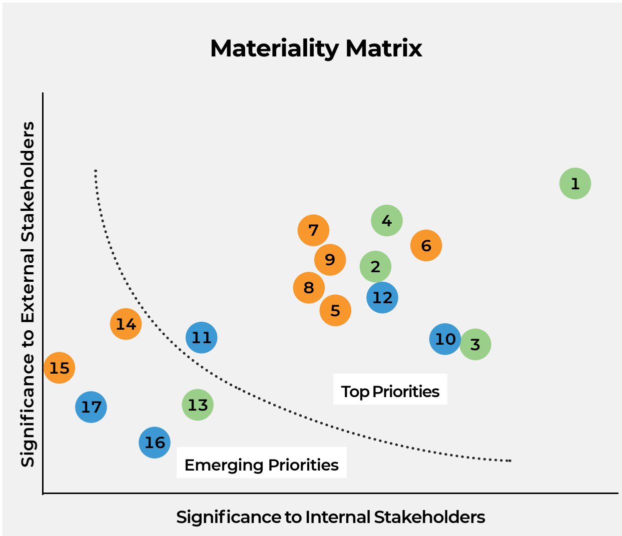
## MATERIALITY ASSESSMENT

Materiality assessment is crucial in identifying the ESG topics that have the most impact on PRIME and how these translate to an impact on the economy, environment, and people. Therefore, material ESG topics are of interest to PRIME and our stakeholders. It forms the foundation of sustainability reporting, informing us of significant ESG areas for PRIME to develop monitoring and management strategies.

In FY2022, we conducted a comprehensive refresh of PRIME's material ESG topics with the support of an external consultant. Stakeholder engagement was central to this effort, with 38 internal and external stakeholders, including the Board of Directors, Management and employees, tenants, operating vendors, local communities, and investors, taking part in a stakeholder survey. The list of potential material ESG topics raised was ranked by stakeholders, validated by Management, and subsequently approved by the Board.

This year, the 12 material topics were reviewed by the Board and Management and concluded to remain relevant for the reporting period.

PRIME plans to further evaluate materiality from both the impact and financial perspectives in the upcoming reporting cycle, in accordance with the new SGX requirements for climate-related disclosures and alignment with IFRS S2 standards.




| Category | | No | Materiality Topics |
|---|---|---|---|
| **Key Material Topics** | | | |
| | **Environmental** | 1 | Energy Management |
| | | 2 | Water Management |
| | | 3 | Emissions Management |
| | | 4 | Waste Management |
| | **Social** | 5 | Employment Practices |
| | | 6 | Safe Spaces and Well-being |
| | | 7 | Talent Development |
| | | 8 | Diversity and Non-discrimination |
| | | 9 | Local Communities |
| | **Governance** | 10 | Economic Performance |
| | | 11 | Anti-corruption Practices |
| | | 12 | Board Diversity |
| **Emerging Material Topics** | | | |
| | **Environmental** | 13 | Supplier Environmental Assessment |
| | **Social** | 14 | Customer Data Privacy |
| | | 15 | Freedom of Association and Collective Bargaining |
| | **Governance** | 16 | Fair Competition |
| | | 17 | Public Policy |

# ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS

PRIME supports the United Nations Sustainable Development Goals ("**SDGs**") and consistently strives to contribute to their advancement. By prioritising nine SDGs that are in line with PRIME's business activities, PRIME aims to drive positive change while also enhancing our competitiveness and relevance in a rapidly changing world. We are dedicated to pursuing opportunities within our sphere of influence to contribute alongside global efforts towards sustainable development.

| SDG | Material Topics | PRIME's Contribution to SDG |
|---|---|---|
| 3 | 1) Safe Spaces and Well-Being | PRIME prioritises tenant wellness and safety. This year, as part of ongoing efforts to improve on-site amenities and enhance tenant well-being, PRIME has added fitness facilities to Promenade I & II, Waterfront at Washingtonian and 222 Main. A Grab & Go station was also unveiled at Reston Square to provide convenient and nutritious meals for those who need it.<br><br>In FY2024, all 13 of our properties achieved the WELL Health-Safety rating, an evidence-based third-party rating that assesses properties on strategies implemented to promote health, safety, security and well-being. |
| 5 | 1) Employment Practices<br>2) Diversity and Non-Discrimination<br>3) Board Diversity | PRIME fosters equal opportunities in recruitment, career advancement, and compensation. We currently have a balanced gender representation in our workforce and will continually enhance diversity through our hiring practices. |
| 7 | 1) Energy Management | Energy management is crucial in PRIME's business and operations, as efficient energy management not only results in operational cost savings but also allows us to play our part in minimising environmental impact stemming from energy consumption.<br><br>PRIME has set a quantitative target of a 25% reduction in portfolio Energy Use Intensity by 2030, using 2022 as a baseline. We are on track to achieve this target and will conduct ASHRAE Level II Energy Audits for all applicable assets to identify areas for optimising energy consumption. |
| 8 | 1) Economic Performance<br>2) Talent Development | PRIME seeks to create long-term value for our stakeholders, with our employees and tenants being at the heart of our collective success. While economic sustainability and growth are the core of any business, PRIME strives to also provide avenues for professional growth for our employees through our training and development programmes. Healthy and conducive work environments are created for tenants, which in turn strengthens PRIME's relationships with tenants. |
| 9 | 1) Emissions Management<br>2) Energy Management<br>3) Water Management | The built environment is a significant contributor to global GHG emissions, and PRIME is committed to playing our part in reducing our portfolio emissions. We constantly assess building enhancement projects and evaluate operational changes that can improve the energy efficiency of our buildings, which minimises our portfolio's impact on the environment.<br><br>PRIME has set a quantitative target of a 25% reduction in portfolio Scope 1 and 2 GHG emissions by 2030, using 2022 as a baseline, and we will continually monitor our progress towards this target. |
| 11 | 1) Waste Management | PRIME minimises waste at its source through reduction, reuse, and recycling initiatives, while ensuring responsible disposal practices. We collaborate with licensed waste management and recycling vendors to manage and monitor waste collection data. |
| 12 | 1) Emissions Management<br>2) Energy Management<br>3) Water Management<br>4) Waste Management | Buildings use a significant amount of energy and water, and PRIME recognises the importance of responsible consumption of these limited resources. We have successfully achieved certification from the U.S. Green Building Council's Leadership in Energy and Environmental Design ("**LEED**") at several of our properties. Additionally, we implemented technologies to conserve water usage, such as through utilising drip or smart irrigation technologies. |
| 13 | 1) Emissions Management | We are on track to achieve our emissions reduction target in portfolio Scope 1 and 2 GHG emissions. More information can be found in the section on Environmental Impact from pages 92 to 100. |
| 16 | 1) Anti-Corruption Practices | PRIME upholds a Code of Conduct that sets forth key principles on ethical conduct, compliance with laws and regulations, and anti-corruption and anti-bribery, which all employees are expected to follow. PRIME maintains high ethical standards in business operations, ensuring transparency with proper declaration and approvals of gifts, hospitality, and entertainment, among other practices. |

# ECONOMIC SUSTAINABILITY

At PRIME, we believe that sustainable business practices create lasting value – not just for our business, but for our employees, tenants, communities, investors and other stakeholders. We strive for economic growth that balances financial success with environmental and social responsibility.

While our operations generate positive impacts by enhancing property value, supporting local communities, and fostering a healthy work environment, we recognise that they can have unintended impacts as well. For example, our business operations create GHG emissions that can contribute to global warming, and some of our properties are located in drought-prone areas and might put a strain on limited water supplies. To address this, we proactively integrate ESG considerations across our business, ensuring responsible investment decisions, risk management and business operations.

This year, we strengthened our sustainability efforts with key initiatives that focus on:

- Ensuring compliance with health and safety standards, as well as the air and water quality in our buildings,
- Implementing energy and water efficiency technologies to conserve resources and reduce operational costs, and
- Engaging with tenants and local communities to foster collaboration and shared responsibility

We track our economic performance through financial metrics such as distributable income and net property income. These metrics are reported regularly and transparently via quarterly business updates or financial results announcements, and our annual reports. Beyond financial metrics, we use tenant engagement and insights from our annual Kingsley survey to shape our operational strategy and continuously refine action plans through ongoing feedback loops with our tenants.

For more information on PRIME'S Economic Performance, please refer to the Financial Review and Financial Statements sections on pages 13 to 15 and 129 to 181 of PRIME's Annual Report 2024.

# CORPORATE GOVERNANCE, COMPLIANCE & ETHICS

Strong corporate governance is essential to PRIME's long-term success, and we are committed to maintaining transparent, ethical, and responsible business practices. Through our Enterprise Risk Management and internal controls framework, overseen by the Board, we regularly assess and address business and operational risks to protect stakeholders' interests, create sustainable value, and uphold investor trust.

We recognise that compliance failures, such as regulatory breaches or governance lapses, can have serious consequences. This includes reputational damage, loss of operating licenses, and increased business costs. To minimise these risks, we maintain rigorous governance policies aligned with the regulators' expectations and enforce zero tolerance for unethical practices. All potential corporate governance breaches or lapses are addressed through a clear remediation process, which includes internal investigations, corrective actions, and policy enhancements.

To ensure the effectiveness of our governance measures, we conduct regular audits, compliance reviews and internal assessments.

For more details on PRIME's Corporate Governance framework, please refer to the Corporate Governance Report in PRIME's Annual Report 2024, pages 52 to 77.

## ETHICAL BEHAVIOUR AND COMPLIANCE

Operating with integrity, fairness, and transparency is a fundamental principle that guides our business conduct. We strive to uphold responsible business conduct across all interactions – with employees, tenants, vendors, investors and the wider community.

A zero-tolerance policy is in place for unethical conduct such as bribery and corruption, and regulatory non-compliance. PRIME's Code of Conduct outlines our stance on compliance, anti-corruption and anti-bribery, and business ethics, ensuring all employees are held to the highest standards. To uphold these standards, due diligence is also conducted on our business partners, such as tenants and vendors, before engagement, allowing us to proactively identify and address any potential counterparty risks. The Manager maintains high ethical standards in conducting business, ensuring transparency and proper declaration and approvals of gifts, hospitality, and entertainment.

As part of our commitment to ethical business conduct, PRIME has set a target of zero incidence of fraud, bribery, or corruption each year. In FY2024, we recorded zero reported incidents of fraud, bribery, or corruption, and there were no penalties or reprimands for non-compliance with laws and regulations, thus, successfully meeting our target.

Upholding ethical business practices requires continuous learning and awareness among employees. To equip employees with the knowledge to uphold ethical standards, an annual ethics and compliance training is provided by an external expert, which includes topics such as REIT rules and regulations, conflicts of interest, code of conduct and anti-money laundering.

## MAIN LAWS AND REGULATIONS RELEVANT TO PRIME IN OUR OPERATING COUNTRIES

Keeping up with evolving laws and regulations is essential to ensure smooth operations across the countries where PRIME operates. To support this, we closely monitor regulatory changes and industry developments, ensuring that any significant updates are promptly communicated to relevant stakeholders.

Compliance remains a top priority, and we take proactive steps to align with key regulations and standards. This includes continual adherence to guidelines from the Monetary Authority of Singapore, such as the Code on Collective Investment Schemes and Property Funds Appendix, as well as requirements from the SGX-ST Listing Manual. Additionally, we comply with building standards and codes specific to each state in the U.S., ensuring responsible business conduct across all locations where we operate.

## WHISTLEBLOWING

We believe that everyone deserves to work in an environment where they feel safe, respected, and valued. We maintain a zero-tolerance policy against unethical practices, misconduct, and all forms of discrimination. We encourage our employees to speak up about any concerns through the appropriate channels. Our Whistleblowing Policy provides a secure and confidential process for reporting of concerns.

Employees are briefed on the whistleblowing process to ensure they understand how to report concerns and to provide the assurance that they can raise concerns without fear of reprisal, and that every report is treated with confidentiality without compromising the identity of the Whistleblower.

Employees can raise their concerns through any of the following channels:

1. Submitting a report via the Navex "Global Ethics" website: https://secure.ethicspoint.com/domain/media/en/gui/71338/index.html
2. Calling the toll-free Navex Ethics Hotline
3. Reaching out to the Receiving Officer(s), Director & Head (Designate) and Director, Internal Audit of Keppel Ltd. The contact details are available on the website.
4. Mailing a report directly to the Audit & Risk Committee Chairman.

The ARC, with support from the Receiving Officer, oversees and monitors the whistleblowing process. Reports made via the Navex website or hotline are sent to the Receiving Officer and ARC Chairman, while reports received directly by the Receiving Officer will be shared with the ARC Chairman.

Every report, whether anonymous or not, will be carefully reviewed. If needed, the Whistleblower may be contacted for further information. The Receiving Officer and the ARC Chairman will assess and decide if an investigation is warranted. If necessary, an independent and thorough investigation will be conducted by Keppel Ltd.'s Group Internal Audit, who is our outsourced internal auditor, or by an appointed independent third party.

Once the investigation is complete, the findings and recommendations will be presented to the ARC, who will ensure that any necessary corrective actions are taken. A summary of reports received, investigation statuses, and any corrective actions will be reviewed in the quarterly ARC meetings.

In FY2024, we recorded zero incidents of critical concerns raised and zero incidents of discrimination, corruption or bribery.

# ENVIRONMENTAL IMPACT

PRIME strives to minimise the environmental footprint of our operations and promote sustainability across our portfolio. The built environment contributes significantly to global greenhouse gas ("**GHG**") emissions, and we are focused on mitigating our portfolio's carbon footprint through effective energy management and the integration of innovative solutions.

Our Environmental Policy reinforces our commitment to prioritise the physical impact of our real estate portfolio, preserve resources, and reduce our environmental impact. Not only does the policy acknowledge our role in contributing to GHG emissions, but it also highlights the direct financial and non-financial benefits of efficient resource management and operations. Hence, our goals of reducing GHG emissions and consumption, improving utility efficiencies, and enhancing the workplace environment can ultimately establish a competitive advantage for PRIME and its stakeholders.

In line with this policy, we have made notable strides toward integrating environmental issues into our business activities. This year, we had set quantitative short- and medium-term targets around energy and emissions management. Set by the Management and validated by the Board, these targets are supported by future physical occupancy trends, ESG budget in business plans, and ongoing initiatives to identify opportunities for operational improvements and building system optimisation. Further details are covered in the relevant sections below, alongside information on projects and initiatives that were rolled out.

PRIME is on track to meet our 2030 targets for emissions and energy consumption. With the growing trend of tenants returning to the office, PRIME acknowledges that physical occupancy across our portfolio may increase, potentially leading to higher energy use and emissions. While our targets are based on the FY2022 baseline year, a year with relatively low physical occupancy, we are confident that these targets remain realistic and represent a meaningful reduction compared to the baseline year.

Further to PRIME's efforts to evaluate and mitigate the environmental impact of our properties, prior to any new acquisitions, we will consider metrics relating to the asset's environmental impact, and consider engaging a third-party expert to conduct environmental site assessments, climate risk assessments, or other similar evaluations.

### ENERGY STAR[1] PERFORMANCE FOR FY2024

**82** Average score for 13 portfolio properties

**92%** Percentage of PRIME's 13 properties with a score of 75 or higher

**11** Properties that had a score improvement compared to 2023

The average score of 82 represents a 5% increase from 2023's average score of 78, and a 11% increase from 2022's average score of 74. The consistent increase in ENERGY STAR score over the years is testament to PRIME's continual efforts to improve energy performance.

### EMISSIONS AND ENERGY MANAGEMENT

PRIME is focused on reducing the GHG emissions from our assets and operations. A significant majority of our emissions stem from energy consumption, prompting us to direct resources towards reducing our energy usage and improving energy efficiency where possible. Guided by our Environmental Policy, we aim to lower operational expenses, decrease GHG emissions, enhance the quality of the work environment for tenants and visitors, and establish a competitive advantage for PRIME through sustainable emissions and energy management practices.

[1] The ENERGY STAR score rates the building's energy performance relative to similar buildings nationwide. Expressed on a 1-100 scale, a higher score denotes better energy efficiency. A score of 50 represents median energy performance, while a score of 75 or higher indicates that the building is a top performer. More information is available at: https://www.energystar.gov/buildings/benchmark/understand_metrics/how_score_calculated

This year, we had set short- and medium-term targets relating to emissions and energy consumption. Using 2022 as a baseline year, PRIME aims to achieve the following by 2030:

- 25% reduction in portfolio Energy Use Intensity ("**EUI**");
- 25% reduction in portfolio Scope 1 and 2 GHG emissions;
- Conduct ASHRAE Level II Energy Audits for all applicable assets, to identify additional opportunities for improvement; and
- Roll out light-emitting diode ("**LED**") retrofits for all base building upgrade projects.

This year, we implemented a number of sustainability enhancement projects directed at emissions and energy management. Several notable highlights include:

1. **EV Charging Stations:**

   We have taken a proactive step in promoting clean transportation by installing electric vehicle ("**EV**") charging stations, with 10 out of 13 of our properties having stations available onsite for tenants. We are also evaluating the feasibility of installing more chargers across our portfolio on an ongoing basis, aiming to have EV charging available at all properties by FY2025, where feasible. This initiative contributes to the reduction of carbon emissions associated with traditional car transportation methods while supporting tenants to transition to a more environmentally friendly mobility solution.

2. **Smart Building Technologies:**

   We leverage smart building technologies and metering tools like Gridium to monitor and measure utility performance. This involves utilising Gridium to enhance energy efficiency by examining startup and shutdown schedules, holiday schedules, baseload analysis, demand management, rates, and demand response. Our approach includes tailoring operational strategies based on factors such as tenant mix, equipment, and climate zone.

   Gridium's team collaborated closely with the LPC ESG team through monthly meetings and engaged with individual building engineering teams quarterly or as needed. These efforts focused on monitoring and analysing building performance to optimise resource usage effectively.

   Starting from FY2025, we plan to roll out Measurabl, an ESG data management solution for commercial real estate with automated data capture, on-demand reporting capabilities, standardised data collection, and efficient tracking of progress towards set targets.

3. **Upgrades and Enhancements:**

   We further optimise energy consumption through planned system upgrades and building enhancements, which encompass improvements to equipment and appliances, such as replacements of Heating, Ventilation, and Air Conditioning ("**HVAC**") equipment to more energy-efficient and reliable models.

**RESTON SQUARE – TARGETED OPERATIONAL ENHANCEMENTS**

Since 2022, targeted operational enhancements have been introduced at Reston Square, leading to measurable outcomes. These initiatives include optimising building system run times to align with lease requirements and introducing staggered equipment start and stop times to maximise efficiency.

Measurable Outcomes:

- In FY2024, achieved a 27% reduction in energy consumption compared to the 2022 baseline.
- Achieved a 27% reduction in Scope 2 emissions over the same period.

# ENVIRONMENTAL IMPACT

### THE 101 - LED RETROFIT

All parking garage lighting in The 101 were upgraded to energy-efficient LED fixtures, a move projected to reduce annual energy consumption by 120,866 kWh, resulting in significant cost savings. In addition, the availability of utility rebates further enhanced the cost-effectiveness of the project, making it a prudent investment in both sustainability and tenant satisfaction and comfort - the new and brighter LED lights provided better visibility throughout the garage, creating a safer and more pleasant environment for tenants.


This year, we completed two LED retrofits at two of our properties, where fluorescent lamps were swapped out for more energy-efficient LEDs. The retrofit projects resulted in improved tenant satisfaction and comfort, with brighter lighting in common building spaces. Combined, the retrofit projects are estimated to reduce energy use by over 170,000 kWh annually, resulting in significant cost savings.

4. **Building certifications:**

   This year, PRIME achieved the WELL Health-Safety Rating across our entire portfolio, demonstrating our commitment to providing safe and healthy environments for our tenants. The WELL Health-Safety Rating is an evidence-based, third-party verified rating for all new and existing buildings, focusing on operational policies, maintenance protocols, stakeholder engagement and emergency plans.

We continually pursue sustainable building certifications to demonstrate our sustainability commitment to the tenants and allow an independent third-party to provide assurance on the sustainable management and operations of each asset. We target to have all of our existing assets within the portfolio obtain at least two (2) sustainable building certifications by 2025, with one of the certifications being WELL Health-Safety Rating.

| PRIME's Building Certifications | |
|---|---|
| **222 Main** | • WELL Health-Safety Rating<br>• ENERGY STAR Certified and Rated 83 in 2024<br>• LEED Gold (Building Design and Construction) |
| **171 17th Street** | • WELL Health-Safety Rating<br>• ENERGY STAR Certified and Rated 83 in 2024<br>• LEED Platinum (Operating and Maintenance)<br>• LEED Silver (Building Design and Construction) |
| **Sorrento Towers** | • WELL Health-Safety Rating<br>• ENERGY STAR Certified and Rated 90 in 2024 for Sorrento Tower I<br>• ENERGY STAR Certified and Rated 87 in 2024 for Sorrento Tower II<br>• LEED Gold (Building Design and Construction)<br>• LEED Certified (Operations and Maintenance) |
| **Park Tower** | • WELL Health-Safety Rating<br>• ENERGY STAR Certified and Rated 79 in 2024<br>• LEED Gold (Operations and Maintenance) |
| **Village Center Station II** | • WELL Health-Safety Rating<br>• ENERGY STAR Rated 92 in 2024<br>• LEED Silver (Building Design and Construction) |
| **Tower I at Emeryville** | • WELL Health-Safety Rating<br>• ENERGY STAR Certified and Rated 83 in 2024 |
| **CrossPoint** | • WELL Health-Safety Rating<br>• ENERGY STAR Rated 71 in 2024<br>• LEED Gold (Building Design and Construction) |
| **Waterfront at Washingtonian** | • WELL Health-Safety Rating<br>• ENERGY STAR Rated 88 in 2024<br>• LEED Platinum (Operations and Maintenance) |
| **Tower 909** | • WELL Health-Safety Rating<br>• ENERGY STAR Certified and Rated 85 in 2024<br>• LEED Silver (Operations and Maintenance) |
| **Promenade I & II** | • WELL Health-Safety Rating<br>• ENERGY STAR Rated 80 in 2024 for Promenade I<br>• ENERGY STAR Rated 79 in 2024 for Promenade II |
| **The 101** | • WELL Health-Safety Rating<br>• ENERGY STAR Rated 76 in 2024 |
| **Village Center Station I** | • WELL Health-Safety Rating<br>• ENERGY STAR Rated 79 in 2024<br>• LEED Gold (Building Design and Construction) |
| **Reston Square** | • WELL Health-Safety Rating<br>• ENERGY STAR Rated 82 in 2024<br>• LEED Silver (Building Design and Construction) |

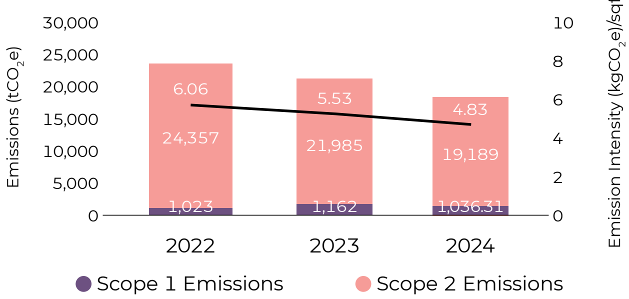
# ENVIRONMENTAL IMPACT

## PERFORMANCE

PRIME's GHG emissions include Scope 1 emissions from direct fuel consumption (such as natural gas for heating) and Scope 2 emissions from purchased electricity used to power PRIME's buildings. In FY2024, we have noted a decrease in GHG emissions from previous years. The year-over-year decrease in Scope 1 and Scope 2 emissions is directly correlated to a decrease in energy consumption across our portfolio, driven by the proactive efforts of our onsite property management teams since 2022. The teams have diligently evaluated building performance, leveraging data and insights to identify opportunities for improvement. Through targeted operational adjustments, enhanced maintenance practices, and the optimisation of building systems, significant strides have been made in improving energy efficiency. These actions have directly contributed to a measurable reduction in overall energy usage and associated GHG emissions.

GHG emissions from our operations totalled 20,225 $tCO_2e$, representing a 20% decrease from baseline year emissions. Our emissions intensity in FY2024 is 4.83 $kgCO_2e$/sqft.

**Comparison of Scope 1 and 2 GHG Emissions across reporting periods**



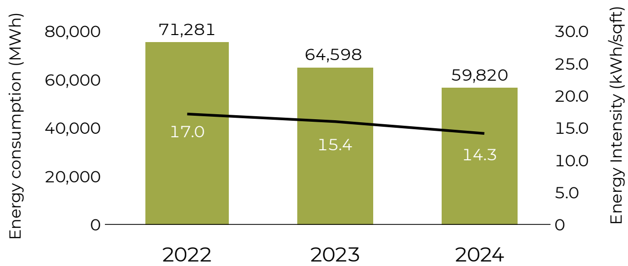

Notes:

1. Scope 1 and Scope 2 GHG emissions were restated for FY2023 and FY2022 due to the divestment of One Town Center in FY2024. This provides better comparability of portfolio performance across reporting periods.
2. Gases included in the calculation are carbon dioxide ($CO_2$), methane ($CH_4$), and nitrous oxide ($N_2O$), expressed in units of tonnes of carbon dioxide equivalent ($tCO_2e$).
3. GHG emissions were consolidated using the operational control approach from the GHG Protocol standard.
4. Emissions factors are obtained from the U.S. Government Environmental Protection Agency ("**US EPA**") Emissions and Generation Resource Integrated Database ("**eGRID**").
5. The chosen denominator for emissions intensity was net lettable area in square feet.

| TARGET | PERFORMANCE |
|---|---|
| By 2030, 25% reduction in portfolio Scope 1 and 2 GHG emissions, from the FY2022 baseline | In FY2024, achieved a 20% reduction in portfolio Scope 1 and 2 GHG emissions, from the FY2022 baseline |

PRIME's energy demand stems from electricity consumption and district cooling. FY2024 saw a decrease in PRIME's energy consumption to 59,819,548 kWh, representing a 16% decrease from baseline year energy consumption. Our energy intensity figure for the year was 14.3 kWh/sqft.

**Comparison of Energy Consumption across reporting periods**




Notes:

1. Energy consumption data were restated for FY2023 and FY2022 due to the divestment of One Town Center in FY2024. This provides better comparability of portfolio performance across reporting periods.
2. Energy included in the calculation were electricity, natural gas, heating, cooling, and chilled water.
3. The chosen denominator for energy intensity was net lettable area in square feet.

| TARGET | PERFORMANCE |
|---|---|
| By 2030, 25% reduction in portfolio Energy Use Intensity, from the FY2022 baseline | In FY2024, achieved a 16% reduction in portfolio Energy Use Intensity, from the FY2022 baseline |

Since 2022, the on-site property management and engineering teams had invested time in thoroughly understanding the unique aspects of each building, its operational systems, and tenant-specific needs. This understanding has provided us with valuable insights into effective energy and emissions management, which have since informed PRIME's overall initiatives and targets.

Among the notable lessons learned was the importance of aligning energy management practices with tenant comfort. For instance, efforts to optimise building operations by implementing staggered start schedules often had to be adjusted to account for tenant thermal preferences and space utilisation patterns. Additionally, severe weather events presented challenges that required unplanned energy use to ensure continuous operation and warmth, in contrast to milder periods that demanded fewer resources. These fluctuations highlighted the necessity of dynamic planning and the integration of resilience measures into energy strategies.

By understanding and addressing these factors, we were able to fine-tune operational approaches, creating more realistic and adaptable targets for PRIME's sustainability efforts. These lessons have been instrumental in shaping initiatives that are pragmatic, ensuring that our environmental goals are aligned with PRIME's overall strategy.

We will implement a phased approach to achieve our sustainability targets relating to emissions and energy use. This approach will be guided by the Management, in collaboration with the LPC ESG Team. In FY2025, we will systematically roll out ASHRAE Level II Audits across our portfolio to identify opportunities for building system efficiency improvements. Additionally, we will continue scaling up the implementation of energy-saving initiatives, including LED retrofits. We believe that this approach aligns with our ambition of achieving our 2030 targets effectively and with cost efficiency, taking into consideration future physical occupancy trends.

## WATER MANAGEMENT

Our building operations primarily use water for tenant consumption and irrigation. Optimising water usage and efficiency not only reduces costs but also improves overall utility consumption. We strive to use water resources efficiently to preserve scarce resources and reduce our impact on the environment.

The property management teams take proactive actions to conserve water, including planning, developing, distributing, and managing the use of water resources. This is especially important for properties located in drought-prone areas such as Texas and California.[2]

We are guided by our Environmental Policy in assessing and implementing portfolio- and property-specific initiatives to optimise water use. Some current initiatives include, but are not limited to:

1. **Smart water management**

   In 2024, we implemented advanced meter-level monitoring technologies at selected properties such as WaterSignal, which enables real-time tracking of water usage by attaching non-invasive sensors to meters. Its cloud-based analytics provide actionable insights to detect leaks, identify inefficiencies, and reduce water consumption. The system includes leak detection that sends immediate alerts to minimise water loss, provides detailed data for proactive adjustments, and reduces water bills through efficiency improvements.

2. **Water-Efficient Fixtures:**

   We install low-flow fixtures during any plumbing renovations at our properties, ensuring compliance with a minimum standard such as the Uniform Plumbing Code ("**UPC**") or International Plumbing Code ("**IPC**").

3. **Smart Irrigation Technologies:**

   We utilise smart irrigation technologies, which are advanced systems that enhance the efficiency of water usage in landscaping, such as UgMO for optimised irrigation management. UgMO's soil sensors monitor moisture levels to optimise irrigation schedules, allowing properties to conserve water while maintaining plant health. These technologies were introduced at selected properties in 2024, and after receiving positive feedback from onsite teams, UgMO will be expanded across the portfolio to properties that can benefit from this technology.

4. **Drought-Tolerant Native Plants:**

   We plant drought-tolerant native plant species to not only enhance biodiversity but also to contribute to water conservation efforts, selecting plants adapted to local conditions. These plants are currently in place at 11 out of 13 of our properties.

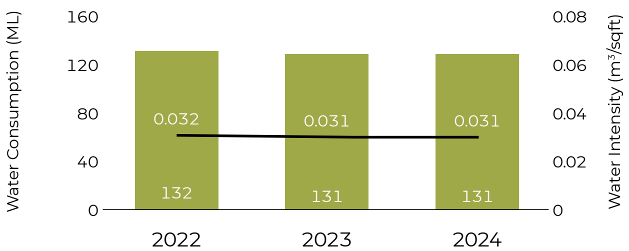
[2] Properties in Texas: (1) Tower 909, (2) Promenade I & II. Properties in California: (1) Park Tower, (2) Tower I at Emeryville, (3) Sorrento Towers.

# ENVIRONMENTAL IMPACT

### SORRENTO TOWERS – SMART IRRIGATION TECHNOLOGIES

Sorrento Towers implemented UgMO Technologies' Adaptive Irrigation Network to enhance water management. In 2024, the system delivered substantial water and cost savings, even amid a rise in water rates. Since installation, the system achieved a 30% reduction in water usage, saving 268 centum cubic feet (approximately 200,484 gallons) compared to the baseline year.


### Comparison of Water Consumption across reporting periods




Notes:

1. Last year, water consumption for FY2022 was restated for all properties (except One Town Center) due to reflection of higher quality data that was available through improved data collection methodology and retrospectively applied to FY2022 data.
2. The chosen denominator for water intensity was net lettable area in square feet.

## PERFORMANCE

In FY2024, the total water consumption of our operations totalled 131 megalitres ("**ML**"), with 53 ML from areas with water stress.[3] This translates into a slight 2% reduction in water consumption from baseline year consumption levels. Our water intensity figure for FY2024 remained at 0.31 $m^3$/sqft. We are constantly monitoring our properties' water consumption levels, and will establish specific short-, medium-, and long-term quantitative targets for water consumption after assessing water consumption patterns and reduction possibilities.

[3] Determined using data from the World Resources Institute's Aqueduct tool: https://www.wri.org/aqueduct

## WASTE MANAGEMENT

Effective waste management requires a comprehensive understanding of the sources of waste and the sustained implementation of various waste reduction initiatives. Most of the waste in our properties is generated through tenant activity. PRIME's Environmental Policy outlines our commitment to responsible waste management. To that end, PRIME frequently engages our tenants, identifies trends, and implements waste initiatives throughout the portfolio and at specific properties.

In the years prior, PRIME has instituted recycling programmes at all our assets, emphasising single-stream recycling whenever feasible to simplify waste sorting and boost efficiency. Coordinated by the LPC ESG Team, such programmes encourage the responsible disposal of waste materials and contributes to circular economy efforts. Waste collection data from various licensed waste management and recycling vendors is also collected for monitoring.

We encourage tenants to adopt good waste management practices and keep open channels of communication with them to help determine the effectiveness of our waste-related initiatives. Initiatives implemented this year include, but are not limited to:

**1. Battery and electronic waste recycling:**

We hold regular battery and electronic waste recycling drives at our properties. Electronic waste contains valuable and finite resources, making it important that electrical equipment that has reached their end-of-life cycle are recycled responsibly. 11 properties had hosted electronic waste drives in FY2024.

**2. Dual-stream recycling:**

Dual-stream recycling was introduced at selected properties such as Waterfront at Washingtonian and Park Tower, reflecting a push towards advanced waste management practices. Unlike single-stream recycling, where all recyclables are mixed, dual-stream recycling requires tenants to separate their recyclables into two categories: paper/cardboard and containers (glass, plastic, metal). This can lead to higher-quality recyclables, as contamination is reduced.

**3. Composting Programmes for On-Site Cafeterias:**

Composting programmes at selected properties featuring on-site cafeterias were rolled out. This targeted approach addresses organic waste, promoting environmentally friendly waste disposal methods.

**4. Educational Materials for Tenants:**

Recognising the importance of tenant engagement, we supplement all waste management initiatives with educational materials, such as during the annual Earth Day event held across our properties. These resources aim to inform and inspire our tenants to actively participate in recycling and sustainable waste practices, fostering a culture of shared environmental responsibility.

Electronic waste drive at The 101

Battery recycling at Park Tower

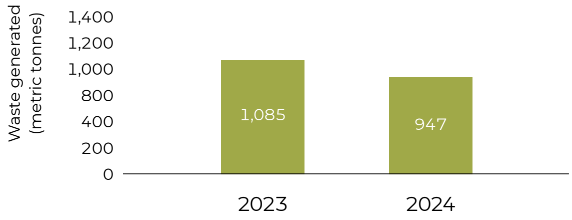
# ENVIRONMENTAL IMPACT

## PERFORMANCE

In FY2024, our operations generated 947 metric tonnes of non-hazardous waste, with no hazardous waste generated. 226 metric tonnes or 24% was diverted away from disposal towards reuse, recycling or composting operations. Total waste generated in 2024 decreased by 13% from 2023 levels, reflecting enhanced efficiency and improved waste management practices.

PRIME remains committed to scaling up our waste management initiatives, including circularity measures. We are constantly monitoring our properties' waste generation levels, and will establish specific short-, medium-, and long-term quantitative targets for waste generation after monitoring waste generation trends.

**Comparison of Waste Generation across reporting periods**




Notes:

1. Waste generation data is only available from FY2023 onwards. This is because in FY2022, PRIME was undergoing a transition from various property management companies to Lincoln Property Company. FY2023 saw an improved and standardised data collection methodology for waste-related data.

# DIVERSITY AND INCLUSION

At PRIME, we believe that our success is built on the strength of our talented, diverse, and dedicated workforce. A diverse and inclusive workplace not only strengthens but also creates resiliency among our team to steer PRIME through sector headwinds, economic uncertainties, and evolving regulatory changes.

Although the Manager's workforce is a small team of six (6), each employee brings a unique background, perspective, and skillset. With women making up half of our workforce, diversity is not just a goal but a reality for us. We strive to create an environment where everyone feels valued and has equal opportunities to grow. To support this, we offer comprehensive company benefits that promote employee well-being and career development.

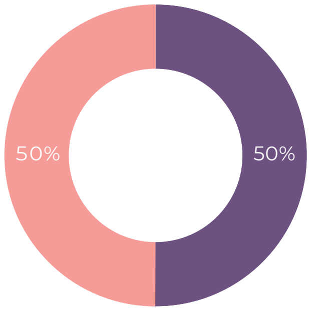
Recognising that creating an inclusive workplace is an ongoing journey, we continuously learn and improve in order to address any potential challenges. While we do not formally track diversity, due to our small workforce of six employees, we remain mindful of our team's diversity composition and strive to maintain an inclusive and equitable representation in a respectful work environment without any bias.

Beyond our workforce, our Vendor Diversity Policy promotes inclusivity by fostering strong partnerships with businesses from diverse backgrounds. By engaging with a diverse set of vendors and suppliers, we contribute to economic empowerment and gain valuable perspectives that enhance our business.

### EMPLOYEES

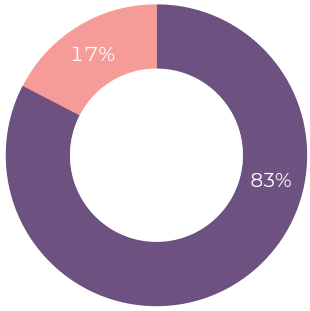
Building on the belief that our people are our strength and the key to our success, we are dedicated to creating a workplace that inspires collaboration, innovation, and open idea-sharing. This is realised through targeted investments in human capital – focusing on developing and retaining a team of talented and engaged individuals. The Manager champions fair employment practices, ensuring that every team member enjoys equal opportunities and benefits from comprehensive learning and development programs designed to support their professional growth and success.

**Gender Classification for Employees**




| Gender Classification for Employees | Male | Female |
|---|---|---|
| **Total** | **3** | **3** |

**Age Classification for Employees**




| Age Classification for Employees | Total |
|---|---|
| Under 30 years old | **0** |
| 30-50 years old | **5** |
| Over 50 years old | **1** |
| **Total** | **6** |

We maintained a consistent workforce of six (6) employees throughout FY2024. Evenly split between female (50%) and male (50%) employees, this reflects our fair and inclusive corporate gender objective. Additionally, our age demographic balance with 83% of our employees who are aged between 30 and 50 years old, highlights the Manager's proactive approach to building a resilient workforce. Our employee data is measured in headcount and reflects the total number of individuals in our team as of the end of the reporting period.

# DIVERSITY AND INCLUSION

## New hire and Turnover

In line with our HR policy, we ensure fair and transparent hiring practices that focus on skills, experience, and potential. In FY2024, we welcomed our new CEO, Mr. Rahul Rana, to lead our company. There are no other changes to the Management team composition in FY2024.

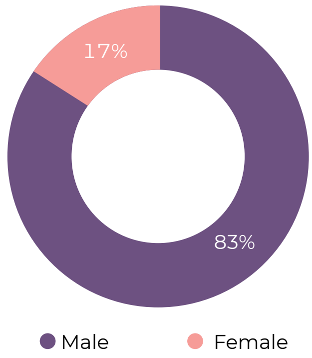
| | New Hires in FY2024 | | Turnover in FY2024 | |
|---|---|---|---|---|
| | Number | Rate (%) | Number | Rate (%) |
| **By Gender** | | | | |
| Female | **0** | **0** | 0 | 0 |
| Male | **1** | **17** | 1 | 17 |
| **Age Group** | | | | |
| Under 30 years old | **0** | **0** | 0 | 0 |
| 30-50 years old | **0** | **0** | 0 | 0 |
| Over 50 years old | **1** | **17** | 1 | 17 |
| **Region** | | | | |
| Singapore | **1** | **17** | 1 | 17 |
| United States | **0** | **0** | 0 | 0 |

## Board Diversity

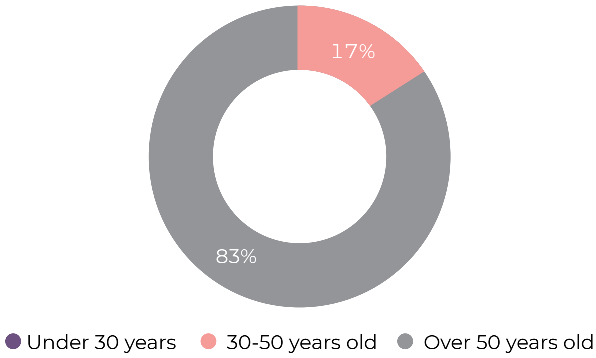
Our board members play a crucial role in guiding our company, offering valuable insights through their diverse backgrounds and experience. Their collective input drives sound decision-making and forward-thinking leadership. Our Board Diversity Policy serves as a guiding framework in ensuring diversity of board tenure, nationality, age, gender, skills, and experience among the board members to serve the needs of PRIME. Please refer to the Corporate Governance section in the Annual Report 2024 on pages 52 to 77 for more information on the Board Diversity Policy, including progress, timeline, and targets.

As of 31 December 2024, our Board consists of six (6) directors – 83% men and 17% women. Diverse by age, 83% of our directors are over 50 years old and 17% between 30 and 50 years old. The Board is evenly split geographically, with 50% based in North America and another 50% in Singapore. In terms of governance, 67% of directors are independent, while 33% are non-independent. We strive to maintain a diverse and experienced Board to guide the company forward, aligned with PRIME's overall strategy.

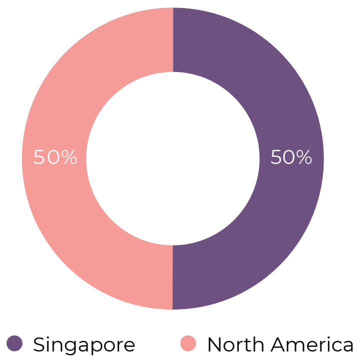
**Board Gender Diversity**



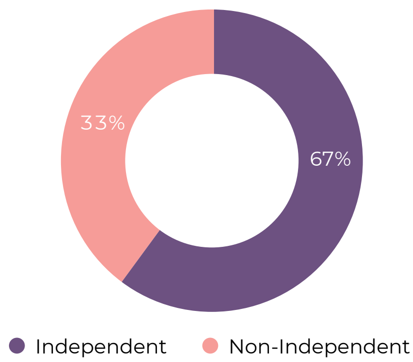

**Board Age Diversity**




**Board Nationality Diversity**




**Board Independence**



### Training and Career Development

Creating a supportive and empowering workplace remains a key priority for us. We believe that when employees are given the right guidance and opportunities, they can grow and thrive in their careers. In 2024, 100% of employees participated in regular performance and career development reviews, reinforcing our commitment to continuous learning and professional growth.

To help employees stay ahead in a dynamic industry, we offer fully funded training programmes covering topics such as accounting, taxation, and sustainability, via courses provided by REITAS, SGX, ISCA, and our service providers and auditors. A training register is maintained to track participation and training hours.

In FY2024, employees completed an average of 20.6 training hours per person, surpassing our target of 20 hours for the year. This reflects our ongoing investment in professional development, ensuring that employees have access to relevant and impactful learning opportunities.

| Average Training Hours | |
|---|---|
| | **FY2024 (Hours)** |
| **By Gender** | |
| Male | 20.8 |
| Female | 20.4 |
| **By Employee Category** | |
| C-Suite | 21.7 |
| Non-executive | 20.1 |
| **Overall** | **20.6** |

Recognising the importance of attracting and retaining top talent, we offer a competitive compensation package to all full-time employees in Singapore, complete with comprehensive benefits. This includes insurance coverage, healthcare, and medical benefits, as well as entitlements to annual, medical, and parental leave. In 2024, only one employee had welcomed a new child, taken parental leave and returned to work after the leave ended.

Additionally, the Manager contributes to the local pension fund (i.e., the Central Provident Fund in Singapore), contributing to the financial security of our employees.

# HEALTH, SAFETY AND SATISFACTION OF STAKEHOLDERS

At PRIME, we deeply value the health, safety, and well-being of our employees, tenants, and the wider community. We are committed to fostering a safe and supportive work environment, striving each year to achieve zero workplace injuries and fatalities. While we take pride in maintaining a strong safety record, we recognise that potential risks, such as fire hazards, ergonomic issues, and building safety concerns, require continuous attention and proactive management.

To uphold this commitment to safety, we have established measures that help us monitor and improve workplace well-being. In FY2024, we reported one (1) minor incident of workplace injury at one of PRIME's properties in the U.S.[4] The affected LPC engineering staff received immediate medical attention, has since made a full recovery and returned to work. A team review was conducted to analyse the incident and stress the need for careful, deliberate actions during maintenance tasks. New safety measures were rolled out and refresher safety training was also provided.

Although we do not have a formal health and safety policy specifically for the six (6) employees based in Singapore, they adhere to established safety procedures, such as fire evacuation protocols set by the office building management. We understand the importance of structured policies and will continue to evaluate ways to enhance safety frameworks for all employees, regardless of location. In addition, we provide comprehensive medical and healthcare benefits to support the overall well-being of our team.

Beyond internal measures, we actively engage with tenants to promote workplace safety across our properties. Tenants are encouraged to share safety concerns through dedicated feedback channels, which allow us to promptly address and improve health and safety practices. Maintaining open communication ensures that we can adapt to emerging risks and continuously enhance workplace safety for everyone.

The importance of stakeholder health, safety and satisfaction for PRIME remains consistent, including:

- **Tenant Retention:** Prioritising tenant well-being fosters satisfaction and encourages lease renewals.
- **Employee Well-being:** Maintaining safety cultivates productivity and talent retention.
- **Investor Confidence:** Prioritising stakeholder well-being influences PRIME's reputation and investor appeal.
- **Community Impact:** Promoting stakeholder health showcases PRIME's commitment to social responsibility and community welfare.

PRIME's Enterprise Risk Management framework systematically identifies, assesses and mitigates risks relating to business, operations, and workplace safety. Our risk assessment process ensures hazards are proactively identified, assessed, and controlled to eliminate or minimise risks.

For more details on PRIME's risk assessment process, please refer to the ERM section of PRIME's Annual Report 2024 on pages 48 to 51.

Quarterly risk assessments are conducted, with findings documented in a risk register to maintain transparency and accountability. The risk register also facilitates continuous monitoring and improvement of safety controls, helping to prevent incidents before they occur. Key risk indicators (e.g., insurance claims against liability coverage) are tracked closely, allowing timely assessment and response to emerging safety concerns.

Employees are encouraged to report hazards without hesitation, knowing their concerns will be taken seriously. Our confidential reporting process and strict non-retaliation policy ensure everyone feels safe speaking up. These processes and policies are reviewed at least once a year, ensuring they remain relevant and are aligned with best practices. Our property managers also hold regular meetings to evaluate workplace health and safety conditions and gather feedback for ongoing improvements.

### ELEVATING TENANT & COMMUNITY WELLNESS

Creating a positive and supportive environment for tenants goes beyond providing functional space – it involves fostering well-being and strengthening social connections. Prioritising tenant wellness leads to greater satisfaction, a higher rate of lease renewals, and a more vibrant office workspace.

The Manager supports initiatives that create a healthy, connected, and engaged tenant community, as well as initiatives that support the communities we have a presence in. PRIME's holistic approach to tenant wellness includes providing functional spaces that encourage healthy social behaviour and close collaboration, and providing services that support tenants' healthy lifestyles such as fitness centres and healthy meals. Additionally, PRIME collaborates with local vendors to host tenant events, hence supporting the surrounding communities.

[4] 41 of LPC's employees were based at PRIME's properties as of 31 December 2024.

## KINGSLEY SURVEYS

Kingsley surveys provide objective insights into the tenant experience with tools to benchmark against the Kingsley Index, which is the most comprehensive performance benchmarking database specific to the real estate industry and is the industry standard for measuring tenant satisfaction.

In FY2024, PRIME's portfolio Kingsley score in the "Overall Satisfaction" category had seen a 3% increase from the prior year and is above the Kingsley Index's average score.

To ensure engagement efforts are meaningful, regular feedback is collected through channels such as the annual Kingsley survey as well as post-event feedback. Property managers actively track engagement activities using event trackers, monitoring participation and feedback to assess the effectiveness of initiatives. Event calendars are also used for each property to streamline planning & execution. These processes help refine planning for future tenant events, ensuring they continue to meet tenants' needs and expectations.

## WATERFRONT AT WASHINGTONIAN

***Reintroducing Waterfront at Washingtonian as an Iconic Landmark***

*Waterfront at Washingtonian underwent a rebranding and asset enhancement exercise that reimagined the space as a modern, high-performance workplace. The property is now designed to meet the needs of today's tenants. Its updated amenities are intended to boost productivity and foster collaboration, creating an environment that is both dynamic and future-focused.*

# HEALTH, SAFETY AND SATISFACTION OF STAKEHOLDERS

### PROMENADE I & II

***Elevating Wellness and Sustainability***

*We added a new fitness centre and upgraded common areas in Promenade I & II with sustainable features like low-flow fixtures and LED lighting. These enhancements boost tenant wellness with a modern fitness centre, enhance sustainability through energy-efficient, eco-friendly features, and foster a welcoming atmosphere with refreshed common areas.*

### 171 17TH STREET

***Lobby Renovation and Common Area Upgrades***

*We renovated the lobby at 171 17th Street with an open, bright design to create a welcoming entrance that leaves a strong first impression on tenants. In addition, common areas on two floors were upgraded with modernised elevator lobbies, hallways, and restrooms — featuring upgraded marble flooring, new carpeting, energy-efficient LED lighting, and eco-friendly low-flow fixtures. Together, these changes provide an enhanced and appealing environment that boosts tenant satisfaction and attracts potential new tenants.*

## 222 MAIN


***State-of-Art Fitness Centre***

*We added a fitness centre at 222 Main that encourages physical health and wellness through cutting-edge equipment and an inviting space, while the eco-friendly features such as LED lighting and energy-efficient machines minimise environmental impact. This supports tenants' preference for more amenity options and supports tenants' active lifestyle.*

## RESTON SQUARE


***Grab & Go Concept***

*At Reston Square, the Grab & Go market offers a convenient, fast, and eco-friendly option for tenants to pick up fresh food, snacks, and drinks without leaving the building. The sustainability aspect, with ENERGY STAR appliances, aligns with modern eco-conscious behaviour, while the self-checkout and video monitoring provide a seamless and efficient shopping experience. This provides tenants with an enhanced sense of convenience, time-saving benefits, and a healthier snacking option, contributing to a more well-rounded building experience.*

# HEALTH, SAFETY AND SATISFACTION OF STAKEHOLDERS

Beyond just enhancing our spaces, we are committed to supporting overall well-being by providing tenants with essential services that truly make a difference.

**Supporting Our Tenants' Well-Being:**

In 2024, we provided flu shot clinics, chair massages, and other wellness initiatives. We also celebrated Mother's and Father's Day with thoughtful giveaways, fostering an appreciative workplace.

Our ongoing efforts and hard work have truly paid off. Over time, we have continuously improved our properties' amenities and the well-being of our tenants. This year, we are especially proud to have received the WELL Health-Safety Rating certification across our entire portfolio.

Awarded by the International WELL Building Institute ("**IWBI**"), this globally recognised certification reflects our commitment to creating spaces that prioritise health, safety, and overall well-being. It serves as a testament to the steps we have taken to enhance our environment, ensuring it remains safe, welcoming, and resilient.

To earn this recognition, we have implemented key initiatives, including:

- **Air Quality Management** – Optimise HVAC system to improve air circulation by increasing ventilation and using high-efficiency filters for cleaner indoor air.
- **Water Quality Management** – Conduct regular water testing and maintenance to ensure safe drinking water and reduce exposure to contaminants.
- **Green Cleaning Policies** – Adopt cleaning protocols that minimise the spread of pathogens while using environmentally friendly products that meet global health standards.
- **Emergency Preparedness** – Establish clear procedures for health emergencies, including infectious disease outbreaks and natural disasters, along with training for staff and tenants on response and evacuation protocols.
- **Stakeholder Engagement** – Keep tenants and stakeholders informed through regular updates on building policies, health measures, and certifications, fostering a culture of awareness and collaboration.

This recognition reaffirmed our commitment to ensuring that everyone who spends time in our buildings feels safe and supported.

### OUR WELL HEALTH SAFETY RATING CERTIFICATION

## TENANT & COMMUNITY ENGAGEMENT

Building a strong connection with the local community is vital in creating a positive and welcoming environment for tenants. A space where people feel valued, supported, and engaged enhances both their well-being and sense of belonging. With this in mind, we strive to cultivate inclusive spaces where tenants of all backgrounds feel at home, while also fostering deeper ties between our properties and the surrounding communities.

Our Community and Tenant Engagement Policy guides us in enhancing tenant engagement and making a positive impact beyond our properties. In FY2024, we hosted 124 tenant events and 32 community initiatives, including donation drives, across our properties. Property managers actively tracked and coordinated activities using a dedicated tenant event tracker and tenant relations calendar. Below are some examples of the community activities we have organised in FY2024:

### TENANT EVENTS

**Understanding biodiversity through bees:**
We actively engage our tenants to create awareness about the importance of bees in our ecosystem, and such outreach activities have been met with enthusiasm. Bees contribute significantly to the health of local ecosystems and play a central role in supporting local biodiversity.

Collaborating with experienced local beekeepers, “Hive Updates” are regularly sent to tenants. In 2024, 6 of our properties are home to 7 beehives and 2 bee homes. Over 700 jars of honey harvested from onsite hives and homes were distributed to tenants.

Additionally, educational initiatives help introduce our tenants to the fascinating world of bees. Such events include candle-making workshops, hands-on bee-handling sessions, and workshops for tenants to understand the biodiversity of bees.

# HEALTH, SAFETY AND SATISFACTION OF STAKEHOLDERS

## TENANT EVENTS

**Earth Day: Inspiring Action for a Greener Planet**

We hosted sustainability-focused initiatives to encourage eco-friendly habits, including an Earth Day scavenger hunt, electronic waste drives, waste workshops, plant giveaways, and green building exhibits. These activities empowered tenants to take small but impactful steps toward sustainability.

**Spreading Cheer and Togetherness**

We brought the holiday spirit to life with decoration contests, charity drives, networking gatherings, and festive meals. Such events provided opportunities for social interaction and closer bonding among the tenant community, creating a purpose for them to come back to the workplace.

# HEALTH, SAFETY AND SATISFACTION OF STAKEHOLDERS

## TENANT EVENTS

**Summer & Fall Highlights**

We organised summer socials with ice cream trucks, candy buffets, and casual networking events, while fall festivities featured pumpkin decoration contests, Halloween treats, and BBQs. Families were also invited to join in the festivities, and everyone was encouraged to dress up along with the theme.

**Creating Lasting Memories**

We hosted solar eclipse viewing parties with complimentary glasses, snacks, and interactive displays, turning a rare celestial event into a shared experience. March Madness competitions and sports-themed gatherings brought excitement and camaraderie to tenant spaces.

# HEALTH, SAFETY AND SATISFACTION OF STAKEHOLDERS

## TENANT EVENTS

**Everyday Moments of Fun**

We curated year-round activities such as popcorn bars, bouquet-making workshops, Mardi Gras treats, wine tastings, and onsite food trucks, adding joy to the workday and strengthening tenant connections.

## COMMUNITY ENGAGEMENT

### Saving Lives Together

We hosted community-wide blood drives across several properties, partnering with organisations such as the American Red Cross and Blue Cross Blue Shield. In FY2024, we facilitated four (4) blood drives, providing tenants and community members with an opportunity to donate and support those in need.

### Addressing Community Needs

Our properties led targeted donation drives to support local charities. At 222 Main, 805 pounds of clothing were collected and donated to those in need, while a "For the Kids" food drive provided meals for 130 children. At The 101, a food drive with the St. Louis Area Foodbank provided 178 meals to the needy, and a toys drive supported "Toys for Tots". Park Tower conducted a book drive to support the Sacramento Public Library, while 171 17th Street contributed to "Students Without Mothers" through a toiletry and collegiate drive.


# HEALTH, SAFETY AND SATISFACTION OF STAKEHOLDERS

## COMMUNITY ENGAGEMENT

**Bringing People Together**

Our community events fostered engagement while supporting important causes. The Hops & Grapes Summer Festival at Village Center Station I & II raised $10,000 for non-profit organisations. Promenade I & II promoted Breast Cancer Awareness Month by offering onsite mobile mammography services. To encourage sustainable commuting, Village Center Station I & II hosted “Bike to Work Day” with the City of Greenwood Village and local vendors, drawing numerous participants.

# TCFD DISCLOSURE

We support the Task Force on Climate-related Financial Disclosures ("**TCFD**") and the integration of the recommendations in SGX's Sustainability Reporting Guide. Since FY2023, climate-related disclosures have become mandatory for the financial industry, including asset managers, due to its critical role in the transition to a low-carbon economy. In addition to the TCFD recommendations, the TCFD's supplemental guidance and supporting materials were also referenced in our reporting efforts.

The table below describes how we manage climate-related risks and opportunities with reference to the four key pillars recommended by TCFD:

| Recommended Disclosure | PRIME's Approach | Page Reference |
|---|---|---|
| **Governance** | | |
| • Describe the board's oversight of climate-related risks and opportunities.<br>• Describe the management's role in assessing and managing climate-related risks and opportunities. | PRIME's sustainability governance structure consists of the Board of Directors, the Audit and Risk Committee ("**ARC**"), and the Management team.<br><br>The Board is ultimately responsible for PRIME's sustainability strategy and provides guidance on the strategic direction of PRIME. Material topics are also validated by the Board. The ARC oversees climate risks and opportunities through the Enterprise Risk Management framework and reviews the Risk Register every quarter to identify climate-related risks.<br><br>PRIME's Management is primarily responsible for integrating sustainability considerations into business operations in line with the sustainability strategy by developing action plans and tracking outcomes of these plans. The central ESG team from LPC is engaged to coordinate and manage key ESG issues for the U.S. portfolio and provide expertise in execution and monitoring of sustainability action plans at the property level. Both teams refer to PRIME's Sustainability Risk Framework – which is part of PRIME's ERM framework – to manage and monitor sustainability risks and opportunities. The ARC receives updates on sustainability matters on a quarterly basis. | 85 |

# TCFD DISCLOSURE

| Recommended Disclosure | PRIME's Approach | Page Reference |
|---|---|---|
| **Strategy** | | |
| • Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.<br>• Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.<br>• Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | In 2023, PRIME completed a formal scenario analysis and climate risk assessment to identify climate-related risks and opportunities within the scope of our assets and operations over the short-, medium-, and long-term.<br><br>A qualitative scenario analysis was conducted with support from an external consultant to identify a range of physical and transition risks relevant to PRIME and our portfolio of properties. We are currently exploring conducting quantitative scenario analyses for prioritised climate-related risks to obtain more quantitative outcomes, which would help with strategic decision-making and financial planning.<br><br>The outcomes of our scenario analysis and risk identification guide our decision-making processes relating to the building resiliency of our operational strategy and assets. We recognise the climate-related risks posed to our properties, and we are determined to ensure our buildings are designed and fitted to sufficiently withstand the effects of climate change and do not contribute further to negative impacts.<br><br>This year, PRIME identified one new climate-related opportunity.<br><br>More details on specific response plans to each of the physical and transition risks identified, as well as the climate-related opportunities, are contained in the Scenario Analysis Outcomes section on pages 119-122. | 119-122 |
| **Risk Management** | | |
| • Describe the organisation's processes for identifying and assessing climate-related risks.<br>• Describe the organisation's processes for managing climate-related risks.<br>• Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | Our Sustainability Risk Framework is part of our Enterprise Risk Management framework. The Sustainability Risk Framework follows the process of risk identification, assessment, mitigation, monitoring, and reporting for climate-related risks.<br><br>Identified climate-related risks are added into a risk register, which is maintained by Management and reviewed by the ARC on a quarterly basis. Inputs and changes to the register are primarily informed by climate risk assessments and discussions between Management, the LPC ESG team, asset managers, and other stakeholders involved in PRIME's day-to-day operations.<br><br>Management is always accountable to the Board for all climate-related risks that the entity is exposed to. It may designate individuals to take ownership of different climate-related risks to ensure they are monitored and managed effectively.<br><br>More details on our risk management process can be found in the Enterprise Risk Management section of our Annual Report 2024 on pages 48-51. | 85<br><br>48-51, 68-69, Annual Report 2024 |

| Recommended Disclosure | PRIME's Approach | Page Reference |
|---|---|---|
| **Metrics and Targets** | | |
| • Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.<br>• Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("**GHG**") emissions, and the related risks.<br>• Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | PRIME keeps stakeholders informed of our sustainability performance by consistently tracking and disclosing key metrics. These include energy consumption, water consumption, and Scope 1 and 2 GHG emissions.<br><br>With the onboarding of LPC as our consolidated property manager in 2022, we have seen improvements in the data monitoring and collection processes across our properties. Their expertise in ESG solutions and technology is complemented with Gridium, a platform PRIME uses for energy analytics. It comprehensively tracks our resource consumption data and more easily identifies activities to boost energy efficiency. This has also resulted in higher quality data for more accurate disclosures across all our operations.<br><br>The improvement in data monitoring and quality allows us to conduct better strategic planning and target setting. This year, we set quantitative targets surrounding emissions and energy management – By 2030, we aim to see a 25% reduction in Energy Use Intensity, and a 25% reduction in Scope 1 and 2 GHG emissions across our portfolio. These targets are set with 2022 as a baseline year. | 96-100 |

## SCENARIO ANALYSIS OUTCOMES

Scenario analysis is essential for entities to identify and understand the impacts of climate-related risks and opportunities across various climate futures. By projecting the possible climate-related impacts on PRIME's business activities, our people, and the environment we operate in, we can utilise the results of scenario analysis to enhance our long-term risk preparedness and resilience.

In FY2023, a qualitative analysis of potential risks and business impacts was conducted and the results of the qualitative analysis allowed the Manager to develop risk mitigation strategies and identify opportunities to gain advantages and enhance resilience in the future.

The scope of analysis included assets and operations in the U.S. and Singapore. Timeframes of up until 2030 (short-term), 2030 to 2050 (medium-term) and 2050 to 2100 (long-term) are in alignment with national climate targets and PRIME's strategic planning horizons.

We developed two separate scenarios for the qualitative analysis:

1. Low Climate Change – the increase in global average temperature is less than 2°C by 2100, with sustained effort from various stakeholders to collectively achieve climate targets.
2. High Climate Change – the increase in global average temperature exceeds 4°C by 2100, due to "business-as-usual" operations and no significant or sustained effort from various stakeholders to achieve climate targets.

A set of widely recognised climate scenarios were used for the scenario analysis. Representative Concentration Pathways ("**RCP**") and Shared Socioeconomic Pathways ("**SSP**") referenced by the Intergovernmental Panel on Climate Change ("**IPCC**") were employed as a starting point for relevant factors considered in our Low Climate Change and High Climate Change scenarios. For the Low Climate Change scenario, RCP2.6 and SSP1-2.6 were used, and for the High Climate Change scenario, RCP8.5 and SSP5-8.5 were used.

# TCFD DISCLOSURE

The table below shows the outcomes of our analysis, which are being used to inform strategy and decision-making, along with the response plan that outlines the actions taken this year. We are currently exploring conducting quantitative scenario analyses for prioritised climate-related risks to obtain more quantitative outcomes, which would help with strategic decision-making and financial planning.

| Risk | Business Impact | Risk Timeframe | Response Plan |
|---|---|---|---|
| **Physical Risk** | | | |
| 1. Extreme weather events (cyclones, flash floods) | Damage to properties and natural environment, affecting viability of PRIME's property-related operations and the safety of employees.<br><br>Increased frequency of such events may also affect planning and development of operations, such as reducing exposure to extreme event risks for new developments. | Short- to long-term risk | Annual Climate Risk Assessment Review for vulnerabilities of the entire portfolio, continued business continuity planning regular updates, continued education of onsite teams surrounding vulnerabilities.<br><br>For buildings identified with high exposure to climate hazards, physical site inspections as needed will be considered to assess their resilience to current and/or future stresses and to determine whether additional mitigation is needed.<br><br>Potential enhancement initiatives include increasing emergency preparedness, capital improvement work, and implementing landscaping upgrades to replace fire-prone materials that are more susceptible to wildfires. |
| 2. Extreme temperature rise | Increased temperature may result in discomfort to tenants and employees. Likely fiscal losses due to increased cooling costs and HVAC degradation. | Medium- to long-term risk | PRIME completed several HVAC upgrades this year and continually evaluates, assesses, and implements such projects where necessary. This year, PRIME also set a target for all properties in our portfolio to have ASHRAE Level II Building Audits by 2030, which helps building managers to evaluate building systems and identify high-consuming equipment.<br><br>Evaluate, assess, and implement energy reduction and efficiency projects as applicable. ASHRAE Level II Building Audits are being conducted to evaluate building systems and identify high-consumption equipment. Evaluating and leveraging advanced management systems. |

| Risk | Business Impact | Risk Timeframe | Response Plan |
|---|---|---|---|
| 3. Rising sea levels (pluvial and fluvial flooding) | Infrastructure and physical assets situated at coastal locations would be subject to significant damage, which may impact property operations and reduce accessibility for employees and tenants. | Long-term risk | For properties identified as being at risk to rising sea levels, physical onsite inspections will be conducted to assess the resilience of the property. As identified and needed, mitigation strategies will be implemented. Including, but not limited to – evaluating temporary flood barriers to be stored onsite, installing backflow preventers, evaluating location of critical building equipment. Additionally, reviewing the emergency preparedness plan for properties in this category for flood procedures. |
| **Transition Risk** | | | |
| 1. Tenant preferences | As tenants begin to be more conscious of their carbon footprints, they may increasingly request for more sustainable features and services. | Short-term risk | Stay ahead of sustainable practices, continue implementing new technology. Include new metrics in the tenant satisfaction survey to evaluate tenants' commitments, if applicable, to a more sustainable future; assess all responses for commonalities in comparison to existing infrastructure in place for potential implementation.<br><br>Commitment to accelerate the transition to EVs by installing chargers on properties that do not currently have them, as applicable and feasible. |
| 2. Increased pricing of GHG emissions | The reliance on high-emission technologies within the real estate sector, such as inefficient building systems or outdated energy infrastructure, may expose the company to regulatory and market pressures for carbon reduction.<br><br>Additionally, any introduction or potential increase in carbon tax where PRIME operates may lead to increased overall costs. | Short-term risk | This year, PRIME set quantitative targets to reduce GHG emissions. Data collection tools are used to track and identify opportunities for GHG reduction initiatives.<br><br>Incentive tracking utilising third party verification to identify opportunities for cost savings, incentives, and rebates. Assess and integrate innovative technologies for advanced analytical monitoring of building systems – HVAC, lighting, and plumbing. |

# TCFD DISCLOSURE

| Risk | Business Impact | Risk Timeframe | Response Plan |
|---|---|---|---|
| 3. Increased ESG reporting requirements | There will be a greater need for robust data collection mechanisms and reporting capabilities to meet increased reporting obligations, as regulators continue to develop more comprehensive reporting standards. As a listed company, PRIME would be subject to such standards and will be exposed to reputational risks or financial penalties if it is unable to meet such expectations. | Short-term risk | Formalised data collection procedures for consistency in methodology and data collection processes across the portfolio. Making use of technology such as Gridium platform, conduct property manager trainings, perform internal audits, and reviews to continuously improve quality assurance, data auditability, and efficiency. Engage qualified consultants to ensure PRIME continues to develop its sustainability report in accordance with reporting standards and prevailing regulatory requirements.<br><br>Consider ASHRAE Level II building audits to identify areas of opportunity for installing sub-meters for building systems to provide more detailed data and data points for measurement. |
| 4. Building certification requirements | Asset owners may be required to renovate existing buildings to match more stringent sustainability standards or requirements. This would involve high capital expenditure to perform building upgrades and retrofitting. | Medium-term risk | Evaluate top-rated, internationally recognised, third-party organisations and pursue associated certifications to verify individual building and portfolio performance to sustainable environmental and social practices.<br><br>Engage and influence the value chain and building users to support a more sustainable transition to a low-carbon future. |

**Prioritised climate-related opportunities**

With the results of the scenario analysis, PRIME can adopt a more comprehensive approach to identifying and managing climate change impacts on our business. Based on our understanding of our exposure to climate-related risks and opportunities, we have prioritised the following opportunities, alongside the time horizon, impact on our business, and the management approach to capitalise on an opportunity.

| Opportunity: Improving resource efficiency | |
|---|---|
| Time Horizon | Short-term (up to 2030) |
| Potential Business Impact | PRIME is focused on improving the resource efficiency of our portfolio, which would reduce operating costs and the environmental footprint of our properties. This includes initiatives that reduce our portfolio emissions and energy consumption. This has the potential benefit of attracting investors and tenants who are aligned with our approach to resource efficiency and decarbonisation. |
| Management approach | Quantitative targets around emissions and energy management have been set. Additionally, ASHRAE Level II Energy Audits will be conducted for all applicable assets to pinpoint areas for targeted improvements. The Manager will continue exploring solutions and technologies that aid in the progress towards our targets. |

# GRI CONTENT INDEX

| | |
|---|---|
| **Statement of use** | Prime US REIT has reported in accordance with GRI Standards for the period from 1 January 2024 to 31 December 2024. |
| **GRI 1 used** | GRI 1: Foundation 2021 |

| GRI Standard | Disclosures | | Chapter | Remarks / Reason for Omission |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 | Organisational details | About this Report, pg. 83 | |
| | 2-2 | Entities included in the organisation's sustainability reporting | About this Report, pg. 83 | |
| | 2-3 | Reporting period, frequency and contact point | About this Report, pg. 83 | |
| | 2-4 | Restatements of information | | Some information was restated in the Environmental Impact section, pg. 96-100 |
| | 2-5 | External assurance | | There was no external assurance conducted. |
| | 2-6 | Activities, value chain and other business relationships | PRIME US REIT, pg. 82<br><br>Environmental Impact, pg. 92 | |
| | 2-7 | Employees | Diversity and Inclusion, pg. 101 | |
| | 2-8 | Workers who are not employees | Sustainability Management, pg. 85 | |
| | 2-9 | Governance structure and composition | Annual Report 2024, pg. 8-12<br><br>Sustainability Management, pg. 85<br><br>Diversity & Inclusion, pg. 102<br><br>Corporate Governance Report, pg. 56 | |
| | 2-10 | Nomination and selection of the highest governance body | Annual Report 2024, pg. 56-59 | |
| | 2-11 | Chair of the highest governance body | Annual Report 2024, pg. 54 | |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | Letter to Stakeholders, pg. 84 | |
| | 2-13 | Delegation of responsibility for managing impacts | Sustainability Management, pg. 85 | |
| | 2-14 | Role of the highest governance body in sustainability reporting | Sustainability Management, pg. 85 | |
| | 2-15 | Conflicts of interest | Annual Report 2024, pg. 54 | |
| | 2-16 | Communication of critical concerns | Corporate Governance, Compliance & Ethics, pg. 90-91 | |
| | 2-17 | Collective knowledge of the highest governance body | Diversity and Inclusion, pg. 102<br><br>Corporate Governance Report, pg. 56 | |
| | 2-18 | Evaluation of the performance of the highest governance body | Annual Report 2024, pg. 63-64 | |
| | 2-19 | Remuneration policies | Annual Report 2024, pg. 64-67 | |
| | 2-20 | Process to determine remuneration | Annual Report 2024, pg. 64-67 | |

# GRI CONTENT INDEX

| GRI Standard | Disclosures | | Chapter | Remarks / Reason for Omission |
|---|---|---|---|---|
| | 2-21 | Annual compensation ratio | | Not disclosed due to highly sensitive nature of information. Please refer to page 64-67 of the Annual Report 2024 for more details. |
| | 2-22 | Statement on sustainable development strategy | Letter to Stakeholders, pg. 84 | |
| | 2-23 | Policy commitments | Corporate Governance, Compliance & Ethics, pg. 90<br><br>Environmental Impact, pg. 92<br><br>Diversity and Inclusion, pg. 101<br><br>Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 2-24 | Embedding policy commitments | Corporate Governance, Compliance & Ethics, pg. 90<br><br>Environmental Impact, pg. 92<br><br>Diversity and Inclusion, pg. 101<br><br>Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 2-25 | Processes to remediate negative impacts | Corporate Governance, Compliance & Ethics, pg. 90-91 | |
| | 2-26 | Mechanisms for seeking advice and raising concerns | Corporate Governance, Compliance & Ethics, pg. 90-91 | |
| | 2-27 | Compliance with laws and regulations | Corporate Governance, Compliance & Ethics, pg. 90 | |
| | 2-28 | Membership associations | PRIME US REIT, pg. 82 | |
| | 2-29 | Approach to stakeholder engagement | Sustainability Management, pg. 86 | |
| | 2-30 | Collective bargaining agreements | | The Manager's employees are not covered by any collective bargaining agreements. |
| MATERIAL TOPICS | | | | |
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | Sustainability Management, pg. 87 | |
| | 3-2 | List of material topics | Sustainability Management, pg. 87 | |

| GRI Standard | Disclosures | | Chapter | Remarks / Reason for Omission |
|---|---|---|---|---|
| **ECONOMIC PERFORMANCE** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Economic Sustainability, pg. 89 | |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | Economic Sustainability, pg. 89<br><br>Annual Report 2024, pg. 13-14 | |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | | Not disclosed due to insufficient data. |
| | 201-3 | Defined benefit plan obligations and other retirement plans | | Not disclosed due to insufficient data. |
| | 201-4 | Financial assistance received from government | | Not disclosed due to insufficient data. |
| **ANTI-CORRUPTION PRACTICES** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Corporate Governance, Compliance & Ethics, pg. 90-91 | |
| GRI 205: Anti-Corruption 2016 | 205-1 | Operations assessed for risks related to corruption | Corporate Governance, Compliance & Ethics, pg. 90-91 | |
| | 205-2 | Communication and training about anti-corruption policies and procedures | Corporate Governance, Compliance & Ethics, pg. 90-91 | |
| | 205-3 | Confirmed incidents of corruption and actions taken | Corporate Governance, Compliance & Ethics, pg. 90-91 | |
| **ENERGY MANAGEMENT** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Environmental Impact, pg. 92-96 | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organisation | Environmental Impact, pg. 96 | |
| | 302-2 | Energy consumption outside of the organisation | | Not disclosed as it is not relevant to PRIME's business operations. |
| | 302-3 | Energy intensity | Environmental Impact, pg. 96 | |
| | 302-4 | Reduction of energy consumption | | Not disclosed due to insufficient data. |
| | 302-5 | Reductions in energy requirements of products and services | | Not disclosed due to insufficient data. |

# GRI CONTENT INDEX

| GRI Standard | Disclosures | | Chapter | Remarks / Reason for Omission |
|---|---|---|---|---|
| **WATER MANAGEMENT** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Environmental Impact, pg. 97-98 | |
| GRI 303: Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | Environmental Impact, pg. 97-98 | |
| | 303-2 | Management of water discharge-related impacts | | Wastewater is discharged into the municipal facilities. |
| | 303-3 | Water withdrawal | | Total amount of water withdrawn is assumed to be the same as total amount of water consumed. |
| | 303-4 | Water discharge | | Wastewater is discharged into the municipal facilities. |
| | 303-5 | Water consumption | Environmental Impact, pg. 98 | |
| **EMISSIONS MANAGEMENT** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Environmental Impact, pg. 92-96 | |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | Environmental Impact, pg. 96 | |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Environmental Impact, pg. 96 | |
| | 305-3 | Other indirect (Scope 3) GHG emissions | | Not disclosed due to insufficient data. |
| | 305-4 | GHG emissions intensity | Environmental Impact, pg. 96 | |
| | 305-5 | Reduction of GHG emissions | | Not disclosed due to insufficient data. |
| **WASTE MANAGEMENT** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Environmental Impact, pg. 99-100 | |
| GRI 306: Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | Environmental Impact, pg. 99-100 | |
| | 306-2 | Management of significant waste-related impacts | Environmental Impact, pg. 99-100 | |
| | 306-3 | Waste generated | Environmental Impact, pg. 99-100 | |
| | 306-4 | Waste diverted from disposal | Environmental Impact, pg. 99-100 | |

| GRI Standard | Disclosures | | Chapter | Remarks / Reason for Omission |
|---|---|---|---|---|
| GRI 306: Waste 2020 | 306-5 | Waste directed to disposal | Environmental Impact, pg. 99-100 | |
| **EMPLOYMENT PRACTICES** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Diversity and Inclusion, pg. 101 | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Diversity and Inclusion, pg. 102 | |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Diversity and Inclusion, pg. 101 | |
| | 401-3 | Parental Leave | Diversity and Inclusion, pg. 103 | Due to small workforce and reported leave results, rates are not deemed to be meaningful to disclose. |
| **SAFE SPACES AND WELL-BEING** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Health, Safety and Satisfaction of Stakeholders, pg. 104, 108-109 | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 403-3 | Occupational health services | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 403-5 | Worker training on occupational health and safety | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 403-6 | Promotion of worker health | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| | 403-9 | Work-related injuries | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| GRI 416: Customer Health and Safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | | Not disclosed due to insufficient data. |

# GRI CONTENT INDEX

| GRI Standard | Disclosures | | Chapter | Remarks / Reason for Omission |
|---|---|---|---|---|
| GRI 416: Customer Health and Safety 2016 | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Health, Safety and Satisfaction of Stakeholders, pg. 104 | |
| **TALENT DEVELOPMENT** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Training and Career Development, pg. 103 | |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | Training and Career Development, pg. 103 | |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | | Not disclosed due to insufficient data. |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | | Not disclosed due to insufficient data. |
| **DIVERSITY AND INCLUSION** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Diversity and Inclusion, pg. 101-102 | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | Diversity and Inclusion, pg. 102 | |
| | 405-2 | Ratio of basic salary and remuneration of women to men | | Not disclosed due to insufficient data. |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | Diversity and Inclusion, pg. 101-102 | |
| **LOCAL COMMUNITIES** | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Health, Safety and Satisfaction of Stakeholders, pg. 104, 108-109 | |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programmes | Health, Safety and Satisfaction of Stakeholders, pg. 104-116 | Data on impact assessments are not available. |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | | Not disclosed due to insufficient data. |

# FINANCIAL STATEMENTS

# REPORT OF THE TRUSTEE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Prime US REIT (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders of the units ("Unitholders") in the Trust. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Prime US REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 7 September 2018 (as amended and restated) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the period covered by these financial statements, set out on pages 136 to 181, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Chan Kim Lim
Director

Singapore
27 March 2025

# STATEMENT BY THE MANAGER

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

In the opinion of the directors of Prime US REIT Management Pte. Ltd. (the "Manager"), the Manager of Prime US REIT (the "Trust"), the accompanying financial statements set out on pages 136 to 181 comprising the statements of financial position of the Group and the Trust as at 31 December 2024, the consolidated portfolio statement of the Group as at 31 December 2024, the consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of changes in Unitholders' funds, and consolidated statement of cash flows of the Group, and statement of changes in Unitholders' funds of the Trust for the financial year ended 31 December 2024 and notes to the financial statements are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2024, the consolidated portfolio holdings of the Group as at 31 December 2024, the consolidated comprehensive income, consolidated distributable income, consolidated changes in Unitholders' funds and consolidated cash flows of the Group, and changes in Unitholders' funds of the Trust for the financial year ended 31 December 2024, in accordance with the International Financial Reporting Standards ("IFRS") Accounting Standards and the provisions of the Trust Deed between DBS Trustee Limited and the Manager dated 7 September 2018 (as amended and restated) and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Prime US REIT Management Pte. Ltd.

Richard Peter Bren
Director

John R. French
Director

Singapore
27 March 2025

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF PRIME US REIT
FOR THE FINANCIAL YEAR 31 DECEMBER 2024

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Prime US REIT (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Trust as at 31 December 2024, the consolidated portfolio statement of the Group as at 31 December 2024, the consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group, and statement of changes in unitholders' funds of the Trust for the financial year ended 31 December 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the IFRS Accounting Standards, relevant provisions of the Trust Deed and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2024, the consolidated portfolio holdings of the Group as at 31 December 2024, the consolidated comprehensive income, consolidated distributable income, consolidated changes in unitholders' funds and consolidated cash flows of the Group and changes in unitholders' funds of the Trust for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements section* of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF PRIME US REIT
FOR THE FINANCIAL YEAR 31 DECEMBER 2024

**Key audit matters (cont'd)**

Valuation of investment properties

As at 31 December 2024, the carrying amount of investment properties was US$1.35 billion which accounted for 96.9% of total assets. The valuation of the investment properties is significant to our audit due to magnitude and complexity of the valuation which is highly dependent on a range of assumptions and estimates made by external appraisers engaged by the Manager.

The valuations of investment properties are sensitive to changes in the significant unobservable inputs, particularly those relating to market rents, discount rates and capitalisation rates. This is aggravated by increase in the level of estimation uncertainty and judgement required arising from rapid changes in market and economic conditions. Accordingly, we have identified this as a key audit matter.

The Manager uses external appraisers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, assessment of the Group's process relating to the selection of the external appraisers, determination of the scope of work of the appraisers, and review of the valuation reports issued by the external appraisers. We evaluated the objectivity, independence and expertise of the external appraisers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We involved our internal real estate valuation specialists to assist us in assessing the reasonableness of the valuation model and of the significant assumptions and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property related data used by the external appraisers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the external appraisers in response to changes in market and economic conditions. We assessed the overall reasonableness of the movements in fair value of the investment properties and the associated deferred tax consequences. We also assessed the adequacy of disclosures in Note 6 and Note 22(e) to the consolidated financial statements.

## OTHER INFORMATION

The Manager of the Trust is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF PRIME US REIT
FOR THE FINANCIAL YEAR 31 DECEMBER 2024

## RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRS Accounting Standards, relevant provisions of the Trust Deed and relevant requirements of the CIS Code issued by the Monetary Authority of Singapore, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF PRIME US REIT
FOR THE FINANCIAL YEAR 31 DECEMBER 2024

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tan Seng Choon.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2025

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

| | Note | Group 2024 US$'000 | Group 2023 US$'000 | Trust 2024 US$'000 | Trust 2023 US$'000 |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash and cash equivalents | 4 | 27,485 | 11,756 | 4,430 | 3,627 |
| Trade and other receivables | 5 | 3,281 | 4,262 | 228 | 97 |
| Prepaid expenses | | 1,527 | 1,723 | 1 | 1 |
| Derivative assets | 10 | 7,291 | 2,707 | – | – |
| | | **39,584** | **20,448** | **4,659** | **3,725** |
| **Non-current assets** | | | | | |
| Investment properties | 6 | 1,352,070 | 1,407,950 | – | – |
| Derivative assets | 10 | 3,038 | 15,712 | – | – |
| Investment in subsidiaries | 7 | – | – | 712,317 | 710,926 |
| | | **1,355,108** | **1,423,662** | **712,317** | **710,926** |
| **Total assets** | | **1,394,692** | **1,444,110** | **716,976** | **714,651** |
| **Current liabilities** | | | | | |
| Trade and other payables | 8 | 26,311 | 20,904 | 940 | 851 |
| Amount due to related parties | 8 | 566 | 1,016 | 655 | 1,016 |
| Loans and borrowings | 9 | – | 478,403 | – | – |
| Rental security deposits | | 454 | 395 | – | – |
| Rent received in advance | | 8,764 | 7,356 | – | – |
| | | **36,095** | **508,074** | **1,595** | **1,867** |
| **Non-current liabilities** | | | | | |
| Loans and borrowings | 9 | 637,266 | 218,018 | – | – |
| Rental security deposits | | 4,830 | 4,238 | – | – |
| Preferred shares | | 125 | 125 | – | – |
| | | **642,221** | **222,381** | – | – |
| **Total liabilities** | | **678,316** | **730,455** | **1,595** | **1,867** |
| **Net assets attributable to Unitholders** | | **716,376** | **713,655** | **715,381** | **712,784** |
| **Represented by:** | | | | | |
| Unitholders' funds | | **716,376** | **713,655** | **715,381** | **712,784** |
| **Units in issue and to be issued ('000)** | 11 | **1,308,259** | **1,308,259** | **1,308,259** | **1,308,259** |
| **Net asset value per Unit (US$) attributable to Unitholders** | 12 | **0.55** | **0.55** | **0.55** | **0.54** |

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Note | Group 2024 US$'000 | Group 2023 US$'000 |
|---|---|---|---|
| Gross revenue | 13 | 140,963 | 159,803 |
| Property operating expenses | 14 | (64,988) | (66,244) |
| **Net property income** | | **75,975** | **93,559** |
| Manager's base fee | | (4,242) | (6,425) |
| Trustee's fee | | (182) | (201) |
| Other trust expenses | 16 | (2,235) | (1,972) |
| Net fair value change in derivatives | | (8,091) | (11,534) |
| Finance expenses | 15 | (36,035) | (28,104) |
| Finance income | | 670 | 91 |
| **Net income before tax and fair value change in investment properties** | | **25,860** | **45,414** |
| Net fair value change in investment properties | 6 | (15,063) | (161,206) |
| Loss on disposal of investment property | | (2,627) | – |
| **Net income/(loss) for the year before tax** | | **8,170** | **(115,792)** |
| Tax expense | 17 | (121) | (45) |
| **Net income/(loss) for the year attributable to Unitholders** | | **8,049** | **(115,837)** |
| **Earnings/(Loss) per Unit (US cents)** | | | |
| Basic and diluted | 18 | 0.62 | (8.88) |

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

# CONSOLIDATED DISTRIBUTION STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

| | Group | |
|---|---|---|
| | 2024<br>US$'000 | 2023<br>US$'000 |
| **Income available for distribution to Unitholders at beginning of the year** | **3,011** | **35,861** |
| Income available for distribution to Unitholders for the period | | |
| Net income/(loss) for the year | 8,049 | (115,837) |
| Distribution adjustments (Note A) | 30,126 | 173,662 |
| Income available for distribution | 38,175 | 57,825 |
| Amount retained | (34,237) | (25,625) |
| | **3,938** | **32,200** |
| Distributions to Unitholders | | |
| – Distribution of US 3.03 cents per Unit for the period from 1 July 2022 to 31 December 2022 | – | (35,848) |
| – Distribution of US 2.46 cents per Unit for the period from 1 January 2023 to 30 June 2023 | – | (29,202) |
| – Distribution of US 0.25 cents per Unit for the period from 1 July 2023 to 31 December 2023 | (2,974) | – |
| – Distribution of US 0.18 cents per Unit for the period from 1 January 2024 to 30 June 2024 | (2,354) | – |
| | **(5,328)** | **(65,050)** |
| **Income available for distribution to Unitholders at end of the year after retention** | **1,621** | **3,011** |
| **Distribution per Unit (DPU)[1] (US cents):** | **0.29** | **2.46** |

**Note A - Distribution adjustments comprise:**

| | 2024 | 2023 |
|---|---|---|
| Property related non-cash items[2] | 834 | (200) |
| Trustee's fee | 182 | 201 |
| Amortisation of debt-related transaction costs | 2,968 | 1,513 |
| Net change in fair value of derivatives | 8,091 | 11,534 |
| Net change in fair value of investment properties | 15,063 | 161,206 |
| Loss on disposal of investment property | 2,627 | – |
| Others[3] | 361 | (592) |
| | **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, 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 financial statements.

# STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Note | 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 year | | – | 8,049 | 8,049 |
| **Increase in net assets resulting from operations** | | **–** | **8,049** | **8,049** |
| **Unitholders' transactions** | | | | |
| Distributions to Unitholders | | (595) | (4,733) | (5,328) |
| **Decrease in net assets resulting from Unitholders' transactions** | | **(595)** | **(4,733)** | **(5,328)** |
| **At 31 December 2024** | | **915,190** | **(198,814)** | **716,376** |
| **At 1 January 2023** | | **932,803** | **(39,010)** | **893,793** |
| Net loss for the year | | – | (115,837) | (115,837) |
| **Decrease in net assets resulting from operations** | | **–** | **(115,837)** | **(115,837)** |
| **Unitholders' transactions** | | | | |
| Issue of new Units pursuant to Distribution Reinvestment Plan | 11 | 749 | – | 749 |
| Distributions to Unitholders | | (17,767) | (47,283) | (65,050) |
| **Decrease in net assets resulting from Unitholders' transactions** | | **(17,018)** | **(47,283)** | **(64,301)** |
| **At 31 December 2023** | | **915,785** | **(202,130)** | **713,655** |

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

# STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | | Attributable to Unitholders | | |
|---|---|---|---|---|
| | Note | 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 year | | – | 7,925 | 7,925 |
| **Increase in net assets resulting from operations** | | **–** | **7,925** | **7,925** |
| **Unitholders' transactions** | | | | |
| Distributions to Unitholders | | (595) | (4,733) | (5,328) |
| **Decrease in net assets resulting from Unitholders' transactions** | | **(595)** | **(4,733)** | **(5,328)** |
| **At 31 December 2024** | | **915,190** | **(199,809)** | **715,381** |
| **At 1 January 2023** | | **932,803** | **(39,545)** | **893,258** |
| Net loss for the year | | – | (116,173) | (116,173) |
| **Decrease in net assets resulting from operations** | | **–** | **(116,173)** | **(116,173)** |
| **Unitholders' transactions** | | | | |
| Issue of new Units pursuant to Distribution Reinvestment Plan | 11 | 749 | – | 749 |
| Distributions to Unitholders | | (17,767) | (47,283) | (65,050) |
| **Decrease in net assets resulting from Unitholders' transactions** | | **(17,018)** | **(47,283)** | **(64,301)** |
| **At 31 December 2023** | | **915,785** | **(203,001)** | **712,784** |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Note | Group 2024 US$'000 | Group 2023 US$'000 |
|---|---|---|---|
| **Operating activities** | | | |
| Net income/(loss) before tax | | 8,170 | (115,792) |
| Adjustments for: | | | |
| Property related non-cash items | | 834 | (200) |
| Allowance/(reversal of allowance) for expected credit losses | 5 | 394 | (84) |
| Net fair value change in investment properties | 6 | 15,063 | 161,206 |
| Loss on disposal of investment property | | 2,627 | – |
| Net fair value change in derivatives | 10 | 8,091 | 11,534 |
| Foreign exchange losses/(gains) | | 2 | (8) |
| Finance expenses | 15 | 36,035 | 28,104 |
| Finance income | | (670) | (91) |
| **Operating cash flow before working capital changes** | | **70,546** | **84,669** |
| **Changes in working capital** | | | |
| Trade and other receivables | | (159) | 132 |
| Prepaid expenses | | 196 | (261) |
| Trade and other payables | | 132 | (440) |
| Amounts due to related parties | | (450) | 655 |
| Rental security deposits | | 651 | 332 |
| Rent received in advance | | 1,408 | 579 |
| **Cash flow from operations** | | **72,324** | **85,666** |
| Taxes paid | | (133) | (39) |
| **Net cash generated from operating activities** | | **72,191** | **85,627** |
| **Cash flows from investing activities** | | | |
| Net proceeds from disposal of investment property | | 75,373 | – |
| Payment for capital expenditure relating to investment properties | 6 | (38,197) | (24,429) |
| Interest received | | 670 | 91 |
| **Net cash generated from/(used in) investing activities** | | **37,846** | **(24,338)** |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | | Group | |
|---|---|---|---|
| | Note | 2024 US$'000 | 2023 US$'000 |
| **Cash flows from financing activities** | | | |
| Distributions to Unitholders | | (5,328) | (64,301) |
| Dividends on preferred shares | | (16) | (16) |
| Proceeds from loans and borrowings | 9 | 536,800 | 150,000 |
| Repayment of loans and borrowings | 9 | (584,064) | (120,200) |
| Payment of transaction costs related to loans and borrowings | 9 | (9,359) | (464) |
| Interest paid on loans and borrowings | | (32,339) | (26,141) |
| **Net cash used in financing activities** | | **(94,306)** | **(61,122)** |
| | | | |
| **Net increase in cash and cash equivalents** | | **15,731** | **167** |
| Cash and cash equivalents at the beginning of the year | | 11,756 | 11,581 |
| Effect of exchange rate fluctuations on cash held in foreign currency | | (2) | 8 |
| **Cash and cash equivalents at end of the year** | 4 | **27,485** | **11,756** |

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

# CONSOLIDATED PORTFOLIO STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| Description of property | Location | Tenure of land | Fair value as at 31 December 2024 | Percentage of total net assets as at 31 December 2024 | Fair value as at 31 December 2023 | Percentage of total net assets as at 31 December 2023 |
|---|---|---|---|---|---|---|
| | | | US$'000 | % | US$'000 | % |
| 171 17th 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 | 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 financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL 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.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations.

The fee structures of these services are as follows:

### (a) Manager's fees

The Manager is entitled under the Trust Deed to receive the following remuneration for the provision of asset management services:

***Base 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.

The base fee, payable either in the form of cash and/or Units, is payable monthly/quarterly in arrears respectively. Where the base fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of ten business days (as defined in the Trust Deed) immediately preceding the relevant business day.

***Performance fee***

Pursuant to the Trust Deed, the Manager is entitled to a performance fee equal to the rate of 25.0% of the difference in Distribution Per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 1. GENERAL (CONT'D)

### (a) Manager's fees (cont'd)

***Performance fee (cont'd)***

The performance 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 Group did not incur any performance fee for 31 December 2024 and 31 December 2023.

***Acquisition fee***

Pursuant to the Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase price of investment property acquired, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion.

The acquisition fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

***Divestment fee***

Pursuant to the Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of investment property sold or divested, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion.

The divestment fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the deposited property, and not out of the divestment fee received or to be received by the Manager.

***Development management fee***

Pursuant to the Trust Deed, the Manager is entitled to a development management fee not exceeding 3.0% of the total project cost incurred in development projects undertaken by the Manger on behalf of the Group. When the estimated total project costs are above US$100.0 million, the Manager will be entitled to receive a development management fee equivalent to 3.0% for the first US$100.0 million. For the remaining total project costs in excess of US$100.0 million, the independent directors will first review and approve the quantum of the remaining development management fee, whereupon the Manager may be directed by the independent directors to reduce the remaining development management fee. The development management fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

### (b) Trustee's fees

The Trustee fees are charged on a scaled basis of up to 0.1% per annum of the value of all the gross assets of the Group ("Deposited Property"), subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST.

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

**1. GENERAL (CONT'D)**

**(c) Property management fees**

Under the property management agreement in respect of each of the properties, the respective property managers, who are independent third party service providers, will provide property management services and construction supervision services.

Property managers are entitled to a monthly property management fee equal to a certain percentage of rent or gross revenues, as more specifically defined in each property management agreement. Notwithstanding that under the property management agreements the property management fee is payable in cash and not Units, Clause 15.7 of the Trust Deed allows for the payment of property management fee in the form of cash and/or Units. The Group may, in the future, enter into new property management agreements that provide for the payment of property management fee in Units.

Property managers are also entitled to construction supervision fees in connection with providing construction management services for certain construction projects with respect to the property managed by the property manager. Construction supervision fees are assessed as a percentage of the total cost of the applicable construction project with respect to the properties, as more specifically set forth in each project management agreement.

**(d) Lease commissions**

Under the leasing services agreements, the leasing agents, who are independent third-party service providers, are entitled to certain leasing services commissions for procuring leases equal to a certain percentage of the base rent for the initial lease term, payable in cash.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with the IFRS Accounting Standards 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.

**2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

**2.3 Functional and presentation currency**

The 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 FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 Significant accounting judgements and estimates

The preparation of the 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 judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

**Key sources of estimation uncertainty**

The key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period are described in Note 22(e) – Valuation of investment properties.

The Group based its assumptions and estimates on parameters available when the 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.

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 22(e).

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied by the Group consistently to the period presented in these financial statements except in the current financial year, the Group has adopted all the new and revised standards, which are effective for the annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

### 3.1 Consolidated financial statements

***(a) Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to like transactions and events in similar circumstances. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.1 Consolidated financial statements (cont'd)

#### *(b) Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

In the Trust's statement of financial position, investment in subsidiaries is accounted for at cost less impairment losses.

### 3.2 Foreign currency

#### *(a) Foreign currency transactions and balances*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The Manager has determined the currency of the primary economic environment in which the Trust and subsidiaries operate, i.e. the functional currency, to be the US$.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

### 3.3 Investment properties

Investment properties are properties that are held to earn rental income or for capital appreciation, or for both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in profit or loss in the year in which they arise. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the CIS Code issued by MAS.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss. To the extent that lease commissions paid increase the future economic benefits of investment properties, they are capitalised as part of the assets. Lease incentives are included in the carrying amount of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognised in profit or loss when control is transferred to the buyer.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values at the date of purchase. Acquisition-related costs are capitalised as part of the costs of investment property at the time the acquisition is completed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.4 Financial instruments

#### *(a) Non-derivative financial assets*

**Initial recognition and measurement**

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets comprise trade receivables, cash and cash equivalents, other receivables and amount due from subsidiaries. Cash and cash equivalents comprise cash at bank.

**Subsequent measurement**

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

**Derecognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

#### *(b) Non-derivative financial liabilities*

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities not at fair value through profit or loss comprise trade and other payables, amount due to related parties, rental security deposits and loans and borrowings.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.4 Financial instruments (cont'd)

#### *(b) Non-derivative financial liabilities (cont'd)*

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

#### *(c) Preferred shares*

Preferred shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of such units, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as finance expenses in profit or loss as accrued.

#### *(d) Derivatives*

The Group holds derivative financial instruments to manage its interest rate risk exposures. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

### 3.5 Impairment

#### *(a) Financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all trade and other receivables, including lease receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, including lease receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.5 Impairment (cont'd)

#### *(b) Non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In which case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

### 3.6 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

### 3.7 Revenue recognition

#### *Rental income from operating leases*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature. The difference between revenue recognised and the contractual cash received is included in the carrying value of the investment property and subsequently adjusted to fair value change for investment properties recognised in profit or loss. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

#### *Recoveries income*

Recoveries from tenants are recognised as income in the period in which the applicable costs are incurred.

#### *Other operating income*

Other operating income, comprising parking income and other non-rental income, are recognised as services are provided and performance obligations are satisfied. Parking income consists of contractual and transient parking income, which are recognised upon utilisation of parking facilities. Non-rental income also includes lease cancellation fees. Lease cancellation fees are recognised as revenue once an agreement is reached with the tenant to terminate the lease and the collectability is reasonably assured.

Other operating income is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Other operating income is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The amount of other operating income recognised is the amount allocated to the satisfied performance obligation.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.7 Revenue recognition (cont'd)

*Finance income*

Interest income is recognised as it accrues, using the effective interest method.

### 3.8 Finance expenses

Finance expenses comprise interest expense on borrowings, amortisation of borrowing-related transaction costs and commitment fees incurred on the borrowings and dividends on preferred shares that are recognised in profit or loss. Borrowing costs are recognised in profit or loss using the effective interest method.

### 3.9 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

*(a) Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*(b) Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in the United States, the presumption that the carrying amounts will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.9 Taxes (cont'd)

#### *(b) Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### 3.10 Distribution policy

The Group's distribution policy is to distribute at least 90% of its Annual Distributable Income (as defined in the Trust Deed) for each financial year as practicable. The actual distribution will be determined at the discretion of the Board of Directors of the Manager.

### 3.11 Leases – as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.7.

### 3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 3.13 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 Board of Directors of the Manager considers 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 financial statements.

### 3.14 New standards issued but not yet effective

The Group has not adopted the following applicable standards and amendments that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|---|---|
| Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Annual Improvements to IFRSs – Volume 11 | 1 January 2026 |
| IFRS 18 *Presentation and Disclosure in Financial Statements* | 1 January 2027 |
| IFRS 19 *Subsidiaries without Public Accountability: Disclosures* | 1 January 2027 |

The directors expect that the adoption of these standards and amendments will have no material impact on the financial statements in the year of initial application, except for IFRS 18.

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 4. CASH AND CASH EQUIVALENTS

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 US$'000 | 2023 US$'000 | 2024 US$'000 | 2023 US$'000 |
| Cash at bank | 27,485 | 11,756 | 4,430 | 3,627 |

Cash at bank earns interest at floating rates based on bank deposit rates.

Included in cash at bank is an amount of US$13,487,000 (2023: nil) which is reserved for capital expenditures associated with leasing, annual property taxes and insurance payments.

## 5. TRADE AND OTHER RECEIVABLES

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 US$'000 | 2023 US$'000 | 2024 US$'000 | 2023 US$'000 |
| Trade receivables | 1,284 | 1,509 | – | – |
| Interest receivables | 761 | 1,506 | 1 | – |
| Other receivables | 1,236 | 1,247 | 227 | 97 |
| | 3,281 | 4,262 | 228 | 97 |

Interest receivables mainly relate to floating-versus-fixed settlement arising from interest rate swaps.

Other receivables mainly comprise property tax refunds receivables.

Receivables that are past due but not impaired

The Group has trade receivables related to rent and services amounting to US$13,000 (2023: US$193,000) at year end that are past due but not impaired. The analysis of their ageing at the end of the reporting year is as follows:

| | Group | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| 1 to 30 days | 8 | 107 |
| 31 to 60 days | 5 | 50 |
| 61 to 90 days | – | 25 |
| 91 to 120 days | – | 11 |
| | 13 | 193 |

The Group believes that no impairment losses are necessary in respect of trade receivables that are past due as these receivables mainly arose from tenants with good past payment track record and the Group maintains security deposits or letters of credit in relation to these tenants.

## 5. TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables that are impaired

The Group has also considered trade and other receivables to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts and recognised the impairment loss on the trade receivables accordingly.

| | Group | |
|---|---|---|
| | Individually impaired 2024 US$'000 | Individually impaired 2023 US$'000 |
| Trade receivables – nominal amounts | 300 | 18 |
| Less: Allowance for impairment | (300) | (18) |
| | – | – |

Expected credit losses ("ECL")

Movement in the allowance for ECL on trade receivables computed based on lifetime ECL is as follows:

| | Group | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| Balance as at 1 January | (18) | (830) |
| (Charge)/Reversal for the year | (394) | 84 |
| Written off | 112 | 728 |
| Balance as at 31 December | (300) | (18) |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 6. INVESTMENT PROPERTIES

| | Group | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| **Consolidated Statement of Financial Position** | | |
| At 1 January | 1,407,950 | 1,542,200 |
| Capital expenditure[1] | 33,625 | 23,731 |
| Disposal of investment property | (78,000) | – |
| Net fair value change in investment properties | (11,505) | (157,981) |
| At 31 December | 1,352,070 | 1,407,950 |
| **Consolidated Statement of Comprehensive Income** | | |
| Fair value change in investment properties | (11,505) | (157,981) |
| Net effect of straight-lining[2] | (3,558) | (3,225) |
| Net fair value change in investment properties | (15,063) | (161,206) |

[1] Includes lease incentives of US$885,000 (2023: US$909,000).

[2] Arising from accounting for rental income on a straight-line basis, the difference between revenue recognised and the contractual cash flow is included in the carrying value of the investment properties and subsequently adjusted to reflect fair value change in investment properties recognised in profit or loss.

Investment properties comprise office spaces which are leased to external tenants.

For the year ended 31 December 2024, net cash outflow for payments made on capital expenditures relating to investment properties amounted to US$38,197,000 (2023: US$24,429,000), after taking into consideration timing differences on the payments made.

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. Details of valuation techniques and inputs are disclosed in Note 22(e).

Properties pledged as security

Investment properties with carrying value of US$1,352,070,000 (2023: US$392,800,000) are mortgaged to secure loans (Note 9).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 6. INVESTMENT PROPERTIES (CONT'D)

Investment properties held by the Group are:

| Property | Description and Location | Tenure | 31 December 2024 US$'000 | 31 December 2023 US$'000 |
|---|---|---|---|---|
| 171 17th Street | 22-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 | 6-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] | 13-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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 7. INVESTMENT IN SUBSIDIARIES

| | Trust | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| As at 1 January | 710,926 | 892,217 |
| Capital injections | 44,871 | 45,540 |
| Redemption of redeemable preference shares | (4,511) | (68,831) |
| Less: Allowance for impairment | (38,969) | (158,000) |
| As at 31 December | 712,317 | 710,926 |

During the current financial year, management has provided additional impairment loss of US$38,969,000 (2023: US$158,000,000) to write down the investment in Prime US REIT S1 Pte. Ltd. due to distributions received from the subsidiary by the Trust in excess of its accounting profit during the year.

Details of the subsidiaries of the Trust are as follows:

| Name of subsidiaries | Principal activities | Country of incorporation | Effective equity held by the Trust 2024 % | Effective equity held by the Trust 2023 % |
|---|---|---|---|---|
| **Direct subsidiaries:** | | | | |
| Prime US REIT S1 Pte. Ltd.[1] | Investment holding | Singapore | 100 | 100 |
| Prime US REIT S2 Pte. Ltd.[1] | Investment holding | Singapore | 100 | 100 |
| Prime US REIT S3 Pte. Ltd.[1] | Investment holding | Singapore | 100 | 100 |
| **Indirect subsidiaries:** | | | | |
| Prime US-Sub REIT, Inc[2] | Investment holding | United States of America | 100 | 100 |
| Prime US-Upper Tier, LLC[2] | Investment holding | United States of America | 100 | 100 |
| Prime US-Middle Tier, LLC[2] | Investment holding | United States of America | 100 | 100 |
| Prime US-Lower Tier, LLC[2] | Investment holding | United States of America | 100 | 100 |
| Prime US Properties, LLC[2] | Investment holding | United States of America | 100 | 100 |
| Prime US-Acquisition I, LLC[2] | Investment holding | United States of America | 100 | 100 |
| Prime US-Acquisition II, LLC[2] | Investment holding | United States of America | 100 | 100 |
| Prime US-Acquisition III, LLC[2] | Investment holding | United States of America | 100 | 100 |
| Prime US-Towers At Emeryville, LLC[2] | Property owner | United States of America | 100 | 100 |
| Prime US-222 Main, LLC[2] | Property owner | United States of America | 100 | 100 |
| Prime US-Village Center Station, LLC[2] | Property owner | United States of America | 100 | 100 |

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

| Name of subsidiaries | Principal activities | Country of incorporation | Effective equity held by the Trust | |
|---|---|---|---|---|
| | | | 2024 % | 2023 % |
| **Indirect subsidiaries (cont'd):** | | | | |
| Prime US-Village Center Station II, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-101 South Hanley, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-Tower At Lake Carolyn, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-Promenade, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-CrossPoint At Valley Forge, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-One Washingtonian, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-Reston Square, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-171 17th Street, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-Park Tower,LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-One Town Center, LLC(2) | Property owner | United States of America | 100 | 100 |
| Prime US-Sorrento Towers, LLC(2) | Property owner | United States of America | 100 | 100 |

(1) Audited by Ernst & Young LLP Singapore
(2) Audited by Ernst & Young LLP United States for group reporting purpose

## 8. TRADE AND OTHER PAYABLES AMOUNT DUE TO RELATED PARTIES

| | Group | | Trust | |
|---|---|---|---|---|
| | 2024 US$'000 | 2023 US$'000 | 2024 US$'000 | 2023 US$'000 |
| Trade payables | 196 | – | – | – |
| Interest payable | 3,912 | 3,955 | – | – |
| Property tax payable | 4,677 | 4,707 | – | – |
| Accrued expenses | 9,254 | 8,214 | 940 | 851 |
| Other payables | 8,272 | 4,028 | – | – |
| Trade and other payables | 26,311 | 20,904 | 940 | 851 |
| Amount due to related parties | 566 | 1,016 | 655 | 1,016 |

Other payables relates to payables on capital expenditures and borrowing-related expenses.

Amount due to related parties mainly relates to base fees payable to the Manager. The amount is unsecured, non-interest bearing, repayable on demand and to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 9. LOANS AND BORROWINGS

| | Year of maturity | Note | Group 2024 US$'000 | Group 2023 US$'000 |
|---|---|---|---|---|
| **Current** | | | | |
| Credit facility (term and revolver) | 2024 | (a) | – | 478,800 |
| | | | – | 478,800 |
| Less: Unamortised transaction costs | | | – | (397) |
| | | | – | 478,403 |
| **Non-current** | | | | |
| Credit facility (term and revolver) | 2026 | (a) | 476,211 | – |
| Credit facility (term and revolver) | 2024 | (b) | – | 44,675 |
| Credit facility (term and revolver) | 2025 | (c) | 69,900 | 69,900 |
| Term loan facility | 2029 | (d) | 105,000 | 105,000 |
| | | | 651,111 | 219,575 |
| Less: Unamortised transaction costs | | | (13,845) | (1,557) |
| | | | 637,266 | 218,018 |
| Total loans and borrowings | | | 637,266 | 696,421 |

(a) Current borrowings amounting to US$478.8 million as at 31 December 2023 were refinanced during the year.

In August 2024, a wholly-owned subsidiary of the Group entered into a new credit facility which is secured by investment properties with carrying value of US$1,034,270,000.

The total amount available under this facility is US$550.0 million, comprising a term loan facility of US$400.0 million and a revolving credit facility of US$150.0 million, of which US$76.2 million was drawn as at reporting date.

The facility has a one-year extension option beyond its scheduled maturity date in July 2026. The borrower has the discretion to roll over the facility upon meeting certain conditions.

The facility is subject to SOFR plus a margin and the following key covenants:

- Aggregate leverage of the Group shall not exceed 65%
- Consolidated interest coverage ratio (as defined under the facility agreement) of not less than 1.50
- No change of control (relating to ownership interests of the Manager, as defined under the facility agreement) has occurred.

In addition, the facility also requires the Group to comply with the relevant rules and regulations including the CIS code.

(b) The facility was repaid upon divestment of One Town Center in July 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 9. LOANS AND BORROWINGS (CONT'D)

(c) The facility is secured by an investment property with carrying value of US$123,500,000.

The total amount available under this facility is US$72.2 million, comprising a term loan facility of US$69.9 million and a revolving credit facility of US$2.3 million which was undrawn as at reporting date.

The facility has a one-year extension option beyond its scheduled maturity date in July 2025. 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 its maturity in July 2025.

The facility is subject to SOFR plus a margin and the following key covenants:

- Debt service coverage ratio of the borrower of at least 1.10
- Consolidated net asset value (as defined under the facility agreement) of not less than US$100 million
- Consolidated interest coverage ratio (as defined under the facility agreement) of not less than 1.50

(d) The facility is secured by an investment property with carrying value of US$194,300,000.

The facility comprises a term loan facility, has a fixed interest rate of 4.11% per annum and is subject to the following key covenant:

- Consolidated net asset value (as defined under the facility agreement) of not less than US$100 million

The loan covenants are tested quarterly. The Group has no indication that it will have difficulty complying with the covenants.

As at 31 December 2024, the Group has unutilised facilities of US$76.1 million (2023: US$166.2 million).

The Group has in place interest rate swaps (Note 10) to manage interest rate risk arising from these borrowings. The weighted average interest rate (including amortisation of debt-related transaction costs) on loans and borrowings for the year is 5.11% (2023: 3.71%).

A reconciliation of liabilities arising from the Group's financing activities is as follows:

| | 1 January 2024 US$'000 | Net cash flows US$'000 | Amortisation of debt-related transaction costs US$'000 | Others US$'000 | 31 December 2024 US$'000 |
|---|---|---|---|---|---|
| **Group** | | | | | |
| Loans and borrowings | 696,421 | (56,623) | 2,968 | (5,500) | 637,266 |
| Preferred shares | 125 | – | – | – | 125 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 9. LOANS AND BORROWINGS (CONT'D)

| | 1 January 2023 US$'000 | Net cash flows US$'000 | Amortisation of debt-related transaction costs US$'000 | 31 December 2023 US$'000 |
|---|---|---|---|---|
| **Group** | | | | |
| Loans and borrowings | 665,572 | 29,336 | 1,513 | 696,421 |
| Preferred shares | 125 | – | – | 125 |

## 10. DERIVATIVE ASSETS

| | Group | | | |
|---|---|---|---|---|
| | 2024 Nominal amount US$'000 | 2024 Derivative assets US$'000 | 2023 Nominal amount US$'000 | 2023 Derivative assets US$'000 |
| **Current:** | | | | |
| Interest rate swaps | 330,000 | 7,291 | 114,575 | 2,707 |
| **Non-current:** | | | | |
| Interest rate swaps | 330,000 | 3,038 | 330,000 | 15,712 |
| Derivative financial instruments as a percentage of the Group's net assets | | 1.44% | | 2.20% |

The Group enters into interest rate swaps to manage its exposure to interest rate movements on certain of its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The change in fair value of the interest rate swaps is recognised in profit or loss for the financial year.

## 11. UNITS IN ISSUE AND TO BE ISSUED

| | Group and Trust | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | No. of Units '000 | US$'000 | No. of Units '000 | US$'000 |
| As at 1 January | 1,189,327 | 915,785 | 1,183,035 | 931,448 |
| Issue of new Units: | | | | |
| – Units in issue pursuant to Distribution Reinvestment Plan | – | – | 3,075 | 749 |
| – Management fees paid in Units | – | – | 3,217 | 1,355 |
| – Bonus issue | 118,932 | – | – | – |
| – Distributions to Unitholders | – | (595) | – | (17,767) |
| As at 31 December | 1,308,259 | 915,190 | 1,189,327 | 915,785 |

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.

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 11. UNITS IN ISSUE AND TO BE ISSUED (CONT'D)

***Issue of new Units in 2024***

On 28 March 2024, the Trust issued 118,932,077 new Units as a bonus issue on the basis of 1 bonus unit to be credited as fully paid for every 10 existing Units held.

***Issue of new Units in 2023***

The Trust issued 3,217,403 new Units at US$0.421 per Unit as part payment of the Manager's fees for the period from 1 October 2022 to 31 December 2022.

On 31 March 2023, the Manager issued 897,509 new Units at the issue price of US$0.444 per Unit for the period from 1July 2022 to 31 December 2022 under the Distribution Reinvestment Plan.

On 28 September 2023, the Manager issued 2,177,168 new Units at the issue price of US$0.161 per Unit for the period from 1 January 2023 to 30 June 2023 under the Distribution Reinvestment Plan.

***Rights and restrictions of Unitholders***

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the Units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
- Have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders.

The Unitholders are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the Unitholders are entitled to a return of capital based on the asset value per Unit of the Trust.

The restrictions on Unitholders include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 12. NET ASSET VALUE PER UNIT

| | | Group | | Trust | |
|---|---|---|---|---|---|
| | **Note** | **2024** | **2023** | **2024** | **2023** |
| Net asset value per Unit is based on: | | | | | |
| – Net assets (US$'000) | | 716,376 | 713,655 | 715,381 | 712,784 |
| – Total Units in issue and to be issued at 31 December[1] ('000) | 11 | 1,308,259 | 1,308,259 | 1,308,259 | 1,308,259 |
| – Net asset value per Unit attributable to Unitholders (US$) | | 0.55 | 0.55 | 0.55 | 0.54 |

[1] 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.

## 13. GROSS REVENUE

| | Group | |
|---|---|---|
| | **2024 US$'000** | **2023 US$'000** |
| Rental income | 110,093 | 123,423 |
| Recoveries income | 22,277 | 26,662 |
| Other operating income | 8,593 | 9,718 |
| | 140,963 | 159,803 |

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

Other operating income includes parking income and lease termination income.

## 14. PROPERTY OPERATING EXPENSES

| | Group | |
|---|---|---|
| | **2024 US$'000** | **2023 US$'000** |
| Property taxes | 20,969 | 22,694 |
| Utilities | 8,716 | 9,074 |
| Repairs and maintenance expenses | 8,721 | 8,235 |
| Property management fees | 5,962 | 6,365 |
| Other property operating expenses | 20,620 | 19,876 |
| | 64,988 | 66,244 |

Other property operating expenses comprise mainly janitorial, security, insurance, and lot and landscaping costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 15. FINANCE EXPENSES

| | Group | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| Interest expense on borrowings | 32,868 | 26,222 |
| Amortisation of debt-related transaction costs | 2,968 | 1,513 |
| Commitment fees | 173 | 343 |
| Interest expense on preferred shares | 26 | 26 |
| | 36,035 | 28,104 |

## 16. OTHER TRUST EXPENSES

Included in other trust expenses are the following:

| | Group | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| Audit and related fees paid/payable to auditors of the Group | 623 | 608 |
| Non-audit and related fees paid/payable to auditors of the Group | 243 | 266 |
| Valuation fees | 176 | 145 |

## 17. TAX EXPENSE

The major components of tax expense are:

| | Group | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| Current tax expense | 121 | 45 |
| | 121 | 45 |

### Reconciliation of effective tax expense

| | Group | |
|---|---|---|
| | 2024 US$'000 | 2023 US$'000 |
| Net income/(loss) for the year before tax | 8,170 | (115,792) |
| | | |
| Tax expense/(credit) calculated using United States tax rate of 21% | 1,716 | (24,316) |
| Tax effect of expenses not deductible for tax purposes | 746 | 21,375 |
| Deferred tax assets not recognised | 10,505 | 12,874 |
| Tax effect of income not subject to taxation | (12,967) | (9,933) |
| Others | 121 | 45 |
| | 121 | 45 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 17. TAX EXPENSE (CONT'D)

### Reconciliation of effective tax expense (cont'd)

The United States tax rate is used as all the properties are based in the United States.

Deferred income tax assets are recognised for changes in fair value of investment properties carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. Subject to the agreement of the relevant tax authorities, the Group had unrecognised deferred tax assets as at 31 December 2024 due to temporary differences of US$110,000,000 (2023: US$61,300,000) arising from changes in fair value of investment properties which can be carried forward and used to offset against future fair value changes subject to meeting certain requirements.

## 18. EARNINGS/(LOSS) PER UNIT

Basic and diluted earnings/(loss) per Unit is based on:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| Net income/(loss) for the year (US$'000) | 8,049 | (115,837) |
| Weighted average number of Units ('000) | 1,308,259 | 1,304,861 |
| Earnings/(Loss) per Unit (US cents)<br>Basic and diluted | 0.62 | (8.88) |

Weighted average number of Units 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.

Diluted earnings/(loss) per Unit is equivalent to basic earnings/(loss) per Unit as there were no dilutive instruments in issue during the year.

## 19. 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 financial statements, the following significant related party transactions took place at terms agreed between the parties:

| | Group | |
|---|---|---|
| | **2024<br>US$'000** | **2023<br>US$'000** |
| Manager's divestment fee | 390 | – |

## 20. FINANCIAL RATIOS

| | Group | |
|---|---|---|
| | 2024 % | 2023 % |
| Ratio of expenses to weighted average net assets[1] | | |
| – Including performance component of the Manager's management fees | 0.92 | 0.99 |
| – Excluding performance component of the Manager's management fees | 0.92 | 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.

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to tax risk, market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### Tax risk

Changes in taxation legislation, administrative guidance or regulations, and/or any disagreement as to the interpretation thereof, may adversely affect the Group.

Any change in the tax status of the Group, or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Group, could adversely affect the distributions paid by the Group.

In addition, any such tax changes could adversely affect the value of the Group's investments, and/or increase the tax liabilities of the Group and/or affect the Group's ability to achieve its investment objectives. Such changes could have a significant negative impact on the Group and its unitholders.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

**Market risk**

**(i) *Currency risk***

Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's business is not exposed to significant currency risk as the portfolio of properties are located in the United States and the cash flows from the operations of the properties are denominated in US$. The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. The Trust will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or converted to Singapore Dollar ("S$") at the spot foreign exchange rate on the designated date.

The Group is exposed to fluctuations in the cross-currency rates of the US$ and S$ for operating expenses incurred in Singapore, which are not material. Where appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any significant foreign exchange risk. The Group has minimal exposure to currency risk.

**(ii) *Interest rate risk***

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Manager will actively monitor and manage the Group's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable.

As at 31 December 2024, the Group had US$546.1 million (2023: US$593.4 million) of variable interest rate borrowings, of which US$330.0 million (2023: US$444.6 million) are hedged with interest rate swaps.

<u>Sensitivity analysis for interest rate risk</u>

During the reporting period, if the interest rates of borrowings had been 1% (2023: 1%) per annum lower/higher with all other variables constant, the Group's net income before tax would have been US$2,045,000 (2023: US$1,318,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings that are not hedged.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. In addition, tenants may experience financial difficulty and are unable to fulfil their lease commitments or tenants may fail to occupy and pay rent in accordance with lease agreements.

The Group mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes too significant a percentage of the Group's gross revenue and obtaining security deposits or letters of credit from the tenants, where applicable. At the end of the reporting period, there were no significant trade receivables of the Group from any single tenant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D) (CONT'D)

### Credit risk (cont'd)

Credit risk concentration profile

The Group evaluates the concentration of risk with respect to trade receivables as low, as its tenants are from different states and industries in the United States. As at the reporting date, the Group believes that there is minimal credit risk inherent in the Group's trade and other receivables, based on historical payment behaviours and the collaterals held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statements of Financial Position.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 5. There were no significant trade and other receivables that are past due but not impaired.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Group and maintains a level of cash deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

| | | Cash flows | | | |
|---|---|---|---|---|---|
| | Carrying amount US$'000 | Contractual cash flows US$'000 | Within 1 year US$'000 | After 1 year but within 5 years US$'000 | After 5 years US$'000 |
| **Group** | | | | | |
| **2024** | | | | | |
| **Non-derivative financial liabilities (current)** | | | | | |
| Trade and other payables | 26,311 | 26,311 | 26,311 | – | – |
| Amount due to related parties | 566 | 566 | 566 | – | – |
| Rental security deposits | 454 | 454 | 454 | – | – |
| **Non-derivative financial liabilities (non-current)** | | | | | |
| Loans and borrowings | 637,266 | 720,408 | 35,561 | 684,847 | – |
| Rental security deposits | 4,830 | 4,830 | – | 2,788 | 2,042 |
| Preferred shares | 125 | 204 | 16 | 63 | 125 |
| | 669,552 | 752,773 | 62,908 | 687,698 | 2,167 |
| **Trust** | | | | | |
| **2024** | | | | | |
| **Non-derivative financial liabilities (current)** | | | | | |
| Trade and other payables | 940 | 940 | 940 | – | – |
| Amount due to related parties | 655 | 655 | 655 | – | – |
| | 1,595 | 1,595 | 1,595 | – | – |

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Liquidity risk (cont'd)

| | | | Cash flows | | |
|---|---|---|---|---|---|
| | Carrying amount US$'000 | Contractual cash flows US$'000 | Within 1 year US$'000 | After 1 year but within 5 years US$'000 | After 5 years US$'000 |
| **Group** | | | | | |
| **2023** | | | | | |
| **Non-derivative financial liabilities (current)** | | | | | |
| Loans and borrowings | 478,403 | 496,424 | 496,424 | – | – |
| Trade and other payables | 20,904 | 20,904 | 20,904 | – | – |
| Amount due to related parties | 1,016 | 1,016 | 1,016 | – | – |
| Rental security deposits | 395 | 395 | 395 | – | – |
| **Non-derivative financial liabilities (non-current)** | | | | | |
| Loans and borrowings | 218,018 | 248,289 | 8,910 | 131,861 | 107,518 |
| Rental security deposits | 4,238 | 4,238 | – | 2,486 | 1,752 |
| Preferred shares | 125 | 203 | 16 | 62 | 125 |
| | 723,099 | 771,469 | 527,665 | 134,409 | 109,395 |
| **Trust** | | | | | |
| **2023** | | | | | |
| **Non-derivative financial liabilities (current)** | | | | | |
| Trade and other payables | 851 | 851 | 851 | – | – |
| Amount due to related parties | 1,016 | 1,016 | 1,016 | – | – |
| | 1,867 | 1,867 | 1,867 | – | – |

### Capital management

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits as set out in the CIS Code issued by the MAS to fund future acquisitions and asset enhancement projects at the Group's properties. To maintain and achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

The Group is subjected to the aggregate leverage limits as defined in the Property Funds Appendix set out in the CIS Code. The Property Funds Appendix previously stipulated that the total borrowings and deferred payments (collectively the "Aggregate Leverage") for Singapore REITs ("S-REITs") can be above 45% but shall not exceed 50% of the fund's deposited property provided it meets the minimum interest coverage ratio ("ICR") requirement of 2.5 times. With effect from 28 November 2024, revised CIS Code subjects all S-REITs to a minimum ICR threshold of 1.5 times and a single aggregate leverage limit of 50%. The Property Funds Appendix also states that the Aggregate Leverage limit or minimum ICR requirement is not considered to be breached if it is due to circumstances beyond the control of the Manager. However, the Manager should not incur additional borrowings or enter into further deferred payment arrangements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Capital management (cont'd)

The Manager actively monitors the term of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

The aggregate leverage ratio is calculated as the total borrowings and deferred payments divided by the total assets. The aggregate leverage ratio as at 31 December 2024 is 46.7% (2023: 48.4%) with an ICR of 2.0 times (2023: 3.1 times). The Group has complied with the aggregate leverage limit and minimum ICR threshold during the financial year.

## 22. 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.

## 22. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (b) Classification and fair value

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| Group | Note | Financial assets at amortised cost US$'000 | Financial liabilities carried at amortised cost US$'000 | Economic hedging instruments at fair value through profit or loss US$'000 | Total carrying amount US$'000 | Level 1 US$'000 | Level 2 US$'000 | Level 3 US$'000 | Total US$'000 |
| **2024** | | | | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | | | |
| Cash and cash equivalents | 4 | 27,485 | – | – | 27,485 | – | – | – | – |
| Trade and other receivables[1] | | 3,053 | – | – | 3,053 | – | – | – | – |
| | | 30,538 | – | – | 30,538 | – | – | – | – |
| **Financial assets measured at fair value** | | | | | | | | | |
| Derivative assets | 10 | – | – | 10,329 | 10,329 | – | 10,329 | – | 10,329 |
| | | – | – | 10,329 | 10,329 | – | 10,329 | – | 10,329 |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| Trade and other payables | 8 | – | 26,311 | – | 26,311 | – | – | – | – |
| Amount due to related parties | 8 | – | 566 | – | 566 | – | – | – | – |
| Rental security deposits | | – | 5,284 | – | 5,284 | – | – | – | – |
| Loans and borrowings | 9 | – | 637,266 | – | 637,266 | – | – | 636,158 | 636,158 |
| Preferred shares | | – | 125 | – | 125 | – | – | 125 | 125 |
| | | – | 669,552 | – | 669,552 | – | – | 636,283 | 636,283 |

(1) Excludes GST receivables

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (b) Classification and fair value (cont'd)

| Group | Note | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Financial assets at amortised cost US$'000 | Financial liabilities carried at amortised cost US$'000 | Economic hedging instruments at fair value through profit or loss US$'000 | Total carrying amount US$'000 | Level 1 US$'000 | Level 2 US$'000 | Level 3 US$'000 | Total US$'000 |
| **2023** | | | | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | | | |
| Cash and cash equivalents | 4 | 11,756 | – | – | 11,756 | – | – | – | – |
| Trade and other receivables[1] | | 4,160 | – | – | 4,160 | – | – | – | – |
| | | 15,916 | – | – | 15,916 | – | – | – | – |
| **Financial assets measured at fair value** | | | | | | | | | |
| Derivative assets | 10 | – | – | 18,419 | 18,419 | – | 18,419 | – | 18,419 |
| | | – | – | 18,419 | 18,419 | – | 18,419 | – | 18,419 |
| **Financial liabilities not measured at fair value** | | | | | | | | | |
| Trade and other payables | 8 | – | 20,904 | – | 20,904 | – | – | – | – |
| Amount due to related parties | 8 | – | 1,016 | – | 1,016 | – | – | – | – |
| Rental security deposits | | – | 4,633 | – | 4,633 | – | – | – | – |
| Loans and borrowings | 9 | – | 696,421 | – | 696,421 | – | – | 682,923 | 682,923 |
| Preferred shares | | – | 125 | – | 125 | – | – | 125 | 125 |
| | | – | 723,099 | – | 723,099 | – | – | 683,048 | 683,048 |

[1] Excludes GST receivables

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (b) Classification and fair value (cont'd)

| | | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| Trust | Note | Financial assets at amortised cost US$'000 | Financial liabilities carried at amortised cost US$'000 | Total carrying amount US$'000 | Level 1 US$'000 | Level 2 US$'000 | Level 3 US$'000 | Total US$'000 |
| **2024** | | | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Cash and cash equivalents | 4 | 4,430 | – | 4,430 | – | – | – | – |
| Trade and other receivables[1] | 5 | 1 | – | 1 | – | – | – | – |
| | | 4,431 | – | 4,431 | – | – | – | – |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Trade and other payables | 8 | – | 940 | 940 | – | – | – | – |
| Amount due to related parties | 8 | – | 655 | 655 | – | – | – | – |
| | | – | 1,595 | 1,595 | – | – | – | – |
| **2023** | | | | | | | | |
| **Financial assets not measured at fair value** | | | | | | | | |
| Cash and cash equivalents | 4 | 3,627 | – | 3,627 | – | – | – | – |
| | | 3,627 | – | 3,627 | – | – | – | – |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Trade and other payables | 8 | – | 851 | 851 | – | – | – | – |
| Amount due to related parties | 8 | – | 1,016 | 1,016 | – | – | – | – |
| | | – | 1,867 | 1,867 | – | – | – | – |

[1] Excludes GST receivables

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (c) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

| | Group 2024 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 |
| **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 | | | | |
| – *Interest rate swaps* | – | 10,329 | – | 10,329 |
| **Total financial assets** | – | 10,329 | – | 10,329 |

| | Group 2023 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 |
| **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 asset** | | | | |
| Derivative assets | | | | |
| – *Interest rate swaps* | – | 18,419 | – | 18,419 |
| **Total financial assets** | – | 18,419 | – | 18,419 |

## 22. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair values of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

### (e) Level 3 fair value measurements

*(i) Information about significant unobservable inputs used in Level 3 fair value measurement*

Investment properties

Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair values are based on its highest and best use, in accordance with IFRS 13 fair value measurement guidance.

The independent professional valuers have considered valuation techniques including direct comparison method, income capitalisation method and discounted cash flow method 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 direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the nature, location or condition of the specific investment properties. The income capitalisation method capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flow method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

The fair value of investment properties of the Group was US$1.35 billion as at 31 December 2024 (2023: US$1.41 billion).

The above fair value has been classified as a Level 3 fair value based on the observability of the inputs to the valuation techniques used.

The appraised value takes into consideration current market conditions. Valuation adjustments have been made in response to the changes in market and economic conditions brought on by rising interest rates, limited market activity and leasing transactions.

Resulting from the changes in the current market condition, it is possible that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, any conclusions presented in the valuer's appraisal reports apply only as of the effective date indicated. The valuer makes no representation as to the effect on the investment properties of any event subsequent to the effective date of the appraisal.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (e) Level 3 fair value measurements (cont'd)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurement (cont'd)*

*Investment properties (cont'd)*

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:

| Valuation technique | Key unobservable inputs | Inter–relationship between key unobservable inputs and fair value measurements |
|---|---|---|
| Discounted cash flow method | • Discount rate of 7.50% to 9.75% (2023: 7.75% to 9.75%)<br>• 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 | • 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 | • 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 price would result in a lower fair value. |

The table below presents the sensitivity analysis of the valuation to changes in the most significant assumptions underlying the valuation of investment properties. Figures in brackets indicate a lower fair value:

| | Group | |
|---|---|---|
| | 2024<br>US$'000 | 2023<br>US$'000 |
| **Fair value of investment properties as at 31 December** | | |
| Increase in discount and terminal capitalisation rate of 25 basis points | (67,140) | (74,800) |
| Decrease in discount and terminal capitalisation rate of 25 basis points | 52,160 | 47,600 |

## 22. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (e) Level 3 fair value measurements (cont'd)

*(ii) Valuation policies and procedures*

The Group's Chief Executive Officer (CEO), who is assisted by the Chief Financial Officer (CFO) and US Asset Manager, oversees the Group's valuation process.

For all significant valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and IFRS 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and quality of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use up to two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

## 23. COMMITMENTS

### (a) Operating lease commitments – as lessor

The Group has entered into office space leases on its 13 (2023: 14) investment properties. These non-cancellable leases have remaining lease terms of up to 11.8 years (2023: 12.4 years).

Future minimum payments receivable under non-cancellable operating leases at the end of the reporting period are as follows:

| | Group | |
|---|---|---|
| | 2024<br>US$'000 | 2023<br>US$'000 |
| Not later than one year | 100,225 | 110,442 |
| Later than one year but not later than five years | 287,862 | 308,466 |
| Later than five years | 144,122 | 121,137 |
| | 532,209 | 540,045 |

The above operating lease receivables are based on the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 23. COMMITMENTS (CONT'D)

### (b) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

| | Group | |
|---|---|---|
| | **2024 US$'000** | **2023 US$'000** |
| Capital commitments in respect of investment properties | 18,538 | 9,255 |

## 24. 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.

## 25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the Manager and the Trustee on 27 March 2025.

# ADDITIONAL INFORMATION

## INTERESTED PARTY TRANSACTION

The aggregate value of all IPT in accordance with the Listing Manual in FY2024, and which are subject to Rules 905 and 906 of the Listing Manual excluding transactions of less than S$100,000 in value, is disclosed below:

| Name of interested person | Nature of relationship | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920 of the Listing Manual) US$'000 | Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000) US$'000 |
|---|---|---|---|
| **Prime US REIT Management Pte. Ltd.** | Manager of PRIME | | |
| – Manager's base management fees | | 4,242 | – |
| – Divestment fee | | 390 | – |
| **DBS Trustee Limited** | Trustee of PRIME | | |
| – Trustee fees | | 182 | – |
| **KBS Realty Advisors, LLC and related entities** | Sponsor-related entity | | |
| – Marketing & advertising | | 99 | – |
| – Property audit fees | | 141 | – |
| **Total** | | **5,054**[1] | – |

(1) Total fees and charges paid to interested parties was less than 1% of PRIME's net asset value as at 31 December 2024.

PRIME has not obtained a Unitholders' mandate pursuant to Rule 920 of the Listing Manual for IPT. Save as disclosed above, there were no additional interested person transactions within the meaning of the Listing Manual (excluding transactions of less than S$100,000 each) entered into during the period under review. The entry into and the fees and charges payable by PRIME under the Trust Deed and Unitholders' Agreements, the License Agreement and the leases set out in the section "Other Related Party Transactions" in the IPO Prospectus and/or circular, to the extent that details of these have been specifically disclosed in the IPO Prospectus and/or circular, which each constitutes an Interested Person Transaction, are deemed to have been specially approved by Unitholders upon purchase of the Units and/or in the Extraordinary General Meeting and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect PRIME.

## DISCLOSURE REQUIRED UNDER PARAGRAPH 11.1(L) OF THE PFA

The total operating expenses incurred by PRIME in FY2024, including all fees and charges paid to the Manager and interested parties, is US$6,659,000. This translates to 0.93% of PRIME's net asset value as at 31 December 2024.

# STATISTICS OF UNITHOLDINGS

AS AT 14 MARCH 2025

## ISSUED AND FULLY PAID UNITS

There were 1,308,259,171 Units issued by PRIME as at 14 March 2025 (voting rights: one vote per Unit).

There is only one class of Units in PRIME.

There are no treasury units and no subsidiary holdings held.

Market Capitalisation: US$177,923,247 based on market closing price of US$0.136 per Unit on 14 March 2025.

## DISTRIBUTION OF UNITHOLDINGS

| SIZE OF UNITHOLDINGS | NO. OF UNITHOLDERS | % | NO. OF UNITS | % |
|---|---|---|---|---|
| 1 – 99 | 66 | 1.40 | 3,104 | 0.00 |
| 100 – 1,000 | 161 | 3.42 | 81,993 | 0.01 |
| 1,001 – 10,000 | 1,804 | 38.37 | 8,181,312 | 0.63 |
| 10,001 – 1,000,000 | 2,625 | 55.83 | 175,244,569 | 13.39 |
| 1,000,001 AND ABOVE | 46 | 0.98 | 1,124,748,193 | 85.97 |
| TOTAL | 4,702 | 100.00 | 1,308,259,171 | 100.00 |

## TWENTY LARGEST UNITHOLDERS

| NO. | NAME | NO. OF UNITS | % |
|---|---|---|---|
| 1 | DBS NOMINEES (PRIVATE) LIMITED | 434,808,542 | 33.24 |
| 2 | CITIBANK NOMINEES SINGAPORE PTE LTD | 150,646,984 | 11.52 |
| 3 | RAFFLES NOMINEES (PTE.) LIMITED | 82,766,811 | 6.33 |
| 4 | KEPPEL CAPITAL INVESTMENT HOLDINGS PTE LTD | 68,750,000 | 5.26 |
| 5 | MAYBANK SECURITIES PTE. LTD. | 55,114,617 | 4.21 |
| 6 | DBSN SERVICES PTE. LTD. | 53,148,389 | 4.06 |
| 7 | TIMES PROPERTIES PRIVATE LIMITED | 33,199,100 | 2.54 |
| 8 | HSBC (SINGAPORE) NOMINEES PTE LTD | 29,809,124 | 2.28 |
| 9 | PHILLIP SECURITIES PTE LTD | 26,800,828 | 2.05 |
| 10 | ABN AMRO CLEARING BANK N.V. | 23,450,291 | 1.79 |
| 11 | DBS VICKERS SECURITIES (SINGAPORE) PTE LTD | 17,797,586 | 1.36 |
| 12 | DB NOMINEES (SINGAPORE) PTE LTD | 14,384,910 | 1.10 |
| 13 | OCBC SECURITIES PRIVATE LIMITED | 14,367,900 | 1.10 |
| 14 | IFAST FINANCIAL PTE. LTD. | 11,956,725 | 0.91 |
| 15 | UOB KAY HIAN PRIVATE LIMITED | 11,713,636 | 0.90 |
| 16 | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 9,023,893 | 0.69 |
| 17 | CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. | 8,885,244 | 0.68 |
| 18 | MOOMOO FINANCIAL SINGAPORE PTE. LTD. | 8,693,083 | 0.66 |
| 19 | LEE YIAN PING (LI YANBIN) | 6,723,970 | 0.51 |
| 20 | TIGER BROKERS (SINGAPORE) PTE. LTD. | 6,482,233 | 0.50 |
| | TOTAL | 1,068,523,866 | 81.69 |

# STATISTICS OF UNITHOLDINGS

AS AT 14 MARCH 2025

## SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS

(As recorded in the Register of Substantial Unitholdings as at 14 March 2025)

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| Name of Substantial Unitholders | No. of Units | %[1] | No. of Units | %[1] | No. of Units | %[1] |
| KBS Real Estate Investment Trust III, Inc.[2] | Nil | Nil | 237,426,088 | 18.15 | 237,426,088 | 18.15 |
| KBS REIT Holdings III, LLC[3] | Nil | Nil | 237,426,088 | 18.15 | 237,426,088 | 18.15 |
| KBS Limited Partnership III[4] | Nil | Nil | 237,426,088 | 18.15 | 237,426,088 | 18.15 |
| KBS REIT Properties III, LLC | 237,426,088 | 18.15 | Nil | Nil | 237,426,088 | 18.15 |
| Temasek Holdings (Private) Limited[5] | Nil | Nil | 113,622,371 | 8.69 | 113,622,371 | 8.69 |
| Keppel Limited[6] | Nil | Nil | 80,423,271 | 6.15 | 80,423,271 | 6.15 |
| Keppel Capital Holdings Pte. Ltd.[7] | Nil | Nil | 80,423,271 | 6.15 | 80,423,271 | 6.15 |
| Keppel Capital Investment Holdings Pte. Ltd. | 68,750,000 | 5.26 | Nil | Nil | 68,750,000 | 5.26 |
| Steppe Investments Pte. Ltd. | 68,400,200 | 5.23 | Nil | Nil | 68,400,200 | 5.23 |

**Notes:**

(1) The percentage of unitholding is calculated based on the total number of 1,308,259,171 Units in issue as at 14 March 2025.

(2) KBS Real Estate Investment Trust III, Inc's deemed interest arises from its shareholdings in KBS REIT Holdings III, LLC, which in turn holds 99.9% interest in KBS Limited Partnership III.

(3) KBS REIT Holdings III, LLC's deemed interest arises from its shareholdings in KBS Limited Partnership III.

(4) KBS Limited Partnership III's deemed interest arises from its shareholding in KBS REIT Properties III, a wholly-owned subsidiary of KBS Limited Partnership III.

(5) Temasek Holdings (Private) Limited's deemed interest arises through Keppel Limited ("KL"), and Cuscaden Peak Investment Pte Ltd ("Cuscaden"). Keppel and Cuscaden are independently managed Temasek portfolio companies. Temasek is not involved in their business or operating decisions, including those regarding their positions in Units.

(6) Keppel Limited's ("KL") deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd., an indirect wholly-owned subsidiary of KL held through KCH and (ii) KC2, which holds 30% of the voting shares in the Manager and is an indirect wholly-owned subsidiary of KL held through KCM and KCH.

(7) Keppel Capital Holdings Pte. Ltd.'s deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. ("KCH") and (ii) Keppel Capital Two Pte. Ltd. ("KC2") which holds 30% of the voting shares in the Manager and is an indirect wholly-owned subsidiary of KCH, held through Keppel Capital Management Pte. Ltd. ("KCM").

## UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

(As recorded in the Register of Directors Unitholdings as at 21 January 2025)

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| Name | No. of Units | %[1] | No. of Units | %[1] | No. of Units | %[1] |
| Mr John R. French | – | – | – | – | – | – |
| Mr Kevin John Eric Adolphe | – | – | – | – | – | – |
| Professor Stephen Phua Lye Huat | – | – | – | – | – | – |
| Mr Richard Peter Bren | 1,676,162 | 0.13 | 20,503,250[2] | 1.57 | 22,179,412 | 1.70 |
| Mr Chua Hsien Yang | – | – | – | – | – | – |

**Notes:**

(1) The percentage of unitholding is calculated based on the total number of 1,308,259,171 Units in issue as at 14 March 2025.

(2) Mr Bren is deemed interested in the 20,503,250 units in PRIME held by the Linda Bren 2017 Trust, of which he is a trustee.

## FREE FLOAT

Based on information available to the Manager as at 14 March 2025, 65.08% of the Units in PRIME are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST is complied with.

# CORPORATE INFORMATION

## THE MANAGER

**Prime US REIT Management Pte. Ltd.**

1 Raffles Place, #40-01
One Raffles Place
Singapore 048616
Tel: +65 6951 8090
Email address: info@primeusreit.com
Website: www.primeusreit.com

## REIT TRUSTEE

**DBS Trustee Limited**

12 Marina Boulevard Level 44
DBS Asia Central @ Marina Bay
Financial Centre Tower 3
Singapore 018982
Tel: +65 6878 8888
Fax: +65 6878 3977

## BOARD OF DIRECTORS

**Mr Richard Peter Bren**

Chairman
Non-Executive Director

**Mr John R. French**

Lead Independent and Non-Executive Director

**Mr Kevin J. E. Adolphe**

Independent Non-Executive Director

**Professor Stephen Phua Lye Huat**

Independent Non-Executive Director

**Mr Chua Hsien Yang**

Non-Executive Director

## AUDIT AND RISK COMMITTEE

**Mr John R. French**

Chairman

**Mr Kevin J. E. Adolphe**

**Professor Stephen Phua Lye Huat**

## NOMINATING AND REMUNERATION COMMITTEE

**Mr Kevin J. E. Adolphe**

Chairman

**Professor Stephen Phua Lye Huat**

**Mr Richard Peter Bren**

**Mr John R. French**

## COMPANY SECRETARY

**Mr Lun Chee Leong**

Appointment date: 22 July 2022

## AUDITOR

**Ernst & Young LLP**

One Raffles Quay, North Tower,
Level 18
Singapore 048583
Tel: +65 6535 7777
Fax: +65 6532 7662

Partner-in-charge: **Mr Tan Seng Choon**
(With effect for the financial year ended
31 December 2024)

## UNIT REGISTRAR

**Boardroom Corporate & Advisory Services Pte. Ltd.**

1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

For updates or change of mailing address,
please contact:

**The Central Depository (Pte) Limited**

9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Tel: +65 6535 7511
Fax: +65 6535 0775
Email: asksgx@sgx.com
Website: www.sgx.com/cdp

PRIME
US REIT


**PRIME US REIT MANAGEMENT PTE. LTD.**
1 Raffles Place
#40-01 One Raffles Place
Singapore 048616
Tel: +65 6951 8090
Website: www.primeusreit.com