

MindSpace REIT Announces Results for Q3 FY2022

Uptick in office leasing continues, c.3.8 msf⁽¹⁾ leased in the first 9 months of FY22
Pre-leased an entire upcoming building of c.0.7msf⁽¹⁾ at Commerzone Kharadi, Pune
Declared distribution of INR 4.64 per unit

Mumbai, 10 February 2022: Mindspace Business Parks REIT (BSE: 543217 | NSE: MINDSPACE) ('MindSpace REIT'), owner and developer of quality Grade A office portfolio located in four key office markets of India, reported results for the quarter and nine months ended December 31, 2021.

Performance Update

- **Gross leasing** remained robust at **c.1.8⁽¹⁾ msf in Q3 FY22**
 - Achieved an **average rent of INR 64 psf/month**, signed **across 26 deals**
- **Pre-leased an entire upcoming building of c.0.7msf⁽¹⁾ at Commerzone Kharadi** to a marquee tenant
- **Re-leasing spread stood at 27.8%** on 0.8 msf of area re-let
- Continued to **collect more than 99% of Gross Contracted Rentals**
- Committed Occupancy and Same Store Committed Occupancy at **84.6% / 84.7%** respectively

Financial Update

- Reported Net Operating Income of **INR 3,715 Mn, up by 3.8% on Y-o-Y basis and 3.4% Q-o-Q**
- Declared distributions of **INR 2,752 Mn / INR 4.64 p.u., with over 90% being tax-exempt**
- **Annualised distribution yield of c.6.7%** on issue price
- **Average cost of debt further reduced by c.20 bps Q-o-Q to 6.7%** as on December 31, 2021
- Post the quarter end, **raised INR 5 Bn through issuance of debentures at 6.35% p.a. coupon**, further reducing the **pro forma cost of debt to 6.6% p.a.**
- Strong balance sheet with low **Loan-to-value (LTV) of c.15.8%**

Receipt of notice of intention

- **Received ROFO notice** from Sustain Properties Private Limited ("Sustain") and its shareholders expressing their interest to offer all the outstanding equity shares held by the shareholders in Sustain to MindSpace REIT. Sustain houses Commerzone Madhapur, Hyderabad which is a partly complete and **fully pre-let c.1.8 msf⁽¹⁾** asset located in one of the **prime business districts of Hyderabad**. The Manager shall evaluate the opportunity.

Distribution

- The Governing Board of K Raheja Corp Investment Managers LLP, Manager to MindSpace REIT approved a distribution of **INR 2,752 Mn or INR 4.64 p.u.** for Q3 FY2022 at its meeting held earlier today. Dividend, which is **tax-exempt in the hand of unitholders, forms c. 93%** (INR 4.31 p.u.) portion of distribution while interest constitutes the remaining c. 6.9% (INR 0.32 p.u.) and other income of c.0.2% (INR 0.01 p.u.). The record date for the distribution is February 16, 2022, payment of the distribution shall be processed on or before February 25, 2022.

¹ Including option area

Other Updates

- 7 '**Sword of Honour**' awards received across 5 business parks from British Safety Council
- One of the buildings at Mindspace Madhapur, Hyderabad has won '**Best Commercial Development Award**' at the CREDAI's - CREATE Awards 2021
- Facilitated **over 1 lakh vaccination** for our tenants, employees, and construction workers as on December 31, 2021

Speaking on the results, Mr. Vinod Rohira, Chief Executive Officer, said,

“Mindspace Business Park REIT witnessed a significant uptick of leasing activity with c.1.8 msf of space leased in the December quarter, taking the overall leasing to c.3.8 msf the first 9 months of FY22. The significant change in occupiers’ preference towards quality office spaces which adhere to the best standards of health, safety, experience, and wellness protocols has helped increase demand for our portfolio. We expect this trend to accentuate further in the coming quarters. The Union Budget’s impetus of replacing the SEZ policy to improve ‘Ease of doing business’ in SEZs would provide fillip to the demand for SEZ spaces in our Portfolio.”

Investor Communication and Quarterly Investor Call Details

Mindspace REIT has disclosed the following information pertaining to the financial results and business performance (i) Unaudited Condensed Standalone Interim Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements of Mindspace REIT for the quarter and nine months ended December 31, 2021 and (ii) an earnings presentation covering Q3 FY2022 results. All these documents are available on Mindspace REIT’s website at <https://www.mindspacereit.com/investor-relations/financial-updates/#ir>

Mindspace REIT is also hosting an earnings conference call on February 11, 2022 at 16:00 hours Indian Standard Time to discuss the Q3 FY2022 results. The dial in details is available on our website at <https://www.mindspacereit.com/investor-relations/calendar#ir> and have also been filed with the stock exchanges.

A replay of the call and the transcript will be available on Mindspace REIT’s website at <https://www.mindspacereit.com/investor-relations/calendar#ir>

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This Press Release has not been and will not be reviewed or approved by a regulatory authority in India or elsewhere or by any stock exchange in India or elsewhere and any prospective investor investing in units/debentures or other securities / instruments of Mindspace REIT should consult its own advisors before taking any decision in relation thereto.

About Mindspace Business Parks REIT

Mindspace Business Parks REIT, sponsored by K Raheja Corp group, listed on the Indian bourses in August 2020. The REIT owns quality office portfolios located in four key office markets of India, namely Mumbai Region, Pune, Hyderabad, and Chennai. It has a total leasable area of 31.3 msf, with superior infrastructure and amenities, and is one of the largest Grade-A office portfolios in India. The portfolio consists of 5 integrated business parks and 5 quality independent office assets. It has a diversified and high-quality tenant base, with over 170 tenants as of December 31, 2021. Most of the buildings in the portfolio are either Gold or Platinum Green Building Certified (IGBC/LEED). The assets provide a community-based ecosystem and have been developed to meet the evolving standards of tenants, and the demands of ‘new age businesses’, making it amongst the preferred options for both multinational and domestic corporations. To know more visit www.mindspacereit.com

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