

MindSpace Business Parks REIT Announces Results for Q2 FY24

Net Operating Income (NOI) grows 17.7% YoY in Q2 FY24

Announced Distribution of INR 2,841 Mn or INR 4.79 per unit

Receives Board Approval for MoU with Chalet Hotels Ltd. to develop and sub-lease a c.0.28 msf Hotel at MindSpace Airoli East

Mumbai, October 30, 2023: 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, reports results for the quarter ended September 30, 2023.

Q2 FY24 Key Business Highlights

Particulars	Unit	Q2 FY24	Q2 FY23	Growth (Y-o-Y)	Q1 FY24	Growth (Q-o-Q)
Revenue from Operations	INR Mn	5,997	4,974	20.6%	5,604	6.9%
Net Operating Income (NOI)	INR Mn	4,912	4,172	17.7%	4,545	8.1%

Operating and Growth Highlights

- Recorded Gross leasing of **c.0.8 msf** in Q2 FY24, taking cumulative leasing in H1 FY24 to **1.1 msf**
- Re-leasing spread for Q2FY24 stood at **9.7%** on **c.0.7 msf** of area re-let
- In-place rents increased by **c.6.4% YoY** to **INR 67** psf per month
- During the quarter, successfully concluded the acquisition of **c.0.24 msf** of leasable area at Commerzone Porur, Chennai, for **INR 1,816 Mn**¹
 - The strategic acquisition consolidates the REIT’s ownership in the project, now owning **100%** of the Asset
 - MindSpace REIT’s total leasable portfolio area has grown to **32.3 msf** with completed area of **26.1 msf**
- In 2023 GRESB (Global Real Estate Sustainability Benchmark) Ratings, MindSpace REIT
 - Became **1st Indian Commercial Real Estate Entity** to receive **100/100** in Office Development Benchmark, with coveted title of **‘Global Listed Sector Leader’**
 - **Ranked 1st in Asia** in the **‘Listed Companies Category’** for Commercial Business Development
 - Received **5 Star GRESB Rating** for the Second Consecutive Year
 - Scored **91/100** in the Standing Investment Benchmark, ranking **6th** among real estate peers across Asia with a **5-star Rating**.

¹ Including Transaction cost

Financial Highlights

- Clocked healthy Net Operating Income (NOI) growth:
 - NOI grew by **17.7% YoY** in Q2 FY24 to **INR 4,912 Mn**
 - Recorded NOI of **INR 9,457 Mn** in H1 FY24, **15.5%** growth y-o-y
- Low Loan-to-value (LTV) of **19.8%²** demonstrating balance sheet strength
- Raised **INR 5 Bn** through **NCDs** at REIT; **56.1%** of the outstanding debt is fixed cost debt
- Average cost of borrowing at the end of Q2 FY24 stood at **7.8%**
- Gross Asset Value of the portfolio increased by **2.3%** over March 23 to **INR 287 Bn**
- Net Asset Value (NAV) stands at **INR 369.6 per unit** as on September 20, 2023

Development Highlights

- Actively working on under construction pipeline of **2.9msf**
- Redevelopment of **Buildings 7 and 8** at Mindspace Madhapur, Hyderabad is underway, with successful demolition of two buildings through '**Implosion Technology**' making way for the new development of **1.6msf**
 - A first in Hyderabad, the 18-year-old structures were successfully dismantled in just 6-8 seconds, in a stark contrast to the traditional demolition process that typically spans 3-4 months
- Received Board approval for revised arrangement, to commence a **mixed-use composite structure development**, spanning c.**0.8msf** at Mindspace Airoli East. Of this, c.**0.53msf** is earmarked for office development and c.**0.28msf** for an upper upscale Hotel on a long-term lease to K Raheja Corp group company, Chalet Hotels Ltd.
 - The addition of the Hotel, will create synergies, enhancing amenities available to tenants, contributing to the development of a more cohesive and integrated ecosystem
- Received go ahead from **Princeton Digital Group** for commencement of a **2nd Data Centre** in Mindspace Airoli West

Distribution

- Declared distribution of **INR 2,841 Mn** or **INR 4.79 per unit** for Q2 FY24; Of this, **c.90%** is in form of **dividend, tax-exempt** in the hand of unitholders.
- Record date for the distribution is **Nov 06, 2023**. Payment of the distribution shall be processed on or before **November 10, 2023**

Speaking on the results, Mr. Ramesh Nair, Chief Executive Officer, K Raheja Corp Investment Managers Private Limited, Manager to Mindspace REIT said, "We've had a good quarter in terms of NOI growth. India's tech prominence and growing office space demand, driven by GCCs, is promising, and the IT industry considering return to a 5-day office week is encouraging. While short-term challenges are expected, our optimism for the industry's long-term future remains. Our MoU with Chalet Hotels Ltd. for the mixed-use development, enhances tenant offerings and fosters business synergies. Our recent GRESB rankings demonstrate our continued dedication to ESG. We anticipate a rising demand for office spaces focusing on design, sustainability, functionality, safety, and technology, and we're well-equipped to deliver to it. Our capable team is ready to construct, lease, and manage our assets, positioning us well to seize upcoming opportunities."

² For the purpose of LTV and net debt calculations, cash and cash equivalents and fixed deposits (including deposits with tenure > 3 months which can be liquidated as and when required) are reduced from gross debt

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 and unaudited condensed consolidated financial statements for the quarter ended 30 September 2023 and (ii) earnings presentation covering Q2 FY24 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 October 31, 2023 at 16:00 hours Indian Standard Time to discuss the Q2 FY24 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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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, and is one of the largest Grade-A office portfolios in India. The portfolio has a total leasable area of 32.3 msf comprising of 26.1 msf of completed area, 2.9 msf of area under construction and 3.3 msf of future development. The portfolio consists of 5 integrated business parks and 5 quality independent office assets with superior infrastructure and amenities. It has a diversified and high-quality tenant base, with over 200 tenants as of September 30, 2023. 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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