CareEdge RATINGS AFRICA
A subsidiary of CARE Ratings Limited, India

Oficea Company Limited
10 July 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bond issue – Senior Tranche	**1,400***	**CARE MAU A; Stable**	Reaffirmed
Bond issue – Junior Tranche	**900***	**CARE MAU A; Stable**	Revised from CARE MAU A-; Stable
Proposed Sustainability-Linked Bonds (SLBs) Issue (paid and unpaid bonds)	**3,400**	**CARE MAU A; Stable**	Assigned

** The proposed SLBs, under the paid bond of MUR 1,725 million will be used to refinance part of the existing bond of MUR 2,300 million and an unrated bank facility of MUR 50 million.*

Rating rationale

The reaffirmation of the rating assigned to the Bond Issue – Senior Tranche, the revision in the rating assigned to the Bond Issue – Junior Tranche and assigning of rating to proposed SLBs of Oficea Company Limited ("Oficea") primarily reflects its stable cash flow profile, supported by high occupancy across its existing portfolio (95% as on March 31, 2026), a proven operating track record of over 15 years, and strong tenant retention levels. The diversified and reputed tenant base, with approximately 10% to 13% occupied by ER Group entities, provides stability to rental income and visibility over recurring cash flows.

At the current occupancy levels, the company demonstrates adequate debt servicing ability, while sustained demand for Grade A office space, along with the strategic location of its assets in Moka, a key and growing business hub, continues to support operational performance. The ratings also factor in the company's ongoing development pipeline, including LEED-certified office buildings in Vivéa and Telfair, which are expected to contribute to future growth.

The ratings further derive support from Oficea's ultimate parent company, ER Group Limited, a well-established and diversified Mauritian conglomerate, which provides financial flexibility and operational support.

However, the ratings remain constraint by rising competition from new office developments which can exert pressure on occupancy levels and rental yields over time, particularly as additional supply enters the market. The company also faces re-leasing risk, given its relatively shorter weighted average lease expiry (WALE) compared to the longer tenure of its bond obligations, which could create periodic pressure to renew leases under favourable terms to Oficea. Oficea's exposure to interest rate risk is largely mitigated by the inflation-indexed nature of its lease agreements, which typically incorporate a minimum annual escalation of around 5%, providing a natural hedge against rising borrowing costs. However, some residual risk remains due to potential timing mismatches and differences in the movement of benchmark interest rates and inflation. In addition, the new developments ('Les Fascines 2' and 'The Grid (47C Office)') expose Oficea to execution and implementation risks, including potential construction delays and cost overrun for 'The Grid' as well as slower than expected leasing, which can defer cash flow generation until the projects achieve stable occupancy.

Sustainability-linked funding supporting portfolio quality and long-term leasing prospects

Under the proposed Sustainability-Linked Bonds (SLBs) of MUR 3,400 million, the 'paid' bonds of MUR 1,725 million will be utilised to refinance part of the existing debt of MUR 2,350 million, while MUR 1,400 million out of the 'unpaid' bonds will

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

be primarily used to fund the development of 'The Grid (47C Office)' in Telfair City, costing approximately MUR 1,289 million. The project is being developed as a LEED-certified building, in line with Oficea's strategy of expanding high-quality, sustainable office space. The remaining balance of MUR 275 million will be used for refinancing part of the remaining balance of the MUR 2,300 million bond.

From a credit perspective, the increasing share of green-certified assets is expected to strengthen Oficea's business profile, as such buildings typically attract high-quality tenants, including multinational corporates and financial institutions, which place greater emphasis on sustainability standards. This supports improved tenant stickiness, stronger occupancy levels, and potentially higher rental realisations, thereby enhancing the stability and visibility of cash flows over the medium term.

The SLBs are linked to specific Sustainability Performance Targets (SPTs), including increasing the share of green-certified gross leasable area (GLA) from 19.9% as of June 30, 2025 to 70% by June 30, 2030.

Failure to achieve the defined targets would result in a step-up in the interest margin; however, the financial impact is not expected to be material to the company's overall credit profile. An independent external reviewer has been appointed to monitor the achievement of these targets.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could, individually or collectively, lead to positive rating action/upgrade

- Ability to improve net effective rental rates and overall portfolio yield, driven by strong leasing demand and successful ramp-up of newly added properties.
- Sustained tenant retention and limited effective churn across the portfolio, resulting in stable occupancy and improved cash flow visibility.
- Improvement in the loan-to-value (LTV) ratio to below 40%, supported by reduction in borrowings and strengthening of asset values through sustained operational performance.

Negative factors: Factors that could, individually or collectively, lead to negative rating action/downgrade

- Non-renewal or adverse restructuring of lease agreements, leading to decline in rental realization and occupancy levels below 85%.
- Deterioration of LTV ratio over 50% for operational rental properties on sustained basis.
- Higher-than-projected dividend payout to group companies vis-à-vis profits, affecting the debt-servicing capability.

Analytical approach

CRAF has adopted a standalone approach, while factoring in the operational linkage with ER Group Limited. Oficea operates as vehicle with no direct employees, with asset and property management functions undertaken by ER Property Limited. Additionally, there is significant overlap at the senior management level within the ER Group, providing operational oversight and continuity

Outlook: Stable

The stable outlook reflects CRAF's expectation that Oficea will maintain healthy portfolio occupancy, sustain stable rental cash flows, and a calibrated approach to further leveraging, with limited additional debt-funded capex in the near term, supporting timely servicing of debt obligation over the rating horizon.

Applicable Criteria:
Rating Methodology: Rating Methodology for Debt Backed by lease rentals
Rating Methodology: Infrastructure Sector Ratings - LRD
Rating Methodology: Rating Methodology for real estate sector
Financial ratios – Non-Financial Sector
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
Liquidity Analysis of Non-Financial Sector Entities
CARE's Policy on Default Recognition

BACKGROUND

Founded in 2010, Oficea Company Limited ("Oficea") is an income-generating property company focused on owning and managing a portfolio of office assets in Moka. It is a subsidiary of ER Property Limited (CARE MAU A; Stable/CARE MAU A1) with 85% stake, which is a wholly owned subsidiary of ER Group Limited (CARE MAU A+; Stable). The remaining stake is held by Swan Life Ltd (CARE MAU AA+ (Is); Stable) -12%, and other investors. Over the past decade, the company has built a strong portfolio of ~55,000 sqm of Grade A office space, leveraging its prime land position in Moka to establish itself as a leading provider of modern office infrastructure. Oficea actively develops, leases, and manages its assets across key nodes of Moka Smart City, including Vivéa, Bagatelle, and Telfair, offering flexible, high-quality office environments that attract both local and international occupiers. The portfolio comprises 18 properties, of which three are LEED-certified, reflecting the company's focus on sustainable and quality-driven developments. As of June 30, 2025, Oficea's existing portfolio recorded an overall occupancy rate of ~85%, which increased to 95% by March 31, 2026.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)
Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius
Phone: +230 59553060/58626551 • www.careratingsafrica.com
BRN: C14127054 • FSC License No.: CR14000001

Annexure I

Rating Symbols

Long /Medium-term Instruments

Symbols	***Rating Definition***
CARE MAU AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
CARE MAU A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.
A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.
A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.
A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

Contact us

Chief Executive Officer
Name : Mr. Saurav Chatterjee
Phone : + 230 5862 6551
E-mail : saurav.chatterjee@careratingsafrica.com

Analytical Contact:

Chief Rating Officer
Name : Mr. Vidhyasagar Lingesan
Phone : +230 52731406
E-mail : vidhya.sagar@careratingsafrica.com

Rating Head
Name: Mr Naveen Kumar
Phone : +230 5511 0811
E-mail : naveen.kumar@careratingsafrica.com

Group Head
Name : Ms Pooja Appadoo
Phone : +230 5955 3060
E-mail : pooja.appadoo@careratingsafrica.com

Rating Analyst
Name: Ms Keshwaree Goonjur
Phone : +230 5955 3060
E-mail:keshwaree.goonjur@careratingsafrica.com

About CARE Ratings (Africa) Private Limited:

CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited. CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the best international practices.

CRAF’s Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.