

Hermes Realty Ltd
02 October 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating ¹	Rating Action
Bank Facilities	344*	CARE MAU A-; Stable [Single A Minus; Outlook: Stable]	Reaffirmed
Proposed Bank Facility	350	CARE MAU A-; Stable [Single A Minus; Outlook: Stable]	Assigned
Total	694 (Reduced from 785)		

**As at 30 June 2026, the outstanding balance under the existing bank facilities amounted to MUR 694 million. The proceeds of the proposed MUR 350 million bullet term loan will be applied toward the partial refinancing the existing facilities.*

Rating Rationale

The rating assigned to the bank facilities of Hermes Realty Ltd (HRL) reflects the company's strong cash-flow visibility supported by the fully leased Two Tribeca Tower, also known as AfrAsia Tower, long-term lease agreements with high-quality anchor tenants, and the property's strategic location within the fast-developing Tribeca Central Smart City. The presence of AfrAsia Bank Limited and Apex Group Ltd, which cumulatively occupying around 87% of the Gross Leasable Area (GLA), significantly reduces counterparty risk and is expected to continue supporting stable and predictable rental inflows over the medium to long term.

The rating further factors in HRL's comfortable Weighted Average Lease Expiry (WALE) of over 10 years as at 30 June 2026, which exceeds the average tenure of its bank facilities. This provides strong cash-flow coverage relative to scheduled repayments. The company's financial profile is expected to strengthen progressively, supported by a full year of rental income in FY26 and structured escalation clauses linked to inflation. Over the medium term, HRL's profitability and cash generation are expected to improve as rental escalations take effect, while scheduled amortisation of the remaining facilities should support a gradual reduction in leverage. However, the pace of deleveraging will be moderated by the proposed partial refinancing of the existing MUR 525 million amortising facility through a MUR 350 million bullet term loan, which will defer a material principal repayment to maturity and introduce refinancing risk.

The rating also derives comfort from the property's prime positioning in the Trianon/Ebene corridor, which is witnessing sustained demand for Grade A office spaces. Being part of the Tribeca Central Smart City ecosystem, which is supported by retail, hospitality and planned residential developments around Tribeca Central, enhances the long-term attractiveness of the location and is expected to support high occupancy levels going forward. HRL also benefits from Smart City tax exemptions until FY28, which strengthen near-term profitability and cash flows.

The rating, however, remains constrained by the limited operating track record of both HRL and its promoters in managing a diversified smart-city-scale asset portfolio. Furthermore, despite the long contractual lease tenures, the agreements do not contain lock-in periods, and the tenants may terminate their leases by providing six months' prior notice. These risks are partly mitigated by the strategic importance of the tower to their operations and substantial investments made in fitting out and customising their offices.

While operational performance to date has been satisfactory, the long-term ability of the promoter group to navigate potential downturns in the commercial real estate cycle remains to be fully tested. The rating is also tempered by tenant

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

concentration risk, with two tenants accounting for the bulk of rental income. Although both tenants are financially strong and strategically committed to Mauritius, concentrated exposure heightens sensitivity in the event of unforeseen tenant-related developments. HRL remains exposed to foreign exchange risk, with approximately 50% of rental income invoiced in USD, and interest rate risk on its floating-rate term loans.

Rating Sensitivities

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

- Improvement in the Total Debt to EBITDA below the 6x mark on a sustained basis.
- Improvement in the interest coverage ratio above 3x mark on a sustained basis
- Improvement in the LTV below the 50%.

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

- Occupancy level dropping below 85% leading to weakening of Total Debt to EBITDA above 8x on a sustained basis.
- Additional debt funded capex increasing the overall gearing and LTV ratios beyond 1.5x and 70% respectively.
- Significant upstream of capital via related-party loan impacting the overall credit profile of the company

Analytical approach: Standalone

The analysis is principally driven by the operating performance of its income generating asset, i.e., the Two Tribeca Tower.

Outlook: Stable

The stable outlook reflects the expectation that HRL's financial performance will continue to operate at 100% occupancy level amidst sustained increase in rental revenue, supported by the escalation clause going forward.

Applicable Criteria

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Rating methodology for Debt backed by lease rentals](#)

[Rating methodology for Real estate sector](#)

About the company

Hermes Realty Ltd ("HRL") is a Property Investment and Development Company, incorporated in January 2020. In line with the vision of its parent company, Hermes Properties Ltd ("HPL"), of creating a world class smart city at Tribeca Central, Trianon, HRL developed and owns the Two Tribeca Tower, a Grade A office building strategically located within the Tribeca Central Smart City and in close proximity to the Ebene Cybercity. Designed by the world-renowned architecture firm Gensler, Two Tribeca Tower has been conceptualised to offer flexible, collaborative workspaces with international-standard amenities, while also leveraging its strategic location with easy access to motorways and other facilities within Tribeca Central Smart City. The AfrAsia Tower has a Gross Leasable Area (GLA) of 19,376 square metres (sqm) and is occupied by the AfrAsia Bank which relocated its corporate headquarters to the building and Apex.

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

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