

## Hudson Pacific Properties Updates Full-Year and Q3 2021 Outlook in Connection with Recent Acquisitions and Capital Markets Activity

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**LOS ANGELES (September 1, 2021)**—Hudson Pacific Properties, Inc. (the "Company" or "Hudson Pacific") (NYSE: HPP) today increased its full-year and third quarter 2021 Funds From Operations (FFO) guidance to \$1.94 to \$2.00 per diluted share, excluding specified items, and \$0.48 to \$0.50 per diluted share, excluding specified items, respectively.

Specified items for the third quarter stemming from the transactions described below include \$6.7 million of transaction-related expenses and \$2.8 million of costs associated with the early extinguishment of debt. As a result, specified items for the full year, including those referenced in the Company's second quarter SEC filings, include \$7.8 million of transaction-related expenses, \$1.4 million of prior-period supplemental property tax expenses and \$2.8 million of costs associated with the early extinguishment of debt.

The revised estimates reflect the impact of three recent transactions, including the acquisitions of Star Waggon (closed August 31, 2021) and Zio Studio Services (closed August 17, 2021) for a combined \$222 million (before closing costs and other adjustments), each funded with a combination of cash on hand and draws under the Company's revolving credit facility. The combined impact of these acquisitions is approximately \$0.04 and \$0.01 per diluted share to the Company's full-year and third quarter 2021 FFO guidance, respectively. A press release with additional details about the transactions can be found in the investors section of [HudsonPacificProperties.com](https://www.hudsonpacificproperties.com).

The revised estimates also reflect the impact of refinancing the Company's mortgage loan secured by its Hollywood Media Portfolio (the "Hollywood Media Portfolio Refinancing"). The new loan replaces the prior \$900 million loan bearing LIBOR plus 2.15% per annum with a \$1.1 billion loan bearing LIBOR plus 1.25%. Similar to the original loan, the new loan has a two-year term from the first payment date, with three one-year extension options, subject to certain requirements, and is non-recourse, except as to customary non-recourse carveouts. The Company purchased approximately \$209.8 million of the Hollywood Media Portfolio Refinancing, which bears interest at a weighted average rate of LIBOR plus 2.08% per annum. While contributing to the revised guidance, the impact of this refinancing on a standalone basis is less than one full cent per diluted share to the Company's full-year and third quarter 2021 FFO guidance, respectively.

On account of these transactions and earlier corporate activity, the Company has drawn \$290 million under its unsecured revolving credit facility, leaving \$310 million of undrawn capacity.

The FFO estimates reflect management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels and the earnings impact of events referenced in this press release and in earlier announcements. It otherwise excludes any impact from future unannounced or speculative acquisitions, dispositions, debt financings or repayments, recapitalizations, capital markets activity or similar matters. There can be no assurance that actual results will not differ materially from this estimate.

Below are some of the assumptions the Company used in providing this guidance (dollars and share data in thousands):

Metric	Current Guidance	
	Full Year 2021	
	Low	High
<b>FFO per share</b>	\$1.94	\$2.00
<b>Growth in same-store office property cash NOI<sup>(1)(2)(3)</sup></b>	3.75%	4.75%
<b>Growth in same-store studio property cash NOI<sup>(1)(2)(4)</sup></b>	13.00%	14.00%
<b>GAAP non-cash revenue (straight-line rent and above/below-market rents)<sup>(5)</sup></b>	\$20,000	\$30,000
<b>GAAP non-cash expense (straight-line rent expense and above/below-market ground rent)</b>	\$(3,750)	\$(3,750)
<b>General and administrative expenses<sup>(6)</sup></b>	\$(68,000)	\$(72,000)
<b>Interest expense<sup>(7)</sup></b>	\$(126,500)	\$(129,500)
<b>Interest income</b>	\$3,700	\$3,800
<b>Corporate-related depreciation and amortization</b>	\$(2,300)	\$(2,400)
<b>FFO from unconsolidated joint ventures</b>	\$7,500	\$8,500
<b>FFO attributable to non-controlling interests</b>	\$(62,500)	\$(66,500)
<b>Weighted average common stock/units outstanding—diluted<sup>(8)</sup></b>	153,000	154,000

- (1) Same-store for the full year 2021 is defined as the 43 office properties or three studio properties, as applicable, owned and included in the Company's stabilized portfolio as of January 1, 2020, and anticipated to still be owned and included in the stabilized portfolio through December 31, 2021.
- (2) Please see non-GAAP information below for definition of cash NOI.
- (3) This estimate excludes approximately \$1.0 million of a one-time, prior-period supplemental property tax expense related to ICON and CUE. Please see the Same-Store Analysis in the Company's Second Quarter 2021 Supplemental Operating and Financial Information report for further detail regarding this expense.
- (4) This estimate excludes approximately \$0.4 million of one-time, prior period supplemental property tax expenses related to Sunset Bronson and Sunset Gower. Please see the Same-Store Analysis in the Company's First and Second Quarter 2021 Supplemental Operating and Financial Information reports for further detail regarding these expenses..
- (5) Includes non-cash straight-line rent associated with the studio and office properties.
- (6) Includes non-cash compensation expense, which the Company estimates at \$20,000 in 2021.
- (7) Includes amortization of deferred financing costs and loan discounts/premiums, which the Company estimates at \$16,000 in 2021, including \$5.5 million of consolidated costs associated with the early extinguishment of debt.
- (8) Diluted shares represent ownership in the Company through shares of common stock, OP Units and other convertible or exchangeable instruments. The weighted average fully diluted common stock/units outstanding for 2021 includes an estimate for the dilution impact of stock grants to the Company's executives under its 2019, 2020 and 2021 long-term incentive programs. This estimate is based on the projected award potential of such programs as of the end of the most recently completed quarter, as calculated in accordance with the ASC 260, Earnings Per Share.

The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis, including the information under "FFO Guidance" above, where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact net income attributable to common stockholders per diluted share, which is the most directly comparable forward-looking GAAP financial measure. This includes, for example, acquisition costs and other non-core items that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

### **About Hudson Pacific Properties**

Hudson Pacific is a real estate investment trust with a portfolio of office and studio properties

totaling over 20 million square feet, including land for development. Focused on global epicenters of innovation, media and technology, its anchor tenants include Fortune 500 and leading growth companies such as Google, Netflix, Riot Games, Square, Uber and more. Hudson Pacific is publicly traded on the NYSE under the symbol HPP and listed as a component of the S&P MidCap 400 Index. For more information visit [HudsonPacificProperties.com](http://HudsonPacificProperties.com).

### **Forward-Looking Statements**

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events, or trends and that do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, which may cause actual results to differ significantly from those expressed in any forward-looking statement. All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause the Company's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC, and other risks described in documents subsequently filed by the Company from time to time with the SEC.

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