

Embassy Office Parks REIT

India REIT Primer

August 2022



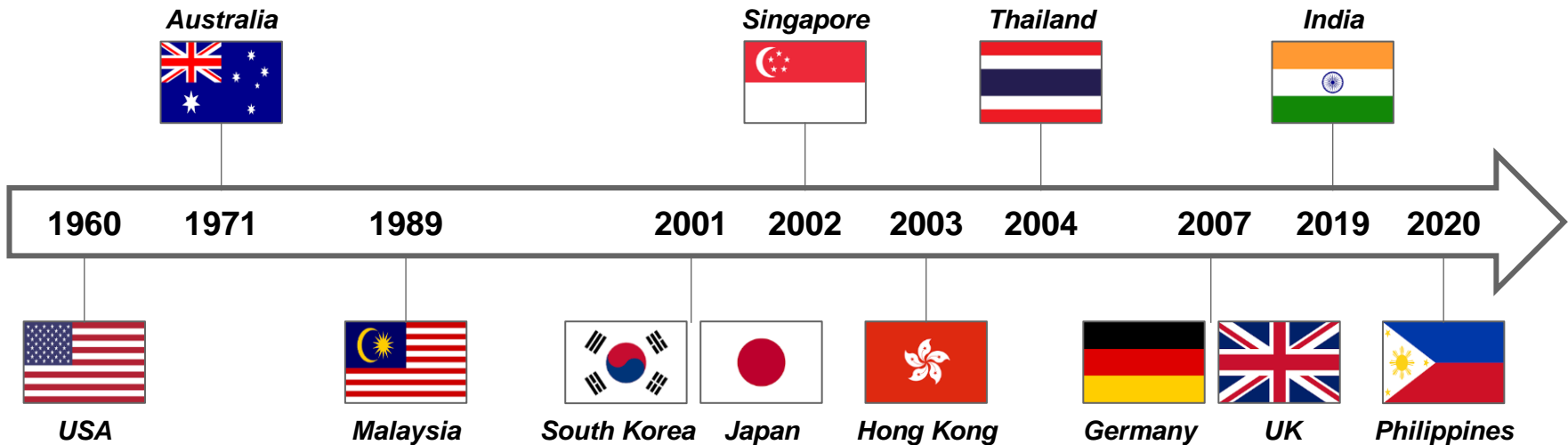
Introduction to REITs

A wide-angle photograph of the Embassy TechVillage in Bangalore. The image shows a modern, multi-story commercial building with a light beige facade and numerous windows. A large, covered outdoor plaza with a grid-like roof structure occupies the foreground and middle ground. The plaza is paved with light-colored tiles and features several small trees, planters, and outdoor seating areas with white chairs and tables. A person is walking in the distance on the left. The sky is blue with scattered white clouds.

Embassy TechVillage, Bangalore

REITs: Globally Accepted For 60 Years

History of REIT Launches in Major Economies



1960

First REIT started in the US

US\$ 2.5 trillion

Value of Publicly-listed REITs globally

900+

Number of REITs globally

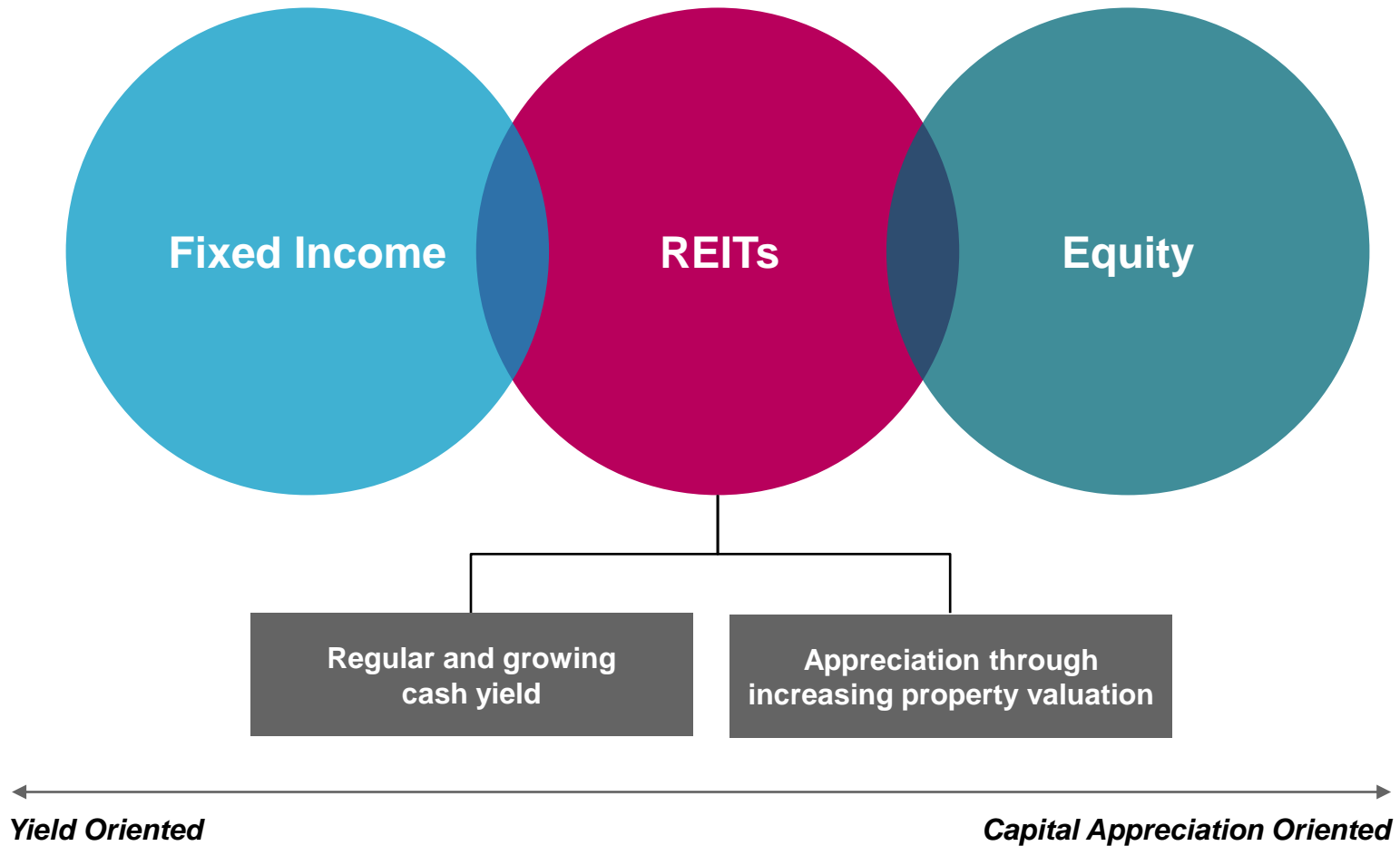
Global REITs – Major Constituents of Listed Real Estate Universe

REITs contribute 71% of the listed real estate universe in the most mature REIT markets and 55% of the global listed real estate market capitalization

	Total Listed Real Estate	REITs Market Capitalization	
	\$bn	\$bn	As % of Total Listed RE
Global Markets	3,625	2,006	55%
Developed Markets	2,691	1,915	71%
Emerging Markets	935	91	10%
US	1,378	1,352	98%
Canada	76	61	80%
France	45	39	87%
United Kingdom	90	80	89%
Australia	97	91	94%
Singapore	112	72	64%
Mexico	20	17	85%
Japan	227	121	53%
Hong Kong	211	24	11%
Average	279	280	82%

REITs – A Hybrid Product between Equity and Fixed Income

REITs provide regular yield with steady capital appreciation via increasing property valuation



An aerial photograph of the Express Towers in Mumbai, India. The image shows two tall buildings: a grey concrete structure on the left and a modern glass skyscraper on the right. The glass building has a curved facade and many windows. At the base of the glass building, there is a green lawn and a circular area with a red track. The buildings are surrounded by lush green trees and palm trees. In the background, the Arabian Sea is visible, and the city skyline of Mumbai can be seen under a dramatic, cloudy sky. The text "Introduction to Indian REITs" is overlaid in white on the left side of the image.

Introduction to Indian REITs

Express Towers, Mumbai

What Assets Can an Indian REIT Own?

PERMITTED

Rental income

earning real estate projects

Commercial Sectors

Offices, hotels, retail, industrial, healthcare

NOT PERMITTED

Residential (houses, apartments)

Speculative landbank

Min. 80%

completed & income producing assets

Max. 20%

under-construction assets

Leverage Restrictions

Unitholder approval needed for Debt to Capitalization above 25%

Debt to Capitalization capped at 49%

How do REITs Generate and Distribute Income?

Rental income is generated from underlying real estate assets held in the portfolio

Asset Quality

- ▶ High-quality institutional grade commercial properties in key metro cities attract premium rentals

Tenant Quality

- ▶ Diversified and high-credit quality Multinational Companies (MNCs) pay rentals on time

Lease Term

- ▶ Stable cash flows due to long-term nature of lease contracts

Minimum 90% of the available NDCF is REQUIRED to be distributed to unitholders (at least semi-annually)

Indian REIT Taxation – A Brief Summary

Nature of Income	Taxability / Exemption	Withholding Tax (WHT) Rate
Dividends received from SPVs distributed by REIT ⁽¹⁾	Exempt u/s 10(23FD)	NA
Interest received from SPVs distributed by REIT	Taxable u/s 115UA - Resident – Applicable rate - Non-Resident – 5% WHT ⁽²⁾	- Resident – 10% (194LBA) - Non-Resident – 5% (194LBA) - Cat I & II AIF and MF - NIL
Amortization of SPV debt distributed by REIT	Not taxable as per section 115UA ⁽³⁾	NA
Other income distributed by REIT	Exempt u/s 10(23FD) to be read with section 115UA	NA
Capital gains on sale of REIT units	Taxable u/s 111A / 112A - LTCG 10%, STCG 15% subject to taxability under applicable DTAA for non-residents ⁽⁴⁾	NA

Notes:

- (1) Dividend received from a SPV which has not opted for the concessional tax regime (25.17%) u/s 115BAA is exempt in hands of Unitholders. In case a SPV has opted for section 115BAA, dividend would be taxable in the hands of Unitholder and also subject to WHT @ 10%
- (2) Income is taxable as per applicable tax rates under relevant DTAA & taxability under the Income Tax Act, 1961
- (3) Taxability in the hands of investors to be assessed based on the advise from their respective tax advisors
- (4) LTCG is applicable if units held by unitholders for more than 36 months. LTCG exempted upto ₹1 million with no indexation benefit available. LTCG = Long Term Capital Gain, STCG = Short Term Capital Gain
- (5) All tax rates excluding applicable surcharge and cess

Snapshot of Indian REITs

The Indian REIT market continues to evolve since the listing of the first REIT in April 2019

93 msf

Across India's top
commercial office markets⁽¹⁾

₹ 688 billion

Market
Capitalization⁽²⁾

₹ 200 billion

Primary Equity Proceeds
Raised Since 2019

₹ 91 billion

Distributed more than entire
Nifty Realty Index Combined⁽³⁾

AAA

Credit Ratings

**Benchmark Global
Indices**

FTSE Russell/ EPRA-NAREIT/
S&P /MSCI Small Cap

**Strong Retail
Ownership**

Rapidly Expanding Retail
Unitholder Base

High Standards

of Corporate
Governance

Enhanced Liquidity

Through Reduction in
Trading Lot Sizes

Notes:

(1) Refers to total area (under construction, development potential and completed area) held by the 3 listed Indian REITs as of Q1 FY2023 disclosures

(2) Based on closing price on NSE as of August 16, 2022

(3) Refer to total distributions made by the 3 listed Indian REITs since their listing till Q1 FY2023

Listed REIT Landscape in India

	Embassy Office Parks	Mindspace Business Parks	Brookfield India REIT
Ticker (NSE)	EMBASSY	MINDSPACE	BIRET
Ticker (BSE)	542602	543217	543261
Listing Date	April 01, 2019	August 07, 2020	February 16, 2021
Market Capitalization ¹	₹ 355 billion	₹ 219 billion	₹ 114 billion
Geographic Focus	Bengaluru, Mumbai, Pune, Noida	Mumbai, Hyderabad, Pune, Chennai	Mumbai, Gurgaon, Noida, Kolkata
Completed Area ²	33.8 msf	24.4 msf	14.3 msf
Leased Area ²	28.7 msf	20.9 msf	11.8 msf
Sponsor Ownership ²	44% (Blackstone, Embassy Group)	63% (K Raheja Corp)	54% (Brookfield)

Notes:

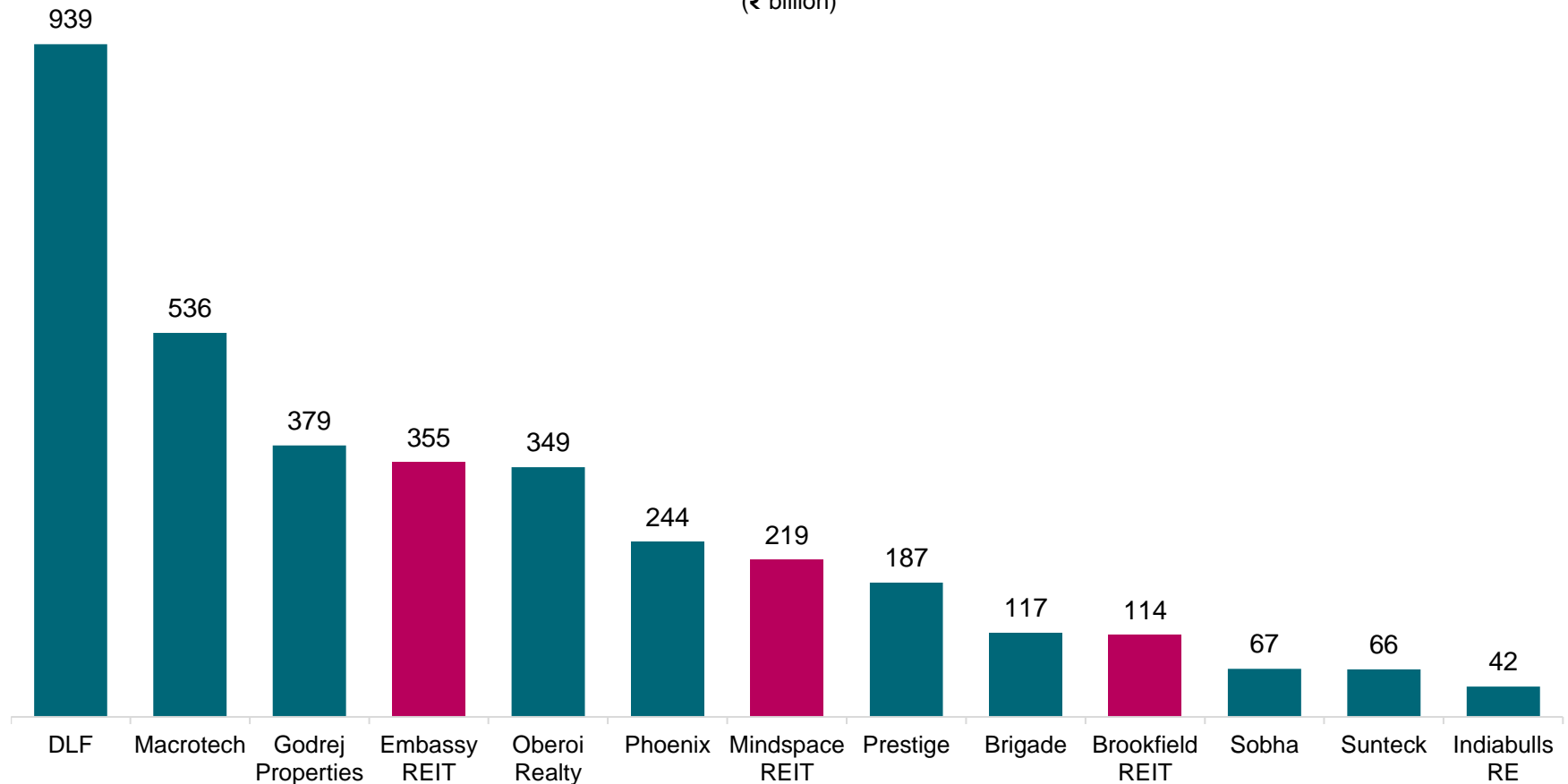
(1) Based on closing price on NSE on August 16, 2022

(2) As of June 30, 2022

Indian REITs rank among top 10 listed real estate players in India

In short span of over 3 years since listing, Indian REITs' market capitalization rank among top 10 listed real estate players in the country

Market Capitalization
(₹ billion)



Why Invest in Indian REITs?

Liquidity

REIT units are freely traded in stock markets like equity shares

Transparency

Strong governance framework and disclosure requirements from SEBI

Asset Quality

Fractional ownership in professionally-managed Grade A commercial assets

Distributions

Income stability due to requirement to distribute at least 90% of cash flows semi-annually

Performance

Upside participation in capital appreciation from organic / inorganic growth

Diversification

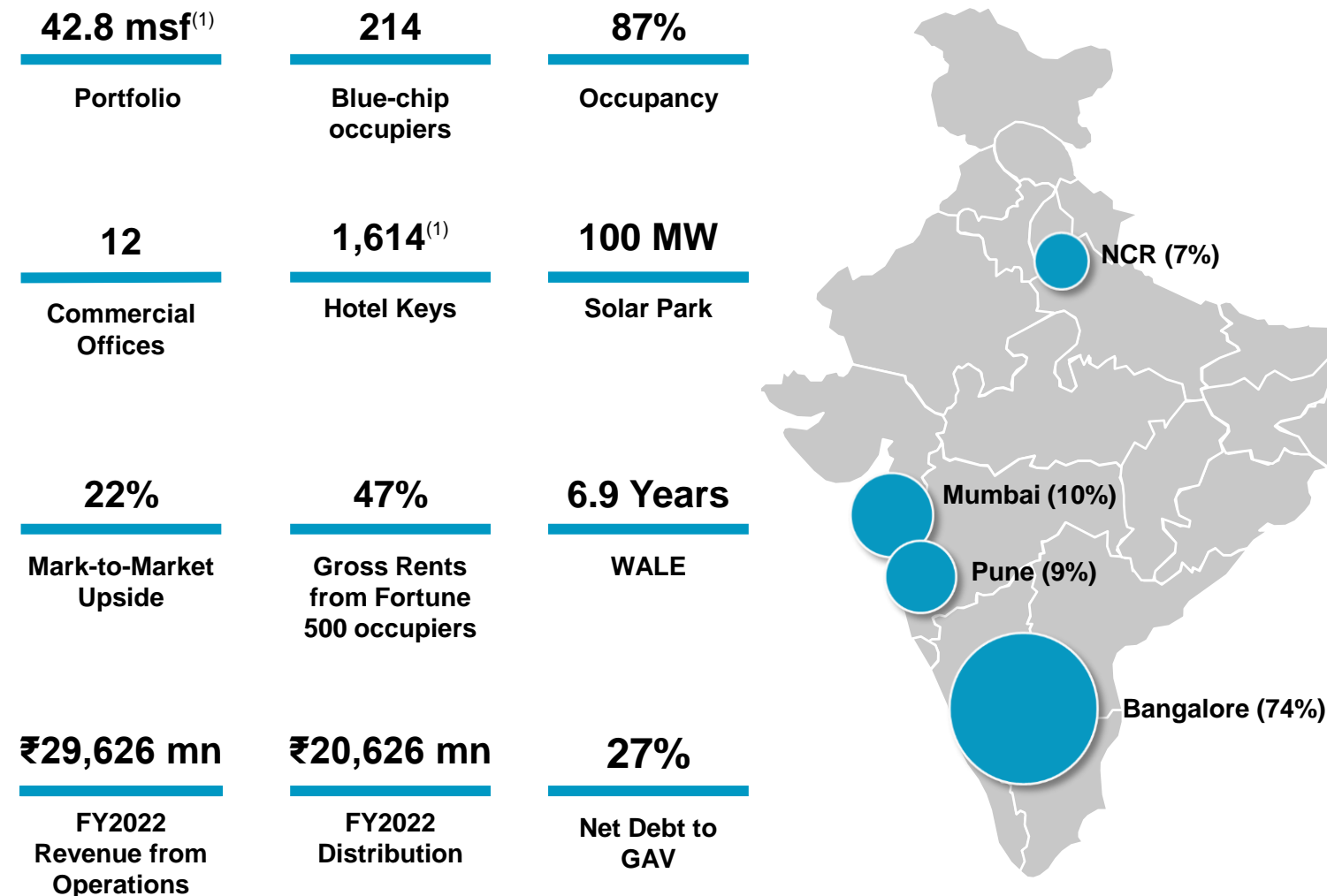
Investment in a high-quality diversified portfolio across sectors / cities

Embassy REIT Overview

Hilton Hotel Complex, Embassy Manyata

Who We Are: Quick Facts

We own and operate a commercial office portfolio that serves as essential corporate infrastructure to global occupiers, including many technology companies

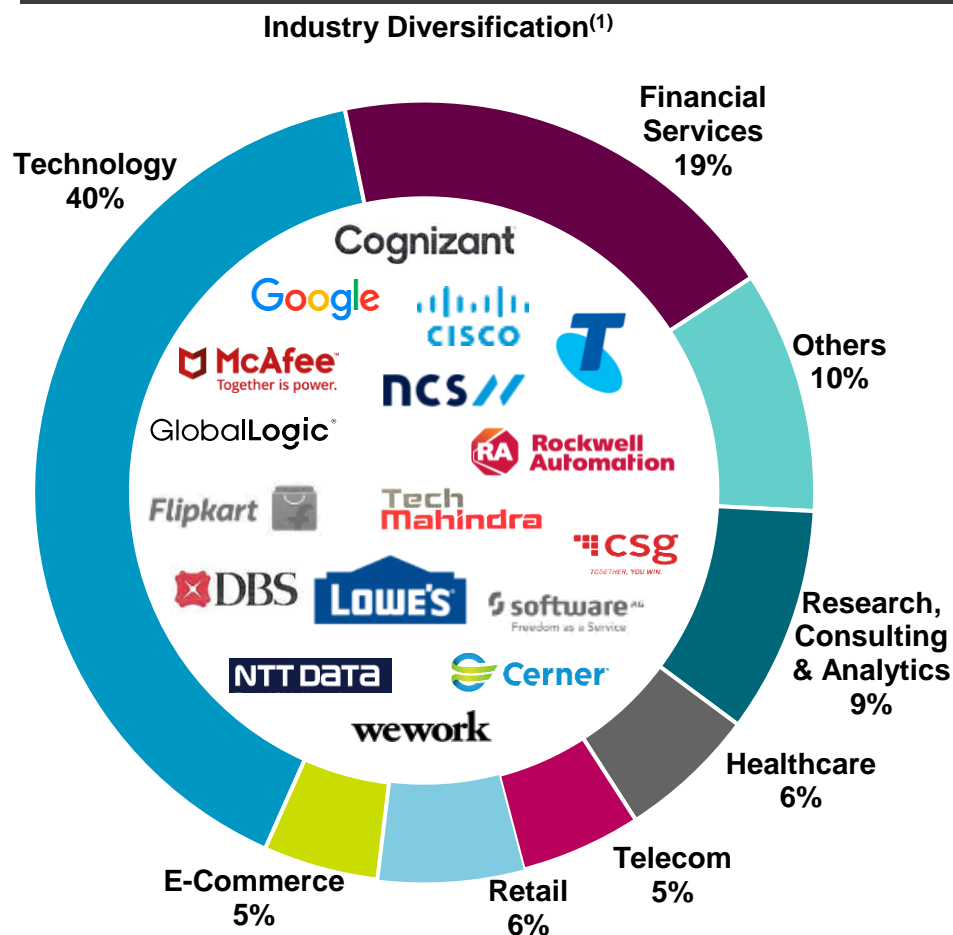


Notes: City wise split by % of Gross Asset Value (GAV) considered per Mar'22 valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. Data as of June 30, 2022 unless otherwise indicated

(1) Includes completed, under construction and proposed future development

Fueled by Global Technology Trends

Tech occupiers and Global Captives constitute over 70% of our occupier base



Top 10 Occupiers ⁽²⁾	Sector	% of Rentals
Global Technology and Consulting Major	Technology	7.5%
JP Morgan	Financial Services	7.0%
Cognizant	Technology	6.0%
NTT Data	Technology	3.3%
Flipkart	E-commerce	3.0%
Wells Fargo	Financial Services	2.7%
ANSR	Research, Consulting & Analytics	2.7%
PwC	Research, Consulting & Analytics	1.9%
Google India	Technology	1.9%
Cerner	Healthcare	1.8%
Total		37.8%

- ▶ Added 15 new occupiers in Q1 FY23 from growth sectors - cloud, renewables and healthcare tech, etc.
- ▶ Contribution from Top 10 occupiers at 38% today (vs 42% at the time of listing)

Notes: Actual legal entity name of occupiers may differ

(1) Represents industry diversification percentages based on Embassy REIT's share of gross rentals

(2) Excludes enterprise level deals between end use occupier(s) and co-working operators

Occupier Growth Driving Strong Leasing Momentum

Record total leases of 1.8 msf, making it the highest total leasing in a single quarter since listing

415k sf

Re-leasing Spread of 31%

550k sf

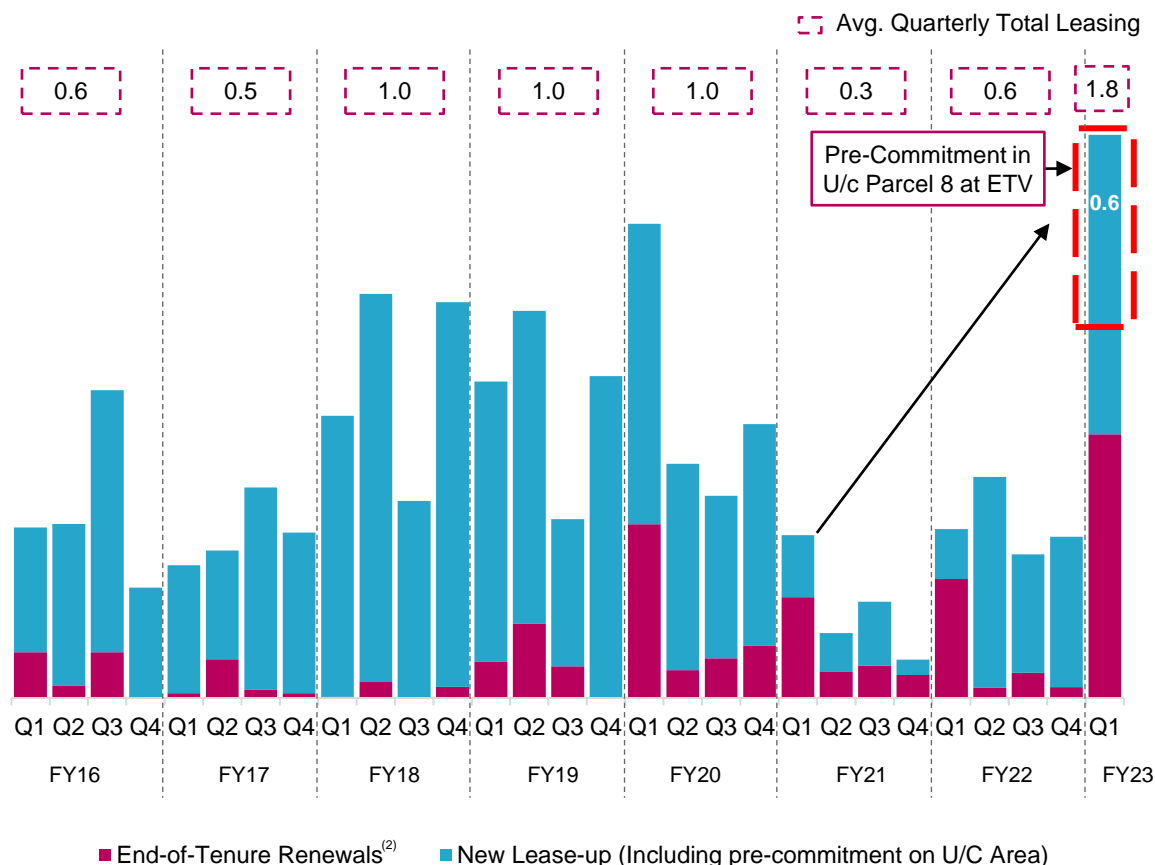
Pre-commitment by JP Morgan

850k sf

Renewal Spread of 9%

25

Total No. of Lease Deals



Demand rebound due to release of pent-up demand, expansion and consolidation requirement of occupiers

Notes:

(1) Total leases comprises of new lease-up, pre-commitment in under development properties, end-of-tenure renewals and early renewals

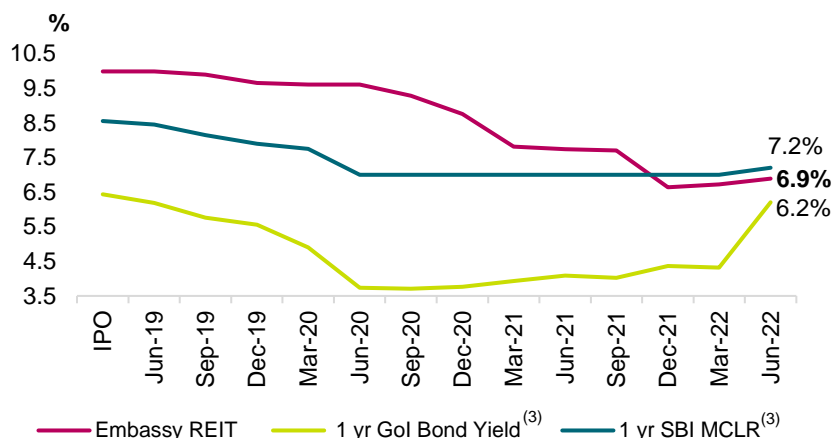
(2) End-of-tenure renewals exclude rolling renewals

(3) Quarterly total leases (as set out in table and note 1 above) have been presented for all the properties that are currently part of the Embassy REIT's portfolio as if the Embassy REIT's structure was in place since the beginning of FY16, for comparative purposes. These numbers have been included for purposes of providing general information and may differ from the historical consolidated or combined financial information and other operational metrics of the Embassy REIT

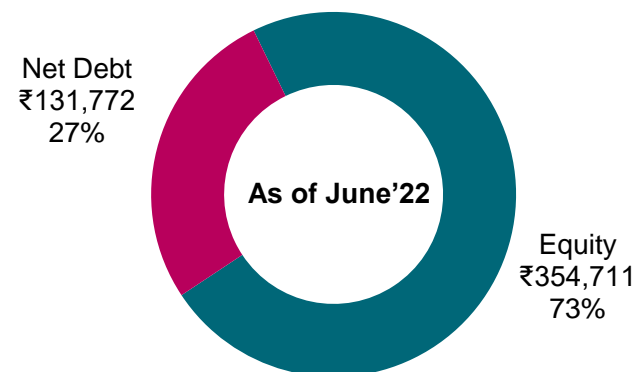
Robust Balance Sheet with Active Debt Management

Balance sheet well-positioned amidst rising interest rate environment - low leverage, low interest rate locked-in at fixed-rate debt, and limited exposure to floating-rate debt

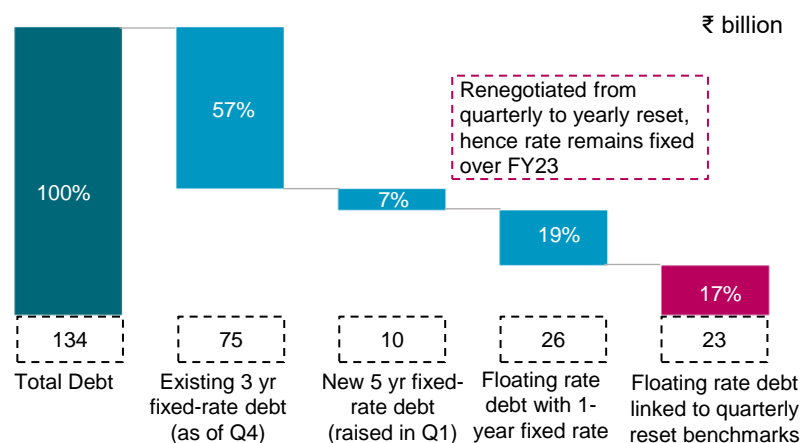
Significant reduction in interest rates since IPO



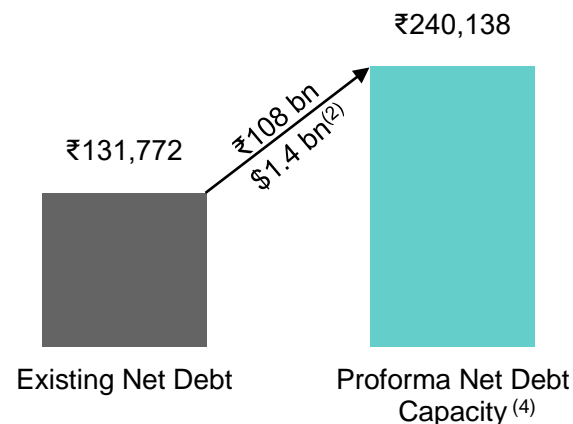
Net Debt to Market Capitalization⁽¹⁾



Substantially shielded from rising interest rates



Ample Debt headroom to finance growth



Notes:

- (1) Closing price on National Stock Exchange as at June 30, 2022
 (2) \$1 = ₹79
 (3) Source: National Stock Exchange, State Bank of India

- (4) Computed basis Gross Asset Value (GAV) considered per Mar'22, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually

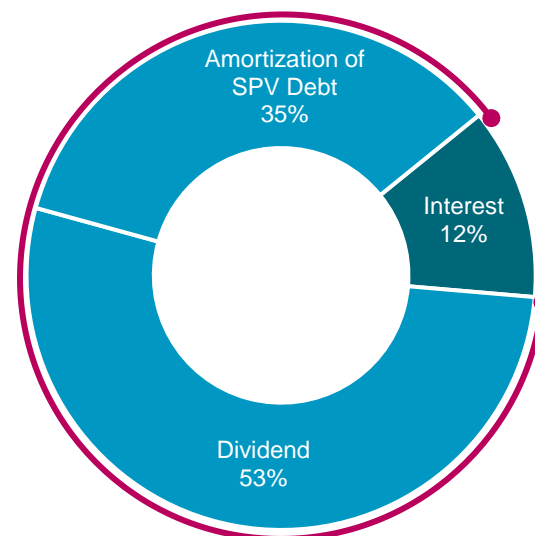
Delivering on Distributions

Distributions for Q1 stood at ₹5,052 mn i.e., ₹5.33 per unit with 88% being tax-free for Unitholders

Distribution Highlights

Particulars	Q1 FY2023
Distribution period	Apr'22 – Jun'22
Distribution amount (mn)	₹5,052
Outstanding units (mn)	948
Distribution per unit (DPU)	₹5.33
Announcement date	July 21, 2022
Record date	July 29, 2022
Payment date	On or before August 05, 2022

Distribution Mix – Q1



- ▶ 100% distribution payout ratio demonstrates commitment to regular quarterly distributions
- ▶ 88% of Q1 FY2023 distributions are tax-free for Unitholders

Business Performance and Price Movement

Robust business performance since listing across leasing, delivery and acquisitions. Delivered 52%⁽⁵⁾ total returns since listing to period until August 16, 2022

Business Performance since Listing

8.2 msf

Total Leases⁽¹⁾

7.1 msf

On-Campus Growth⁽²⁾

10.2 msf

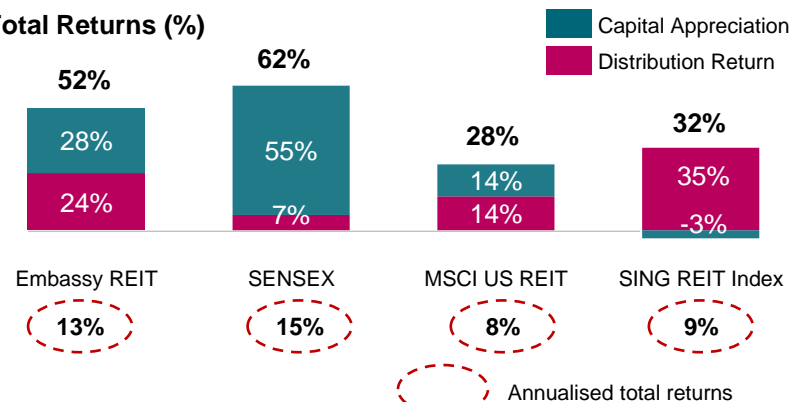
Total Acquisitions⁽³⁾

₹63 bn

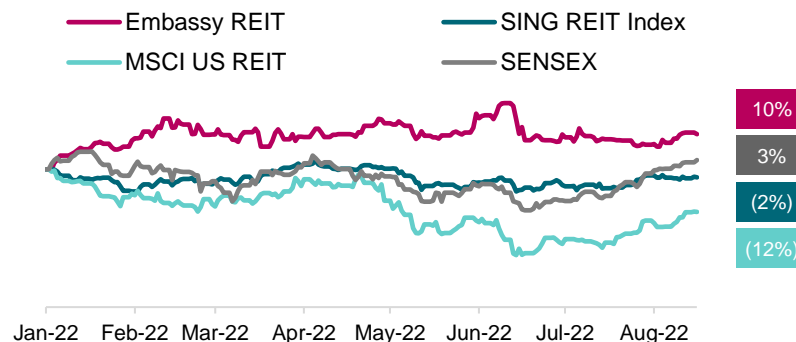
Total Distributions⁽⁴⁾

Performance since Listing ⁽⁵⁾

Total Returns (%)



Price Movement % (Jan-Aug'22)



► Delivered annualized 13% total returns since listing (6.8% capital appreciation + 6.2% distribution yield approximately)

Notes: All distribution yields computed basis IPO price of ₹300/ unit

- (1) Includes new lease-up, end-of-tenure renewals and pre-commitments
- (2) Comprises 2.5 msf of new deliveries since listing and 4.6 msf of ongoing development
- (3) Includes completed, under construction and proposed future development area
- (4) Including Q1FY23 distributions totalling ₹5 bn

(5) Source: Bloomberg. For period April 1, 2019 to August 16, 2022

- (6) The price, market value and market capitalization of the units the Embassy REIT may fluctuate due to multiple reasons and the price, market value and market capitalization figures and trends indicated above are not indicative of any future trading price, market value or market capitalization. This should not be construed as any assurance or guarantee of returns or distributions to investors

What We Do: Our Strategy

Embassy REIT's strategy focuses on enhancing NAV and delivering long-term, total return value for Unitholders



Supported by robust financial management, proactive asset management and strong corporate governance

Notes:

(1) Figures above are indicative only. There can be no assurance that they can be achieved

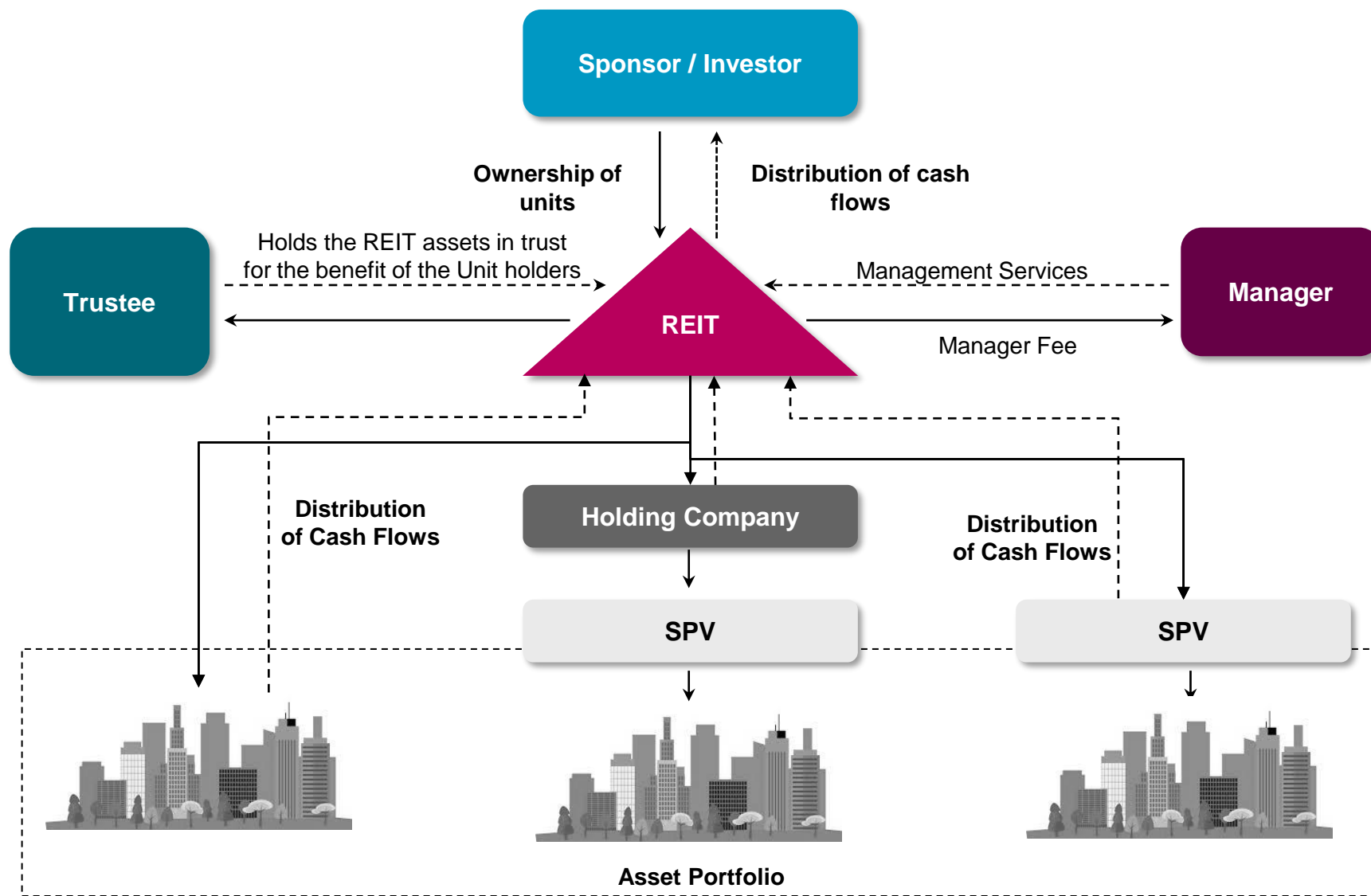
(2) Pipeline and opportunities are indicative only. There can be no assurance that above opportunities or other pipeline opportunities will materialize in current form or at all or result in transactions

Appendix



Embassy Galaxy, Noida

How are REITs Structured?



Who can Invest in Indian REITs?

- ▶ Any investor (domestic / foreign / retail / institutional) can buy REIT units in India
- ▶ No minimum trading lot size; previous minimum trading lot size of Rs 50,000 and 200 units done away with now
- ▶ Investors can purchase REIT units through a demat account, similar to how they would purchase shares in a company
- ▶ Indian REIT units can be bought / sold freely on either NSE or BSE – either online or through a broker
- ▶ Investors can also buy REIT units through participation in REIT IPO upon listing

Benefits of a REIT vs Direct Investment vs Equity Shares

	REIT Units	Direct Investment in RE ¹	Real Estate Equity Shares
Investment Characteristics	<ul style="list-style-type: none"> ▶ Minimum lot size of 1 units ▶ Freely transferable listed securities ▶ Professionally managed ▶ No entry / exit load 	<ul style="list-style-type: none"> ▶ ₹ 2.5 million onwards (for strata units) ▶ Illiquid, lock-ins & non-transparent market ▶ Hassles in managing assets ▶ Transaction costs involved 	<ul style="list-style-type: none"> ▶ Minimum lot size of 1 share ▶ Freely transferable listed securities ▶ Professionally managed ▶ No entry / exit load
Asset and Tenant Quality	<ul style="list-style-type: none"> ▶ Grade A assets in prime locations, primarily office ▶ Multiple marquee tenants across sectors 	<ul style="list-style-type: none"> ▶ Usually, strata interests in standalone buildings ▶ Usually exposed to single tenant risk 	<ul style="list-style-type: none"> ▶ Grade A / B assets with a mix of office / residential / retail ▶ Multiple tenants across sectors
Return Profile	<ul style="list-style-type: none"> ▶ Returns driven by capital appreciation and regular cash distribution (90% mandatory) 	<ul style="list-style-type: none"> ▶ Returns driven by a timely and profitable exit 	<ul style="list-style-type: none"> ▶ Returns driven by capital appreciation and dividends (NOT mandatory)
Tax Efficiency	<ul style="list-style-type: none"> ▶ Dividends are tax exempt 	<ul style="list-style-type: none"> ▶ Dividends are taxable 	<ul style="list-style-type: none"> ▶ Dividends are tax exempt
Leverage Profile	<ul style="list-style-type: none"> ▶ Restricted to 49% Net debt / Total Enterprise Value 	<ul style="list-style-type: none"> ▶ No restrictions 	<ul style="list-style-type: none"> ▶ No restrictions
Governance Standard	<ul style="list-style-type: none"> ▶ High 	<ul style="list-style-type: none"> ▶ High 	<ul style="list-style-type: none"> ▶ Lower than REIT standards
Risk Profile	<ul style="list-style-type: none"> ▶ Lower than other commercial real estate vehicles 	<ul style="list-style-type: none"> ▶ High 	<ul style="list-style-type: none"> ▶ Higher than REIT profile

Notes:

(1) Assumed Real Estate (RE) held through an SPV

(2) Excluding applicable surcharges and cess

Regulatory Framework for Indian REITs

India REITs have to adhere to a strong SEBI regulatory framework aimed at protecting unitholder value

Asset and Distributions	<ul style="list-style-type: none"> ▶ Minimum 80% of value in completed and income producing assets – hence, less risk to cash flows ▶ Restrictions on speculative land acquisition ▶ Minimum 90% of distributable cash flows to be distributed semi-annually
Debt	<ul style="list-style-type: none"> ▶ Majority unitholder approval required if debt exceeds 25% of asset value ▶ Debt cannot exceed 49% of asset value
Corporate Governance	<ul style="list-style-type: none"> ▶ 50% independent directors on the Board, with 50% representation on all committees ▶ REIT Manager can be removed with 60% approval of unrelated unitholders ▶ Alignment with unitholder interests due to a distribution-linked management fees structure
Related Party Safeguards	<ul style="list-style-type: none"> ▶ Sponsors are prohibited from voting on their related party transactions ▶ Majority unitholder approval required for acquisition or disposal of asset which exceeds 10% of REIT value ▶ Acquisition or sale price of new asset cannot deviate from average valuation of two independent valuers by + / - 10% ▶ Fairness opinion from independent valuer required if related party leases exceed 20% of the underlying asset

Management Fee Structure Comparison

Compared to international counterparts, Indian REITs have a significantly lower and simpler fee structure to drive value to unitholders

	Indian REITs ¹	Select Asian REITs ²
Property Mgmt. Fees	3% - 3.5% <i>of Total Rents</i>	2% - 3% <i>of Gross Revenue or / and Net Property Income</i>
REIT / Performance Fees	0.5% - 1% <i>of Net Distributable Cash Flows / Distributions</i>	3% - 5.25% <i>of Net Property Income</i>
Base Fees	Nil	0.1% - 0.5% <i>of Gross Asset Value</i>
Acquisition Fees	Nil	1% <i>of Acquisition Price</i>
Divestment Fees	Nil	0.5% <i>of Sale Price</i>

Notes:

(1) Based on the fee structure adopted by the 3 REITs listed in India

(2) Based on the fee structure adopted by select key REITs / trusts listed in Singapore

Disclaimer

This presentation is issued by Embassy Office Parks Management Services Private Limited (the “**Manager**”) in its capacity as the Manager of the Embassy Office Parks REIT (“**Embassy REIT**”), for general information purposes only, without regards to the specific objectives, financial situation or requirements of any particular person. This presentation may not be copied, published, distributed or transmitted, in whole or in part, for any purpose, and should not be construed as legal, tax, investment or other advice.

This presentation does not constitute a prospectus, placement document, offering circular or offering memorandum and is not an offer or invitation or recommendation or solicitation or inducement to buy or sell any units or other securities including any units or other securities of: (i) the Embassy REIT, its holdcos, SPVs and / or investment entities; or (ii) its Sponsors or any of the subsidiaries of the Sponsors or any member of the Sponsor Group; or (iii) the Manager; or (iv) the Trustee, nor shall part, or all, of this presentation form the basis of, or be relied on, in connection with, any contract or investment decision in relation to any securities.

Unless otherwise stated, the information contained herein is based on management information and estimates. The information contained herein is only current as of the date specified herein, has not been independently verified and may be subject to change without notice, including based on the impact of Covid on us, our occupiers and the Indian and global economies. Please note that past performance is not indicative of future results. Please note that the recipient will not be updated in the event the information becomes stale. The Manager assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. The Manager, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of the content including any information or opinions contained herein. Any opinions expressed in this presentation or the contents of this presentation are subject to change without notice. Neither the delivery of this presentation nor any further discussions of the Manager with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Embassy REIT since the date of this presentation.

This presentation also contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Manager. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of Covid on us, our occupiers and the Indian and global economies, recipients of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Manager disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as Covid. In addition to statements which are forward looking by reason of context, the words ‘may’, ‘will’, ‘should’, ‘expects’, ‘plans’, ‘intends’, ‘anticipates’, ‘believes’, ‘estimates’, ‘predicts’, ‘potential’ or ‘continue’ and similar expressions identify forward-looking statements.

Certain information (including any guidance and proforma information) presented herein is based on management information, assumptions and estimates and is not audited or reviewed by an auditor or based on GAAP, Ind AS or any other internationally accepted accounting principles. The reader should not consider such items as an alternative to the historical financial results or other indicators of the Embassy REIT’s profit, cash flows or distribution based on any GAAP. Actual results may be materially different from the expectations expressed or implied by this information, and there can be no assurance that the expectations reflected in this information will prove to be correct.

By reading this presentation the recipient acknowledges that the recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of the Embassy REIT and that the recipient will conduct its own analysis and be solely responsible for forming its own view of the potential future performance of the business of the Embassy REIT. This presentation may not be all inclusive and may not contain all of the information that the recipient considers material. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions.

None of the Embassy REIT, the Manager, the Sponsors, the Sponsor Group or the Trustee or any of their respective affiliates, advisers or representatives accept any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having being authorized by or on behalf of the Embassy REIT, its holdcos, SPVs and investment entities or the Manager. Investors are advised to consult their investment advisor before making an investment decision. This information should not be used or considered as financial or investment advice, recommendation or an offer for sale or a solicitation of any offer to buy any units or other securities of the Embassy REIT. This presentation and any of its contents do not provide for and should not be construed as any assurance or guarantee of returns or distribution to investors or the trading price of the units.

THIS PRESENTATION DOES NOT CONSTITUTE OR FORM ANY PART OF ANY OFFER, INVITATION OR RECOMMENDATION TO PURCHASE OR SUBSCRIBE FOR ANY UNITS OR OTHER SECURITIES IN INDIA, THE UNITED STATES OR ELSEWHERE.



**WHERE
THE WORLD
COMES TO WORK**

Investor Contact:

Website: www.embassyofficeparks.com | **Email:** ir@embassyofficeparks.com | **Office:** [+91 80 4722 2222](tel:+918047222222)