

Embassy Office Parks REIT

Q1 FY2024 Earnings Materials

July 26, 2023



Press Release

Embassy REIT Reports Robust Operating and Financial Results for 1Q FY2024: Delivers 1.1 Million Square Feet of Total Leases and Provides Guidance for Full-Year FY2024

- Leases 1.1 msf across 22 deals; 407k sf of new leasing at 68% re-leasing spreads
- Portfolio optimization on track with SEZ denotification strategy activated and Embassy Manyata occupancy reaching 91%
- Delivers distributions of ₹510 crores or ₹5.38 per unit
- Provides guidance for FY2024 with a record 6.0 msf of total leasing and distributions in the range of ₹20.50 to ₹22.00 per unit

Bengaluru, India, July 26, 2023

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) (**'Embassy REIT'**), India's first listed REIT and the largest office REIT in Asia by area, reported results today for the first quarter ended June 30, 2023.

Aravind Maiya, Chief Executive Officer of Embassy REIT, said,

"We are delighted to deliver another strong quarter across all our business and financial parameters. As India continues to be a favored global investment destination, Embassy REIT's world-class portfolio continues to attract global multinationals seeking to capitalize on India's skilled talent pool. Our ability to raise capital to fund our growth initiatives is demonstrated by our repeated debt raises at industry-leading rates. Given our strong leasing pipeline of 2 msf comprised mainly of GCCs, a clearer interest rate outlook, and our consistent focus on optimizing our operational and development portfolio, we are pleased to provide guidance for FY2024, which includes 6 msf of total leasing and distributions guidance in the range of ₹20.50 to ₹22.00 per unit."

The Board of Directors of Embassy Office Parks Management Services Private Limited (**'EOPMSPL'**), Manager to Embassy REIT, at its Board Meeting held earlier today, declared a distribution of ₹510 crores or ₹5.38 per unit for Q1 FY2024. The record date for the Q1 FY2024 distribution is Aug 03, 2023, and the distribution will be paid on or before August 10, 2023.

Business Highlights

- Leased 1.1 msf across 22 deals including 407k sf of new leases at 68% re-leasing spreads, pre-leasing of 448k sf at premium to market rents
- Strong trend of expansionary demand, with over 80% of the new/pre-leasing by existing occupiers and 71% by Global Captive Centres (GCCs) across various sectors
- Same-store occupancy remains stable at 87%

Press Release (Cont'd)

Financial Highlights

- Grew Net Operating Income by 9% YoY to ₹738 crores with commercial office segment margins at 85%
- Delivered distributions of ₹510 crores or ₹5.38 per unit, marking the 17th consecutive quarter of 100% payout
- Raised Non-Convertible Debentures (NCDs) totaling ₹2,075 crores at an average rate of 7.8%; secured 146 bps proforma savings; c. ₹15,350 crore debt book remains highly competitive at 7.28% average cost

Operational Highlights

- Embassy Manyata repositioning paying dividends with 91% occupancy (up from 89% QoQ and 87% YoY)
 - Completed refurbishment of two buildings totaling 0.6 msf and leased 52% at 212% leasing spreads
- Hospitality business performing strongly with 53% occupancy, 30% YoY ADR growth and 2.8x YoY EBITDA
- Unitholder register expanded to over 85k unitholders, up from 4K at IPO and up 80% from 47K YoY; marked increase in domestic institutional and retail participation, driven by extensive investor engagement and retail education initiatives

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) condensed standalone and condensed consolidated financial statements for the quarter ended June 30, 2023 (ii) an earnings presentation covering Q1 FY2024 results, and (iii) supplemental operating and financial data book that is in-line with leading reporting practices across global REITs. All these materials are available in the Investors section of our website at www.embassyofficeparks.com

Embassy REIT will host a conference call on July 26, 2023 at 18:00 hours Indian Standard Time to discuss the Q1 FY2024 results. A replay of the call will be available in the Investors section of our website at www.embassyofficeparks.com

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 45 msf portfolio of nine infrastructure-like office parks and four city-centre office buildings in India's best-performing office markets of Bengaluru, Mumbai, Pune, and the National Capital Region ('NCR'). Embassy REIT's portfolio comprises 34.3 msf completed operating area and is home to over 230 of the world's leading companies. The portfolio also comprises strategic amenities, including four operational business hotels, two under-construction hotels, and a 100 MW solar park supplying renewable energy to tenants. Embassy REIT's industry leading ESG program has received multiple accolades from renowned global institutions and was awarded a 5-star rating both from the British Safety Council and GRESB. Embassy REIT was also recognised as the world's largest 'USGBC LEED Platinum-Certified' office portfolio (v4.1 O+M) by Green Business Certification Inc. For more information, please visit www.embassyofficeparks.com

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I. Key Highlights

Hilton Hotel Complex, Embassy Manyata

Strong Leasing Momentum, Continued Growth Investments

LEASING

Leased 1.1 msf which includes 407k sf new lease up at 68% spreads



REFURBISHMENT

Refurbished Block D3 in Embassy Manyata; 41% area leased at 210% re-leasing spreads



DEVELOPMENT

Accelerated 7.9 msf active development at highly attractive yields

7.9 msf	₹40 billion
Active On-campus Development	Total Capex Planned
₹9 bn	~90%
Incremental NOI Upon Stabilization	Active Development in Bangalore

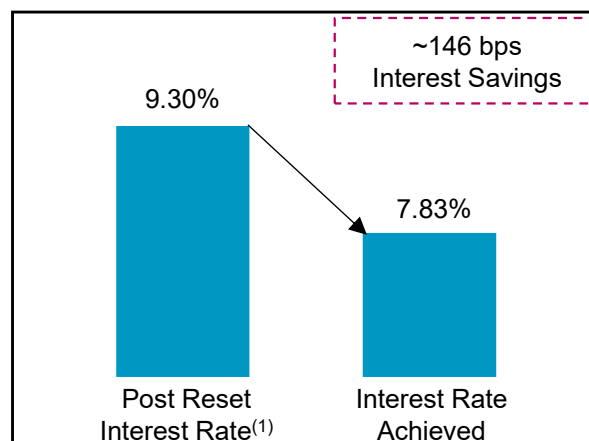
TOTAL BUSINESS ECOSYSTEM

Launched the 8-acre Central Garden at Embassy TechVillage, Bangalore



FINANCING

Active debt management leading to ~146 bps savings on ₹21 bn debt refinance



FY2024 GUIDANCE

FY24 NOI and distribution guidance based on 6.0 msf total lease-up

₹20.5-₹22.0	₹29-₹31 bn
DPU Guidance	NOI Guidance
6.0 msf	14%
Estimated total Lease-up	Contractual Escalations on 6.7 msf

Note:

(1) Post Reset case represents proforma interest rate that would have been applicable had the debt facilities not been renegotiated/refinanced

Robust Financial Performance

NOI and EBITDA for Q1 up 9% and 12% YoY respectively, with overall NOI and EBITDA margins at 81% and 80% respectively

	Q1 FY2024 (mn)	Q1 FY2023 (mn)	Variance %	Remarks
Revenue from Operations	₹9,136	₹8,294	+10%	<ul style="list-style-type: none"> ▶ Revenue from new lease-up at attractive re-leasing spreads and contractual rent escalations, partially offset by exits ▶ Ramp-up of existing hotel business including newly launched hotels at Embassy Manyata
NOI	₹7,376	₹6,773	+9%	<ul style="list-style-type: none"> ▶ Increase in Revenue from Operations ▶ Partially offset by costs corresponding to ramp-up of hotel business including newly launched hotels at Embassy Manyata ▶ Blended NOI margin reflects change in segment mix given ramp-up of hotel business
Margin (%)	81%	82%		
EBITDA	₹7,336	₹6,544	+12%	<ul style="list-style-type: none"> ▶ Increase in NOI ▶ Additionally, one-time other miscellaneous income
Margin (%)	80%	79%		
Distribution	₹5,100	₹5,052	+1%	<ul style="list-style-type: none"> ▶ Increase in EBITDA ▶ Offset by an increase in interest costs as well as other one-off working capital changes during the last year
Payout Ratio	100%	100%		

- ▶ Commercial office segment continues to be a core driver of REIT NOI and contributed ₹6.5 bn or 88% to Q1 NOI
- ▶ Office NOI margins consistently around 85%, demonstrating the scale and efficiency of business operations

Note:

(1) Above financial results exclude Revenue, NOI and EBITDA from Embassy GolfLinks since Embassy REIT owns 50% economic interest in GLSP

Conservative Balance Sheet with Active Debt Management

Raised ₹21 bn at an average rate of 7.8%, achieved our lowest-ever 120 bps rate spread over G-Sec and secured 146 bps proforma savings vs the expected repriced rate on these loans

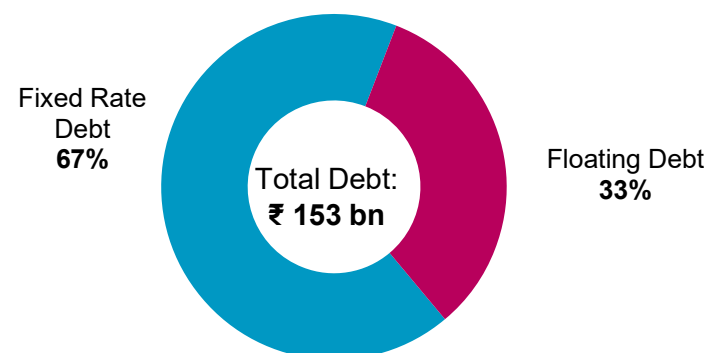
29%
Leverage⁽¹⁾

7.3%
Debt Cost

AAA / Stable
Dual Credit Ratings

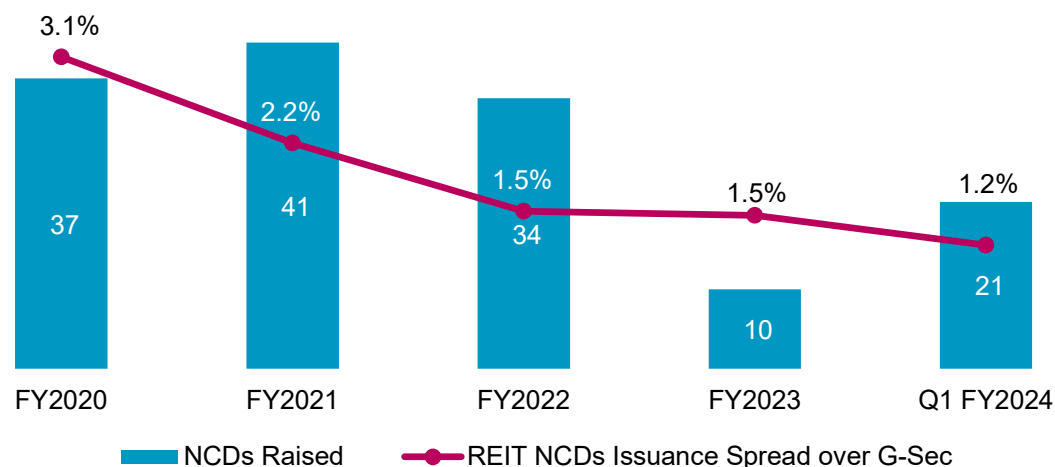
₹100 bn
Proforma Debt Headroom

Significant Portion of Debt at Fixed Interest Rates



REIT NCDs Issuance Spread over G-Sec

NCDs Raised (₹ billion)



Notes:

- (1) Based on Net Debt to GAV. GAV computed based on Mar'23 valuation undertaken by IVAS Partners
(2) G-Sec spread refers to benchmark G-Sec corresponding to respective tenure of NCD raised in each FY

India: The Office to the World

India remains optimally positioned to drive global offshoring demand, led by favorable demographics, skilled talent availability and cost-efficient high-quality spaces offered in India's gateway cities

India's Dual Structural Advantage Continues

Talent available at Scale

28 years

India's Median Age, favorable demographics vs global peers

1.5 mn

Engineering graduates added annually

1/10th

Avg. salary vs global tech professionals

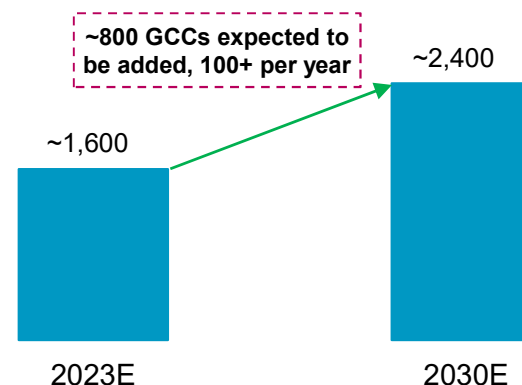
~\$1-2 psf

Monthly office rents in gateway cities

Low Cost

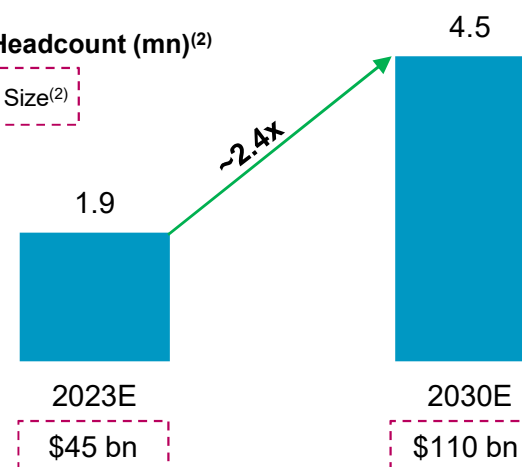
GCC Additions in India Continues to Accelerate

Total no. of GCCs in India⁽²⁾



Total GCC Headcount (mn)⁽²⁾

GCC Market Size⁽²⁾



- ▶ Moving up the value chain, GCCs in India are emerging as centers of excellence and innovation
- ▶ Increased focus on costs and efficiencies by global corporates is likely to further accelerate this offshoring trend

Sources:

- (1) Morgan Stanley: 'The New India: Why This Is India's Decade', Oct'22
(2) EY: Future of GCCs in India - a vision 2030 report, Jun'23

Bangalore is Asia's and India's Leading Office Market

Embassy REIT's portfolio concentration in Bangalore is competitive advantage

Largest Tech, Innovation and GCC Hub

30%

Total Indian GCCs in
Bangalore ⁽¹⁾

1 in 3

Indian tech employees call
Bangalore home⁽²⁾

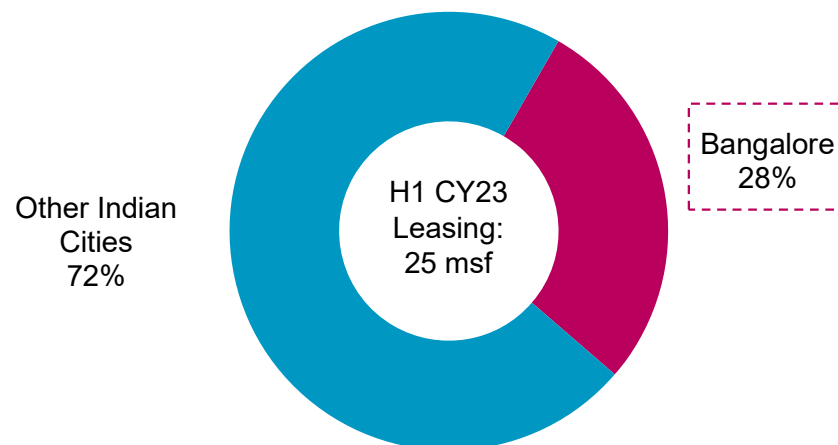
~20%

FTE operating cost in
Bangalore compared to
other global cities ⁽³⁾⁽⁴⁾

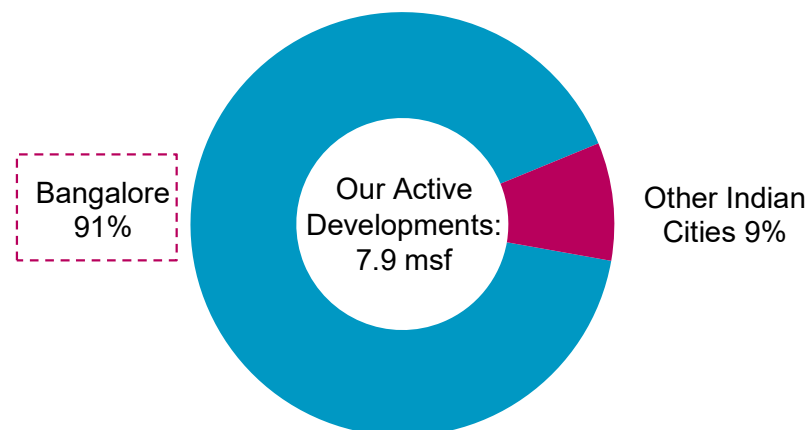
~50%

Bangalore's share of
GCCs added in CY22 in
India⁽⁴⁾

Dominant share of Leasing Demand in H1 CY23⁽⁵⁾



~90% of Our Active Developments in Bangalore



► Over 70% of REIT's current portfolio and over 90% of the active developments are focused in Bangalore

Sources:

- (1) Refers to FY23 figures as per NASSCOM, ZINNOV: GCC 4.0, INDIA REDEFINING THE GLOBALIZATION BLUEPRINT, Jun'23 report
(2) Credit Suisse – India Market Strategy, Aug'21

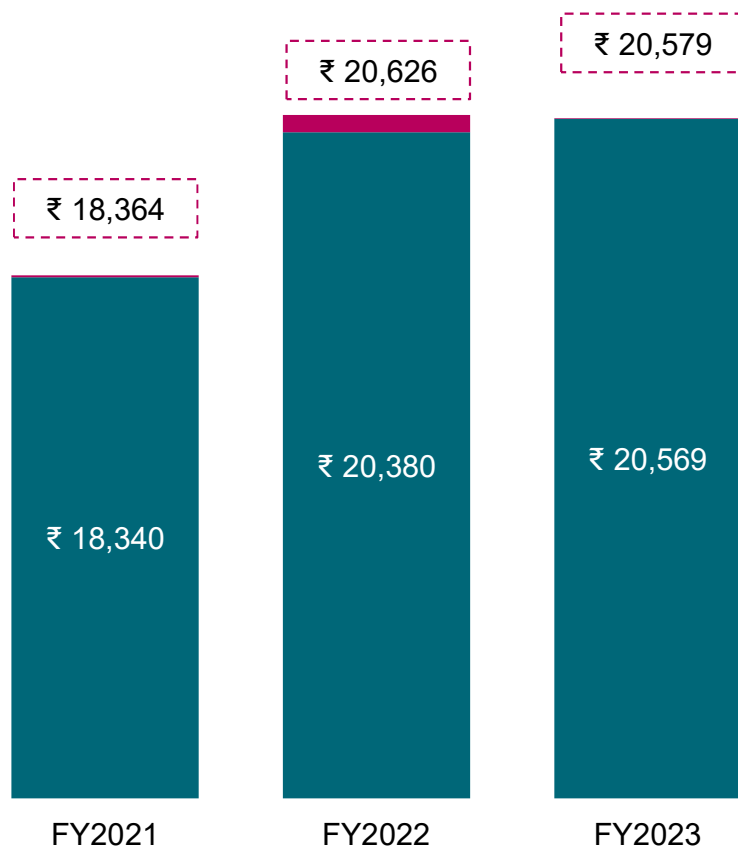
- (3) Refers to Operating cost per Full Time Employee (FTE) for IT-ADM Services, 2022
(4) NASSCOM, Priming for a NO NORMAL future, Technology Sector in India, Feb'23
(5) Refers to office gross absorption in top 7 cities as per CBRE estimates

Full Year FY2024 Guidance

FY24 NOI Guidance of ₹29 to ₹31 bn and distributions guidance of ₹20.5 to ₹22.0 per unit assumes 6.0 msf of gross leasing during the year

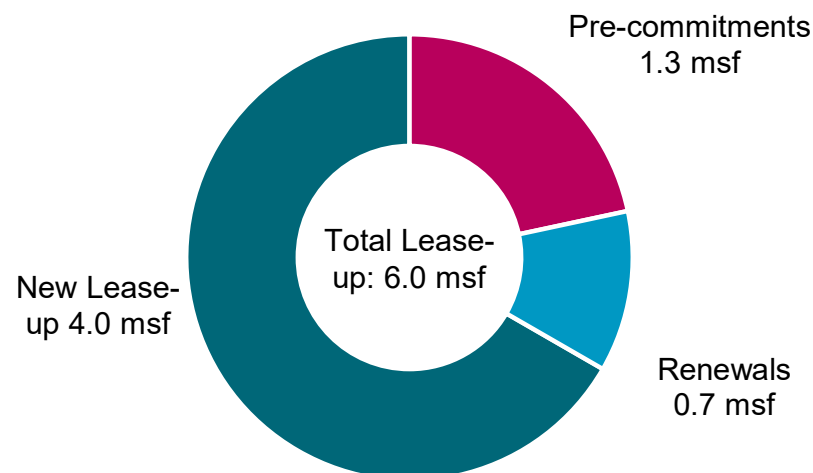
Delivered on Guidance Even in Challenging Markets

Distributions (₹ mn)



■ Mid-Point Distributions Guidance
□ Actual Distributions Delivered

Key Assumptions for FY24 Guidance



► Contracted Escalations

- 14% contracted rent escalations on 6.7 msf leases

► Hotel EBITDA

- 60% YoY increase in hotel EBITDA

► Interest Cost

- 15-18% YoY increase driven by overall increase in rates and additional interest cost related to new deliveries

Note:

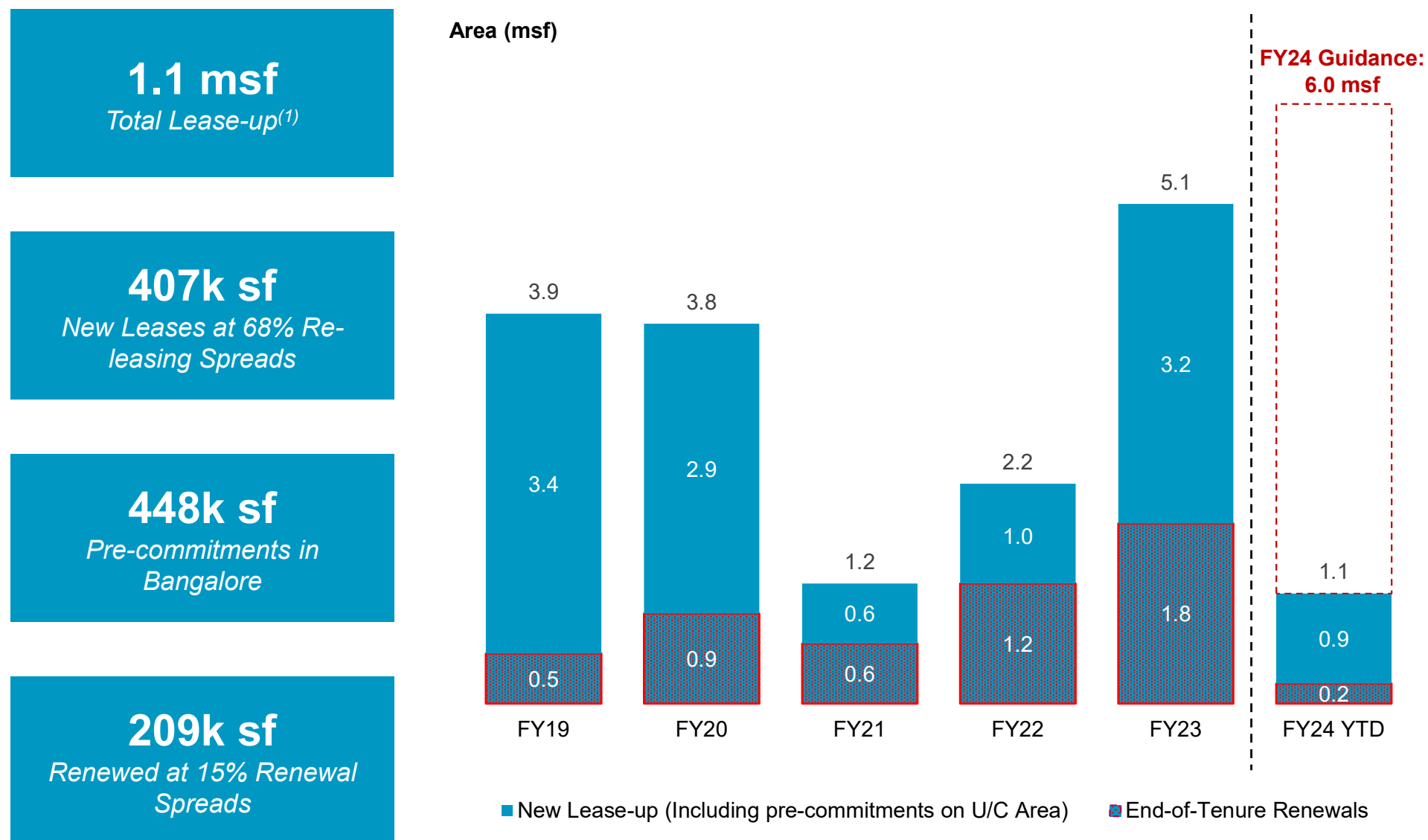
(1) Guidance for FY2024 is based on our current view of existing market conditions and certain key assumptions for the year ending March 31, 2024. Guidance is not reviewed or audited or based on GAAP, Ind AS or any other internationally accepted accounting principles and should not be considered as an alternative to the historical financial results or other indicators of the Embassy REIT's financial performance based on Ind AS or any GAAP. There can be no assurance that actual amounts will not be materially higher or lower than these expectations. In particular, there are significant risks and uncertainties related to the scope, severity and duration of the global macro-economic conditions and the direct and indirect economic effects of the same on the Embassy REIT, our assets and on our occupiers

II. Leasing Update

Embassy TechVillage, Bangalore

Continued Leasing Momentum

Leased 1.1 msf across 22 deals in Q1 at 39% spreads, including new lease up of 407k sf and pre-commitments of 448k sf



Notes:

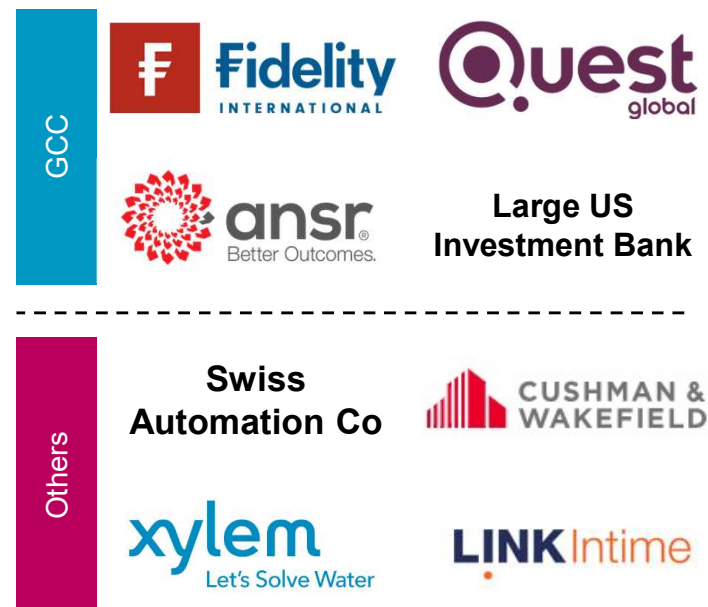
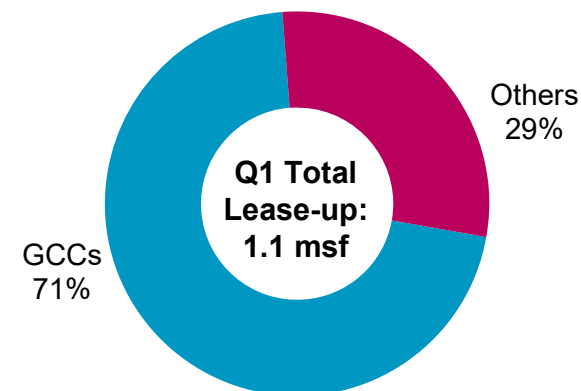
- (1) Total leases comprises of new lease-up, pre-commitment in under development properties, end-of-tenure renewals and early renewals. End-of-tenure renewals exclude rolling renewals
- (2) FY total leases (as set out in table and note 1 above) have been presented for all the properties that are currently part of Embassy REIT's portfolio as if the Embassy REIT's structure was in place since the beginning of FY19, 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 Embassy REIT

Leasing Highlights for the Quarter

71% of Q1 leasing by GCCs, spanning multiple sectors such as research, consulting and analytics, and engineering and manufacturing

Occupier	Property	Sector	Area ('000 sf)
New Leases			407
ANSR	Embassy Manyata	Research, Consulting & Analytics	96
Quest Global	Embassy TechVillage	Engineering & Manufacturing	60
Fidelity	Embassy Manyata	Financial Services	25
Others	Various	Various	225
Pre - Commitment			448
Kyndryl	Embassy Manyata	Technology	244
ANSR	Embassy Manyata	Research, Consulting & Analytics	204
Renewals			209
Large US Investment Bank	Embassy GolfLinks	Financial Services	61
Singaporean Banking Major	Embassy 247	Financial Services	30
Others	Various	Various	119
Total Q1 Lease-up			1,064
Pipeline Discussions			c.2,000

Q1 leasing driven by GCCs



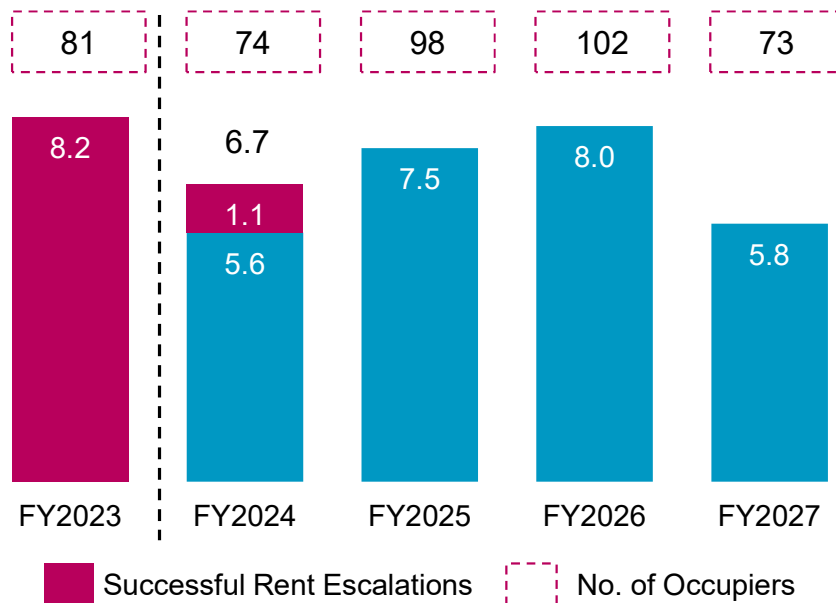
Note:
(1) Actual legal entity name of occupiers may differ

Embedded Rent Growth

Secured 22% rent escalations on 1.1 msf and achieved 15% spreads on 209k sf renewals. 0.7 msf exits offer significant 26% MTM potential

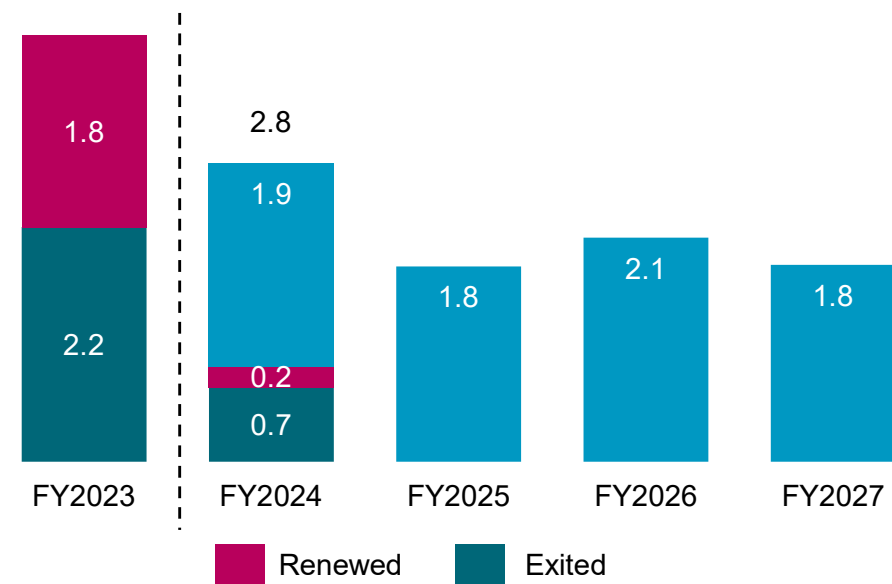
Embedded Rent Escalations of ~15% aids NOI Growth

Area (msf)



26% of Leases Expire Between FY2024–27

Area Expiring (msf)



Rent Escalations Due	14%	14%	14%	15%
Post-escalation MTM Opportunity	19%	4%	NM	28%

MTM opportunity ⁽¹⁾	29%	49%	21%	11%
Rents Expiring ⁽²⁾	6%	6%	9%	5%

► Contracted rent escalations (generally of 15% every 3 years) and significant mark-to-market opportunity (27% blended MTM till FY2027) are key drivers for NOI growth

Notes:

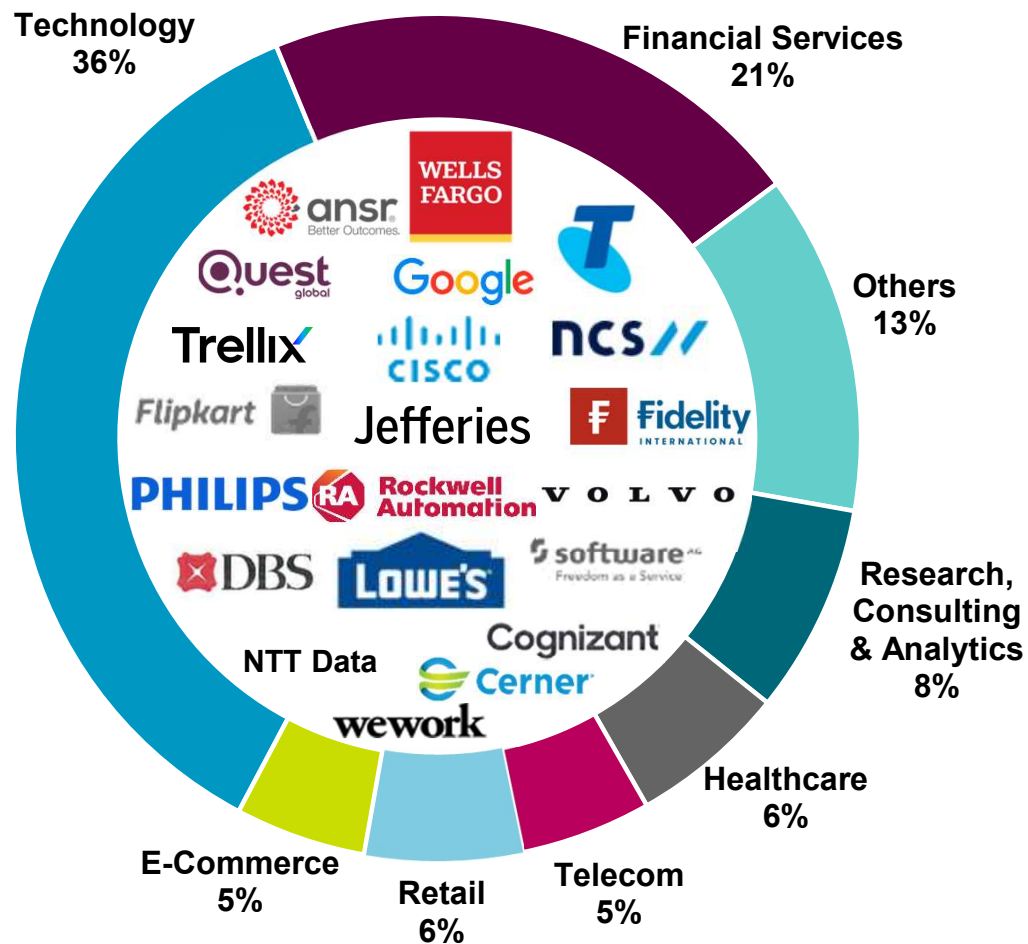
(1) MTM potential computed basis market rent per latest CBRE estimate and in-place rent for respective leases

(2) Refers to annualized rent obligations

High Quality, Diversified Occupier Base

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

Industry Diversification⁽¹⁾



Top 10 Occupiers	Sector	% of Rentals
JP Morgan	Financial Services	6.7%
Global Technology and Consulting Major	Technology	6.4%
Cognizant	Technology	5.8%
NTT Data	Technology	3.4%
Wells Fargo	Financial Services	3.2%
ANSR	Consulting	3.1%
Flipkart	E-Commerce	2.8%
WeWork	Co-working	2.1%
American Retail Major	Retail	1.9%
Nokia	Telecom	1.7%
Total		37.2%

- ▶ Added 5 new occupiers in Q1 FY24, expanding our overall occupier base to 234 (vs 165 at the time of listing)
- ▶ Contribution from Top 10 occupiers at 37% (vs 42% at the time of listing), with no single occupier contributing over 7%

Note: Actual legal entity name of occupiers may differ

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

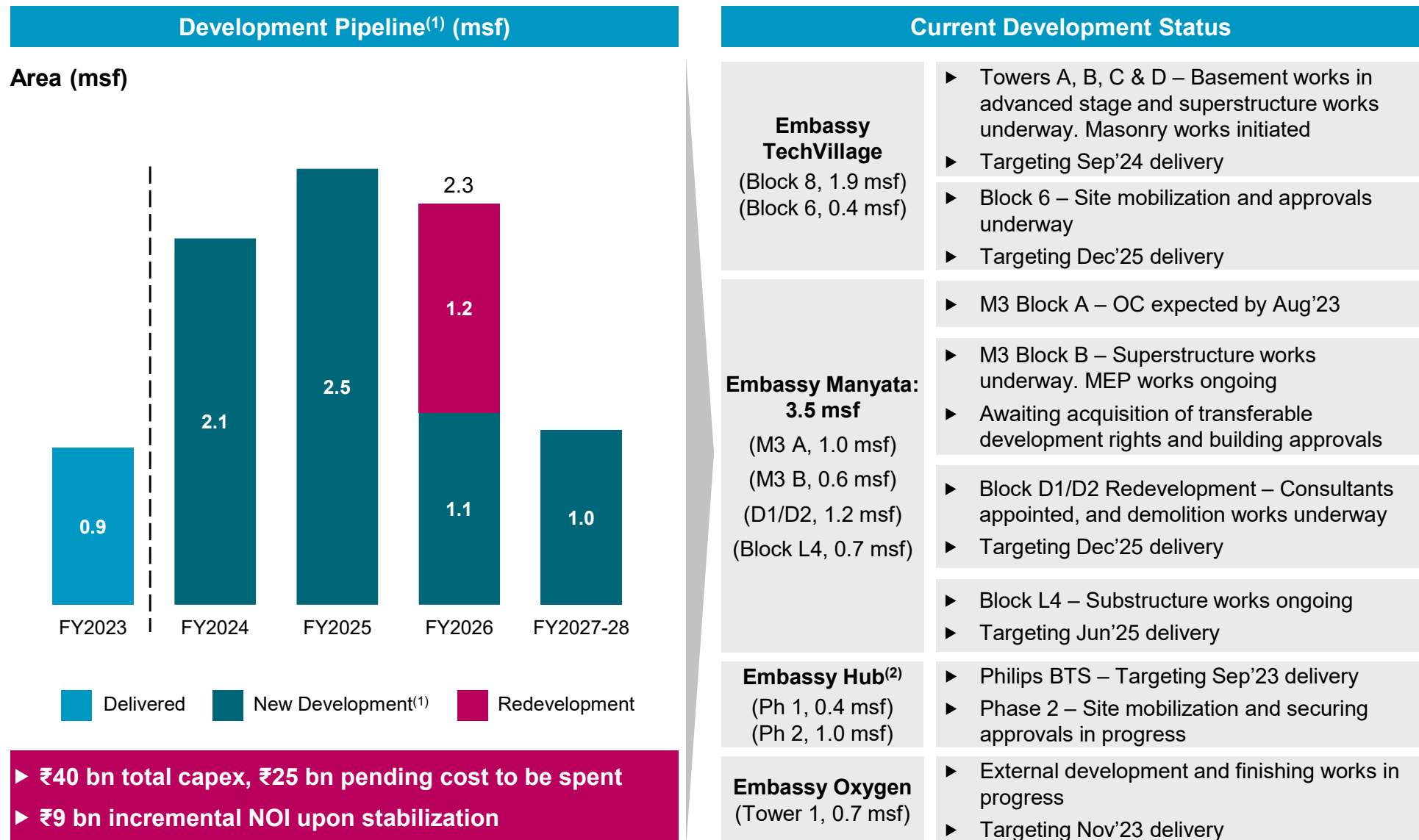
A nighttime photograph of the Embassy TechVillage building in Bangalore. The building is a modern, multi-story structure with a dark facade and large glass windows. The interior lights are on, creating a warm glow that contrasts with the dark exterior. The building is surrounded by a paved courtyard. In the foreground, there are some structural elements, possibly part of a bridge or a walkway, with a railing. The overall scene is illuminated by the building's lights and some ambient light from the night sky.

III. Development Update

Embassy TechVillage – JP Morgan BTS, Bangalore

Focused Growth Investments

7.9 msf active development at highly attractive yields with over 90% concentrated in Bangalore, India's best office market



Notes:

(1) Excludes 518 key Hilton hotels at Embassy TechVillage

(2) Embassy Business Hub comprises a total leasable area of approximately 2.1 msf upon completion of Phase 1 and Phase 2. Of this, Embassy REIT's area share of entitlement is 1.4 msf

Value Creation Case Study | Block D3, Embassy Manyata

Refurbished 0.4 msf of Block D3, a vacant SEZ building in Embassy Manyata which is under advanced stages of SEZ denotification. Post refurbishment, re-leased 41% of the building at 210% spreads

Pre refurbishment



0.4 msf

Leasable Area

41%

Current Occupancy

Post refurbishment



210%

Re-leasing Spreads
Achieved

~225k sf

Advanced Pipeline

Value Creation Case Study | Block K, Embassy Manyata

Refurbished 0.2 msf Block K at Embassy Manyata, post exit of an occupier on ultimate expiry. Re-leased 72% of the building at 215% spreads with a strong pipeline for the balance space

Pre refurbishment



0.2 msf

Leasable Area

72%

Current Occupancy

Post refurbishment



215%

Re-leasing Spreads
Achieved

~100k sf

Advanced Pipeline

Project Progress at Site

Embassy Manyata – M3 Block A (1.0 msf)

Design Perspective



Embassy Manyata – M3 Block B (0.6 msf)



Targeting Aug'23 delivery

Actual Progress at Site⁽¹⁾



Targeting Mar'25 delivery



Note:
(1) Jul'23 Pictures

Project Progress at Site (Cont'd)

Embassy Manyata – L4 Block (0.7 msf)

Design Perspective



Embassy TechVillage – Block 8 (1.9 msf)



On-track for Jun'25 delivery

Actual Progress at Site⁽¹⁾



On-track for Sep'24 delivery



Note:
(1) Jul'23 Pictures

Project Progress at Site (Cont'd)

Embassy Business Hub – Phillips BTS (0.4 msf)

Design Perspective



Embassy Oxygen – Tower 1 (0.7 msf)

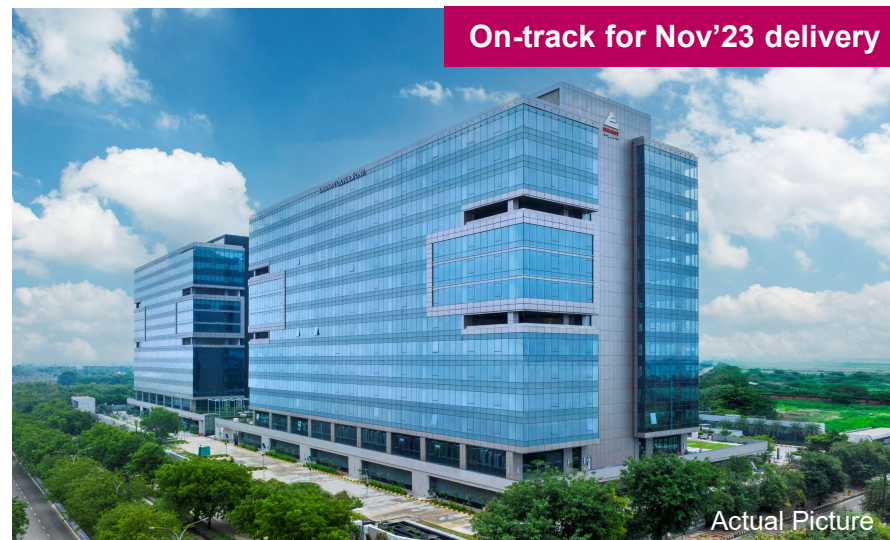


On-track for Sep'23 delivery

Actual Progress at Site⁽¹⁾



On-track for Nov'23 delivery



Note:
(1) Jul'23 Pictures

A large, modern, multi-story office building with a curved glass facade and a grey concrete frame. The building is surrounded by lush green trees and landscaping. In the background, other buildings and hills are visible under a clear blue sky. A semi-transparent dark grey rectangle is overlaid on the left side of the image, containing the text 'IV. Financial Update'.

IV. Financial Update

Embassy TechZone, Pune

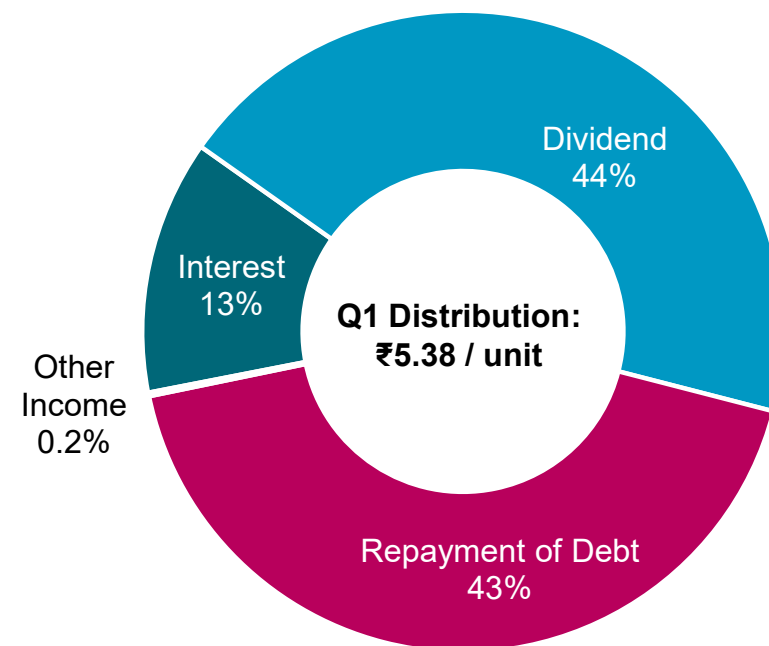
Delivering on Distributions

Delivered distributions of ₹5,100 mn or ₹5.38 per unit, marking 17th quarter of 100% distribution payout. Cumulative distributions of over ₹83 billion since listing

Distribution Highlights

Particulars	Q1 FY2024
Distribution period	Apr'23 – Jun'23
Distribution amount (mn)	₹5,100
Outstanding units (mn)	948
Distribution per unit (DPU)	₹5.38
Announcement date	July 26, 2023
Record date	Aug 03, 2023
Payment date	On or before August 10, 2023

Distribution Mix – Q1 FY2024

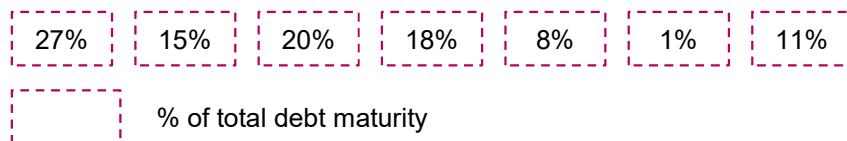
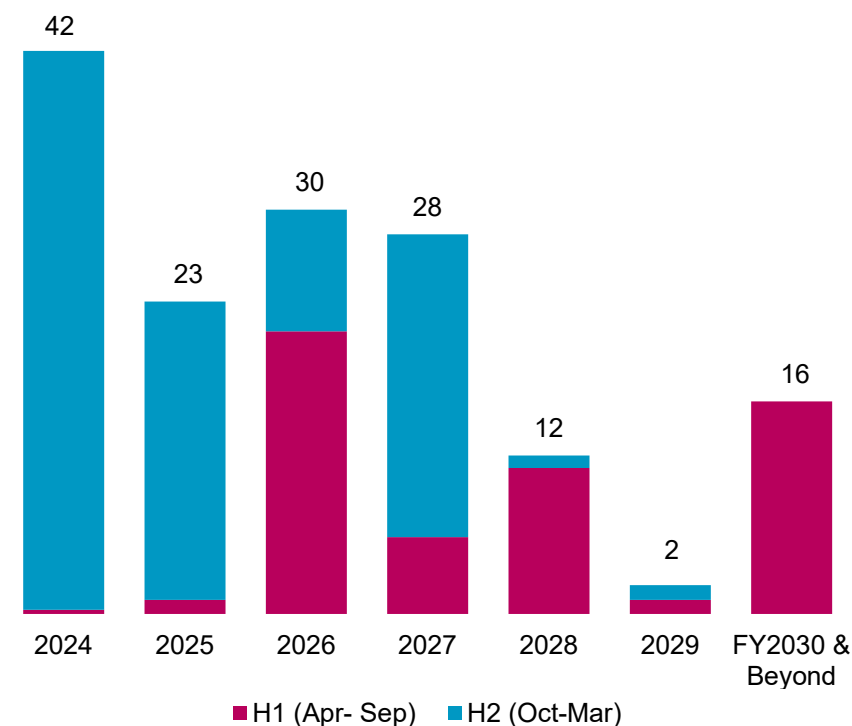


Prudent Capital Management

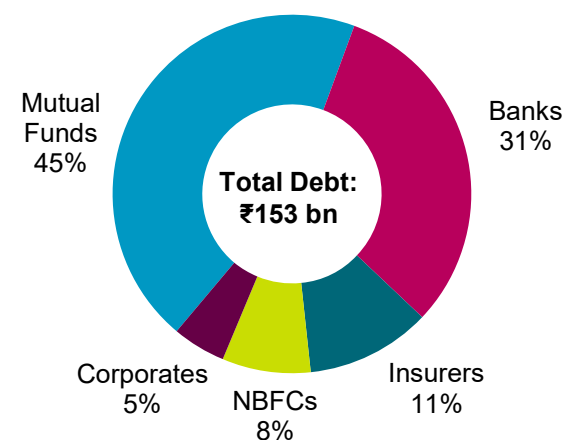
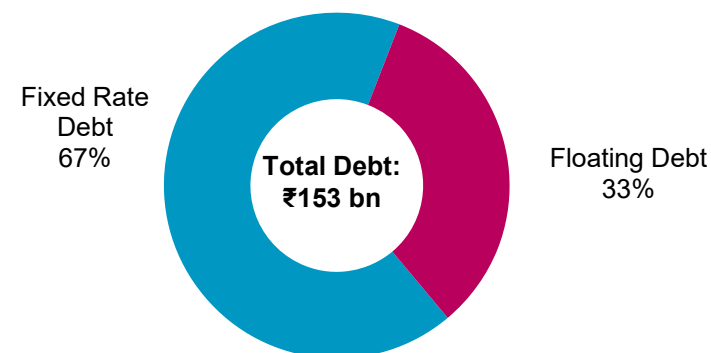
Balance sheet strongly positioned amidst current volatile macro and rate environment – low leverage, attractive interest cost, staggered maturity and limited exposure to floating-rate debt

Staggered Debt Maturity

Amount (₹ bn)



Debt Composition



► Led by AAA/Stable credit rating and access to a wide debt-capital pool across mutual funds, insurers, banks and NBFCs, REIT is well-placed to refinance upcoming debt maturities at competitive rates

Growing Unitholder Base

Unitholder base continues to expand and diversify since listing; public float well distributed among institutions and retail unitholders

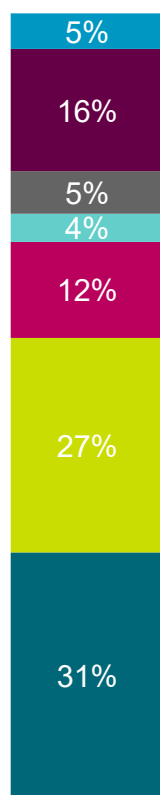
Evolving Unitholder Base

Sponsors – 70%
Public Float – 30%



Q1 FY20

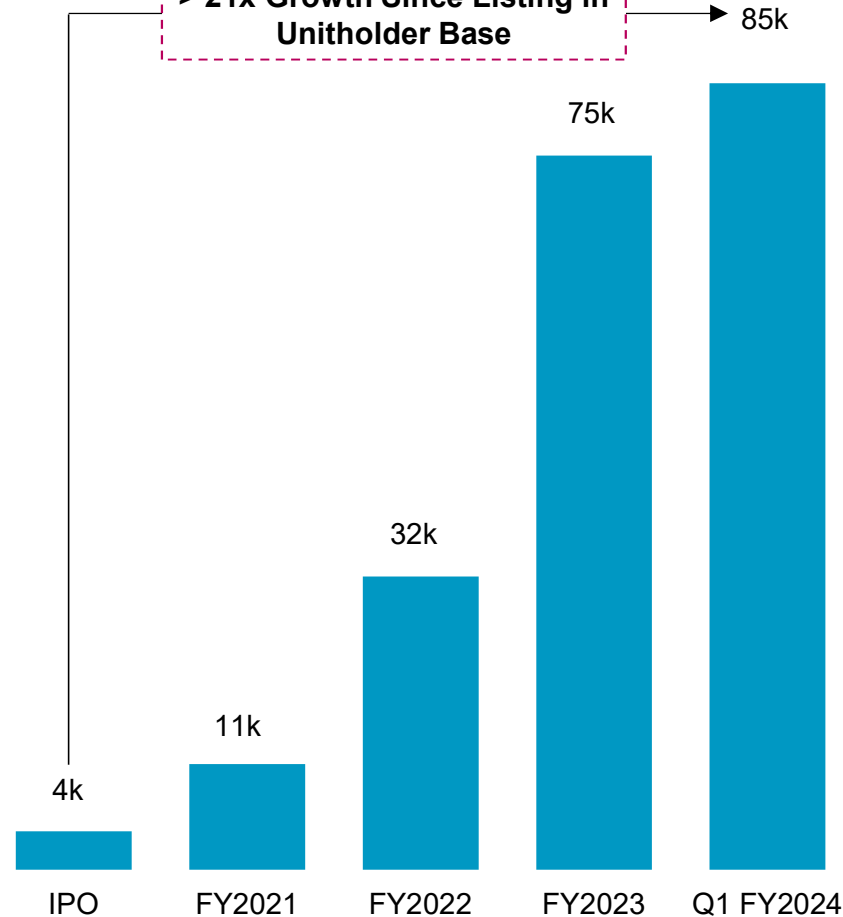
Sponsors – 31%
Public Float – 69%



Q1 FY24

Increasing Acceptance of REIT as an Investment Class

> 21x Growth Since Listing in
Unitholder Base



■ Sponsors ■ FIIs ■ MFs ■ Insurers ■ AIFs ■ Individuals ■ Others

Note:

(1) FIIs - Foreign institutional investors, MFs – Mutual Funds, Insurers – Insurance Companies, AIFs - Alternative Investment Funds, Others – Trusts, Non Resident Indians, Clearing Members and Body Corporates

Walkdown of Key Financial Metrics

Particulars (₹ mn)	Q1 FY2024	Q1 FY2023	YoY Variance (%)	Q4 FY2023	QoQ Variance (%)	NOI	NDCF at SPV level	Distribution
Revenue from Operations	9,136	8,294	10%	8,676	5%			
Property Taxes and Insurance	(326)	(295)	10%	(355)	(8%)			
Direct Operating Expenses	(1,434)	(1,226)	17%	(1,519)	(6%)			
Net Operating Income	7,376	6,773	9%	6,802	8%			
Other Income	437	203	115%	212	107%			
Dividends from Embassy GolfLinks	233	395	(41%)	175	33%			
Property Management Fees ⁽¹⁾	(182)	(174)	5%	(180)	1%			
Indirect Operating Expenses	(313)	(273)	15%	(296)	6%			
EBITDA	7,551	6,925	9%	6,712	12%			
Working Capital Adjustments	54	453	(88%)	1,145	(95%)			
Cash Taxes	(334)	(178)	87%	(312)	7%			
Principal Repayment on external debt	(1)	(49)	(98%)	(10)	(90%)			
Interest on external debt	(773)	(725)	7%	(871)	(11%)			
Non-Cash Adjustments	(201)	(117)	71%	(143)	40%			
NDCF at SPV level	6,297	6,309	0%	6,521	(3%)			
Distribution from SPVs to REIT	6,316	6,272	1%	6,509	(3%)			
Distribution from Embassy GolfLinks	567	332	NR	470	NR			
Interest on external debt	(1,709)	(1,466)	17%	(1,565)	9%			
REIT Management Fees ⁽¹⁾	(58)	(59)	(1%)	(62)	(7%)			
Other Inflows at REIT level (Net of Expenses)	(13)	(24)	(46%)	(26)	(50%)			
NDCF at REIT level	5,103	5,056	1%	5,325	(4%)			
Distribution	5,100	5,052	1%	5,318	(4%)			

Note: Walkdown of Financial Metrics upto 'NDCF at SPV Level' represents financial numbers of all SPV's consolidated excluding Trust standalone numbers

(1) Property management fees includes 3% of facility rentals from only Commercial Office segment and does not include fees on Hospitality and Other segments and REIT Management fees is 1% of REIT distribution

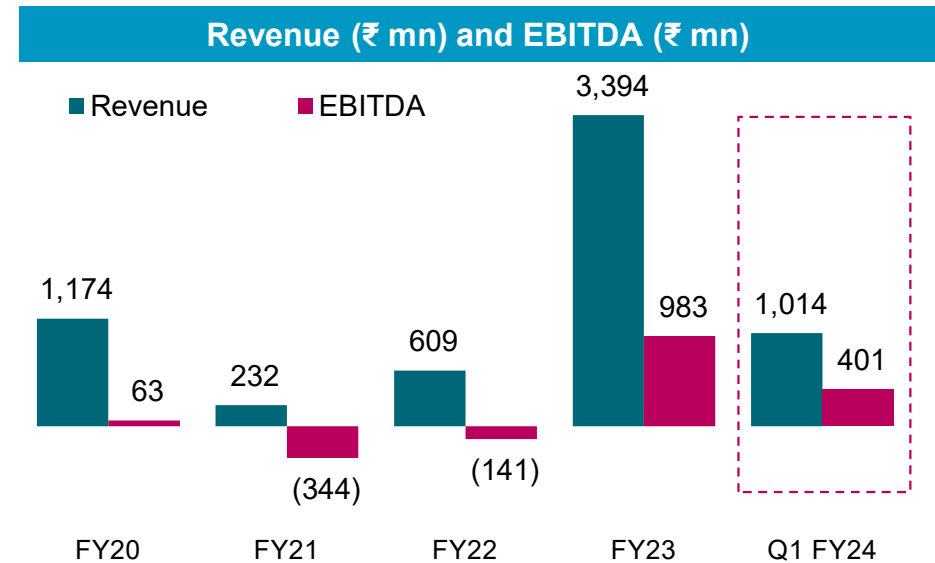
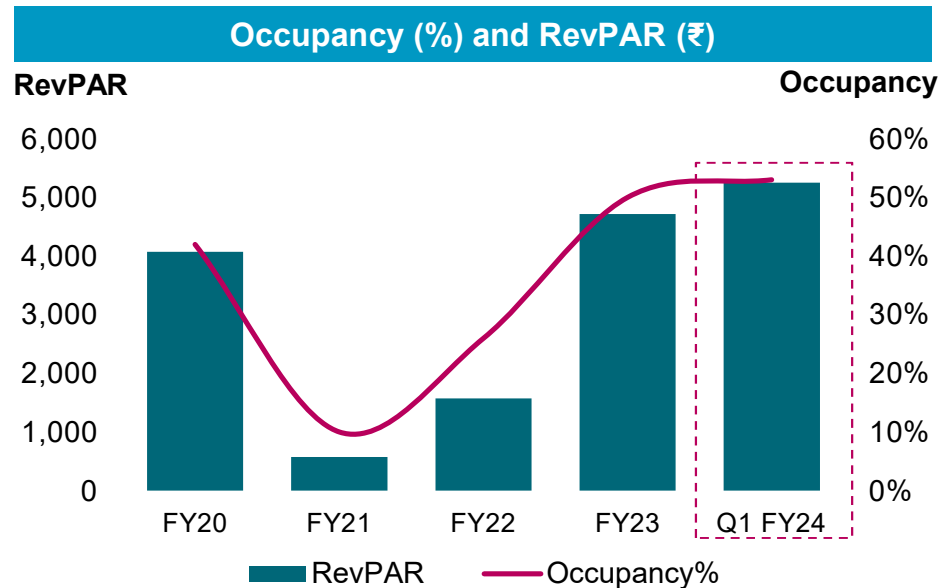
A nighttime photograph of a modern urban scene in Bangalore. On the right, a tall, multi-story office building with a glass facade is illuminated from within, with vertical light strips glowing on its exterior. The building's top features a logo with the word 'EMBASSY' and Kannada text. To the left, a multi-lane flyover bridge is visible, with light trails from vehicles indicating traffic flow. The background shows a city skyline under a twilight sky with soft purple and blue hues.

V. ESG & Total Business Ecosystem Update

Flyover at Embassy Manyata, Bangalore

Hospitality Business Continued its Growth Trajectory

All four operating hotels continued their strong rebound with 53% occupancy, a 30% YoY ADR growth and a quarterly EBITDA of ₹401 mn



Q1 FY24 Performance	Category	Keys	Occupancy	ADR (₹)	Revenue (₹ mn)	EBITDA (₹ mn)
Hilton at Embassy GolfLinks	5-star	247	63%	10,990	232	96
Four Seasons at Embassy One	5-star Luxury	230	36%	14,297	262	64
Hilton Hotels at Embassy Manyata ⁽¹⁾	5-star, 4-star	619	54%	8,739	520	241
Total		1,096	53%	10,157	1,014	401

- ▶ Hilton Manyata awarded 'Best New Hotel in India 2023 Hot List' and 'Best Venue for Business Events – India' ⁽¹⁾
- ▶ 'Copitas' at Four Seasons ranked 38th up from 44th position last year in 'Asia's 50 Best Bars 2023' ranking

Note:

(1) Hilton Manyata awarded 'Best New Hotel in India 2023 Hot List' by Condé Nast Traveller and 'Best Venue for Business Events – India' at 'WOW' awards

Widening Business Moat

Launched the 8-acre Central Garden at Embassy TechVillage. With an amphitheater, multiple sports zones, F&B and break-out spaces, this amenity is expected to further widen the moat of the property



Green Impetus across Investing, Operations and Financing

Leadership position in ESG a strong differentiator and long-term business advantage. ESG commitments aligned with the broader goals of occupiers and investors

Launched Annual ESG and BRSR report



Ongoing 20 MW Solar Rooftop Project, 11 MW Launched

₹950 million

Projected Capex

25k tonnes

CO₂ Emission Reduction⁽¹⁾

30%+

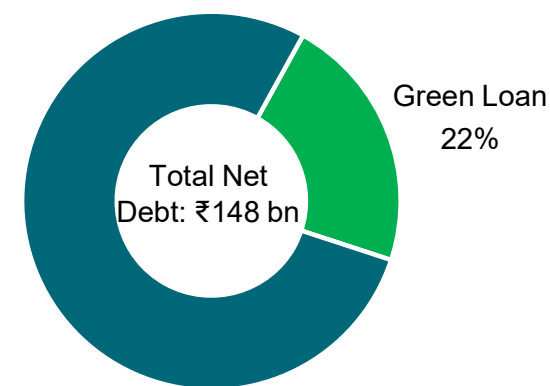
Projected IRR

3 years

Payback Period

Continue to Partner with Occupiers on Green Initiatives

Industry-leading Sustainable Finance Book



Note:

(1) Annual figures based on CO₂ baseline database for the Indian power sector Dec'18

ESG Memberships, Certifications and Awards

ESG memberships, certifications and performance on global benchmarks reflect our commitment to sustainability, transparency and operational excellence

Building Certifications				
ESG Benchmarks				
Awards				

Notes:

- (1) USGBC LEED Platinum 'v4.1 O+M' certification awarded for operational portfolio and Sword of Honour awarded by British Safety Council (BSC) to 9 business parks
- (2) 'WELL at scale' score awarded for operational portfolio and 18 buildings WELL certified at the Gold level by International Well Being Institute (IWBI)

ESG Roadmap – Progress Report

In-line with our 2040 net zero commitment, 3-year sustainability targets defined and monitored across 19 ESG programs. Significant progress in FY2023

Pillar	Metric	Target ⁽¹⁾	Q1 FY24 Update	Status
Resilient Planet	▶ Renewable energy consumption share	75% by FY25	51%	On track
	▶ Water consumption reduction	7% by FY25	19% ⁽²⁾	On track
	▶ OWC capacity increase	25% by FY25	4%	On track
	▶ Local sourcing ⁽³⁾ share	70% by FY25	90%	On track
	▶ USGBC LEED certified portfolio (% of area)	100% by FY23	100%	Achieved
Revitalized Communities	▶ ‘Green leases’ signed during the period	70% by FY24	97%	On track
	▶ 5-star BSC certified portfolio (% of area)	100% by FY23	100%	Achieved
	▶ Females as % of total workforce	25%	24%	Behind target
Responsible Business	▶ TCFD compliant annual report	100% by FY25	Initiated summary disclosures	On track
	▶ Cumulative green / sustainable finance portfolio	₹35 bn by FY25	₹33 bn	On track
	▶ ESG due-diligence	100%	NA	On track

Notes:

- (1) Targets set against baseline of FY2020 actuals for the portfolio (including Embassy TechVillage acquisition)
(2) Lower water consumption noted during the period given current physical occupancy in our properties
(3) Local sourcing is defined as sourcing of materials for our new developments within 1,000 kms radius of respective sites
(4) Target changed from ‘females as 50% of new hires’ to ‘females as 25% of overall workforce’. Refer our FY2023 ESG report for details



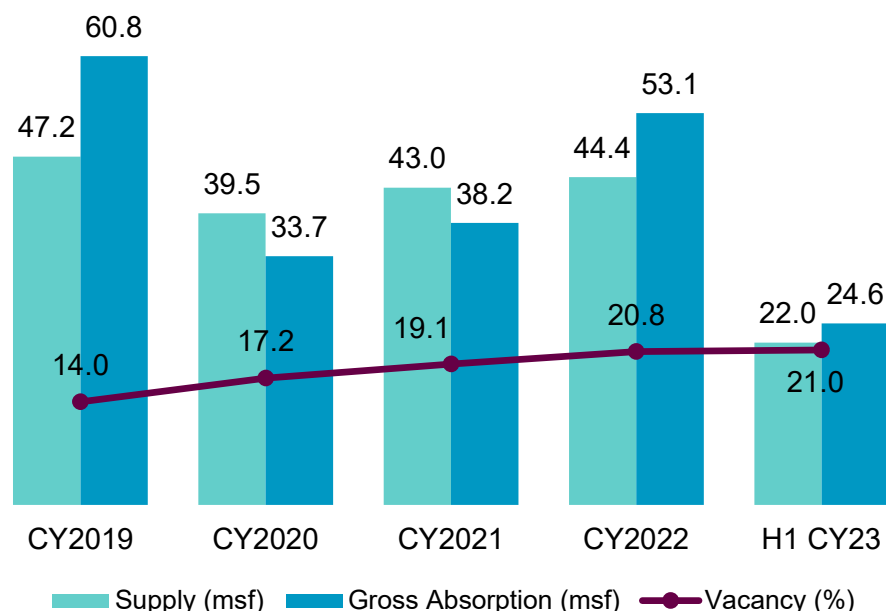
VI. Market Outlook

FIFC, Mumbai

Market Fundamentals – Update

Gross office absorption continued to exceed supply during the quarter, driven by resilient offshoring trends. Sustained leasing activity anticipated for India office, despite global headwinds

Annual Demand and Supply Trends



City-wise Performance (Q2 CY2023)

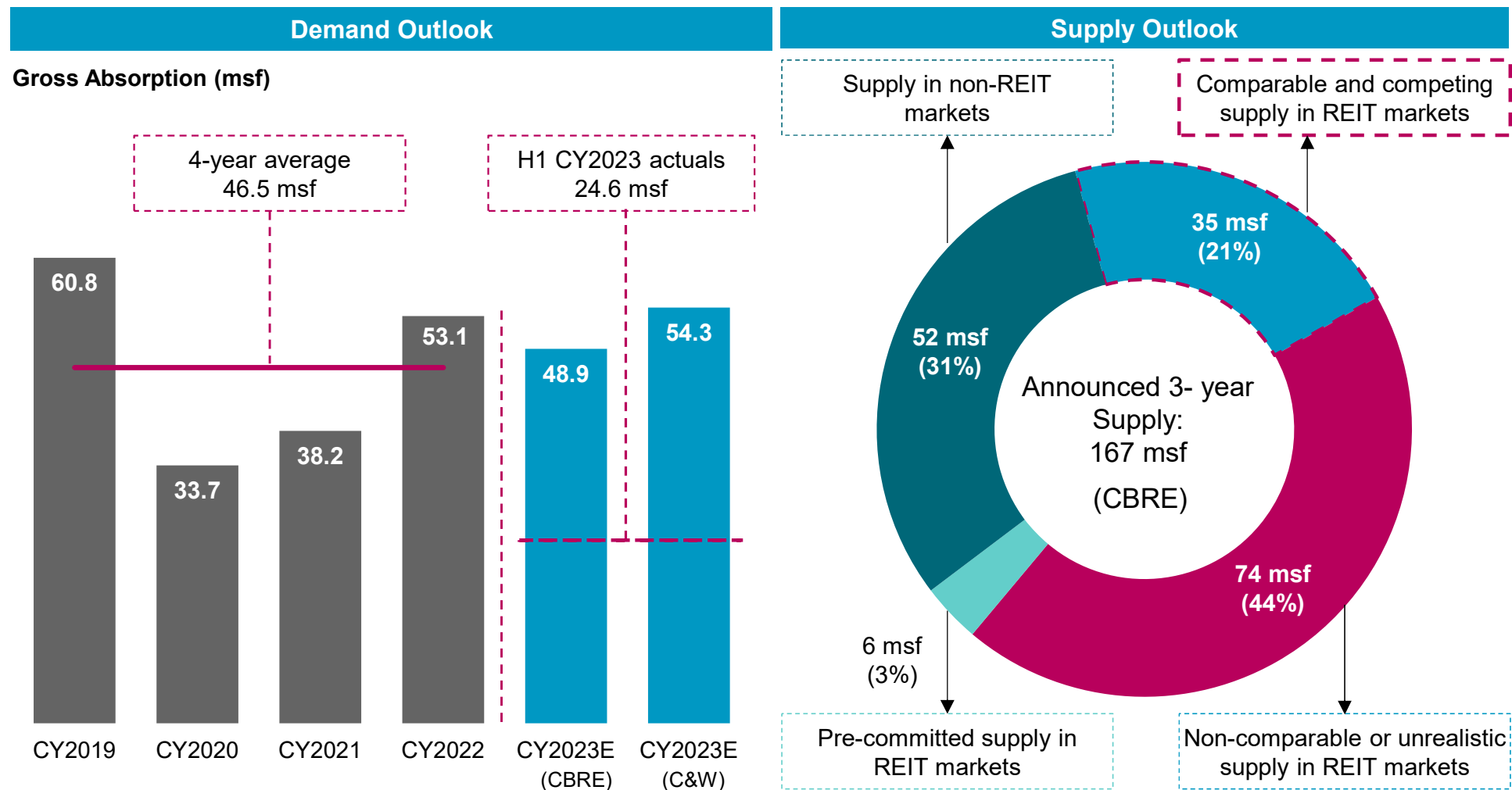
City	Gross Absorption (msf)	Supply (msf)	Vacancy (%)
Bangalore	3.5	3.7	12%
Pune	2.2	0.9	21%
Mumbai	0.8	0.2	24%
NCR	1.8	0.3	29%
Embassy REIT Markets	8.3	5.2	21%
Hyderabad	2.0	4.6	24%
Chennai	2.5	2.1	18%
Kolkata	0.2	-	33%
Other Markets	4.8	6.7	23%
Grand Total	13.1	11.8	21%

- ▶ Despite global macro volatility and recessionary environment in developed economies, India office demand remains resilient
 - Gross absorption grew by 13% QoQ (13.1 msf vs 11.6 msf in Q1 CY2023), exceeding supply additions during the quarter
 - Demand led by GCCs spanning multiple sectors, domestic technology and BFSI firms and flex operators
 - Small to medium sized deals drove office take-up during the quarter, with a combined share of 85%
- ▶ With sustained leasing activity and a drop in vacancy levels in certain micro-markets, marginal rent growth was witnessed

▶ Bangalore continues to contribute ~30% of India's office absorption, enjoys lowest vacancy of 12% among key cities

Demand and Supply Outlook

Long-term fundamentals of India office remain robust, with global captives driving demand. Supply continues to remain constrained with only 21% comparable and competing supply



► Driven by India's cost and scale advantages, long-term growth outlook for India office remains positive, especially for premium wellness-oriented office buildings

VII. Appendix

An aerial night photograph of the Embassy Galaxy hotel in Noida. The building is a large, modern structure with multiple wings and a prominent glass facade that is brightly lit from within. A tall, brick-clad tower on the right side of the building features a red 'CSC' logo near its top. The hotel is surrounded by lush green trees and landscaped grounds. In the foreground, a multi-lane road with a curved section shows light trails from moving vehicles, indicating a long-exposure shot. Several cars are parked along the roadside. The sky above is a deep twilight blue.

Embassy Galaxy, Noida

Who We Are: Quick Facts

Embassy REIT owns and operates a commercial office portfolio that serves as essential corporate infrastructure to global occupiers, including many technology companies

45.0 msf⁽¹⁾⁽²⁾

Portfolio

234

Blue-chip
occupiers

85%

Occupancy

13

Commercial
Offices

1,614⁽²⁾

Hotel Keys

100 MW

Solar Park

15%

Mark-to-Market
Upside

47%

Gross Rents
from Fortune
500 occupiers

6.6 Years

WALE

₹7,376 mn

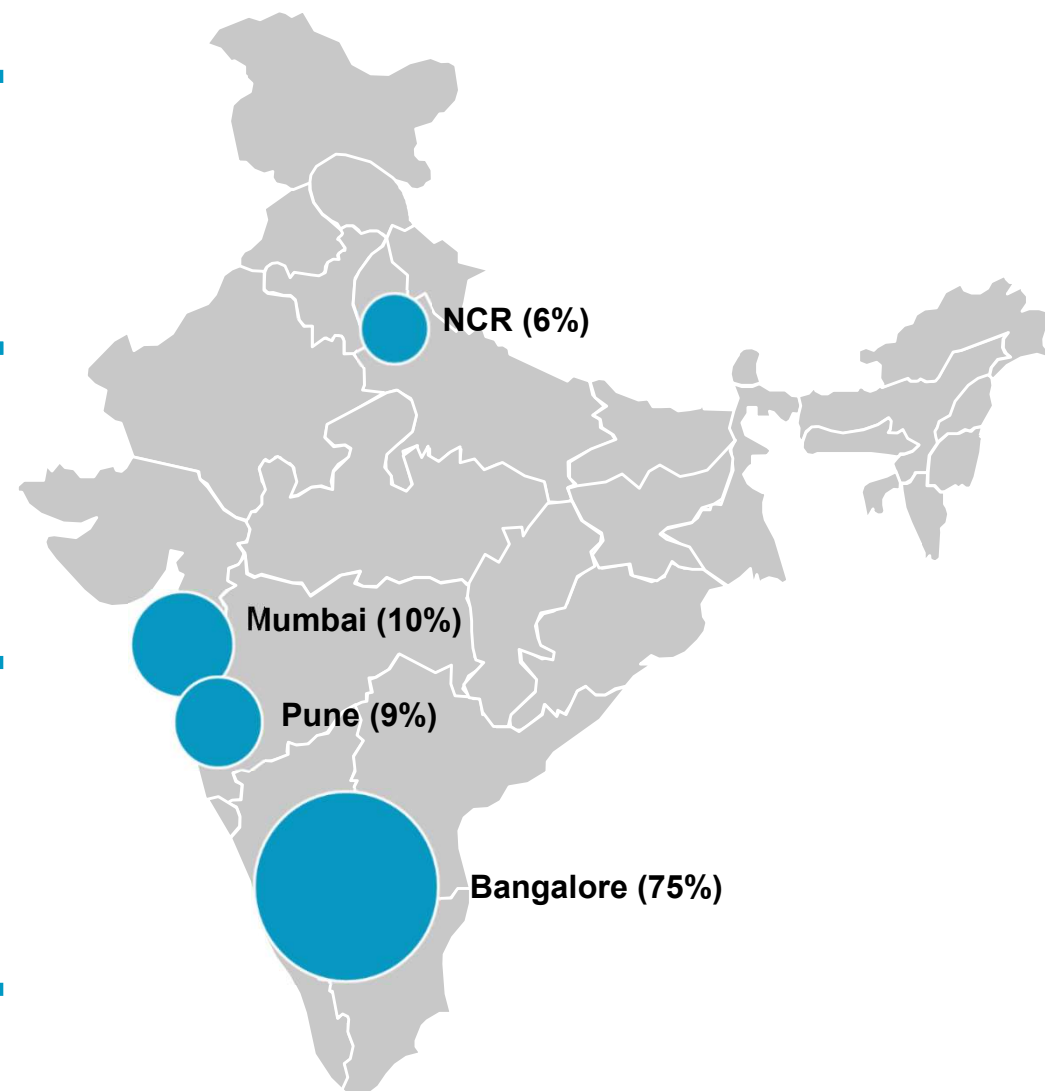
Q1 FY2024
Net Operating
Income

₹5,100 mn

Q1 FY2024
Distributions

29%

Net Debt to
GAV



Notes: City wise split by % of Gross Asset Value (GAV) considered per Mar'23 valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE
Valuation exercise undertaken semi-annually

(1) Comprises 34.3 msf completed, 7.9 msf under construction and 2.8 msf future development

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

Portfolio Summary

34.3 msf completed Grade A office assets (85% occupied, 6.6 years WALE, 15% MTM opportunity)

Property	Leasable Area (msf)/Keys/MW			WALE ⁽²⁾	Occupancy	Rent (₹ psf / mth)			GAV ⁽³⁾	
	Completed	Development	Total	(yrs)	(%)	In-place	Market	MTM (%)	₹ mn	% of total
Embassy Manyata	11.4	3.9	15.2	6.5	91%	76	93	22%	185,965	36%
Embassy TechVillage	7.3	2.3	9.6	9.1	97%	77	94	22%	122,224	24%
Embassy GolfLinks ⁽¹⁾	3.1	-	3.1	6.2	95%	132	155	17%	34,996	7%
Embassy One	0.3	-	0.3	8.2	60%	144	147	2%	4,558	1%
Embassy Business Hub	0.0	1.4	1.4	-	-	-	67	0%	3,751	1%
Bengaluru Sub-total	22.0	7.6	29.6	7.3	94%	85	103	20%	351,494	68%
Express Towers	0.5	-	0.5	3.9	82%	284	275	(3%)	18,252	4%
Embassy 247	1.2	-	1.2	3.5	95%	111	112	1%	18,684	4%
FIFC	0.4	-	0.4	3.2	91%	300	280	(7%)	13,941	3%
Mumbai Sub-total	2.0	-	2.0	3.5	91%	181	176	(3%)	50,877	10%
Embassy TechZone	3.0	2.4	5.5	4.1	65%	54	48	(10%)	22,845	4%
Embassy Quadron	1.9	-	1.9	4.9	50%	53	48	(9%)	13,227	3%
Embassy Qubix	1.5	-	1.5	4.8	91%	43	48	11%	9,718	2%
Pune Sub-total	6.4	2.4	8.8	4.5	66%	50	48	(4%)	45,790	9%
Embassy Oxygen	2.5	0.7	3.3	9.1	67%	54	48	(11%)	22,809	4%
Embassy Galaxy	1.4	-	1.4	6.4	60%	46	47	3%	9,526	2%
Noida Sub-total	3.9	0.7	4.6	8.3	65%	51	48	(7%)	32,335	6%
Subtotal (Office)	34.3	10.7	45.0	6.6	85%	82	95	15%	480,496	93%
Four Seasons at Embassy One	230 Keys	-	230 Keys	-	36%	-	-	-	7,939	2%
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	-	63%	-	-	-	4,762	1%
Hilton & Hilton Garden Inn at Embassy Manyata (5 & 3 star)	619 Keys	-	619 Keys	-	54%	-	-	-	11,667	2%
Hilton & Hilton Garden Inn at Embassy TechVillage (5 & 3 star)	-	518 Keys	518 Keys	-	NA	-	-	-	763	0%
Embassy Energy	100MW	-	100MW	-	NA	-	-	-	8,514	2%
Subtotal (Infrastructure Assets)	1,096 Keys / 100MW	518 Keys	1,614 Keys / 100MW						33,645	7%
Total	34.3 msf / 1,096 Keys / 100MW	10.7 msf / 518 Keys	45.0 msf / 1,614 Keys / 100MW						514,141	100%

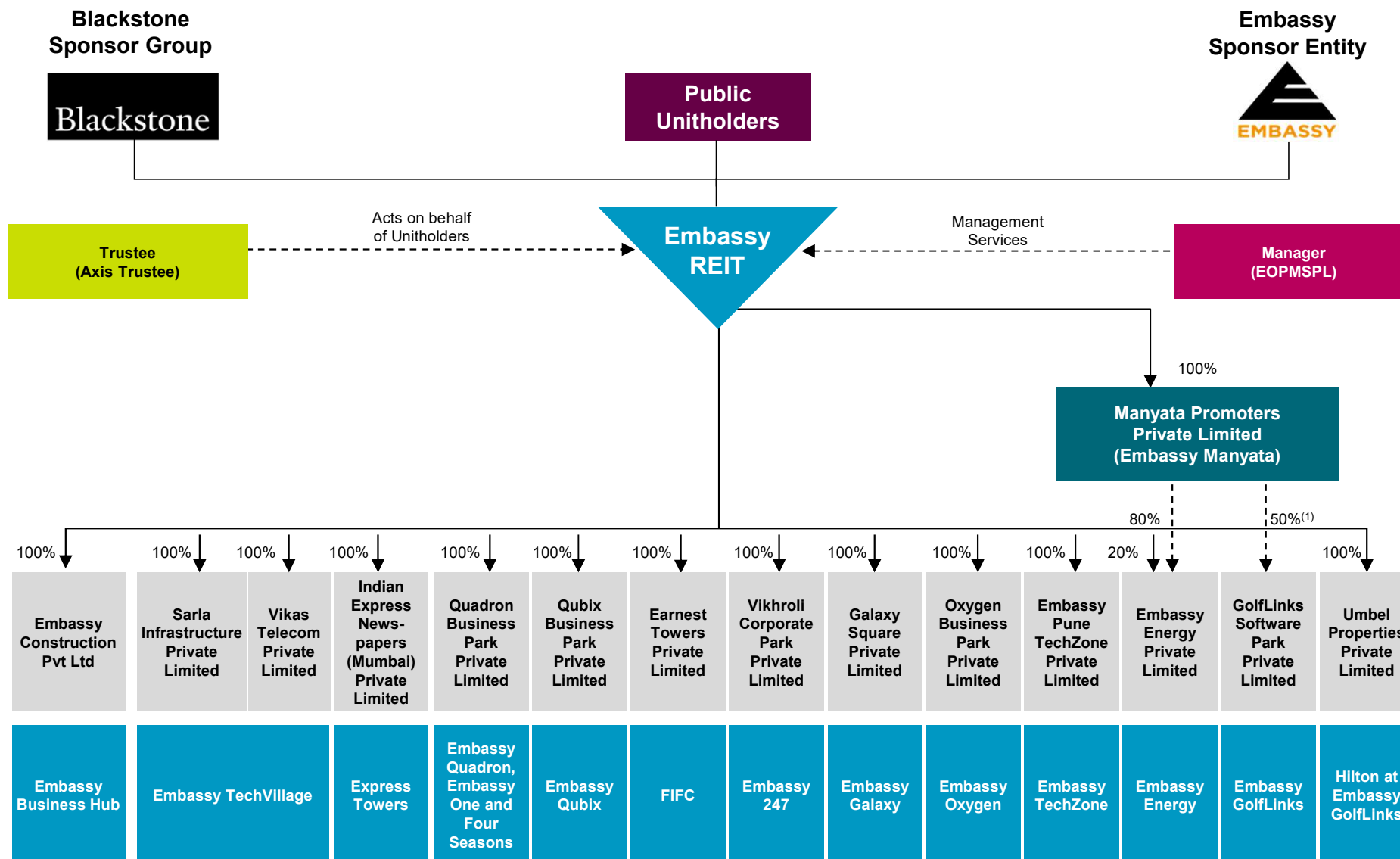
Notes:

(1) Details included in the above table are for 100% stake in Embassy GolfLinks, except GAV which reflects Embassy REIT's 50% economic interest in GLSP

(2) Weighted against Gross Rentals assuming occupier exercise their renewal options after the end of the initial commitment period

(3) Gross Asset Value (GAV) considered per Mar'23, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer glossary on page 42

Embassy REIT Structure



Notes:

- (1) Balance 50% owned by JV partner
- (2) The 100% owned entities are held jointly with nominee shareholders for the Embassy REIT

Key Terms & Definitions

Notes:

- All figures in this presentation are as of Jun 30, 2023 unless otherwise specified
 - All figures corresponding to year denoted with "FY" are as of or for the one-year period ending (as may be relevant) March 31st of the respective year. Similarly, all figures corresponding to year denoted with "CY" are as of or for the one-year period ending (as may be relevant) March 31 of the respective year
 - Some of the figures in this Presentation have been rounded-off to the nearest decimal for the ease of presentation
 - All details included in the presentation considers 100% stake in GLSP. However, Embassy REIT owns 50% economic interest in GLSP SPV which owns Embassy GolfLinks property. Accordingly, its revenues are not consolidated into our Revenue from Operations. Also, Market Value or GAV reflects only Embassy REIT's 50% economic interest in GLSP
 - Any reference to long-term leases or WALE (weighted average lease expiry) assumes successive renewals by occupiers at their option
 - Gross Asset Value (GAV) considered per Mar'23, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually.
 - Key Terms and Definitions:
1. 1Q/Q1/Three Months ended – Quarter ending Jun'23
 2. ADR – Average Daily Rate (ADR) is a measure of the average rate charged for rooms sold and is calculated by dividing total rooms revenue for a period by the number of rooms sold during that period
 3. Annualized Rental Obligations – Defined as Gross Rentals multiplied by twelve (12)
 4. Average Occupancy – Commercial Offices - Occupied Area / Completed Area. Hotels - Occupied Rooms / Completed Rooms or Keys
 5. Base Rentals – Rental income contracted from the leasing of Completed Area; does not include fit-out & car parking income
 6. bn – Billions
 7. bps – Basis points
 8. BTS – Built to Suit
 9. BSE – BSE Limited
 10. CAM – Common Area Maintenance
 11. C&W – Cushman & Wakefield
 12. CAGR – Compounded Annual Growth Rate
 13. CBRE – CBRE South Asia Private Limited
 14. Completed Area – the Leasable Area of a property for which occupancy certificate has been received
 15. DPU – Distribution per unit
 16. EBITDA – Earnings/ (loss) before finance costs, depreciation, amortization, impairment loss and income tax excluding share of profit of equity accounted investee
 17. Embassy TechVillage / ETV – Comprises of the legal entities Vikas Telecom Private Limited ('VTPL') and Sarla Infrastructure Private Limited ('SIPL')
 18. Embassy Group – refers to the Embassy Sponsor or its subsidiaries or limited liability partnerships
 19. Embassy REIT refers to Embassy Office Parks REIT
 20. EOPMSPL – Embassy Office Parks Management Services Private Limited
 21. FY – Period of 12 months ended March 31 of that particular year, unless otherwise stated
 22. GAV – Gross Asset Value
 23. GCC – Global Captive Centers
 24. GLSP – GolfLinks Software Park Private Limited
 25. Green Loan –Green loan refers to loans given by Multinational banks against Green Buildings (Gold or Platinum LEED certified). These loans are classified as Green Loans under the banks Green & Sustainable Finance Framework and comprises certifications received from Climate Bond initiatives
 26. GRESB – Formerly known as Global Real Estate Sustainability Benchmark
 27. Holdco – Refers to MPPL
 28. Investment Entity – Refers to GolfLinks Software Park Private Limited
 29. Leasable Area – Total square footage that can be occupied by an occupier for the purpose of determining an occupier's rental obligations. Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area
 30. LTM – Last twelve months
 31. Manager – Embassy Office Parks Management Services Private Limited
 32. MEP – Mechanical, Electrical and Plumbing
 33. mn – Millions
 34. MNC – Multinational Corporation
 35. msf – Million square feet
 36. MTM – Mark to Market
 37. Mumbai – Mumbai Metropolitan Region (MMR)
 38. MW – Mega-Watt
 39. NAV – Net Asset Value

38. NCD – Non-Convertible Debentures
39. NDCF refers to Net Distributable Cash Flows
40. Net Debt – Gross Debt minus short term treasury investment and cash and cash equivalents
41. NM – Not material
42. NOI – Net Operating Income
43. NR – Not Relevant
44. NSE – The National Stock Exchange of India Limited
45. NTM – Next twelve months
46. OC – Occupancy certificate
47. Occupancy / % Occupied / % Leased – Occupancy is defined as the ratio of the Occupied Area and the Completed Area
48. Occupied Area – The Completed Area of a property which has been leased or rented out in accordance with an agreement entered into for the purpose and also includes Letter of Intent (LoI)
49. ORR – Outer Ring Road
50. OWC – Organic Waste Converter
51. Proforma Debt Headroom – Proforma Debt Capacity (Maximum debt as per REIT Regulations) - Current Net Debt
52. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
53. Proposed Development Area – The Leasable Area of a property for which the master plan for development has been obtained, internal development plans are yet to be finalized and applications for requisite approvals required under the law for commencement of construction are yet to be received
54. QoQ – Quarter on quarter
55. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
56. Rents – Refers to Gross Rentals unless specified otherwise. Gross Rentals are defined as the sum of Base Rentals, fit-out and car parking income from Occupied Area for the month of Jun'23
57. RevPAR – Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
58. Re-leasing spread – Refers to the change in rent psf between new & expiring leases, expressed as a percentage
59. ROFO – Right of First Offer
60. sf / psf – Square feet / per square feet
61. Sponsor(s) – Embassy Property Developments Private Limited and BRE / Mauritius Investments
62. SPV – Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, in this case being UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL, VTPL, SIPL, EPTPL, GSPL and ECPL
63. TEV – Total Enterprise Value
64. Under Construction / U/C Area – Leasable Area for which internal development plans have been finalized and requisite approvals as required under law for the commencement of construction have been applied for, construction has commenced, and the occupancy certificate is yet to be received
65. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
66. WALE – Weighted Average Lease Expiry (weighted according to facility rentals excluding impact of Ind-AS adjustments) assuming that each occupier exercises the right to renew for future terms after expiry of initial commitment period
67. WIP – Work-in-progress
68. Years – Refers to fiscal years unless specified otherwise
69. YoY – Year on year
70. YTD – Year to date

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