

# Embassy Office Parks REIT

## *2Q FY2022 Earnings Materials*

October 29, 2021



## Press Release

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### Embassy REIT Announces Second Quarter FY2022 Results, NOI up 30% YoY

- Significant uptick in deal activity with 713k square feet total lease-up, delivering 20% leasing spreads
- Grows Net Operating Income by 30% YoY, to distribute ₹5,365 million to Unitholders with 80% tax-free
- Raises ₹46 billion debt at 6.5% to refinance existing zero-coupon bond, c.300 bps interest savings

Bangalore, India, October 29, 2021

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 quarter and half-year ended September 30, 2021.

**Michael Holland, Chief Executive Officer of Embassy REIT** said,

*"We are delighted to announce yet another strong quarter of continued robust business performance. We delivered our strongest leasing activity since the start of the pandemic, we successfully completed a significant ₹46 billion debt raise at an impressive 6.5% interest rate and we received global recognition for our continuing commitment to sustainability. We have reconfirmed our full year guidance as we see multiple tailwinds for our business – India's stabilizing Covid situation, a reviving office leasing market especially in our core Bangalore market, and occupiers' business-expansion driven by global tech mega-trends. These positive trends are clear to our expanding investor base which has tripled in the last twelve months."*

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 ₹5,365 million or ₹5.66 per unit for Q2 FY2022. Of this, ₹4.52 per unit or 80% of distributions are tax-free for Unitholders. The record date for the Q2 FY2022 distribution is November 10, 2021 and the distribution will be paid on or before November 13, 2021.

#### Business Highlights

- Total lease-up of 713k square feet across 7 deals, achieved 20% leasing spreads
- Achieved stable portfolio occupancy of 89%, with 15% rent increases on 1.4 million square feet ('msf') across 22 leases
- Construction in full swing on 5.7 million sf projects, with 1.1 msf JP Morgan campus on track for handover by year-end

# Press Release (Cont'd)

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## Financial Highlights

- Net Operating Income ('NOI') for Q2 grew year-on-year by 30% to ₹6,236 million, with 85% NOI margin
- Raised ₹46 billion debt at 6.5% to refinance existing zero-coupon bond, delivering significant c.300 bps interest savings
- Maintained fortress balance sheet with low leverage of 24% and ₹120 billion debt headroom to finance growth

## Operations Highlights

- Collected over 99% of office rents on 32.3 msf operating portfolio
- Increased number of employees operating from our parks (21k in Sep'21); labor at construction sites now at peak strength
- Awarded 4-star and Green star ratings by GRESB, the global ESG benchmark

## Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) reviewed condensed consolidated financial statements for the quarter and half-year ended September 30, 2021, (ii) an earnings presentation covering Q2 FY2022 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](http://www.embassyofficeparks.com)

Embassy REIT will host a conference call on October 29, 2021 at 17:30 hours Indian Standard Time to discuss the Q2 FY2022 results. A replay of the call will be available in the Investors section of our website at [www.embassyofficeparks.com](http://www.embassyofficeparks.com)

## About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 42.4 million square feet ('msf') portfolio of eight infrastructure-like office parks and four city-centre office buildings in India's best-performing office markets of Bangalore, Mumbai, Pune, and the National Capital Region ('NCR'). Embassy REIT's portfolio comprises 32.3 msf completed operating area and is home to over 190 of the world's leading companies. The portfolio also comprises strategic amenities, including two operational business hotels, four under-construction hotels, and a 100MW solar park supplying renewable energy to tenants.

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# I. Key Highlights

Embassy TechVillage, Bangalore

# Resilient Business Performance

## LEASING

Leased 713k sf , achieved 20% leasing spreads



## JP Morgan<sup>(1)</sup> CAMPUS

Façade works completed, target handover by Dec'21



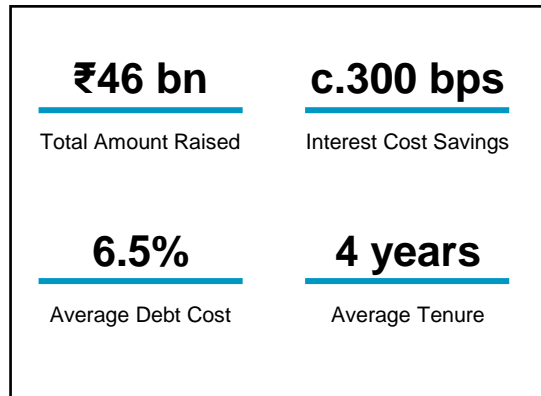
## DEVELOPMENT

Continued construction on 4.6 msf new build, target completion over next 3 years



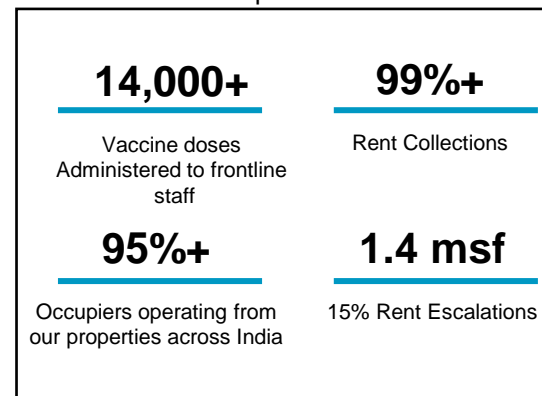
## FINANCE

Secured ZCB refinancing debt at significantly lower cost



## OPERATIONS

Rolled-out vaccination of frontline workers & actively supporting occupiers in back-to-work plans



## ESG

Committed to sustainable eco-system, awarded GRESB Green star (4/5 stars)



Note:  
(1) Legal entity is J.P. Morgan Services India Private Limited

## Robust Financial Performance

**NOI and EBITDA up 30% and 28% year-on-year respectively with NOI and EBITDA margins at 85% and 82% respectively**

	2Q FY2022 (mn)	2Q FY2021 (mn)	Variance %	Remarks
<b>Revenue from Operations</b>	<b>₹7,352</b>	<b>₹5,401</b>	<b>+36%</b>	<ul style="list-style-type: none"> <li>▶ Revenue from ETV's 6.1 msf completed area<sup>(2)</sup></li> <li>▶ Revenue from Embassy Manyata and TechZone CAM Operations<sup>(3)</sup></li> <li>▶ Ramp up of Hospitality occupancy</li> <li>▶ Lease rent escalations of 14% on 4.8 msf</li> <li>▶ Partially offset due to occupier exits</li> </ul>
<b>NOI</b>	<b>₹6,236</b>	<b>₹4,814</b>	<b>+30%</b>	<ul style="list-style-type: none"> <li>▶ Increase in Revenue from Operations</li> <li>▶ Costs corresponding to CAM Operations of Embassy Manyata, TechZone &amp; TechVillage<sup>(3)</sup></li> </ul>
<b>Margin (%)</b>	<b>85%</b>	<b>89%</b>		
<b>EBITDA</b>	<b>₹6,053</b>	<b>₹4,730</b>	<b>+28%</b>	<ul style="list-style-type: none"> <li>▶ In-line with NOI increase</li> </ul>
<b>Margin (%)</b>	<b>82%</b>	<b>88%</b>		
<b>Distribution</b>	<b>₹5,365</b>	<b>₹4,244</b>	<b>+26%</b>	<ul style="list-style-type: none"> <li>▶ Distribution of ₹5,365 mn for Q2                             <ul style="list-style-type: none"> <li>– Represents payout ratio of 100% at REIT level</li> </ul> </li> </ul>
<b>Payout Ratio</b>	<b>100%</b>	<b>100%</b>		

Notes:  
 (1) Above financial results exclude Revenue, NOI and EBITDA from Embassy GolfLinks since Embassy REIT owns 50% economic interest in GLSP. GLSP NOI in 2Q FY2022 was up 3% year-on-year  
 (2) ETV was acquired on December 24, 2020 by Embassy REIT and the results have been consolidated into Embassy REIT from 4Q FY2021 onwards  
 (3) Pursuant to acquisition of property maintenance operations in 3Q FY2021

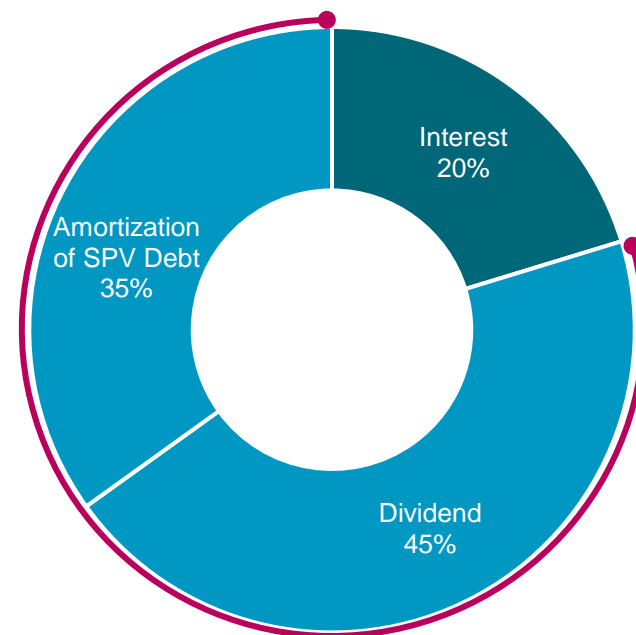
## Delivering on Distributions

Distribution for Q2 stood at ₹5,365 mn i.e., ₹5.66 per unit with 80% of distributions tax-free for Unitholders

### Distribution Highlights

Particulars	2Q FY2022	1H FY2022
Distribution period	Jul'21 – Sep'21	Apr'21 – Sep'21
Distribution amount (mn)	₹5,365	₹10,711
Outstanding units (mn)	948	948
Distribution per unit (DPU)	₹5.66	₹11.30
Announcement date	October 29, 2021	-
Record date	November 10, 2021	-
Payment date	On or before November 13, 2021	-

### Distribution Mix



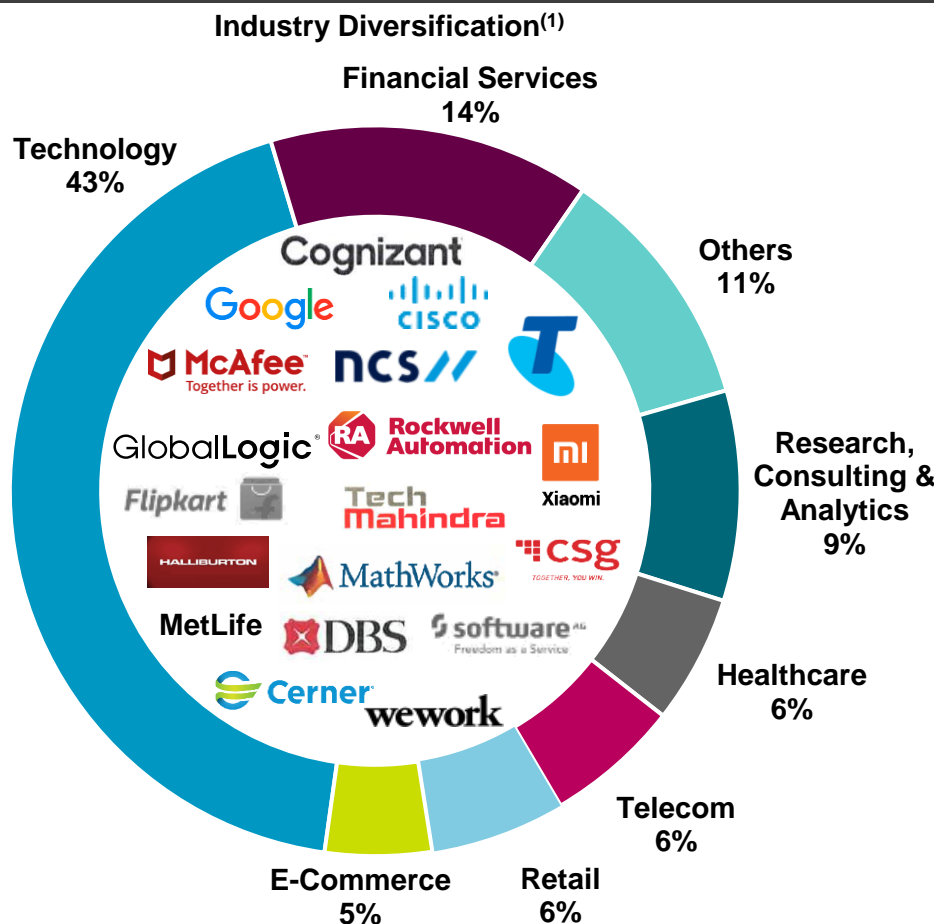
80% tax-free distributions

- ▶ 100% distribution payout ratio demonstrates commitment to regular quarterly distributions
- ▶ 80% of 2Q FY2022 distributions tax-free for Unitholders



# Fueled by Global Technology Trends

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



Top 10 Occupiers	Sector	% of Rentals
Global Technology & Consulting Major	Technology	10%
Cognizant	Technology	6%
NTT Data	Technology	4%
Flipkart	E-commerce	3%
JP Morgan	Financial Services	3%
Wells Fargo	Financial Services	3%
ANSR	Research & Analytics	3%
WeWork	Co-working	2%
Google India	Technology	2%
PwC	Research & Analytics	2%
<b>Total</b>		<b>38%</b>

- ▶ Diversified and growing occupier base reduces concentration risk
- ▶ Contribution from Top 10 occupiers at 38% today vs 43% in Sep'19

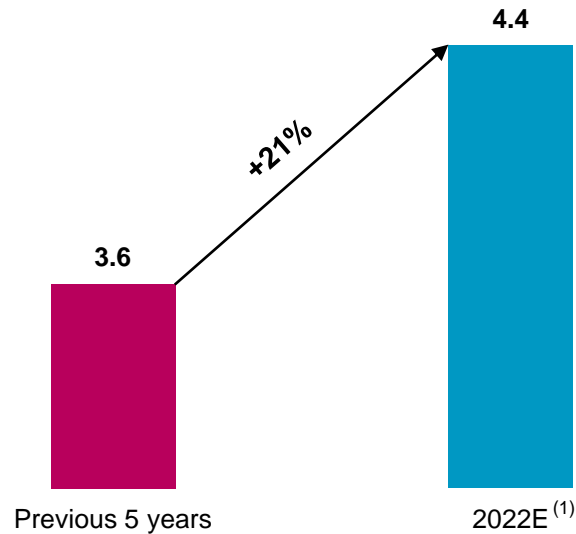
Note: Actual legal entity name of occupiers may differ  
(1) Represents industry diversification percentages based on Embassy REIT's share of gross rentals

# Tech Enabled Business Transformation

**Covid has accelerated digital transformation resulting in record tech spends and a global tech mega trend. Digital services to grow at 20-25% CAGR over next 5 years**

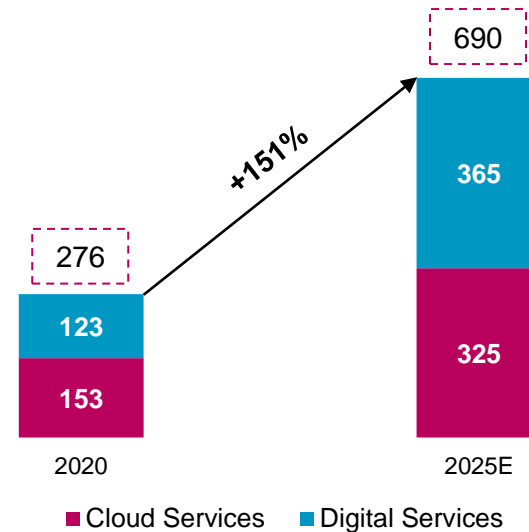
## Record Global Tech Spends<sup>(1)</sup>

In US\$ trillion



## Cloud and Digital Tech Spends Set for Rapid Growth<sup>(2)</sup>

In US\$ billion



- ▶ Global tech industry driven by below mega trends
  - Move to Cloud with record spends
  - Digital Transformation accelerated by 3–5 years
- ▶ Global quarterly transaction volumes at a record high for 3<sup>rd</sup> straight quarter
- ▶ Enterprises scaling digital investments to build future ready organization

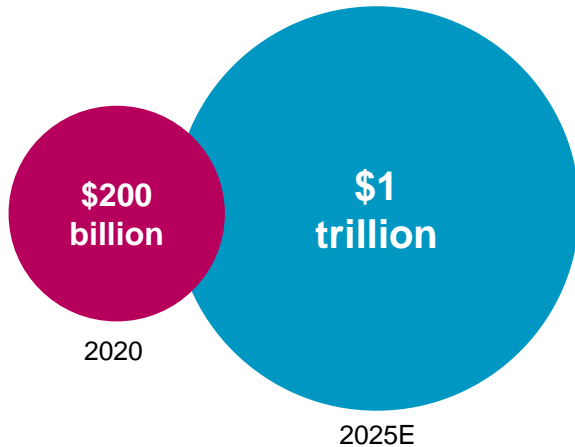
- ▶ Digital and cloud services expected to be a \$600-700 bn opportunity
  - Cloud services to grow at CAGR of 15-18%
  - Digital services to grow at CAGR of 20-25%
- ▶ About 80% of incremental global tech spends to be driven by digital technologies

Source:  
 (1) Gartner Press Release, ISG Press Release, Jul'21  
 (2) NASSCOM - Future of Technology Services, Winning In This Decade, Feb'21

# India – The Global Digital Talent Nation

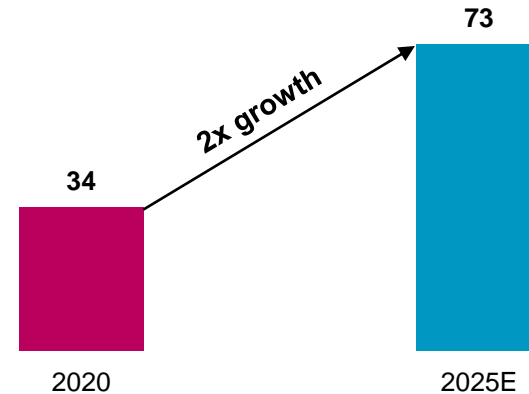
India’s tech industry continues to report record earnings, hiring and business pipeline. Attracting and retaining Indian tech talent is a key priority for these global businesses

## Surge in India’s Digital Economy<sup>(1)</sup>



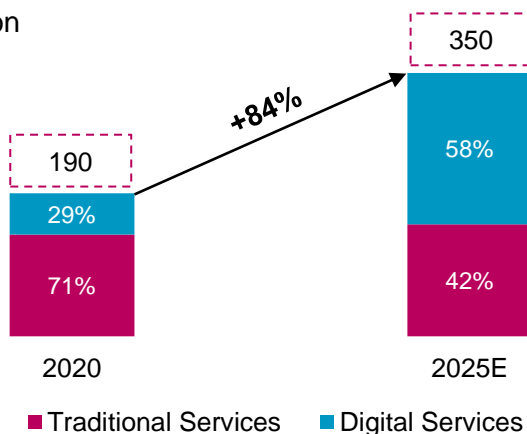
## India’s Continuing GCC Growth Story<sup>(1)</sup>

Revenue in US\$ billion



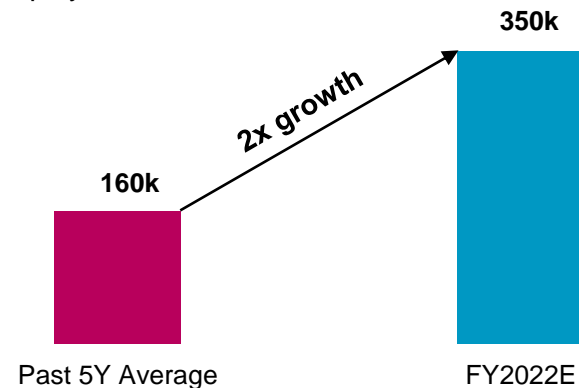
## Record Revenue Growth Led by Digital Tech<sup>(2)</sup>

In US\$ billion



## Record Hiring by Indian Tech Companies<sup>(3)</sup>

No. of employees



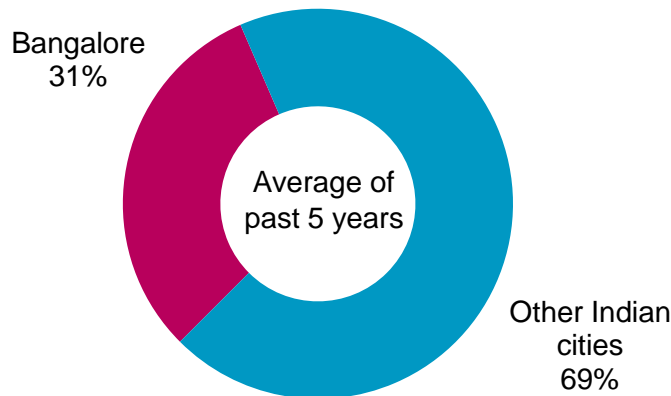
Source:  
 (1) NASSCOM, Zinnov – GCC India Landscape: 2021 & Beyond, Sep'21  
 (2) NASSCOM - Future of Technology Services, Winning In This Decade, Feb'21  
 (3) Kotak Institutional Equities – IT Services, Apr'21

# Bangalore Leading India's Office Recovery

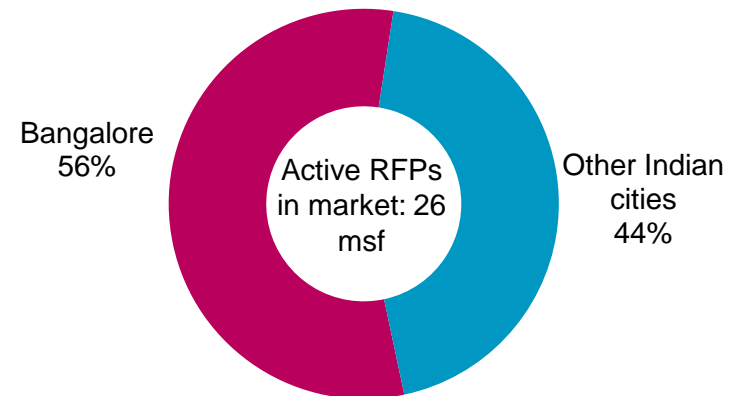
Given its position as India's best performing office market, Bangalore is expected to be at the forefront of demand revival in India

Largest Tech Hub		Largest GCC Hub <sup>(4)</sup>		Thriving Startup Ecosystem	
<b>40%</b>	Highest share in India's software exports <sup>(1)</sup>	<b>1 in 3</b>	Of Total Indian GCCs	<b>~2,000</b>	Tech startups, incl. 30+ Unicorns <sup>(5)</sup>
<b>1 in 3</b>	Home to Indian tech employees <sup>(2)</sup>	<b>35%</b>	Of Indian GCC employees	<b>&gt;50%</b>	Of total Indian Unicorns by value <sup>(6)</sup>
<b>8<sup>th</sup> Global</b>	Only Indian city among top 10 global tech innovation hubs <sup>(3)</sup>	<b>Over 30%</b>	Largest share of GCCs revenues	<b>\$12 bn</b>	Funding raised over last 9 months <sup>(7)</sup>

Dominant share of demand in last 5 years<sup>(1)</sup>



Largest share of active RFPs as of Sep'21<sup>(1)</sup>



Sources:

(1) CBRE Estimates, 2021  
(2) Credit Suisse – India Market Strategy, Aug'21  
(3) KPMG Technology Innovation Hubs report, Jul'21

(4) NASSCOM, Zinnov - GCC India Landscape: 2021 & Beyond, Sep'21  
(5) Startup Genome – The Global Startup Ecosystem Report 2021, Sep'21  
(6) Venture Intelligence, Oct'21  
(7) PWC, Start-up Perspectives October 2021 India start-up deals tracker Q3 CY21

## Expanding Our 'Total Business Ecosystem'

Embassy REIT's ecosystem continues to be a key differentiator for global occupiers. Our 5.7 msf development pipeline helps us meet occupier growth needs

Embassy TechVillage - JP Morgan BTS (1.1 msf)



Embassy Manyata – M3 Block A (1.0 msf)



Embassy TechZone – Hudson and Ganges (0.9 msf)



Embassy Oxygen – Tower 1 (0.7 msf)



## Capitalizing on Growth Opportunities

Our fortress balance sheet provides us flexibility and positions us well to capitalize on growth opportunities

### Strong Balance Sheet

**₹14.4 bn**

Cash & Undrawn Committed Facilities<sup>(1)</sup>

**₹120 bn**

Significant Debt Headroom

**24%**

Net Debt to GAV

### Robust Development Pipeline

**5.7 msf**

Current development pipeline  
100% of FY2022 delivery of  
1.1 msf pre-committed

**70%**

Bangalore centric development  
India's best performing office  
market

### Potential Acquisitions Pipeline<sup>(2,3)</sup>

**9.2 msf**

Select  
ROFO Pipeline<sup>(3)</sup>

**23.2 msf**

Assets within Partner(s) Network  
and Third-Party Opportunities

**Embassy REIT is well positioned for new growth, and we will benefit from consolidation of supply and acceleration of demand**

Notes:

- (1) Includes undrawn committed facility, treasury balances, fixed deposits etc., net of cash flows earmarked for Q2 distributions
- (2) Pipeline is 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
- (3) Embassy REIT has c.31.2 msf of ROFO opportunity from Embassy Sponsor and upto c.4.2 msf of ROFO opportunity within overall ETV campus from other parties

# Further Fortifying Our Balance Sheet

₹46 billion debt raised at c.300 bps interest cost saving to refinance existing ZCB, thereby consolidating entire REIT debt to coupon bearing instruments and simplifying cash flow-through for distributions

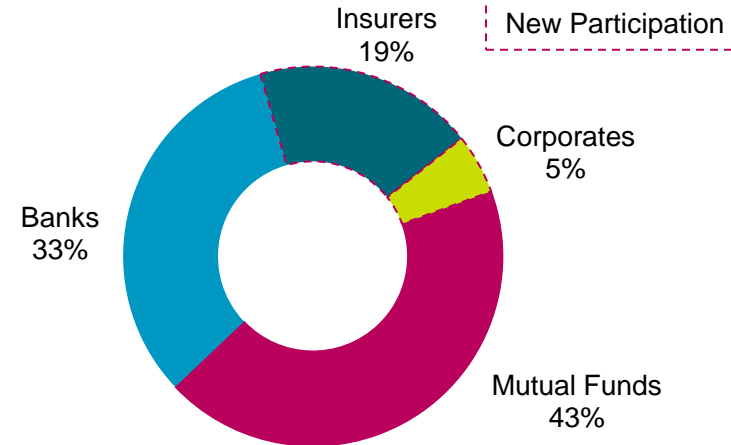
## Successful Debt Raise to Refinance ZCB

**₹46 bn**  
Amount Raised <sup>(1)</sup>

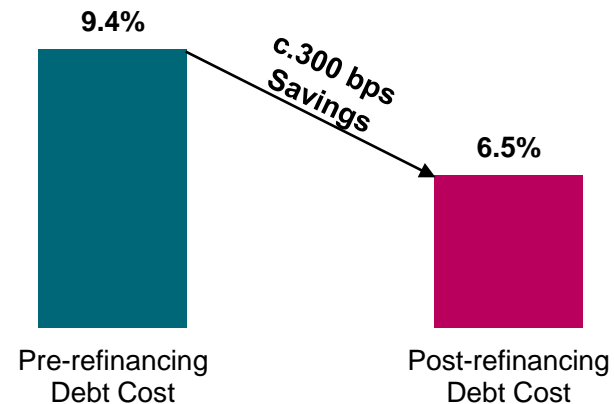
**6.5%**  
Average Debt Cost

**4 years**  
Average Term to Maturity

## Widened Investor Pool with Longer Term Capital



## Achieved Significant Refinance Spreads



Note:

(1) ₹ 46bn amount raised in Oct'21 post Q2 includes combination of coupon bearing listed debt of ₹31 bn at REIT-level raised in two tranches with 3 years and 5 years maturity, and a term loan facility at SPV-level from a bank for ₹15 bn

## II. Overview



Express Towers, Mumbai



## Who We Are: Quick Facts

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

**42.4 msf<sup>(1)</sup>**

Portfolio

**193**

Blue-chip  
occupiers

**88.5%**

Occupancy

**12**

Commercial  
Offices

**1,614<sup>(1)</sup>**

Hotel Keys

**100 MW**

Solar Park

**27%**

Mark-to-Market  
Upside

**47%**

Gross Rents  
from Fortune  
500 occupiers

**6.9 Years**

WALE

**₹14,728 mn**

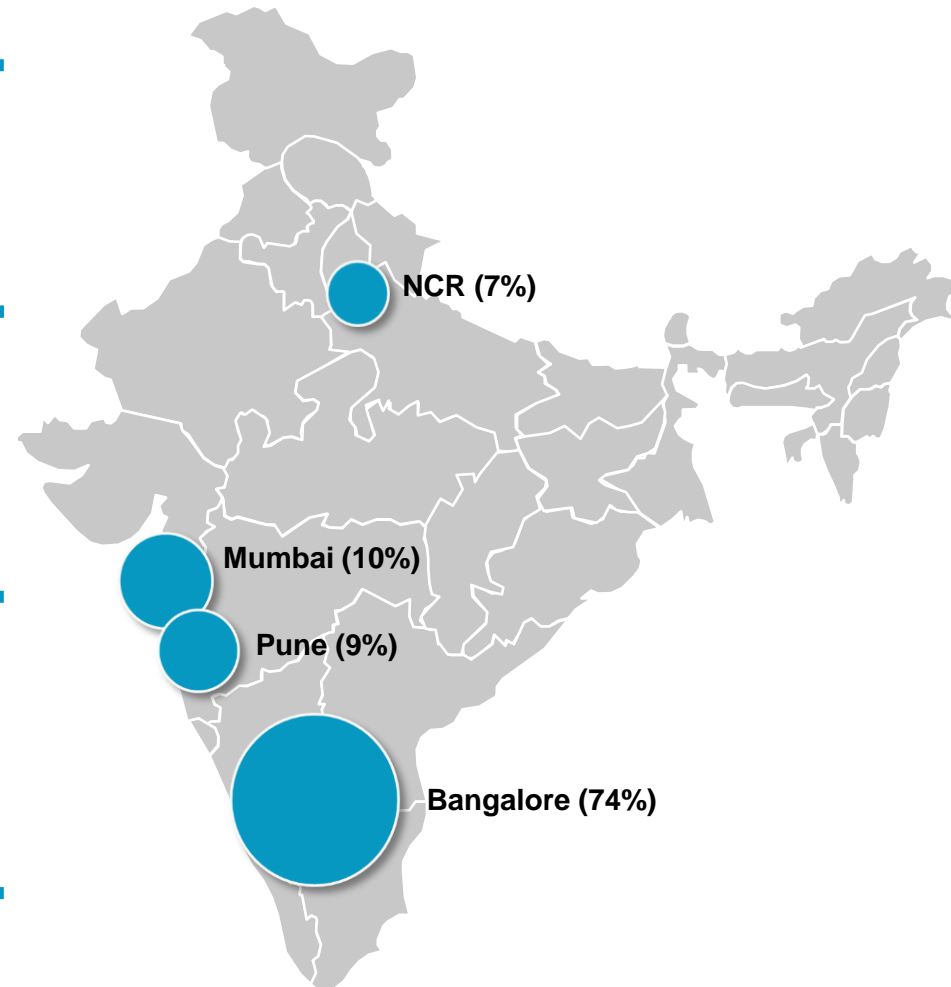
1H FY2022  
Revenue from  
Operations

**₹10,711 mn**

1H FY2022  
Distribution

**24%**

Net Debt to  
GAV



Notes: City wise split by % of Gross Asset Value (GAV) considered per Sep'21 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) Includes completed, under construction and proposed future development

# Eight Infrastructure-like Office Parks (40.1 msf)<sup>(1)</sup>

**Embassy Manyata**  
Bangalore (14.8 msf)



**Embassy TechVillage**  
Bangalore (9.2 msf)



**Embassy Golflinks**  
Bangalore (2.7 msf)



**Embassy Quadron**  
Pune (1.9 msf)



**Embassy TechZone**  
Pune (5.5 msf)



**Embassy Oxygen**  
Noida (3.3 msf)



**Embassy Galaxy**  
Noida (1.4 msf)



**Embassy Qubix**  
Pune (1.5 msf)



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

## Four Prime City-center Offices (2.3 msf)

**Express Towers**  
Mumbai (0.5 msf)



**FIFC**  
Mumbai (0.4 msf)



**Embassy 247**  
Mumbai (1.2 msf)

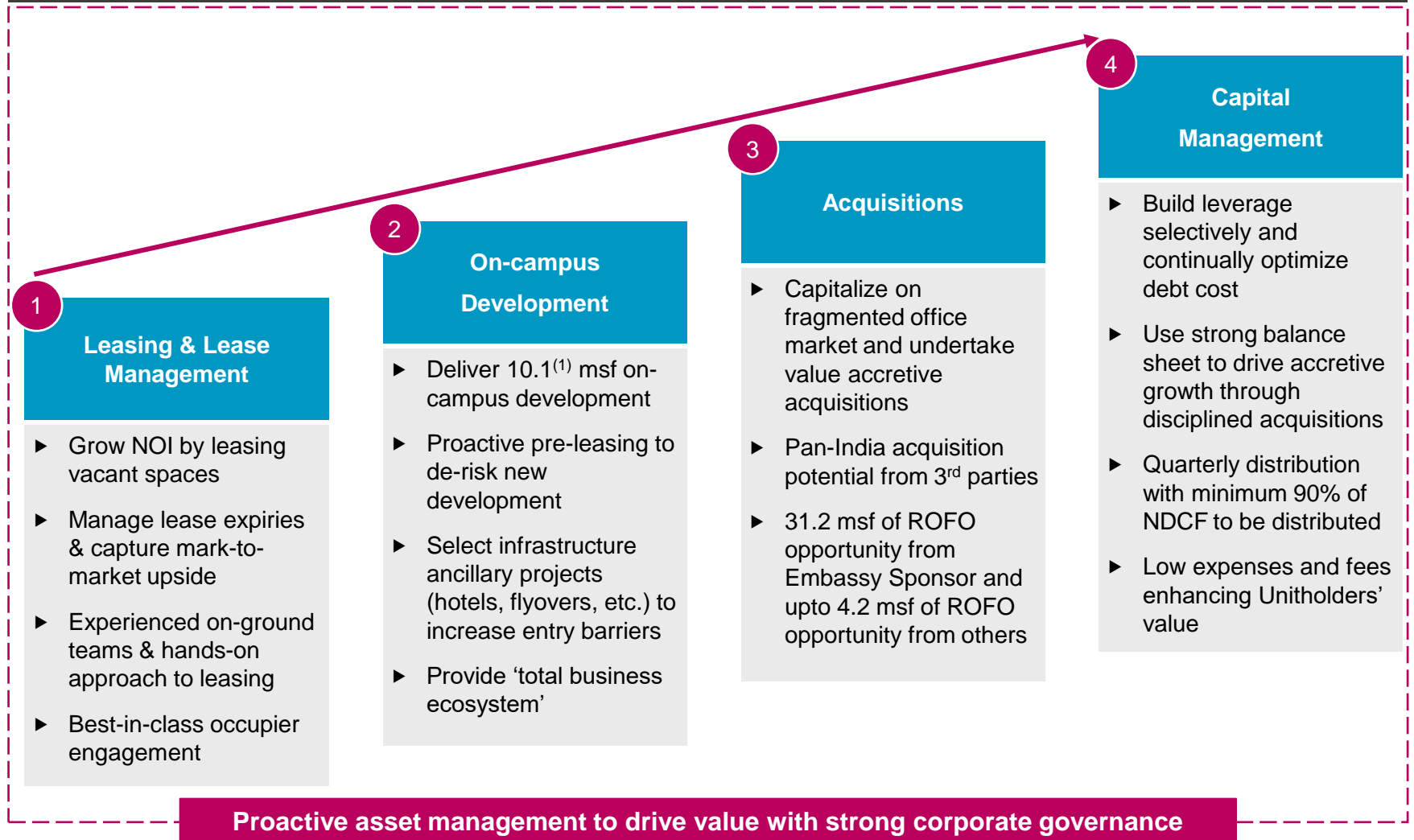


**Embassy One**  
Bangalore (0.3 msf)



# What We Do: Our Strategy

Maximize distribution and NAV per unit through leasing, on-campus developments and acquisitions



Note:  
(1) Includes U/C area of 5.7 msf and proposed future development of 4.4 msf

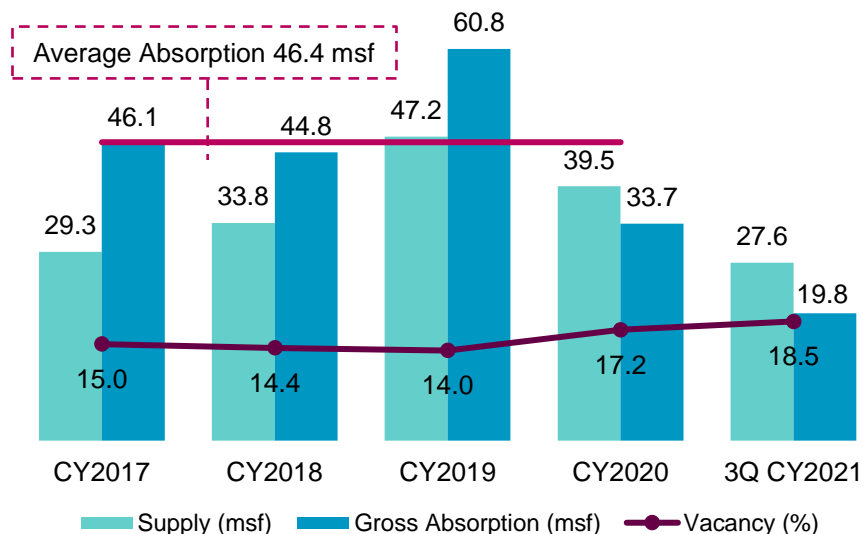


# III. Market Outlook

## Market Fundamentals – Update

Recovery in office market amidst positive sentiments given vaccination ramp-up, resumption of business activities and continued strong hiring by corporates across key office markets

### Absorption Trends (CY2017 – to date)



### City-wise Performance (Jan'21 – Sep'21)

City	Gross Absorption (msf)	Supply (msf)	Vacancy (%)
Bangalore	5.9	7.8	9%
Pune	2.1	1.5	12%
Mumbai	3.3	3.5	25%
NCR	2.9	5.3	28%
<b>Embassy REIT Markets</b>	<b>14.2</b>	<b>18.1</b>	<b>18%</b>
Hyderabad	3.3	9.0	19%
Chennai	2.0	0.6	11%
Kolkata	0.3	0.0	36%
<b>Other Markets</b>	<b>5.6</b>	<b>9.6</b>	<b>17%</b>
<b>Grand Total</b>	<b>19.8</b>	<b>27.6</b>	<b>18%</b>

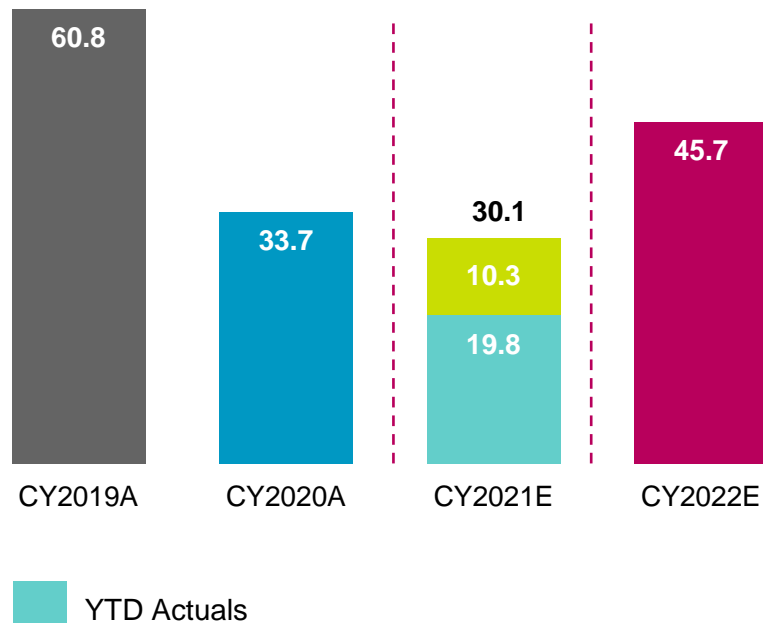
- ▶ Post second wave disruption, improving deal activity signaling early signs of demand rebound given pent up demand
  - Absorption witnessed a rebound with 8 msf take up in Q2, 48% higher than Q1
  - Bangalore led office absorption and contributes over 50% of active pan-India RFPs
- ▶ Occupier sentiment improving amid prioritized employee vaccination and steady decline in Covid cases
  - Major tech occupiers planning return to office by year-end in a phased manner
- ▶ Office demand rebound in 2022 as vaccination coverage increases and business sentiments improve
  - Occupiers likely to ramp-up their return to office plans amid strong hiring plans by tech companies

# Market Fundamentals – Demand Trends

Leasing momentum likely to rebound in 2022 with Bangalore leading pan-India office recovery. Tech sector and GCCs to drive office recovery, led by their accelerated growth

## Proforma Demand Analysis

### Gross Absorption (msf)



## Demand Trends

### ► Short-term Outlook

- With steady decline in Covid cases since May'21, occupiers are operationalizing their 'return to work' plans
- Improving vaccine coverage helping revive market sentiments and RFPs

### ► Medium-term Outlook

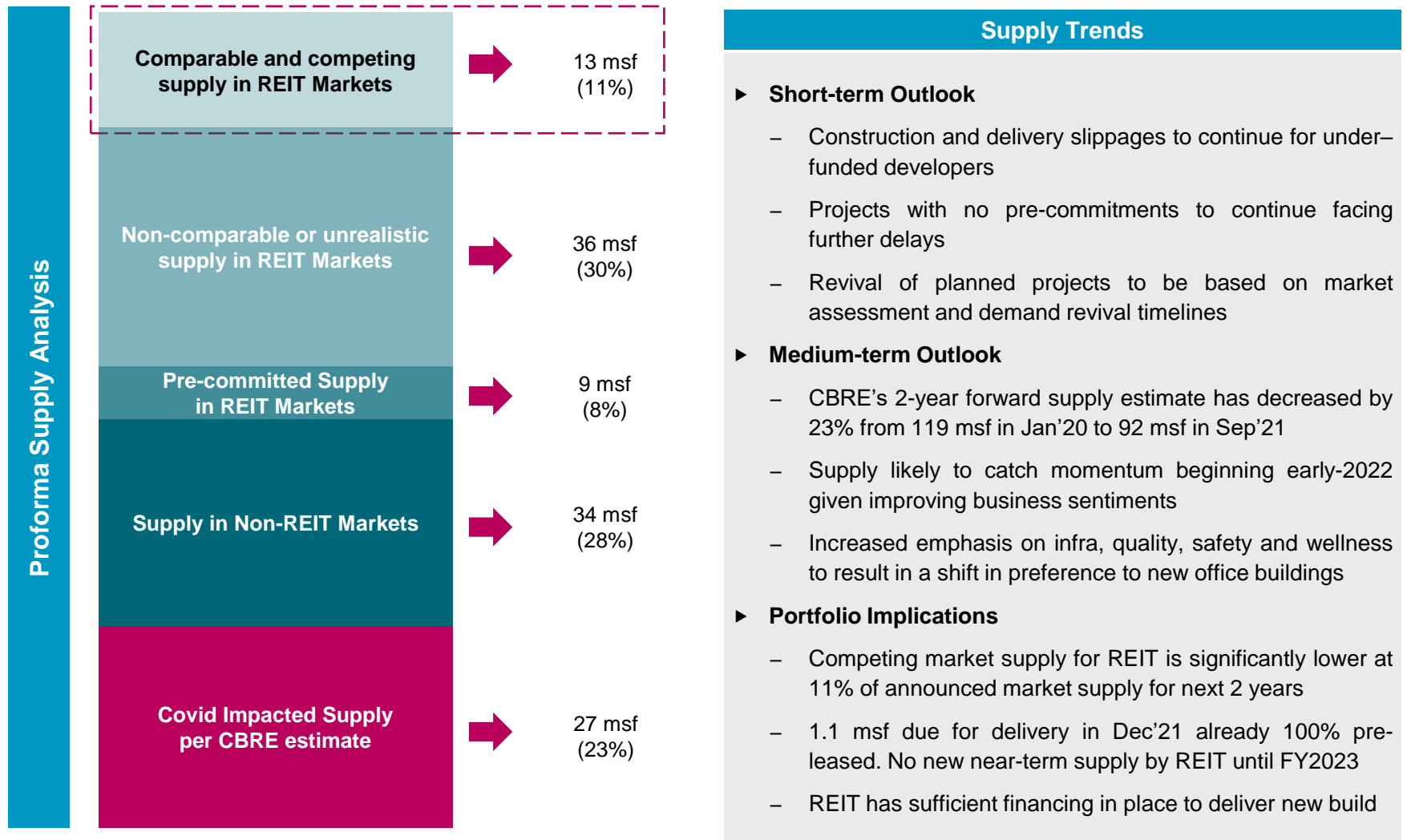
- Markets likely to strengthen with recent uptick in enquiries
- Large occupiers initiating expansion / consolidation plans and next year could witness strong recovery
- Tech sector and Global Captives to remain key demand drivers

### ► Portfolio Implications

- Existing REIT portfolio remains resilient given asset and occupier quality, long WALE and below-market rents
- Embassy REIT portfolio with 74% concentration to Bangalore, is well-positioned to capture anticipated demand rebound
- ESG & Wellness priorities to drive demand – institutionally owned properties like Embassy REIT to benefit

# Market Fundamentals – Supply Trends

Market supply continues to be impacted with 23% shrinkage since the start of Covid pandemic. Competing supply for REIT is significantly lower at 11% of announced supply for next 2 years



Source: CBRE Research, Embassy REIT  
 Note: Comparable and competing supply has been arrived factoring supply considerations including city, micro-markets, location, project completion timing, quality etc.



# IV. Navigating Covid



FOUR SEASONS  
HOTEL  
WELCOMES YOU

Embassy One, Bangalore

# Covid Operations Update

Overall Covid situation continues to improve, uptick in number of Corporates preparing to ramp-up back-to-office programmes

## ► Covid in India

- Cases and deaths in India at less than 5% of the May/June peaks
- Strong vaccination roll-out in key urban centers
- This month, India reached the 1 bn vaccine milestone

## ► Our Response

- All properties to remain open to support business continuity
- Over 14k doses administered to our frontline staff; 72% received second vaccine dose
- Continued support to our occupiers w.r.t vaccination drives and back-to-work plans
- Continuing wellness-focused initiatives - thermal cameras, PHI for AHUs, safety certifications, etc.

## ► Impact on Our Operations

- c.10% of employees operating from our properties, a 1.6x uptick in Sep'21 vs Jun'21
- Uptick in physical occupancy across our properties, and material increase post-Diwali
- Labor availability stabilized in Q2 with full labor strength available across sites supporting construction activities

**100%**

Business parks and buildings operational<sup>(1)</sup>

**~21k**

Employees working from our properties across India

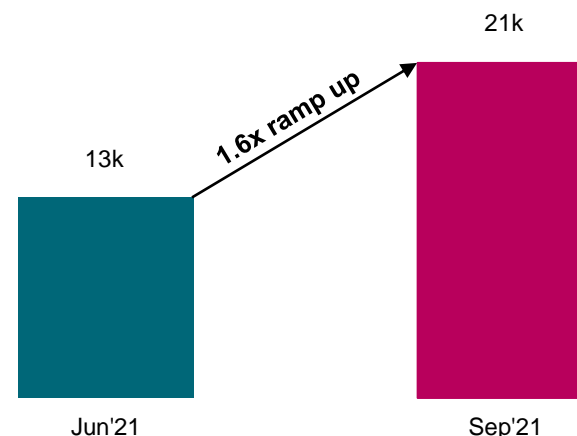
**14,000+**

Vaccine doses administered to frontline staff

**95%+**

Occupiers operating from our properties across India

## Ramp-up in Physical Occupancy



Note:

(1) All data as of Oct 28, 2021, unless otherwise mentioned

# V. Commercial Office Update



Embassy Quadron, Pune

## Leasing Highlights

713k sf total lease-up across 7 deals in Q2, comprising of 169k sf new lease-up at 13% re-leasing spread and 544k sf renewals at 21% renewal spread

2Q FY2022 Highlights			Leases Signed			
<b>New Leases signed ('000 sf)</b>	<b>(A)</b>	169	<b>Occupier</b>	<b>Property</b>	<b>Sector</b>	<b>Area ('000 sf)</b>
<b>New Leases</b>						
– Re leasing ('000 sf)		125	NCSI Tech <sup>(2)</sup>	Embassy Qubix	Telecom	46
– Re-leasing Spread		13%	Employtech	Embassy TechVillage	Others	43
<b>Renewals ('000 sf)<sup>(3)</sup></b>	<b>(B)</b>	544	CitiusTech	Embassy Qubix	Technology	32
– Renewal Spread		21%	Rockwell Automation	Embassy TechZone	Engineering & Manufacturing	25
<b>Renewals</b>						
<b>Total Lease-up ('000 sf)</b>	<b>(A + B)</b>	<b>713</b>	Others	Various	Various	22
Pipeline discussions ('000 sf)		c.500	<b>Nokia</b>	Embassy Manyata	Telecom	511
			Leading Tech Company	FIFC	Technology	33
			<b>Total Lease-up</b>			<b>713</b>

### New Leases & Renewals in 2Q FY2022



Notes:

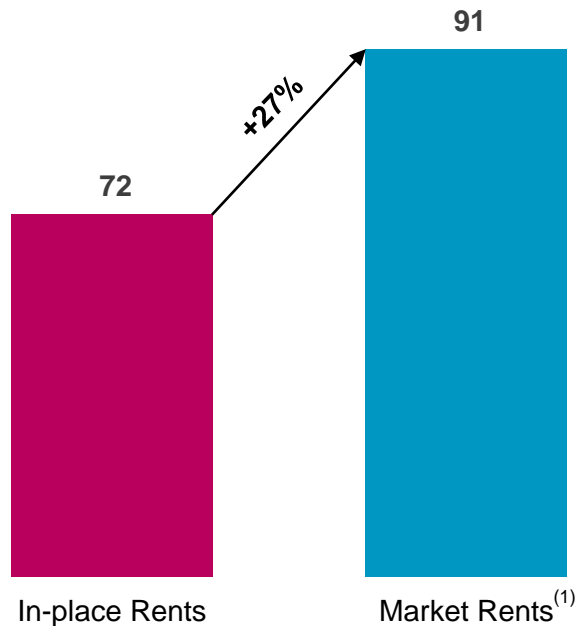
- (1) Actual legal entity name of occupiers may differ
- (2) NCSI Technologies (India) Private Limited is a Singtel Group Company
- (3) Includes 511ksf early renewal with Nokia as a part of 'blend and extend' strategy, leases originally expiring between FY25/26

# Embedded Rent Escalations

Achieved rent escalations of 15% on 1.4 msf across 22 leases in Q2, representing 100% of scheduled escalations. On track for 14% rent escalations due on 4.1 msf across 35 leases in FY2022

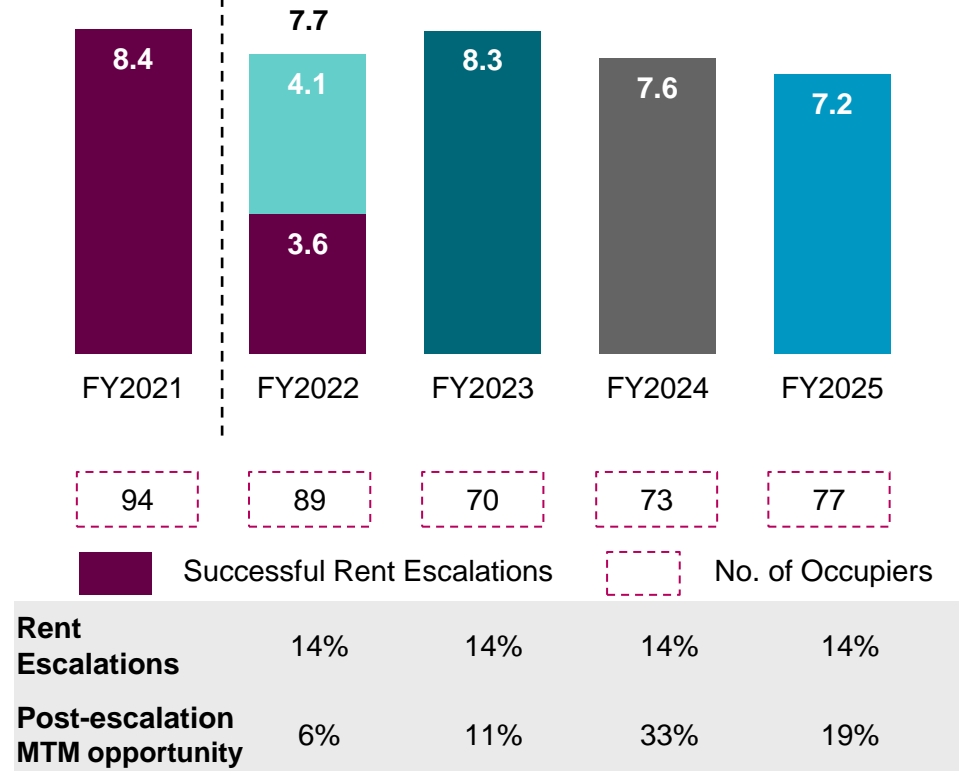
Market Rents 27% above in-place rents

Rent (₹ psf / month)



Embedded Rent Escalations of 10-15% aids NOI growth

Area (msf)



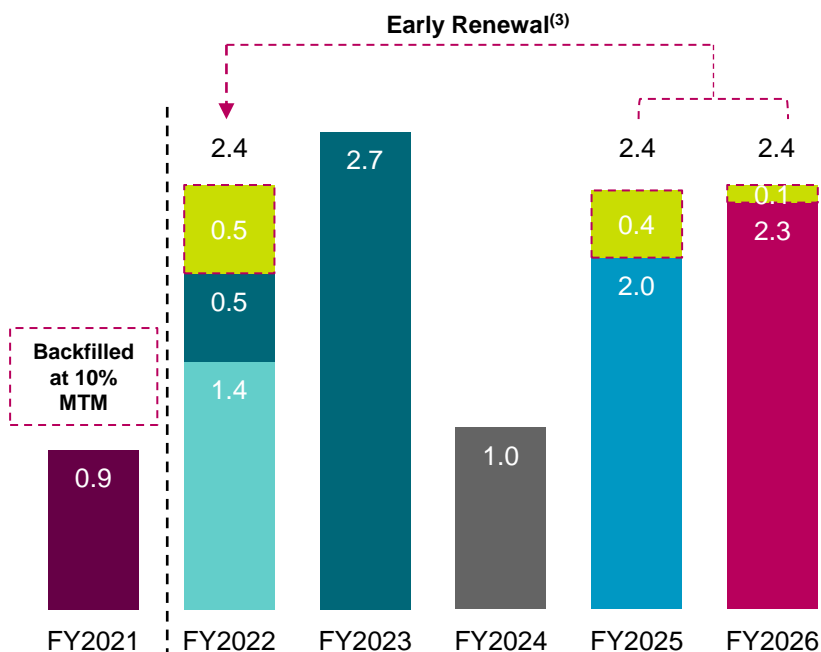
**Q2 Update: Achieved 15% rent increase on 1.4 msf**

# Embedded Mark-to-Market Potential

Successfully renewed 0.5 msf in Q2 at 21% MTM spreads. 0.9 msf leases representing 3% of annual rents are likely exits with a mark-to-market potential of 64%

31% of Leases expire between FY2022–26

## Area Expiring (msf)



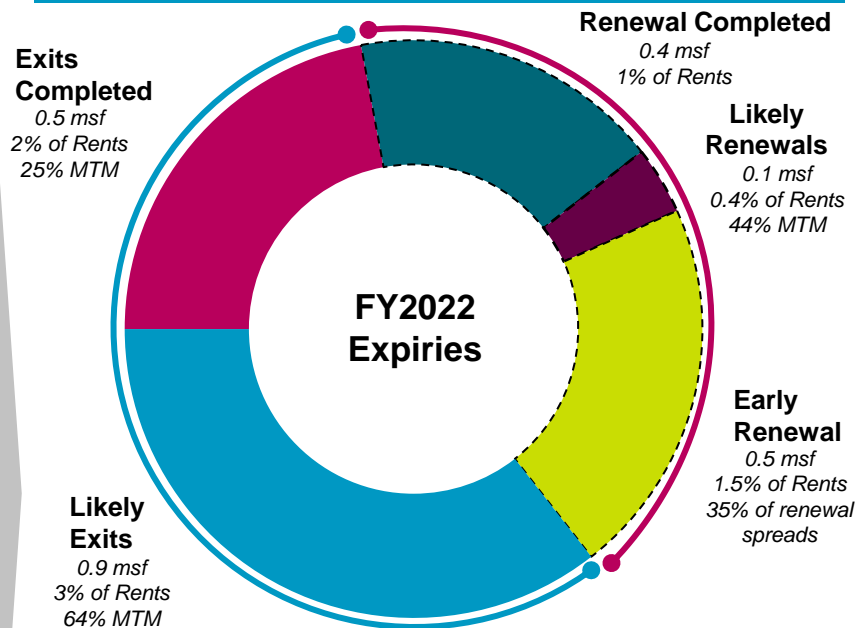
## Mark-to-market opportunity

58%      48%      18%      49%      23%

## Rents Expiring<sup>(1)</sup>

3%      7%      4%      7%      10%

FY2022 Lease Expiries in-line with previous guidance



- ▶ Lease expiries in-line with guidance in Q4 FY2021
  - 0.5 msf Renewals and 1.4 msf Exits
- ▶ H1 Update
  - 0.5 msf of early renewal; 35% renewal spread
  - 0.4 msf renewed; 0.1 msf likely renewals
  - 0.5 msf exits; 25% MTM potential
  - 0.9 msf likely exits; 64% MTM potential<sup>(2)</sup>

Notes:

- (1) Refers to annualized rent obligations
- (2) MTM potential computed basis market rent per latest CBRE estimate and in-place rent for respective leases
- (3) Includes 511k sf early renewal with Nokia as a part of 'blend and extend' strategy, leases originally expiring between FY25/26

# VI. Development Update

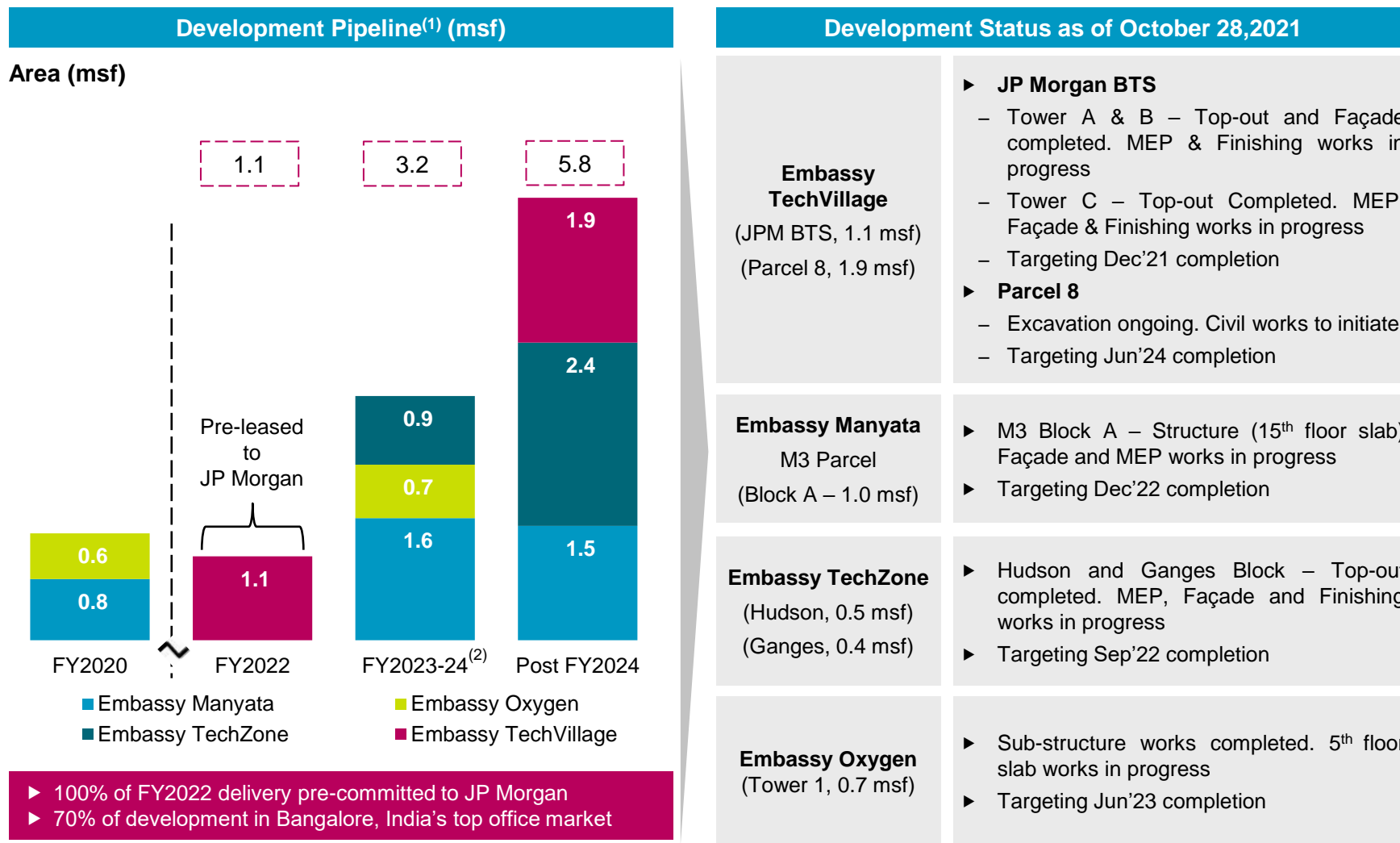


Embassy  
TechVillage  
ಎಂಬೆಸಿ ಟೆಕ್ ವಿಲೇಜ್

Embassy TechVillage – JP Morgan BTS, Bangalore

# Development Pipeline

Construction in full swing on 5.7 msf development projects; 1.1 msf JP Morgan campus at ETV on-track for handover by year-end



Notes:

- (1) Excludes 1,137 hotel keys across Hilton & Hilton Garden Inn at Embassy Manyata and Embassy TechVillage  
 (2) Includes acquisition of 0.6 msf M3 Block B located within overall Embassy Manyata campus upon estimated building completion in Mar'24



# Development Projects

Embassy TechVillage - JP Morgan BTS (1.1 msf)

Design Perspective



Embassy Manyata – M3 Block A (1.0 msf)



Actual Progress at Site<sup>(1)</sup>



Note:  
(1) Oct'21 Pictures

## Development Projects (Cont'd)

Embassy Oxygen – Tower 1 (0.7 msf)

Design Perspective



Embassy TechZone – Hudson and Ganges (0.9 msf)



Actual Progress at Site<sup>(1)</sup>



Note:  
(1) Oct'21 Pictures

# VII. Asset Management Update



Embassy Qubix, Pune

# Early Leasing Renewals – Hands-on Asset Management

**Strengthened partnership with an existing occupier through early renewal of 0.5 msf lease by offering customized and flexible solution**

## Situation Overview

- ▶ Occupier considering consolidation and potential relocation
  - 0.6 msf 10-year-old lease with a global telecom company
  - Due for expiry in FY2025/26
- ▶ Opportunity to renew lease earlier than scheduled expiry date, ensures long term revenue visibility

## Hands-on Asset Management

- ▶ Initiated early negotiations for upcoming lease expiry
- ▶ Facilitated relocation and consolidation of other smaller leases into Embassy Manyata
- ▶ Wellness focus and Total Business Ecosystem efficiency helped in early renewal decision
- ▶ Concluded 'blend and extend' lease in Q2

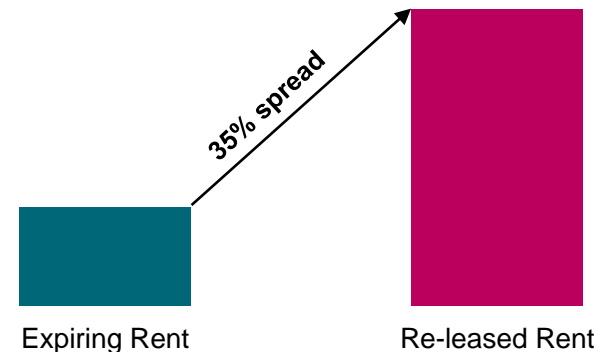
## Value Addition

- ▶ New 10-year lease, reinforced occupancy through new 5 year lock in
- ▶ Achieved 35% renewal spread over expiring rents
- ▶ Locked-in 18% of next 4 years Embassy Manyata expiries<sup>(1)</sup>
- ▶ Enhanced contractual escalations to 15% every 3 years vs.10% earlier
- ▶ Growth potential for further lease-up in medium-term due to tailwinds supporting occupier's industry

## 0.5 msf Early Lease Renewal at Embassy Manyata



## Achieved MTM Spreads on Renewal



Note:  
(1) Total lease expiries from FY2023 to FY2026 at Embassy Manyata

## Deepening Our Business Moat

Our continued investments in infrastructure and amenities create entry barriers and fortifies our properties for the next phase of growth

Flyover at Embassy Manyata (WIP, Dec'21)



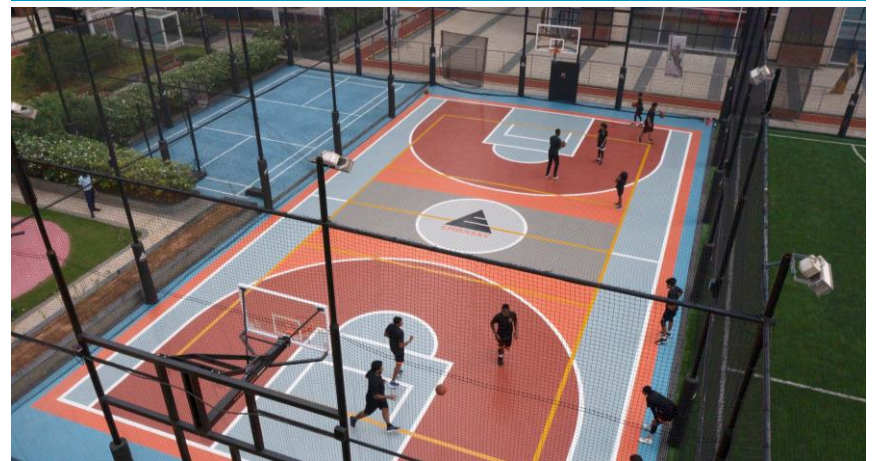
North Side Skywalk at Embassy Manyata (Completed, Sep'21)



South Side Skywalk at Embassy Manyata (WIP, Dec'21)



Sports Facility at Embassy TechZone (Completed, Sep'21)



# Embassy Quadron Asset Re-positioning

Completed comprehensive asset re-positioning of Embassy Quadron

New Revamped Lobbies (Completed, Dec'20)



Entry Portal (Completed, Sep'21)



Outdoor Food-court (Completed, Mar'21)



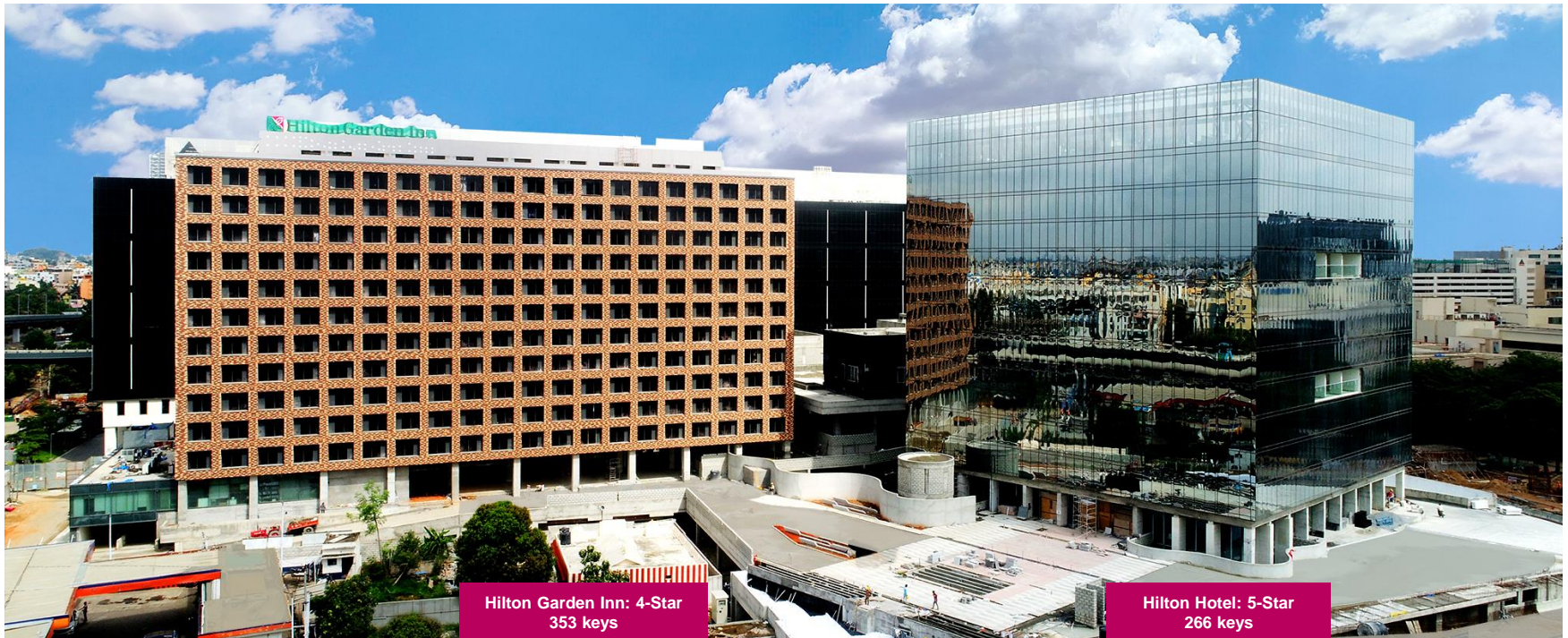
Façade Upgrades (Completed, Sep'21)



Note:  
(1) Oct'21 Pictures

## Infrastructure and Upgrade Projects

Pre-opening activities initiated for under-construction 619 keys dual branded Hilton hotels at Embassy Manyata; on track for Jun'22 launch



Hilton Garden Inn: 4-Star  
353 keys

Hilton Hotel: 5-Star  
266 keys

- ▶ **Hilton – 5 Star (266 keys) at Embassy Manyata**
  - Guest Rooms, Lobby and Restaurant interior work in advanced stages
  - Convention Center interior work in progress
- ▶ **Hilton Garden Inn – 4 Star (353 keys) at Embassy Manyata**
  - Guest Rooms and Plant room handover initiated
- ▶ Targeting Jun'22 launch
  - Pre-operational activities on track; commercial engagement with corporates initiated

# Hospitality Update

With lockdown relaxations and green shoots in domestic travel, Occupancy for our operating hotel portfolio grew to 28% in Q2 vs 10% in Q1 with EBITDA loss narrowing to ₹28 mn in Q2 vs ₹85mn in Q1

## Hilton at Embassy GolfLinks



247 Keys

5-Star Hotel

Operational

Q2 Occupancy : 30% (vs 12% in Q1)

Q2 EBITDA: ₹(9) mn vs ₹(28) mn in Q1

*'2021 Travellers Choice Award'*

- by TripAdvisor

## Four Seasons at Embassy One



230 Keys

5-Star Luxury Hotel

Operational

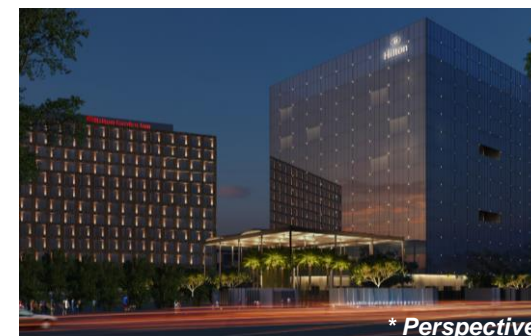
Q2 Occupancy : 26% (vs 9% in Q1)

Q2 EBITDA: ₹(19) mn vs ₹(57) mn in Q1

*'Far and East: Best Chinese Premium Dining'*

- by Times Food & Nightlife Awards 2021

## Hilton Hotels at Embassy Manyata



619 Keys

5-Star & 4-Star Hotel

Under Construction

Target Launch in Jun'22

100k+ sf Retail & Convention Center

*'Best Hotel Architecture'*

- by Asia Pacific Property Awards

- ▶ **Outlook** – Green shoots in domestic travel with recovery in corporate travel, expected to pick up further in early 2022
- ▶ **Action Plan** – Focus on driving occupancy and ADR through targeted revenue initiatives such as local staycations, wedding groups and domestic corporates

Limited impact of Covid induced hospitality slowdown on our portfolio given Hotels contributed < 1% of pre-Covid NOI (FY2020)



# VIII. Financial Update



Embassy TechZone, Pune

## Significant Debt Refinance at Attractive Terms

Successfully raised ₹46 billion debt at 6.5% cost; to achieve ₹1.3 bn of annual savings through early refinancing of ZCB

	Then (May'19)	Now (Oct'21)	Key Benefits
Amount Raised	<p><b>₹36.5 bn</b> Zero-Coupon Bond (ZCB)</p>	<p><b>₹46 bn</b> Coupon bearing listed NCDs &amp; Bank Term Loan</p>	<p><b>Simplified coupon bearing debt</b></p>
Coupon Rate	<p><b>9.4%</b> As a first-time issuer</p>	<p><b>6.5%</b> Capitalizing on performance track record</p>	<p><b>Significant interest cost savings (c.300bps)</b></p>
Tenure	<p><b>3 years</b> Shorter tenure funding, bullet repayment</p>	<p><b>4 years</b> Longer maturities, staggered repayment (3 and 5 years)</p>	<p><b>Staggered repayment</b></p>
Key Investors	<ul style="list-style-type: none"> <li>▶ MFs, HNIs</li> <li>▶ First-time debt raise by an Indian listed REIT</li> </ul>	<ul style="list-style-type: none"> <li>▶ MFs, Insurers, Banks and Corporates</li> <li>▶ Increasing acceptance of REITs in India</li> </ul>	<p><b>Diversified pool</b></p>

# ZCB Refi Further Strengthens Our Fortress Balance Sheet

Recent ₹46 bn debt raise and planned ZCB refinancing further strengthens balance sheet and helps stagger debt maturity. 65% of total debt is locked-in at fixed interest rate

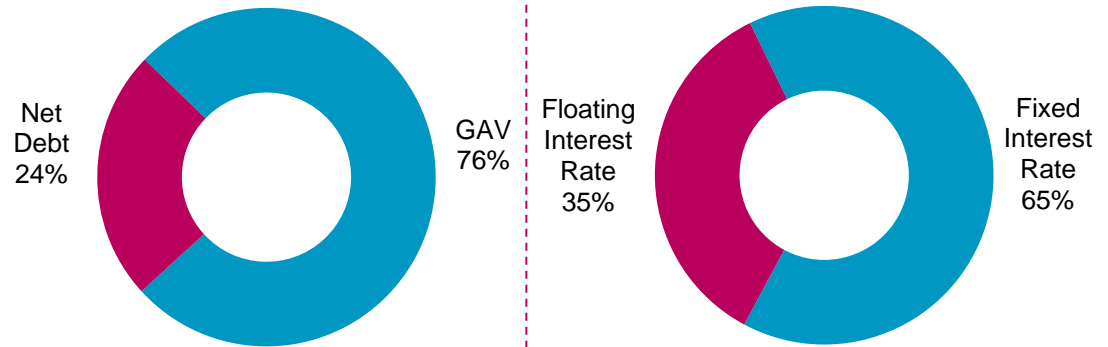
**₹120 bn**  
Proforma Debt Headroom

**6.5%**  
Average Interest Cost

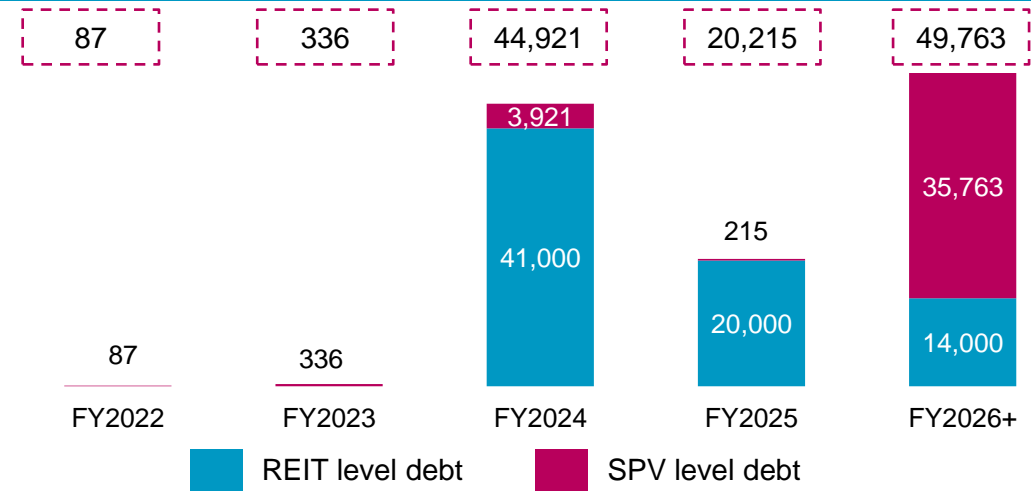
**<2%**  
Debt Maturities in next 2 years

**4 years**  
Average Debt Tenure

## REIT Debt Composition<sup>(1)</sup>



## Staggered Debt Maturity<sup>(1)</sup> (₹ mn)



Note:  
(1) Assumes existing ZCB repaid through the proceeds raised from issuance of recent ₹46 bn bond and term loan. Debt figures are on a proforma basis

## Walkdown of Key Financial Metrics

Particulars (₹mn)	2Q FY2022	2Q FY2021	Variance (%)	1H FY2022	1H FY2021	Variance (%)	
Revenue from Operations	7,352	5,401	36%	14,728	10,564	39%	NOI
Property Taxes and Insurance	(297)	(196)	52%	(582)	(389)	50%	
Direct Operating Expenses	(819)	(392)	109%	(1,698)	(792)	114%	
<b>Net Operating Income</b>	<b>6,236</b>	<b>4,814</b>	<b>30%</b>	<b>12,449</b>	<b>9,383</b>	<b>33%</b>	NDCF at SPV level
Other Income	247	214	15%	521	504	3%	
Dividends from Embassy GolfLinks	450	175	157%	750	265	183%	
Property Management Fees <sup>(1)</sup>	(176)	(119)	48%	(344)	(235)	46%	
Indirect Operating Expenses	(258)	(111)	132%	(467)	(199)	134%	
<b>EBITDA</b>	<b>6,500</b>	<b>4,974</b>	<b>31%</b>	<b>12,909</b>	<b>9,717</b>	<b>33%</b>	
Working Capital Adjustments	665	(276)	NR	1,359	(160)	NR	
Cash Taxes, net of refunds	(487)	(124)	292%	(914)	(366)	150%	
Principal Repayment on external debt	(26)	(48)	(46%)	(45)	(97)	(54%)	
Interest on external debt	(355)	(388)	(9%)	(699)	(784)	(11%)	
Non-Cash Adjustments	(100)	(80)	25%	(253)	(133)	90%	
<b>NDCF at SPV level</b>	<b>6,197</b>	<b>4,056</b>	<b>53%</b>	<b>12,357</b>	<b>8,178</b>	<b>51%</b>	Distribution
Distribution from SPVs to REIT	6,215	4,088	52%	12,397	8,268	50%	
Distribution from Embassy Golflinks	-	258	NR	-	738	(100%)	
Interest on external debt	(726)	(34)	NR	(1,444)	(34)	NR	
REIT Management Fees <sup>(1)</sup>	(64)	(55)	16%	(138)	(113)	22%	
Other Inflows at REIT level (Net of Expenses)	(58)	(28)	104%	(98)	(135)	(27%)	
<b>NDCF at REIT level</b>	<b>5,368</b>	<b>4,229</b>	<b>27%</b>	<b>10,718</b>	<b>8,724</b>	<b>23%</b>	
<b>Distribution</b>	<b>5,365</b>	<b>4,244</b>	<b>26%</b>	<b>10,711</b>	<b>8,743</b>	<b>23%</b>	

Notes: 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

## Portfolio Valuation

**Gross Asset Value of the portfolio stood at ₹475 bn with 94% of value in commercial office segment, underpinning Embassy REIT's asset quality**

Property	Segment	September 30, 2021	March 31, 2021	Variance
		(₹ mn)	(₹ mn)	(%)
Embassy Manyata	Commercial Office	177,361	173,579	2%
Embassy TechVillage	Commercial Office	112,617	106,491	6%
Embassy GolfLinks <sup>(2)</sup>	Commercial Office	28,445	28,053	1%
Embassy One	Commercial Office	4,359	4,324	1%
Express Towers	Commercial Office	18,110	18,403	(2%)
Embassy 247	Commercial Office	17,028	16,914	1%
FIFC	Commercial Office	13,845	13,889	(0%)
Embassy TechZone	Commercial Office	21,628	22,827	(5%)
Embassy Quadron	Commercial Office	12,801	12,938	(1%)
Embassy Qubix	Commercial Office	10,001	10,414	(4%)
Embassy Oxygen	Commercial Office	23,336	23,694	(2%)
Embassy Galaxy	Commercial Office	9,111	9,028	1%
Hilton at Embassy GolfLinks	Hospitality	3,965	3,995	(1%)
Four Seasons at Embassy One	Hospitality	7,266	7,278	(0%)
Hilton at Embassy Manyata	Hospitality	5,785	4,341	33%
Hilton at Embassy TechVillage	Hospitality	603	582	4%
Embassy Energy	Others	9,144	9,302	(2%)
<b>Gross Asset Value</b>		<b>475,405</b>	<b>466,051</b>	<b>2%</b>
Other Assets		78,759	81,820	
Other Liabilities		(186,138)	(180,521)	
<b>NAV</b>		<b>368,025</b>	<b>367,350</b>	
<b>NAV per unit</b>		<b>388.26</b>	<b>387.54</b>	<b>In-line</b>

Notes: As per Sep'21 valuation by independent valuer. Valuation exercise undertaken semi-annually.

Given the Covid related uncertainties and any impact on real estate market, the independent valuers have, as a precautionary measure, referenced material valuation uncertainty in arriving at their valuation

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

(2) Details include 50% GLSP. Embassy REIT owns 50% economic interest in GLSP

# IX. Appendix



## Financial Performance for 1H FY2022

**NOI and EBITDA up 33% and 31% year-on-year respectively with NOI and EBITDA margins at 85% and 82% respectively**

	1H FY2022 (mn)	1H FY2021 (mn)	Variance %	Remarks
<b>Revenue from Operations</b>	<b>₹14,728</b>	<b>₹10,564</b>	<b>+39%</b>	<ul style="list-style-type: none"> <li>▶ Revenue from ETV's 6.1 msf completed area<sup>(2)</sup></li> <li>▶ Revenue from Embassy Manyata and TechZone CAM Operations<sup>(3)</sup></li> <li>▶ Ramp-up of Hospitality occupancy</li> <li>▶ Lease rent escalations of 14% on 5.6 msf</li> <li>▶ Partially offset due to occupier exits</li> </ul>
<b>NOI</b>	<b>₹12,449</b>	<b>₹9,383</b>	<b>+33%</b>	<ul style="list-style-type: none"> <li>▶ Increase in Revenue from Operations</li> <li>▶ Costs corresponding to CAM Operations of Embassy Manyata, TechZone &amp; TechVillage<sup>(3)</sup></li> </ul>
<b>Margin (%)</b>	<b>85%</b>	<b>89%</b>		
<b>EBITDA</b>	<b>₹12,060</b>	<b>₹9,237</b>	<b>+31%</b>	<ul style="list-style-type: none"> <li>▶ In line with NOI increase</li> </ul>
<b>Margin (%)</b>	<b>82%</b>	<b>87%</b>		
<b>Distribution</b>	<b>₹10,711</b>	<b>₹8,743</b>	<b>+23%</b>	<ul style="list-style-type: none"> <li>▶ Distribution of ₹10,711 mn for H1                             <ul style="list-style-type: none"> <li>– Represents payout ratio of 100% at REIT level</li> </ul> </li> </ul>
<b>Payout Ratio</b>	<b>100%</b>	<b>100%</b>		

Notes:  
 (1) Above financial results exclude Revenue, NOI and EBITDA from Embassy GolfLinks since Embassy REIT owns 50% economic interest in GLSP. GLSP NOI in 1H FY2022 was up 5% year-on-year  
 (2) ETV was acquired on December 24, 2020 by Embassy REIT and the results have been consolidated into Embassy REIT from 4Q FY2021 onwards  
 (3) Pursuant to acquisition of property maintenance operations in 3Q FY2021

# Portfolio Summary

**32.3 msf completed Grade A office assets (88.5% occupied, 6.9 years WALE, 27% MTM opportunity)**

Property	Leasable Area (msf)/Keys/MW			WALE <sup>(2)</sup>	Occupancy	Rent (₹ psf / mth)			GAV <sup>(3)</sup>	
	Completed	Development	Total	(yrs)	(%)	In-place	Market	MTM (%)	₹ mn	% of total
Embassy Manyata	11.8	3.1	14.8	7.0	91.8%	62	92	48%	177,361	37%
Embassy TechVillage	6.1	3.1	9.3	8.8	98.5%	72	93	29%	112,617	24%
Embassy GolfLinks(1)	2.7	-	2.7	7.6	97.2%	122	148	22%	28,445	6%
Embassy One	0.3	-	0.3	7.4	5.5%	162	147	(9%)	4,359	1%
<b>Bengaluru Sub-total</b>	<b>20.9</b>	<b>6.1</b>	<b>27.0</b>	<b>7.7</b>	<b>93.5%</b>	<b>74</b>	<b>100</b>	<b>36%</b>	<b>322,782</b>	<b>68%</b>
Express Towers	0.5	-	0.5	3.2	88.3%	265	270	2%	18,110	4%
Embassy 247	1.2	-	1.2	3.2	80.6%	103	110	7%	17,028	4%
FIFC	0.4	-	0.4	3.9	72.9%	294	270	(8%)	13,845	3%
<b>Mumbai Sub-total</b>	<b>2.0</b>	<b>-</b>	<b>2.0</b>	<b>3.4</b>	<b>81.0%</b>	<b>175</b>	<b>177</b>	<b>1%</b>	<b>48,983</b>	<b>10%</b>
Embassy TechZone	2.2	3.3	5.5	4.5	88.4%	49	48	(2%)	21,628	5%
Embassy Quadron	1.9	-	1.9	4.8	49.7%	49	48	(3%)	12,801	3%
Embassy Qubix	1.5	-	1.5	5.8	89.7%	41	48	16%	10,001	2%
<b>Pune Sub-total</b>	<b>5.5</b>	<b>3.3</b>	<b>8.8</b>	<b>4.9</b>	<b>75.4%</b>	<b>47</b>	<b>48</b>	<b>3%</b>	<b>44,430</b>	<b>9%</b>
Embassy Oxygen	2.5	0.7	3.3	10.6	75.8%	48	54	12%	23,336	5%
Embassy Galaxy	1.4	-	1.4	1.4	98.5%	35	45	28%	9,111	2%
<b>Noida Sub-total</b>	<b>3.9</b>	<b>0.7</b>	<b>4.6</b>	<b>7.5</b>	<b>83.7%</b>	<b>43</b>	<b>50</b>	<b>17%</b>	<b>32,447</b>	<b>7%</b>
<b>Sub-total (Office)</b>	<b>32.3</b>	<b>10.1</b>	<b>42.4</b>	<b>6.9</b>	<b>88.5%</b>	<b>72</b>	<b>91</b>	<b>27%</b>	<b>448,642</b>	<b>94%</b>
Four Seasons at Embassy One	230 Keys	-	230 Keys	-	18%	-	-	-	7,266	2%
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	-	21%	-	-	-	3,965	1%
Hilton & Hilton Garden Inn at Embassy Manyata (5 & 3 star)	-	619 Keys	619 Keys	-	-	-	-	-	5,785	1%
Hilton & Hilton Garden Inn at Embassy TechVillage (5 & 3 star)	-	518 Keys	518 Keys	-	-	-	-	-	603	0%
Embassy Energy	100MW	-	100MW	-	-	-	-	-	9,144	2%
<b>Sub-total (Infrastructure Assets)</b>	<b>477 Keys / 100MW</b>	<b>1,137 Keys</b>	<b>1,614 Keys / 100MW</b>						<b>26,763</b>	<b>6%</b>
<b>Total</b>	<b>32.3 msf/477 Keys/100MW</b>	<b>10.1 msf / 1,137 Keys</b>	<b>42.4 msf / 1,614 Keys /100MW</b>						<b>475,405</b>	<b>100%</b>

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

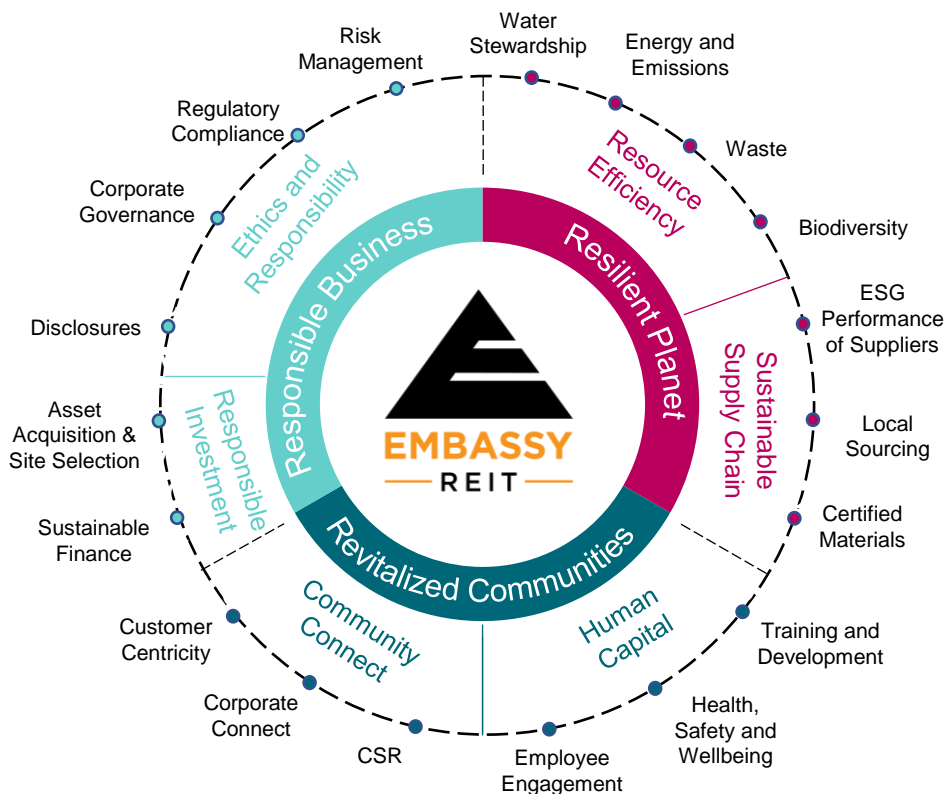
(3) Gross Asset Value (GAV) considered per Sep'21 valuation undertaken by IVAS Partners represented by Mr. Manish Gupta, partner, with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer notes on slide 54



# ESG Initiatives - Our Roadmap

**Our Environment, Social and Governance (ESG) Framework comprises 3 pillars: Resilient Planet, Revitalized Communities and Responsible Business**

## ESG Framework



**Moving beyond compliance towards creating shared value**

## Progress and Path ahead

### Early Years (Pre FY2021)

- ▶ Green Energy Initiatives – 100 MW solar plant in Bangalore
- ▶ Multiple dispersed community initiatives
- ▶ Large portfolio of LEED Platinum and Gold certified assets

### Yesterday (FY2021)

- ▶ Published first ESG report
- ▶ British Standard Institutions (BSI) Assurance
- ▶ Corporate Connect - Strategic CSR initiatives

### Today (FY2022)

- ▶ Integrating CSR with ESG through community programs
- ▶ ESG focus across 19 areas with defined goals and targets
- ▶ GRESB Assessment

### Tomorrow (FY2023 and beyond)

- ▶ Integrating ESG priorities into business planning and strategy
- ▶ Alignment with global standards including TCFD, SBTi
- ▶ Signatory to RE100. Resource neutral operations

Notes:

- (1) TCFD – Task Force on Climate-related Financial Disclosures
- (2) SBTi – Science Based Target Initiatives

# ESG Initiatives - Resilient Planet

Our framework is driven with specific focus on green energy and operational excellence. We believe in “Reimagining Spaces” for a sustainable tomorrow for our planet and our communities

## Current Memberships and Certifications

ESG  
Benchmarks



Operational  
Excellence



Building  
Certifications



ESG  
Disclosures



100 MW (AC) Solar Plant  
(Reduces 158mn kg CO<sub>2</sub> emissions annually)<sup>(1)(2)</sup>



525 kW Solar Roof top at Embassy 247, Mumbai  
(Awarded ‘Best Green Building Project of the Year’)<sup>(3)</sup>



Notes:

- (1) Picture from Embassy Energy 100 MW solar facility at Bellary, Karnataka
- (2) Based on “CO<sub>2</sub> baseline database for the Indian power sector Dec’18 and actual generation of 190 mn units in FY21
- (3) Awarded by The Future of Tech Congress & Awards

## ESG Initiatives - Revitalized Communities

Our goal is to build a sustainable eco-system and actively contribute to the social economic and environmental development of our communities

**Corporate Connect Program  
(30+ partners and 60+ projects)**



**Employment Upskilling Program  
(500+ alumni)**



**Rooftop solar panel installation to supply green energy  
(12 schools benefitted)**



**Set up 48 high-dependency oxygen beds in Covid Hospital  
(in collaboration with Yahoo)**

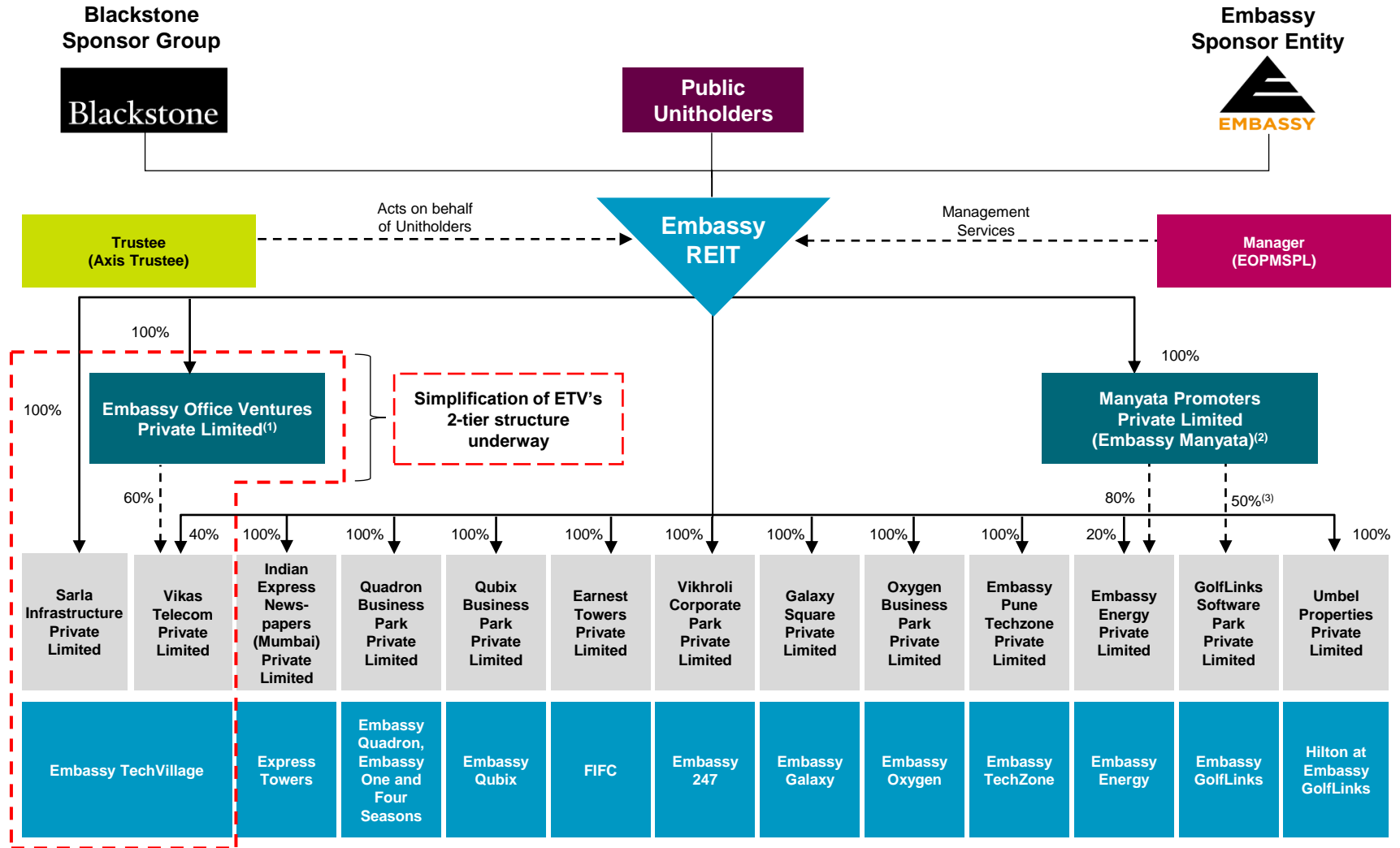


## ESG Initiatives - Responsible Business

Embassy REIT has adopted strong corporate governance standards. Received an exceptional 95% score on Governance in 2021 GRESB assessment, reflecting our best-in-class governance framework

<b>Asset</b>	<ul style="list-style-type: none"><li>▶ Minimum 80% of value in completed and income generating</li><li>▶ Minimum 90% of distributable cash flows to be distributed</li><li>▶ Restrictions on vacant land acquisition</li></ul>
<b>Debt</b>	<ul style="list-style-type: none"><li>▶ Majority unitholder approval required if debt exceeds 25% of asset value</li><li>▶ Debt cannot exceed 49% of asset value</li></ul>
<b>Manager</b>	<ul style="list-style-type: none"><li>▶ 50% independent directors on the Board, with 50% representation on key committees</li><li>▶ Manager can be removed with 60% approval of unrelated Unitholders</li><li>▶ Alignment with Unitholder interests due to a distribution-linked management fees structure</li></ul>
<b>Strong Related Party Safeguards</b>	<ul style="list-style-type: none"><li>▶ Sponsors, sponsor group and associates are prohibited from voting on related party transactions (RPTs)</li><li>▶ Majority Unitholder approval required for total value of RPTs in a financial year pertaining to acquisition or sale of property which exceeds 10% of REIT value</li><li>▶ Acquisition or sale price of property cannot be at a price greater than 110% of average valuation of two independent valuers or at a price lower than 90% of the average of two independent valuer's valuation respectively</li><li>▶ Fairness opinion from independent valuer required if leases to related parties exceed 20% of the underlying assets based on certain parameters</li></ul>

# Embassy REIT Structure



Notes:

- (1) Does not reflect the restructuring pursuant to scheme of arrangement between VTPL and EOVP, filed before NCLT in Feb'21. Upon the scheme becoming effective, EOVP will merge into VTPL and the existing 60% investment in the share capital of VTPL held by EOVP will stand cancelled and VTPL will become a 100% directly-held SPV of Embassy REIT
- (2) Pursuant to a composite scheme of arrangement (the "Scheme") involving MPPL, EOPL and EPTPL which was approved by National Company Law Tribunal (NCLT), Mumbai bench via order dated 10 March 2021, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Manyata Business Park, 80% of the share capital of EEPL and 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone
- (3) Balance 50% owned by JV partner
- (4) 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 Sep 30, 2021
  - ▶ All figures corresponding to year denoted with "FY" are as of or for the one-year period ending (as may be relevant) March 31<sup>st</sup> 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) December 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
  - ▶ Valuation as of Sep 30, 2021, undertaken by iVAS Partners represented by Mr. Manish Gupta, partner, with value assessment services undertaken by CBRE
  - ▶ Key Terms and Definitions:
1. 2Q/Q2/Three Months ended – Quarter ending Sep'21
  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. BSE – BSE Limited
  9. CAM – Common Area Maintenance
  10. C&W – Cushman & Wakefield
  11. CAGR – Compounded Annual Growth Rate
  12. CBRE – CBRE South Asia Private Limited
  13. Completed Area – the Leasable Area of a property for which occupancy certificate has been received
  14. CRE – Corporate real estate
  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), Embassy Office Ventures Private Limited (EOVPL) and Saria 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. EOPPL – Embassy Office Parks Private Limited, a former holding company of Embassy REIT which has been dissolved pursuant to restructuring involving MPPL, EOPPL and EPTPL through NCLT scheme
  22. FY – Period of 12 months ended March 31 of that particular year, unless otherwise stated
  23. GAV – Gross Asset Value
  24. GCC – Global Captive Centers
  25. GLSP – GolfLinks Software Park Private Limited
  26. GRESB – Formerly known as Global Real Estate Sustainability Benchmark
  27. Holdco – Refers to EOVPPL and MPPL
  28. Investment Entity – Refers to GolfLinks Software Park Private Limited
  29. IPO – Initial Public Offering of units of Embassy Office Parks REIT
  30. Leasable Area – Total square footage that can be occupied by an occupier for the purpose of determining a occupier's rental obligations. Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area
  31. LTM – Last twelve months
  32. Manager – Embassy Office Parks Management Services Private Limited
  33. MEP – Mechanical, Electrical & Plumbing
  34. mn – Millions
  35. MNC – Multinational Corporation
  36. msf – Million square feet
  37. MTM – Mark to Market
  38. Mumbai – Mumbai Metropolitan Region (MMR)
  39. MW – Mega-Watt
  40. NAV – Net Asset Value
  41. NCD – Non-Convertible Debentures
  42. NDCF refers to Net Distributable Cash Flows
  43. Net Debt – Gross Debt minus short term treasury investment and cash and cash equivalents
  44. NM – Not material
  45. NOI – Net Operating Income
  46. NR – Not Relevant
  47. NSE – The National Stock Exchange of India Limited
  48. NTM – Next twelve months
  49. NXT – Manyata front parcel office towers
  50. OC – Occupancy certificate
  51. Occupancy / % Occupied / % Leased – Occupancy is defined as the ratio of the Occupied Area and the Completed Area
  52. Occupied Area – Completed area of property which has been leased or rented out in accordance with an agreement entered into for the purpose
  53. Proforma Debt Headroom – Proforma Debt Capacity (Maximum debt as per REIT Regulations) - Current Net Debt
  54. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
  55. 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
  56. QoQ – Quarter on quarter
  57. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
  58. 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 Sep'21
  59. RevPAR – Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
  60. Re-leasing spread – Refers to the change in rent psf between new & expiring leases, expressed as a percentage
  61. Restructuring – Pursuant to a composite scheme of arrangement (the "Scheme") involving MPPL, EOPPL and EPTPL which was approved by National Company Law Tribunal (NCLT), Mumbai bench via order dated 10 March 2021, MPPL has become a 100% Holdco of the Embassy Office Parks REIT, holding Embassy Maniyata Business Park, 80% of the share capital of EEPPL and 50% of the share capital of GLSP, while EPTPL has become a 100% directly-held SPV of Embassy Office Parks REIT, holding Embassy TechZone
  62. ROFO – Right of First Offer
  63. Same-Store KPIs – Same-Store KPIs represents KPIs (Occupancy/ Revenue/ NOI) from properties which are in service in both the current and prior year reporting periods adjusted to exclude straight-line & other non-cash IndAS income, as applicable, to make comparisons between periods more meaningful. For example, for 2QFY2022, Same-Store occupancy is computed for the portfolio excluding ETV's 6.1 msf completed area
  64. sf / psf – Square feet / per square feet
  65. Sponsor(s) – Embassy Property Developments Private Limited and BRE / Mauritius Investments
  66. SPV – Special purpose vehicles, as defined in Regulation 2(i)(zs) of the REIT Regulations, in this case being UPPL, EEPPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL, VTPL, SIPL, EPTPL and GSPL
  67. TEV – Total Enterprise Value
  68. TI / TIs – Tenant Improvement / (s)
  69. tn – Trillions
  70. 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
  71. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
  72. 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
  73. WFH – Work from home
  74. WIP – Work-in-progress
  75. Years – Refers to fiscal years unless specified otherwise
  76. YoY – Year on year
  77. YTD – Year to date
  78. YTM – Yield to Maturity
  79. ZCB – Zero Coupon Bond

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**Investor Contact:**

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