



Transcript of the Second Extraordinary meeting of the Unitholders of Embassy Office Parks REIT held on Monday, April 29, 2024 through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)

Ms. Sakshi Garg, Head – Investor Relations, Embassy REIT:

Good morning, everyone. We welcome you to the Second Extraordinary Meeting of the Unitholders of Embassy REIT. I'm Sakshi Garg - Head of Investor Relations of Embassy REIT and your host for today's meeting.

We have called this meeting to vote on the following two resolutions:

1. To consider and approve the proposed acquisition of a business park in Chennai for an enterprise value of up to ₹12,690 million; and
2. To consider and approve raising funds through an institutional placement of units of Embassy REIT not exceeding ₹ 30,000 million to investors in one or more placements.

Since we are hosting today's meeting in a virtual format, we would like to provide a few instructions for our participants. All the Unitholders attending the meeting are, by default, on mute to avoid any disturbance arising from background noise and to ensure smooth and seamless conduct of the meeting. The video conferencing facility enabling virtual participation in this meeting opened 30 minutes prior to the scheduled time. Embassy REIT is also hosting this meeting live on its website at www.embassyofficeparks.com. We encourage all participants to refer to the instructions provided in the notice convening the meeting. Please note that after the meeting ends, the NSDL portal will remain open for 15 minutes to enable the Unitholders to cast their votes. We will also host a Question & Answer session towards the end of the meeting, and Unitholders who wish to express their views or ask any query, may do so there. Unitholders joining may ask their queries by clicking on the Q&A tab on their respective video conferencing screens. All Unitholders will need to mention their full name along with their DMAT account number and their question. A relevant person from a team should answer your query during the Q&A session. In the event any unit holder faces any issues or difficulties during the meeting, please contact the helpline number mentioned in the notice.

Now let me take an opportunity to introduce you to your board of directors who are attending this meeting today.

We have with us, Dr. Ranjan Pai - He is an Independent Director on a board and Chairperson of the Investment Committee and Nomination and Remuneration Committee. He is also the Chairman of Manipal Group of Companies.

Dr. Punita Kumar-Sinha - She is an Independent Director on a board and Chairperson of the Stakeholders Relationship Committee and the CSR Committee. She is the founder of Pacific Paradigm Advisors LLC. Previously she was the Senior Managing Director of Blackstone and Managing Director at Oppenheimer and CIO of the India Fund and the Asia Tigers Fund Inc.

Dr. Anoop Kumar Mittal - He is an Independent Director on our board. He served as the Chairman cum Managing Director of NBCC India Limited.

Mr. Aditya Virwani - He is a Non-Executive Director on our board. He is also the Chief Operating Officer of the Embassy Group and is on the board of several Embassy Group companies.

Mr. Jitendra Virwani and Mr. Vivek Mehra are not attending the meeting due to certain prior commitments.

The management team of Embassy REIT also joins us for this meeting:



We have with us, Mr. Aravind Maiya - Chief Executive Officer, Mr. Abhishek Agrawal - Chief Financial Officer, Mr. Ritwik Bhattacharjee - Chief Investment Officer, and Ms. Vinitha Menon - Company Secretary and Compliance Officer.

The following key persons are also attending the meeting:

Mr. Sagar Shetty and Mr. Nitul Gala, representatives of Axis Trustee Services Limited, trustee to Embassy REIT.

Mr. Adarsh Ranka, representative from S.R. Batliboi & Associates LLP, Statutory Auditors of Embassy REIT.

Ms. Rupal Jhaveri, Practicing Company Secretary, present here as the scrutinizer for this meeting.

With this, I now hand over the meeting proceedings to the Chairman for today's meeting, Dr. Ranjan Pai. Over to you, Ranjan.

Dr. Ranjan Pai - Independent Director, Embassy REIT and Chairman of the Meeting:

Thank you, Sakshi. Good morning, Unitholders. It gives me immense pleasure to welcome you all today to the Second Extraordinary Meeting of the Unitholders of Embassy REIT. All reasonable efforts have been made by the Manager of the REIT to enable Unitholders to participate and vote on the items being considered in the meeting. On behalf of the board of directors of Embassy REIT, I thank you all for taking the time to join us today. Since we have the requisite quorum present to conduct the proceedings of this meeting, I call the meeting to order.

Our board of directors are joining us today from various locations. Before we start the main proceedings of the meeting, I would request my colleagues to introduce themselves along with details of the location from which they are attending the meeting. Please note that I'm attending the meeting from my home in Manipal.

Dr. Punita Kumar-Sinha – Independent Director, Embassy REIT:

Hi, I'm Punita Kumar-Sinha. I'm an Independent Director on the Embassy REIT board. I am joining the meeting from Boston, USA.

Dr. Anoop Kumar Mittal - Independent Director, Embassy REIT:

Good morning, Unitholders. I'm Anoop Kumar Mittal, Independent Director on the board of Embassy, and I'm attending this meeting from Delhi office.

Mr. Aditya Virwani – Non-Executive Director, Embassy REIT:

Good morning, Unitholders. I'm Aditya Virwani, a Non-Executive Director on the board, and I'm attending this meeting from Italy.

Dr. Ranjan Pai - Independent Director, Embassy REIT and Chairman of the Meeting:

The purpose of this meeting is to seek approval from the Unitholders on the matters stated in the notice in respect to the meeting. On April 6th, 2024, the Independent Directors of the Investment and Audit Committees of the board, as well as the Board of the Managers to Embassy REIT, approved the acquisition of Embassy Splendid Techzone, Chennai, subject to requisite unrelated Unitholders confirmation and other approvals. I would now request Mr. Aravind Maiya, the CEO of Embassy REIT, to take us all through the acquisition rationale and other details. Over to you, Aravind.

Mr. Aravind Maiya - Chief Executive Officer, Embassy REIT:

Thank you, Ranjan. Can I please have a presentation up? Thank you. Let's move to the next slide.



Good morning to all Unitholders. It gives me great pleasure to welcome you to the Second Extraordinary Meeting of Unitholders. Before I get to the acquisition per se, a quick reminder of how we have performed as REIT.

It's been five years since we listed. 1st April was our 5th year anniversary. Just giving a few numbers, which we are very proud of:

We increased our completed area by 25 million to almost 36 million square feet. We did four acquisitions, including the large Embassy Tech Village. We did close to 20 million square feet of lease-up in the last five years (including Q4), raised around 10,000 crores of equity. But something which we are proud of is the fact that our unitholder base has increased from 4,000 to in excess of 90,000 as of today, with a free float of almost 92%, which was 30% at the time of listing. Our in place rent has gone up significantly by almost 34%. And when you take the last five years, despite almost three years out of the five years being in gold, we've given a total return of in excess of 11% on a per annum over the last five years. That's a quick snapshot of five years.

On the main agenda around the acquisition, we genuinely believe that it's a very great, compelling acquisition opportunity for us, and the reasons for that are as follows. Number one, the asset, which is Embassy's Splendid Techzone, is exactly like what we already own as Embassy REIT, which is large campus-style office parks, having some of the best occupiers, to name a few, Wells Fargo, BNY Mellon. And it is strategically located on the PT Road in Chennai, which has very close access to the international airport as well. So, that's number one. Number two is, it gives Embassy REIT an opportunity to enter a growth market, which is Chennai, where we are not there. With this, if the acquisition gets completed, we'll now be in five out of the six main commercial office cities in India. Third reason would be, this asset gives a good combination of stable cash flows, as well as an opportunity to grow. The reason I say that is, the 1.6 million square feet, which is completed today, is almost 95% leased. There's already another tower, which is under construction, which is pre-leased. Plus, it gives us an opportunity to grow our NOI in the next few years by developing another 3 million square feet potentially. And last but not the least, the price at which we acquire, it's almost close to a 7% discount to the average of two valuation reports, and makes the acquisition accretive.

So, these are the four key reasons why we believe it's a compelling acquisition opportunity. But moving to the next slide, please. While I did cover this, to reiterate again, the price at which we are acquiring, that is at ₹1,269 crores, is at a discount of 6.7% to the average of the two valuers. And, Embassy REIT today is trading at around a little in excess of 7 cap rate i.e. a cap rate based on net operating income. But we are buying Chennai asset, the completed portion, at 8.5 cap, and the under construction at close to 10% yield on cost. So, that logically makes this acquisition accretive to Unitholders. Next slide, please.

What are we buying here? We are buying the Embassy Splendid Techzone. We are buying the economic interest over 61% of the lease revenue and 100% rights over the common area maintenance income and all expenses. That's effectively what we are buying. The sources and uses, of course, here are indicative. But just to cover, Chennai, as we mentioned, of the ₹1,269 crores, on a tentative basis, what we've assumed over here, is that we'll fund that acquisition by approximately ₹400 crores in the form of external debt raise, which we'll use to refinance the existing debt. And the balance in little in excess of ₹ 800 crores will come in the form of equity. But what we also assume here is, because we have an enabling resolution of raising money of up to ₹ 3,000 crores, but raising money is dependent on market conditions, right price, etc. So, we are conscious of the fact that we will raise appropriate amount of money, which will ensure that it doesn't become diluted to Unitholders. But this is indicative sources and uses, which we had put out in the acquisition deck of an additional 1,600 crores of equity. If you were to raise and repay debt, then what happens? If you just move to the next slide.

Indicatively, what we had mentioned is the Chennai acquisition, increases our NOI by almost 3%. Just the acquisition per se with the funding mix, which I explained, is accretive by around 1%. And if you were to do the pro forma debt reduction, it makes it another 2% accretive, but all of this is subject to



market conditions. It reduces the leverage by around 3%. And NAV is more or less neutral. A little reduction, because we have assumed this equity raise to happen at ₹375 when our NAV is close to ₹400. So, that's broadly the matrices. And we believe that this acquisition will be accretive to our existing Unitholders.

We have kind of explained why we are doing this capital raise now. One, of course, is to fund the acquisition. Second, when you look at what's happening in our existing portfolio, overall, the market is doing well. We announced our Q4 results. Occupancy is up to 85%. In the Bangalore market, which is where we are predominantly present, there's a lot of construction happening, almost 6 million square feet, which is close to 80% pre-leased. We are expected to spend almost ₹3,800 crores for the existing under construction. And if we were to go ahead with the Chennai acquisition, the overall Capex requirements, including the existing assets, will be in excess of ₹5,000 crores. All of this will be funded by debt. So, considering all of this, we believe, and of course, the price is also stabilized. So, we believe that it made sense for us to raise capital now. Next slide, please.

So, just to close loops on my presentation, I want to reiterate that we are following the highest levels of governance as a part of this acquisition. One which we covered is, the price is at a discount of close to 7% to the average of two independent valuations. Now, from a REIT regulation, this is the only requirement for us. We've gone ahead to do a fairness opinion on a voluntary basis done by JLL, which has clearly said that the acquisition is fair to the Unitholders from a financial point of view. Of course, from the board of directors' point of view, it was only the Independent Directors who approved this transaction and recommended it to the Unitholders. And last but not the least, because this asset represents only around 3% of the existing asset base, there is no need for a Unitholder approval. But we as a management team have taken the extra step to come to Unitholders and take an approval from all of you to go ahead with this acquisition. So, we believe that we follow the highest level of governance as a part of this proposed acquisition. So, next step is, post this EM, if this transaction is approved, we'll proceed to raise the necessary amount of money and conclude the acquisition between end of Q1 to early Q2. That's broadly about the acquisition and fundraise.

With this presentation, now, I'll hand it back to Sakshi to take through the balance of the proceedings.

Ms. Sakshi Garg - Head – Investor Relations, Embassy REIT:

Thank you, Aravind. So, now we'll conduct the Q&A session. As I mentioned at the start of the meeting, Unitholders who wish to express their views or ask any query, may do so by clicking on the Q&A tab on their respective video conferencing screens. Please note that Embassy REIT may limit the number of questions depending on the availability of time.

So, the first question we have is from Mr. Malav. And the question is that REIT is not available as a pledgeable instrument in banks. And he's requesting the board members and management to consult with RBI and also work in favour of small Unitholders. Aravind, if you would like to take that question, please.

Mr. Aravind Maiya - Chief Executive Officer, Embassy REIT:

Sure, Sakshi. I think my understanding is, it is available to pledge. But having said that, we will check this again. We are anyway in touch with RBI for various matters. As we speak now, you must be aware that banks are not allowed to lend directly to REIT; they can only lend to the SPVs. So, we are working on that as well with RBI. I'll get this clarified once again. And if it's not available, we'll take this also as a matter with RBI in due course.

Ms. Sakshi Garg - Head –Investor Relations, Embassy REIT:

Thanks, Aravind. The next question is again from Mr. Malav. And he asks, when are we planning to make office parks other than the promoter groups into REIT? So, basically, when can we acquire outside the promoter group? Ritwik, if you would like to take that question, please.



Mr. Ritwik Bhattacharjee - Chief Investment Officer, Embassy REIT:

Thank you, Sakshi. Thank you for the question. I think just to set the context, the bulk of the value, if you think about Embassy REIT right now, has come from the assets that the promoter group has injected into the parks, right from the IPO and beyond. And we've obviously acquired assets from the promoter in the form of Embassy Tech Village, and now Chennai as well, and Embassy Business Hub. They have really formed the core of this entire asset base of 45 million square feet and have demonstrated a tremendous amount of value. So, I think, a lot of the assets tend to be concentrated in India in the hands of, obviously the promoters, and they form an initial ballast, a very important value for the REIT.

Having said that, we evaluate every asset on its merit. We just have not been able to reach an agreement on certain non-promoter assets that we have looked at on price, on market conditions, on financing, and the ability to integrate them in a manner that actually is accretive to shareholders like yourselves. But having said that, I think we are always on the lookout to add non-promoter assets as well, recognizing that there is need to be a vibrant and a healthy commercial office market to grow the entire asset base. So, we're always on the lookout. We evaluate every asset on its merit, and should an acquisition occur and is accretive and we can finance it, we will certainly do so at the earliest opportunity.

Ms. Sakshi Garg - Head – Investor Relations, Embassy REIT:

Thanks Ritwik. Since there are no more questions, we'll consider that as the last question.

Thank you all. I trust that we have responded to all your questions. In case we haven't been able to answer any question, you're welcome to get in touch with the Investor Relations Department of the REIT at ir@embassyofficeparks.com

I will now pass it over to Ms. Vinitha Menon, our Compliance Officer and Company Secretary, to take over compliance matters and resolutions. Over to you, Vinitha.

Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:

Thank you, Sakshi. Good morning Unitholders. Pursuant to the SEBI Circular dated January 12, 2023, REITs are allowed to hold a General Meeting through video conferencing or other audio-visual means without the physical presence of Unitholders at a common venue. Since the physical presence of Unitholders have been dispensed with, the appointment of proxies is not permitted. In compliance with the provisions of SEBI REIT regulations, we have extended remote E-voting facility through NSDL to the Unitholders, to transact the business set out in the notice of the Second Extraordinary Meeting. The said facility was made available from Thursday, April 22, 2024, from 9 a.m. to Sunday, April 28, 2024 till 5 p.m. The notice dated April 6, 2024, convening the Second Extraordinary Meeting has been made available to you in advance of this meeting.

Ms. Rupal D. Jhaveri, Practicing Company Secretary, has been appointed as a Scrutinizer for scrutinizing the remote E-voting facility, as well as the E-voting during the meeting in a fair and transparent manner. Unitholders who have not cast their votes by availing the remote E-voting facility and who are present in this meeting, will have an opportunity to cast their votes through an electronic voting system in the manner described in the notice of the Second Extraordinary Meeting. The results will be declared after considering the E-voting during this meeting and the remote E-voting already done. The results will be submitted to the stock exchanges within two working days of the conclusion of this meeting, and the relevant resolutions will be deemed to be passed on the date of this meeting subject to receipt of requisite number of votes in favour of the relevant resolutions. The results declared, along with the Scrutinizer's Report, would be placed on the websites of Embassy REIT and NSDL. The recorded transcript of this meeting shall also be made available on our website.

Now I would like to inform the Unitholders present in this meeting about the resolutions that are proposed in the notice for Unitholders' approval.



Item Number 1 of the notice to be passed with simple majority relating to consideration and approval of the proposed acquisition of a business park in Chennai for an enterprise value of up to Rs. 12,690 million. The text of the resolution, along with the notes, is provided in the notice circulated to the Unitholders .

Item Number 2 of the notice to be passed with special majority relating to consideration and approval of raising of funds through an institutional placement of units of Embassy REIT not exceeding Rs. 30,000 million to investors in one or more placements. The text of the resolution along with the notes is provided in the notice circulated to Unitholders .

I now request Dr. Ranjan Pai, the Chairman of today's Extraordinary Meeting for his concluding remarks.

Ms. Sakshi Garg - Head – Investor Relations, Embassy REIT:

Dr. Ranjan, sorry if I may please interrupt? We have a few more questions. We will just take those as well, if you don't mind.

Dr. Ranjan Pai - Independent Director, Embassy REIT and Chairman of the Meeting:

Sure.

Ms. Sakshi Garg - Head – Investor Relations, Embassy REIT:

Okay, so another question we've received from Mr. Riken Jhunjhunwala, and he asks what is the status on development of Parcel 6 in ETV? Aravind, if you want to take that please.

Mr. Aravind Maiya - Chief Executive Officer, Embassy REIT:

Sure, I think Parcel 6 is a 0.4 million square feet development which is part of 6.1 million under construction, which I spoke about. Early stages. You've got the necessary approvals and we will be starting excavation in due course. That's the current status.

Ms. Sakshi Garg - Head – Investor Relations, Embassy REIT:

Thank you. And one more question from Mr. Malav, again. He asks if we want to broaden the Unitholder base, then can we expect Senior Board Members or management to consult with SEBI and raise cap to 10% separate for REIT. I'm guessing he means for a single stock owned by some of the institutional Unitholders . Aravind, if you want to take that.

Mr. Aravind Maiya - Chief Executive Officer, Embassy REIT:

Yeah, sure. I don't necessarily get this question fully, but as we speak now, the cap which is there is 25% for non-sponsor, it's not 10%. So, of course, we can probably touch base separately with this specific Unitholder to understand more about the question and do the needful as management.

Ms. Sakshi Garg - Head – Investor Relations, Embassy REIT:

Thank you, Aravind. We do not see any more questions in the queue, so back to Dr. Ranjan.

Dr. Ranjan Pai - Independent Director, Embassy REIT and Chairman of the Meeting:

Thank you, Sakshi. With this, the Second Extraordinary Meeting of Embassy REIT comes to a conclusion. I want to thank all the Unitholders for their presence and involvement. My sincere thanks to the board of directors, the management team, and to all the Unitholders present here today, and also to those who could not join us today but have been part of our growth journey. We remain fully committed to the business and to deliver to our Unitholders.



I now authorize Ms. Vinitha Menon, the Company Secretary, to conduct the voting procedure and conclude the meeting. Unitholders who are present in this meeting and who have not yet cast their vote, can do so now by availing the remote E-voting facility. The E-voting facility shall remain open for the next 15 minutes. The requisite quorum was present throughout the meeting. The results of the Second Extraordinary Meeting will be announced by Embassy REIT on or before May 2, 2024. Thank you very much.

(15 minutes of E-voting)

Ms. Vinitha Menon - Company Secretary & Compliance Officer, Embassy REIT:

I would like to thank all Unitholders for joining today's meeting. This concludes the Second Extraordinary Meeting of Embassy REIT. Thank you.