

Embassy Office Parks REIT

5th Annual Unitholders' Meeting

July 12, 2023

Hilton at Embassy Manyata, Bangalore



FY2023 Highlights

A photograph of a modern, multi-story glass skyscraper at dusk. The building's facade is composed of a grid of glass panels, many of which are illuminated from within, creating a warm glow against the deep blue twilight sky. The building has a distinctive angular design with several cantilevered sections. In the foreground, a blurred light trail from a moving vehicle is visible on the road, and some greenery is on the left. The overall scene conveys a sense of modernity and technological advancement.

Embassy TechVillage, Bangalore

Delivered on Guidance, Accelerated Growth Investments

LEASING

Leased 5.1 msf across 100 deals at 16% spreads, surpassing annual guidance



Volkswagen

Eli Lilly

ANZ



ATKINS



REDEVELOPMENT

Launched 1.2 msf redevelopment at Embassy Manyata at attractive 22% Yield on Cost⁽¹⁾



DEVELOPMENT

Accelerated 7.9 msf active development at highly attractive yields⁽¹⁾

7.9 msf

Active On-campus Development

₹4,000 Cr

Total Capex Planned

₹ 900 Cr

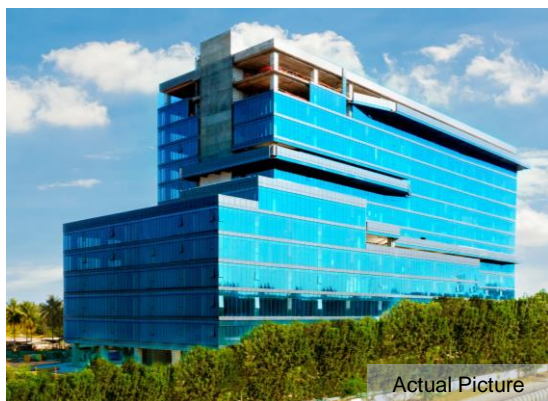
Incremental NOI Upon Stabilization

~90%

Active Development in Bangalore

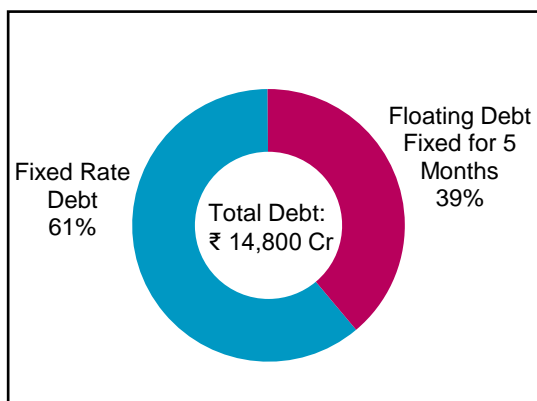
ACQUISITIONS

Acquired 1.4 msf Embassy Business Hub in Bangalore; NAV and NOI accretive transaction



FINANCING

Fortress balance sheet with low 28% leverage and 2/3rd debt at fixed rates



ESG & AWARDS

Received leading global certifications recognizing leadership in sustainability and wellness



Notes:

- (1) Yield on Cost is a forward estimate and calculated by dividing expected stabilized NOI upon completion by the cost of construction and interest during construction and adjusted for opportunity rent loss on existing building during construction
- (2) Sword of Honour awarded by British Safety Council (BSC) to 9 business parks. USGBC LEED Platinum v4.1 O+M certification for operational portfolio

Strong Leasing Performance

Leased a record 5.1 msf across 100 deals at 16% leasing spreads, surpassing annual guidance

100 Nos.

Total Deals Signed

1.8 msf

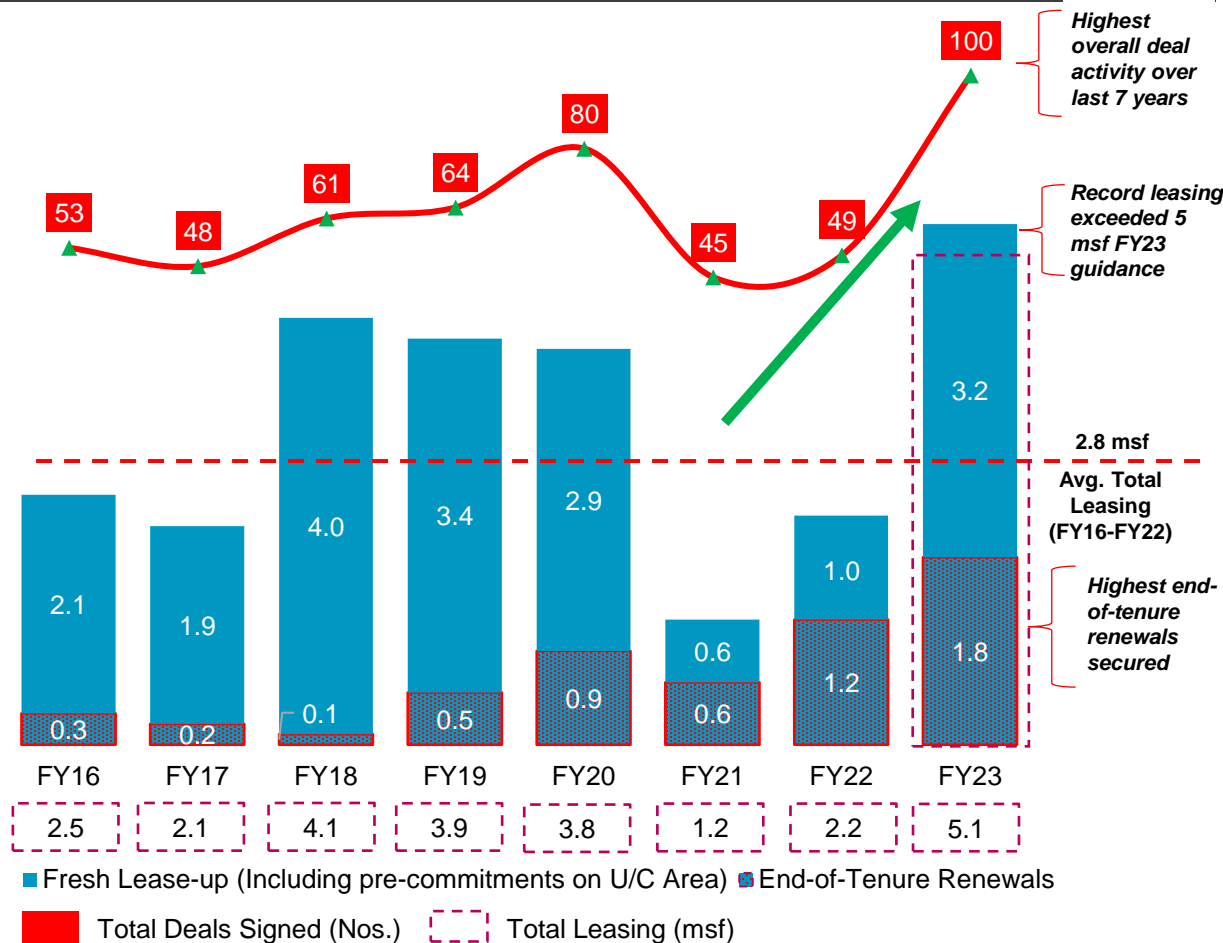
Renewed at 16% Renewal Spreads⁽³⁾

1.2 msf

Pre-commitments

2.0 msf

Fresh Leases at 17% Re-leasing Spreads



► Highest deal activity over last 7 years (100 deals vs avg. 57 deals), driven by fresh leasing with several new occupiers (44 occupiers added), and highest volume of end-of-tenure renewals

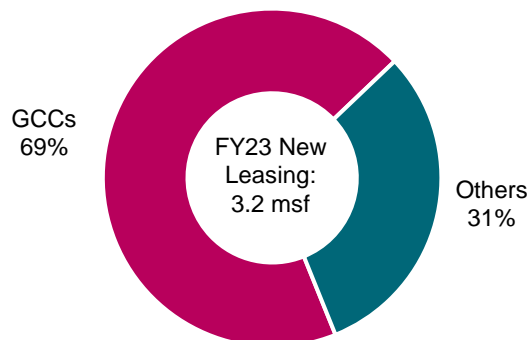
Notes:

- (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 FY16, for comparative purposes. These numbers have been included for purposes of providing general information and may differ from the historical consolidated or combined financial information and other operational metrics of Embassy REIT
- (3) Including Early Renewals

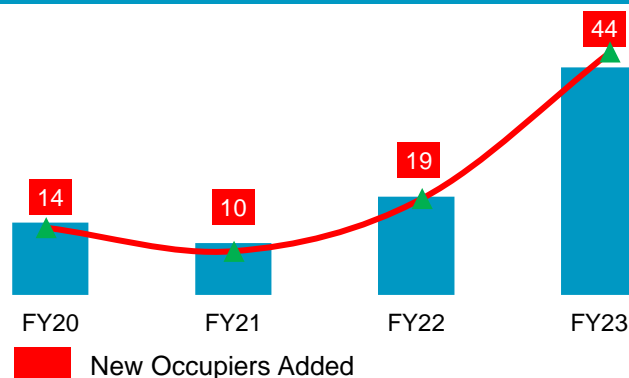
Record New Occupiers Added, Primarily GCCs

Global Captives continue to set up and expand their India centers, thereby driving leasing. Added 44 new occupiers in FY2023, highest since listing

GCC share in FY2023 New Leasing⁽¹⁾



Record No. of New Occupiers Added



New GCCs Added in Portfolio



Other Occupiers Added



- ▶ Continued positive shift in REIT's occupier mix – global captives now contribute over 55% of annual rents
- ▶ Added 44 new occupiers to embed growth in portfolio, as they typically start with smaller leases and expand

Notes:

(1) New leasing comprises fresh lease-up of 2.0 msf and pre-commitments on U/C Area of 1.2 msf

(2) Actual legal entity name of occupiers may differ

Focused Growth Investments

Embassy TechZone – Hudson and Ganges (0.9 msf)

Delivered in Oct'22



Embassy Manyata – M3 Block A (1.0 msf)

To be delivered in FY2024



Embassy Manyata – L4 Block (0.7 msf)

Launched in Q2 FY2023



Embassy Manyata – D1/ D2 Redevelopment (1.2 msf)

Launched in Q2 FY2023

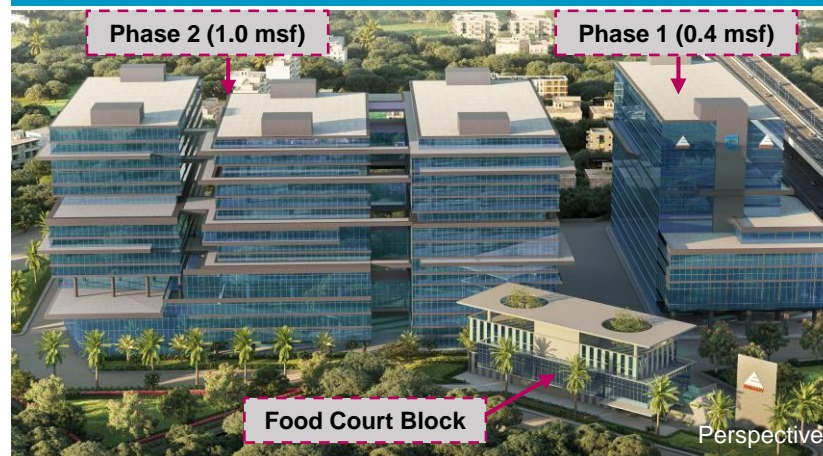


Attractive Acquisition in North Bangalore

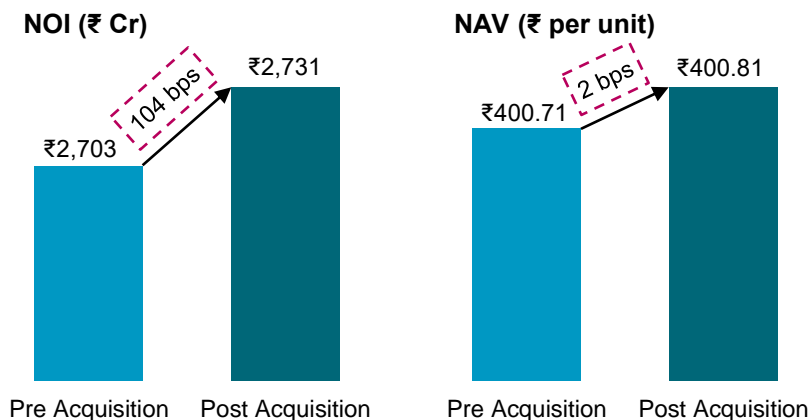
Embassy Business Hub, a campus-style Grade A office property, expands Embassy REIT's presence in North Bangalore. Attractive acquisition metrics with financing secured at 8.1% debt cost

Highlights	1.4 msf	93%
	Total Leasable Area	Committed Occupancy in Area Nearing Completion ⁽¹⁾
	₹335 Cr (\$41 mn)	4.5%
	Total Enterprise Value ⁽²⁾	Discount to Avg. of 2 Independent Valuations
Financing	<ul style="list-style-type: none"> Acquisition GAV <u>less than 1%</u> of REIT's Sep'22 GAV Transaction to be financed primarily through debt Debt fully tied at attractive pricing of 8.1% per annum <ul style="list-style-type: none"> Secured binding commitments from leading financial institutions 	
Governance	<ul style="list-style-type: none"> Strong related party safeguards followed, including approval by independent directors of the Board Fairness opinion from Axis Capital Limited obtained by independent directors⁽³⁾ No acquisition linked fees to the REIT Manager 	

High Visible Location in Growth Corridor of Airport Rd



Accretive Acquisition on NOI and NAV Metrics⁽⁴⁾



Notes:

(1) 371k sf / 93% Built to Suit for Philips with remaining ~30k sf / 7% as growth option

(2) Funded primarily through ₹337.2 Cr debt at 8.1% p.a. cost. Net consideration towards equity shares of target SPV (upto ₹1.5 Cr) funded entirely through internal accruals of Embassy REIT

(3) Axis Capital Limited in its fairness report opined that subject to the assumptions and limitations of the scope, the proposed value of the acquisition is fair, from a financial point of view to the public Unitholders of Embassy REIT

(4) Accretion metrics are as of date of announcement

Multiple Global ESG Recognitions

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

Building Certifications



ESG Benchmarks



Awards



Note:

- (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)

Strong Financial Performance

FY23 NOI and EBITDA up 11% each year-on-year respectively with NOI and EBITDA margins at 81% and 79% respectively

	FY2023 (Cr)	FY2022 (Cr)	Variance %	Remarks
Revenue from Operations	₹3,420	₹2,963	+15%	<ul style="list-style-type: none"> ▶ Revenue from new lease-up at attractive re-leasing spreads and contractual rent escalations, partially offset by exits ▶ Delivery of 1.1 msf JP Morgan campus at ETV ▶ Launch of 619 key hotels at Embassy Manyata and ramp-up of existing hotel business
NOI	₹2,766	₹2,491	+11%	<ul style="list-style-type: none"> ▶ Increase in Revenue from Operations ▶ Partially offset by costs corresponding to the ramp-up of hotel business ▶ Blended NOI margin reflects change in segment mix given ramp-up in hotel business
Margin (%)	81%	84%		
EBITDA	₹2,688	₹2,425	+11%	<ul style="list-style-type: none"> ▶ In-line with NOI increase
Margin (%)	79%	82%		
Distribution	₹2,058	₹2,063	In-line	<ul style="list-style-type: none"> ▶ Increase in EBITDA ▶ Offset by incremental interest costs on debt for new deliveries, increase in interest rates and ZCB refinance⁽²⁾
Payout Ratio	100%	100%		

- ▶ Commercial office segment continues to be a core driver of overall NOI and contributed ₹2,500 Cr or 90% to FY23 NOI
- ▶ Office NOI margins consistently around 86%, demonstrating the scale and efficiency of business operations

Notes:

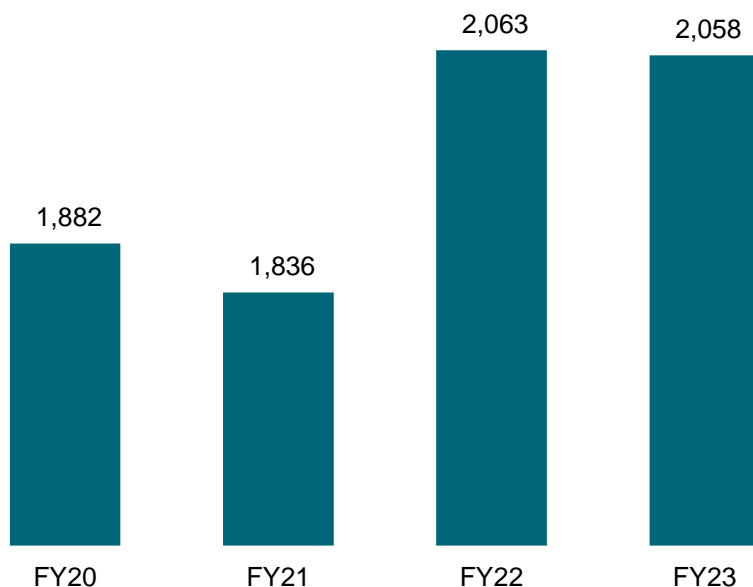
(1) Above financial results exclude Revenue, NOI and EBITDA from Embassy GolfLinks since Embassy REIT owns 50% economic interest in GLSP

(2) Adjusting for ZCB refinance, distributions were 9% higher on proforma basis. Proforma DPU has been included for comparative purposes only

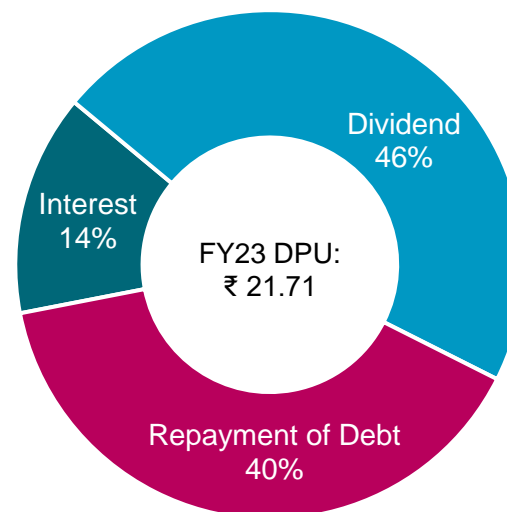
Delivering on Distributions

Consistently distributed 100% payout for 16 quarters, cumulative distributions of over ₹7,800 crores since listing. Tax efficient distributions, with a significant proportion tax free for Unitholders

Consistent 100% Distributions Since Listing (₹ crs)



Distribution Mix (FY2023)



80,000+

Unitholders

₹7,800 crores

Distributions since listing

100%

Payout Ratio



Forward Outlook and Strategy

FIFC, Mumbai

India: The Office to the World

India office remains a long-term growth opportunity, led by dual structural drivers of cost efficiency and abundant STEM talent offered by 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

15 lakh

Engineering graduates added annually

1/10th

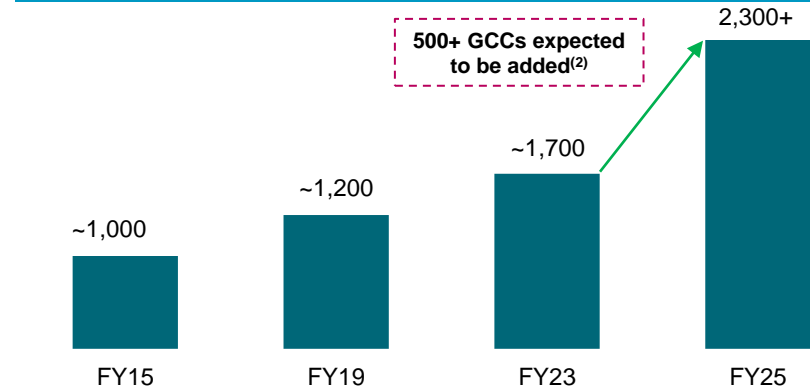
Avg. salary vs global tech professionals

~\$1-2 psf

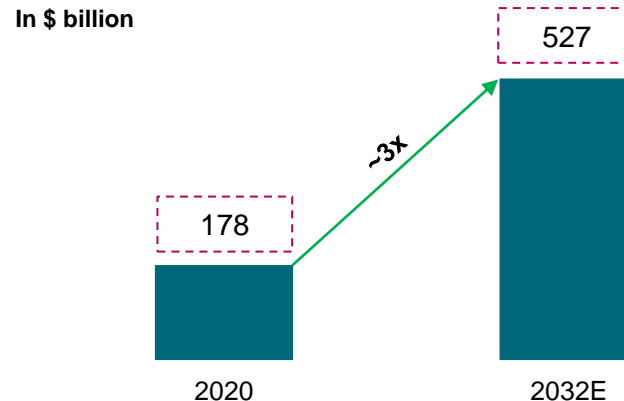
Monthly office rents, even in gateway cities

Low Cost

GCC additions in India continue to accelerate



India's Services Exports to Triple in the Next Decade



- ▶ India continues to be world's premier destination for global companies to set up and grow their offshore centers
- ▶ 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', October 2022

(2) Refers to period of H1 CY22 to H1 CY25-26 as per The India Laboratory of Global Capability Centres, January 2023, JLL – CRE Matrix Report

Bangalore Continues to Lead India's Office Resurgence

Bangalore continues to be Asia's leading office market given its strong tech ecosystem. Embassy REIT's portfolio concentration in Bangalore market remains a key advantage

Largest Tech, Start-up and GCC Hub in India

40%

Highest share in India's software exports⁽¹⁾

1 in 3

Home to Indian tech employees⁽²⁾

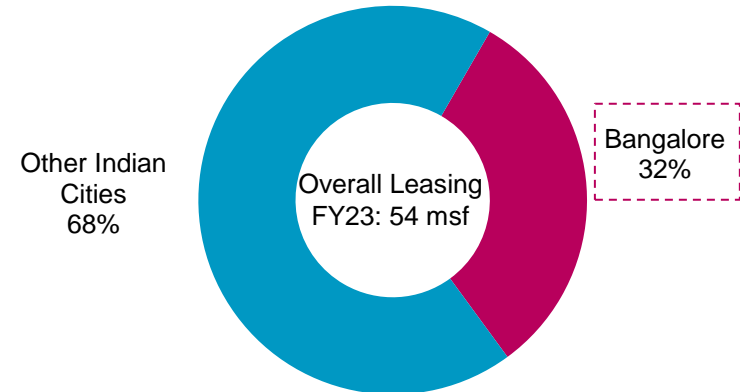
~20%

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

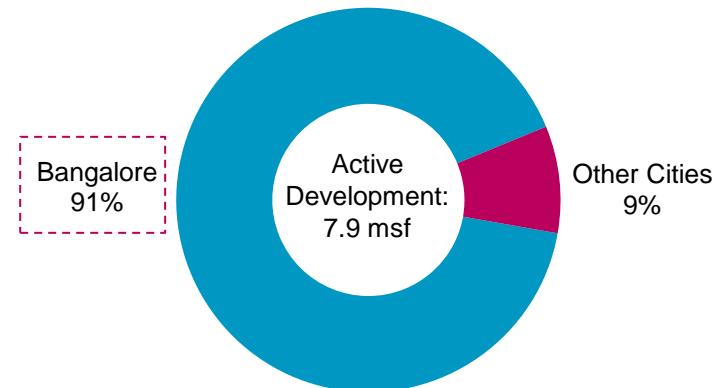
~50%

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

Dominant share of Leasing Demand in FY23⁽¹⁾



~90% of Our Active Developments in Bangalore



► 90% of REIT's active development is concentrated in Bangalore, a city with attractive development economics

Sources:

(1) CBRE Estimates, Karnataka State Budget 2021-22

(2) Credit Suisse – India Market Strategy, Aug'21

(3) Refers to Operating cost per Full Time Employee (FTE) for IT-ADM Services, 2022

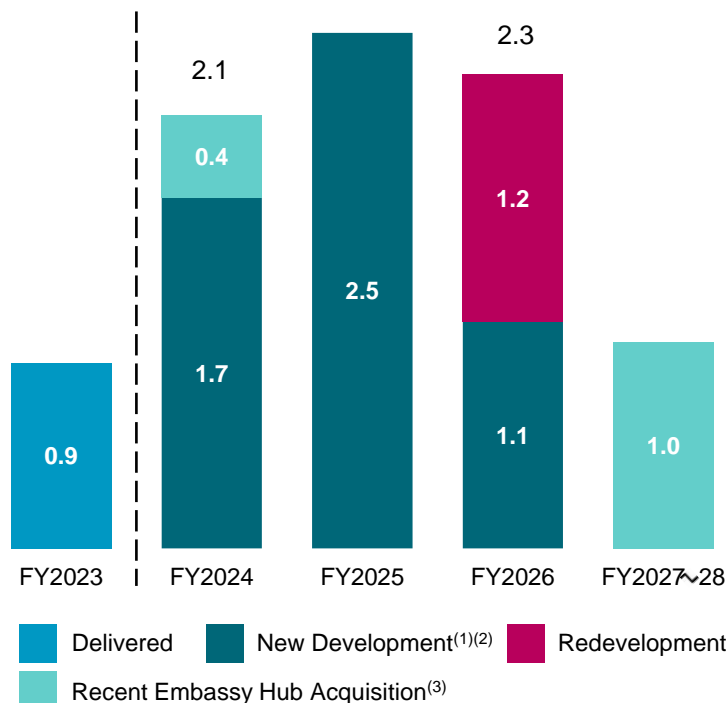
(4) NASSCOM, Priming for a NO NORMAL future, Technology Sector in India, Feb'23

Growth through New Developments

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

Development Pipeline⁽¹⁾ (msf)

Area (msf)



► ₹4,000 Cr total capex, ₹2,800 Cr pending cost to be spent
 ► ₹900 Cr incremental NOI upon stabilization

Development Status as of April 27, 2023

Embassy TechVillage

(Block 8, 1.9 msf)
 (Block 6, 0.4 msf)

- Towers A, B, C & D – Basement works in advanced stage and superstructure works underway. Masonry works initiated
- Targeting Sep'24 delivery
- Block 6 – Site mobilization and approvals underway
- Targeting Dec'25 delivery

Embassy Manyata: 3.5 msf

(M3 A, 1.0 msf)
 (M3 B, 0.6 msf)
 (D1/D2, 1.2 msf)
 (Block L4, 0.7 msf)

- M3 Block A – OC expected by May'23
- Targeting Jun'23 delivery
- M3 Block B – Design finalized. Superstructure works underway
- Awaiting acquisition of transferable development rights and building approvals
- Block D1/D2 Redevelopment – Design finalized. Demolition works underway
- Targeting Dec'25 delivery
- Block L4 – Excavation underway
- Targeting Jun'25 delivery

Embassy Hub

(Ph 1, 0.4 msf)
 (Ph 2, 1.0 msf)

- Philips BTS – Targeting Sep'23 delivery
- Phase 2 – Design finalized, contractor appointed; site mobilization in progress

Embassy Oxygen

(Tower 1, 0.7 msf)

- Testing and commissioning underway
- Targeting Jun'23 delivery

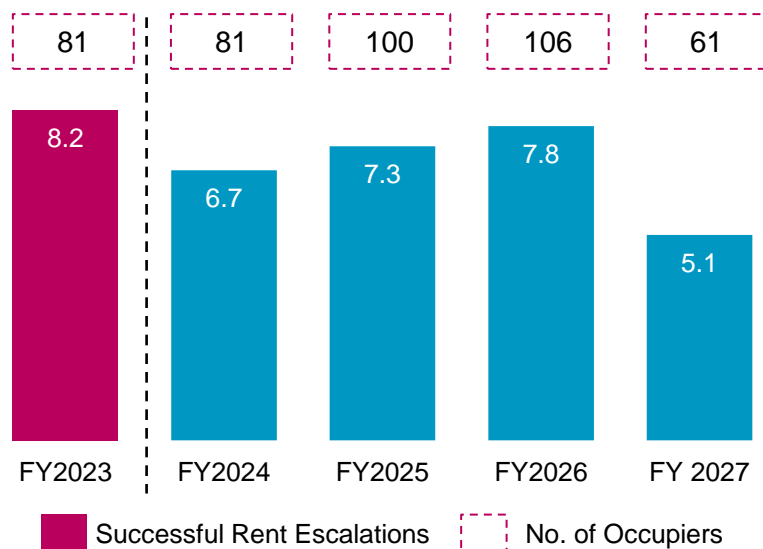
Notes:
 (1) Excludes 518 key Hilton hotels at Embassy TechVillage
 (2) Includes 0.6 msf M3 Block B located within overall Embassy Manyata campus
 (3) Embassy Business Hub comprises a total leasable area of approximately 2.1 msf upon completion of Phase 1 and Phase 2. Of this, Embassy REIT's area share of entitlement is 1.4 msf

Embedded Rent Growth

Secured 14% rent escalations on 8.2 msf and achieved 16% spreads on 1.8 msf renewals. 2.2 msf exits offer significant 25% MTM potential

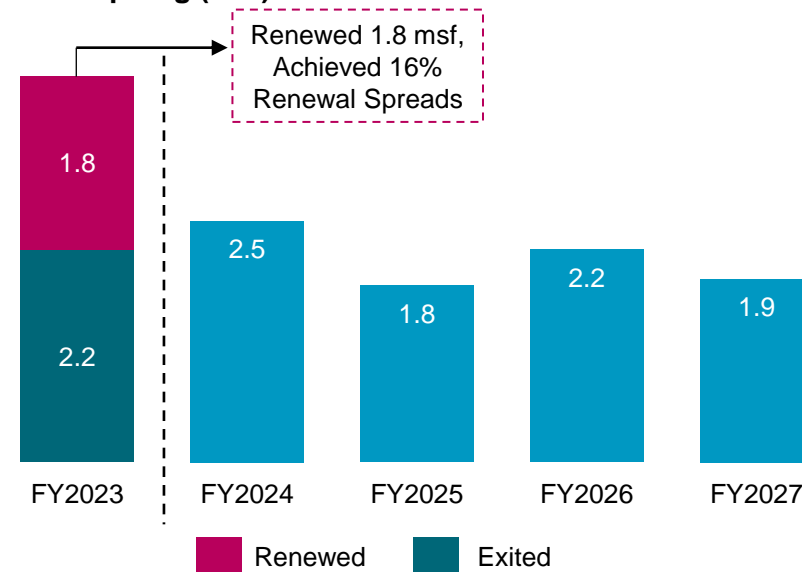
Embedded Rent Escalations of ~15% aids NOI Growth

Area (msf)



27% of Leases Expire Between FY2024–27

Area Expiring (msf)



Rent Escalations Due	14%	14%	14%	15%
Post-escalation MTM Opportunity	19%	4%	1%	34%

MTM opportunity ⁽¹⁾	27%	47%	21%	12%
Rents Expiring ⁽²⁾	7%	6%	9%	5%

▶ Contracted rent escalations (generally of 15% every 3 years) and significant mark-to-market opportunity (30% blended MTM over next 3 years) 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

Portfolio Expansion through Inorganic Growth

Acquisition strategy based on our clearly defined criteria of high-quality, large-scale business parks located in the right micro-markets of the top Indian cities

9.2 msf Embassy TechVillage acquired in Dec'20



5 msf Chennai ROFO from Embassy Sponsor



1.4 msf Embassy Business Hub acquired in Mar'23



4.2 msf ROFO⁽²⁾ at ETV Backland, Bangalore



Notes:
 (1) Acquisition 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
 (2) This asset has not been offered for acquisition yet under the ROFO arrangement

Deepening Business Moat

Continued investments in campus infrastructure and amenities deepen business moat and fortify REIT's properties for the next phase of growth

85k sf Retail Plaza at Embassy Manyata



Sports Zone, Central Garden at ETV



Block K Refurbishment at Embassy Manyata



Amphitheatre, Central Garden at ETV



Supported by Strong Balance Sheet

Refinanced ₹5,300 Cr debt at 101 bps positive spreads, maintained best-in-class balance sheet with low 28% leverage, attractive 7.2% debt cost and AAA/Stable credit ratings

Key Parameters

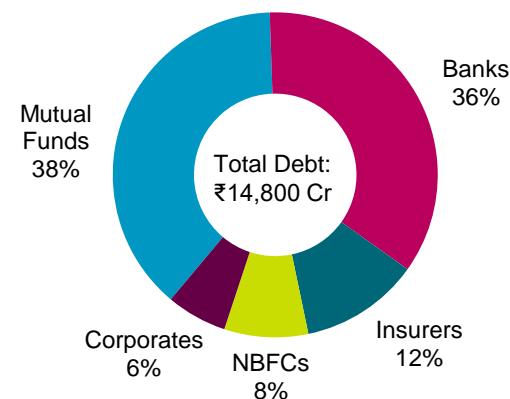
28%
Leverage⁽¹⁾

7.2%
Debt Cost

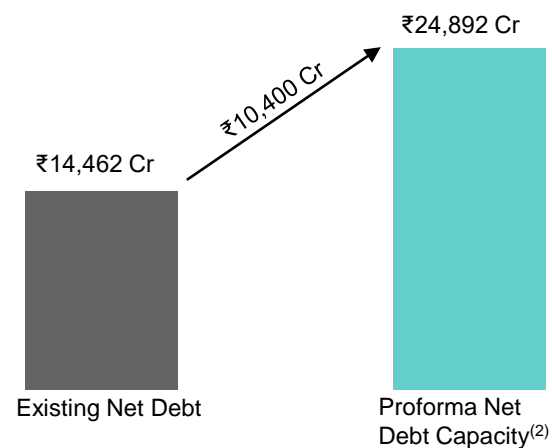
61%
Fixed Rate Debt

AAA / Stable
Credit Rating

Debt Composition



Proforma Debt headroom to finance growth



Notes:

(1) Based on Net Debt to GAV. GAV computed based on Mar'23 valuation undertaken by iVAS Partners

(2) Computed basis 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

Progressing on 3-Year ESG Roadmap

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

Pillar	Metric	Target ⁽¹⁾	FY2023 Update	Status
Resilient Planet	▶ Renewable energy consumption share	75% by FY25	52%	On track
	▶ Water consumption reduction	7% by FY25	37% ⁽²⁾	On track
	▶ OWC capacity increase	25% by FY25	4%	On track
	▶ Local sourcing ⁽³⁾ share	30% by FY25	93%	On track
	▶ USGBC LEED certified portfolio (% of area)	100% by FY23	100%	Achieved
Revitalized Communities	▶ 'Green leases' signed during the period	70% by FY24	96%	On track
	▶ 5-star BSC certified portfolio (% of area)	100% by FY23	100%	Achieved
	▶ Occupiers engaged under 'Corporate Connect'	10%	14%	Achieved
	▶ Females as % of total workforce	25%	24%	Behind target
Responsible Business	▶ TCFD compliant annual report	100% by FY25	Summary disclosures initiated	On track
	▶ Cumulative green / sustainable finance portfolio	₹3,500 Cr by FY25	₹3,480 Cr	On track
	▶ ESG due-diligence	100% from FY23	Completed ⁽⁴⁾	On track

Notes:

(1) Targets set against baseline of FY2020 actuals for the portfolio (including Embassy TechVillage acquisition)

(2) Lower water consumption noted during FY2023 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. FY2023 actuals restated post BSI assurance audit completion

(4) ESG due-diligence undertaken for recently acquired Embassy Business Hub, Bangalore in Mar'23

Multiple Embedded Growth Levers

Embassy REIT's strategy focuses on enhancing NOI and delivering long term total return value for Unitholders, driven by rental growth as well as leased area expansion

4.9 msf

- ▶ Vacant Area lease-up

7.9 msf

- ▶ New developments over the next 4 years with ₹900 crores of expected stabilized NOI at attractive yields

~5% p.a

- ▶ Contracted escalations (generally 15% every 3 years)

17%

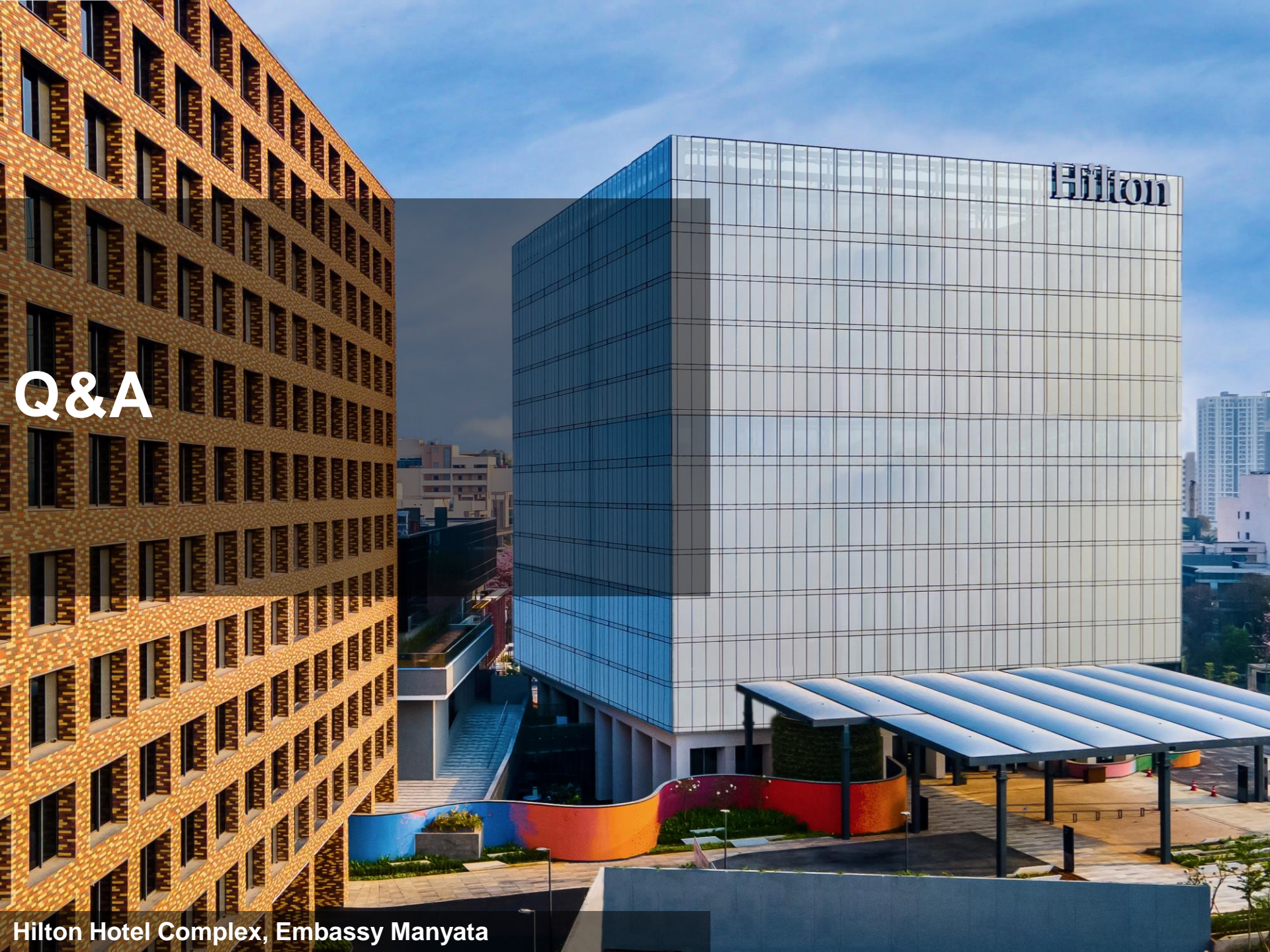
- ▶ Mark-to-market potential resulting in portfolio rent growth

10 msf+

- ▶ Acquisition Opportunity Pipeline

Notes:

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



Q&A

Hilton

Hilton Hotel Complex, Embassy Manyata

Resolutions



Embassy Galaxy, Noida

Resolutions for Unitholders' Approval

Resolution 1

- ▶ To consider, approve and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of Embassy REIT as at and for the Financial Year ended March 31, 2023 together with the report of the Auditors thereon and the report on performance of Embassy REIT

Resolution 2

- ▶ To consider, approve and adopt the valuation report issued by iVAS Partners, represented by Mr. Manish Gupta, Partner, Independent Valuer for the valuation of Embassy REIT's portfolio as at March 31, 2023

Resolution 3

- ▶ To consider and approve the appointment of the Valuer and Value Assessment Service Provider for the Financial Years 2023-24 to 2026-27

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