

# Embassy Office Parks REIT

## *4Q FY2022 Earnings Materials*

April 28, 2022



## Press Release

# Embassy REIT Announces FY2022 Results, Delivers on Enhanced Leasing and Distribution Guidance

- Leases 2.2 msf at 18% positive spreads, achieves 14% rent escalations on 7.7 msf deals across 89 deals
- Grows Net Operating Income by 23% YoY, distributes ₹2,063 crores to Unitholders with 82% tax-free
- Delivers 1.1 msf JP Morgan campus at Embassy TechVillage, ramps-up new growth cycle with 4.6 msf office development

Bangalore, India, April 28, 2022

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 fourth quarter and full year ended March 31, 2022.

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

*"We are delighted to report on another successful year, the third year since our listing. We delivered on our business and our enhanced financial guidance and are set on a clear growth path for the future. The office leasing momentum continues to grow backed by very encouraging return to workplace trajectory, coupled with robust hiring by technology and global captive players and record tech investments. We remain focused on delivering growth to our Unitholders and scaling up our industry-leading portfolio."*

### Business Highlights

- Leased 2.2 msf at 18% spreads across 47 deals, achieved 14% rent escalations on 7.7 msf across 89 deals
- Added 18 new high growth occupiers, increased customer base to over 200 marquee occupiers
- Integrated ₹9,782 crores Embassy TechVillage acquisition, delivered better than underwriting on a number of metrics
- Announced 2040 net zero carbon operations target and launched 20 MW solar rooftop project, one of Asia's largest

### Financial Highlights

- Grew Net Operating Income by 23% to ₹2,491 crores, 5% higher than initial guidance, with operating margin of 84%
- Raised ₹4,600 crores at 6.5% to refinance legacy zero-coupon bond, c.300 bps or ₹130 crores proforma annual savings
- Locked-in two-thirds of debt at attractive fixed interest rates, secured ₹2,170 crores green loans
- Maintained strong balance sheet with low leverage of 24% and over ₹12,000 crores debt headroom to finance growth

## Press Release (Cont'd)

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### Growth Initiatives

- Delivered 1.1 msf state-of-the-art JP Morgan campus, ramped-up new growth cycle with 4.6 msf office development
- Launched one of India's largest mixed-use hotel complex with 619 keys dual-branded Hilton hotels and 60k sf convention center at Embassy Manyata, already signed over 110 corporate contracts
- Completed ₹932 crores add-on acquisition at Embassy GolfLinks ('EGL') through REIT's 50%-owned investment entity, comprising additional 0.4 msf area and property management business of the entire EGL campus
- Received Right of First Offer ('ROFO') invitation for 5 msf Embassy Splendid TechZone, Chennai from Embassy Sponsor, currently under evaluation

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 ₹499 crores or ₹5.26 per unit for Q4 FY2022. With this, the cumulative distribution for FY2022 totals ₹2,063 crores or ₹21.76 per unit, 1% higher than the initial guidance, of which 82% is tax-free for Unitholders. The record date for the Q4 FY2022 distribution is May 09, 2022 and the distribution will be paid on or before May 13, 2022.

### Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly and full year results and performance, that includes (i) audited standalone and audited consolidated financial statements for the year ended March 31, 2022, (ii) audited condensed standalone and audited condensed consolidated financial statements for the quarter and year ended March 31, 2022, (iii) an earnings presentation covering 4Q FY2022 and FY2022 results, and (iv) 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 April 28, 2022 at 17:00 hours Indian Standard Time to discuss the Q4 FY2022 and full year 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 42.8 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 33.8 msf completed operating area and is home to over 200 of the world's leading companies. The portfolio also comprises strategic amenities, including four operational business hotels, two under-construction hotels, and a 100 MW solar park supplying renewable energy to tenants.

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# I. Key Highlights

Hilton Hotel Complex, Embassy Manyata

# Resilient Year, Positioned for Growth

## LEASING

Signed 1 msf new leases, achieved 27% leasing spreads across 31 deals



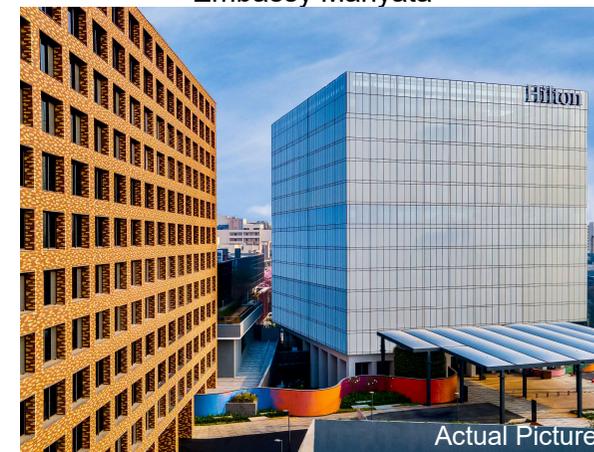
## DEVELOPMENT

Ramped-up construction on 4.6 msf new build given occupier demand



## TOTAL BUSINESS ECOSYSTEM

Launched 619 keys dual-Hilton hotels at Embassy Manyata



## ACQUISITIONS

Evaluating 5 msf ROFO<sup>(1)</sup> opportunity in Chennai from Embassy Sponsor



## FINANCING

Refinanced legacy ₹46 bn ZCB into coupon bearing debt at 6.5% rate

<b>₹46 bn</b> ZCB Refinanced	<b>300 bps</b> Refinancing spread
<b>₹1.3 bn</b> Annual Saving in Interest Cost	<b>4 years</b> Debt Tenure

## ESG

Committed to Net Zero operations by 2040; major progress across 19 programmes

<b>35%<sup>(2)</sup></b> Renewable Energy Contribution	<b>4-star</b> GRESB Green Star Rating for Operating Portfolio
<b>30%+ IRR</b> 20+ MW Solar Rooftop Project	<b>₹22 bn</b> Green Financing during FY2022

Notes:

- (1) Received Right of First Offer ('ROFO') intimation on January 28, 2022 for 5 msf Embassy Splendid TechZone, Chennai from Embassy Sponsor. There can be no assurance that this opportunity will materialize in current form or at all
- (2) Contribution as per pre-COVID baseline of power consumption. Actual contribution based on current consumption is ~56%.

# Business Performance and Price Movement

**Robust business performance since listing across leasing, delivery and acquisitions. Delivered 53%<sup>(5)</sup> total returns since listing to period until April 22, 2022**

## Business Performance since Listing

**6.4 msf**

Total Leases<sup>(1)</sup>

**7.1 msf**

On-Campus Growth<sup>(2)</sup>

**10.2 msf**

Total Acquisitions<sup>(3)</sup>

**₹58 bn**

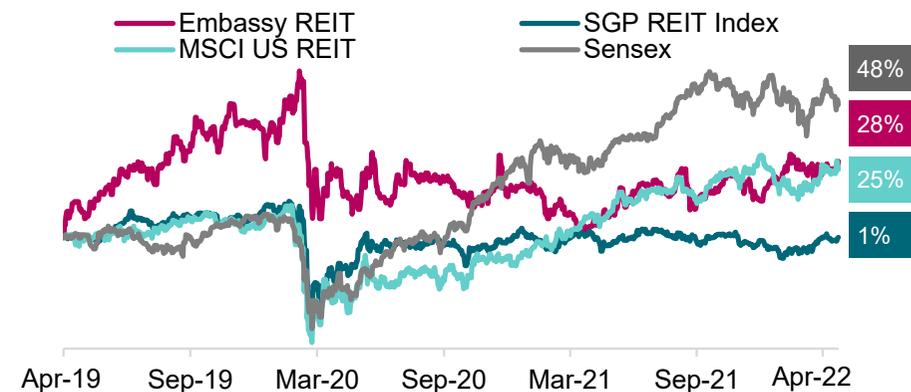
Total Distributions<sup>(4)</sup>

## Performance since Listing<sup>(5)</sup>

### Total Returns (%)



### Price Movement (%)



**► Delivered annualized 15% total returns since listing (8.7% capital appreciation + 6.3% distribution yield approximately)**

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

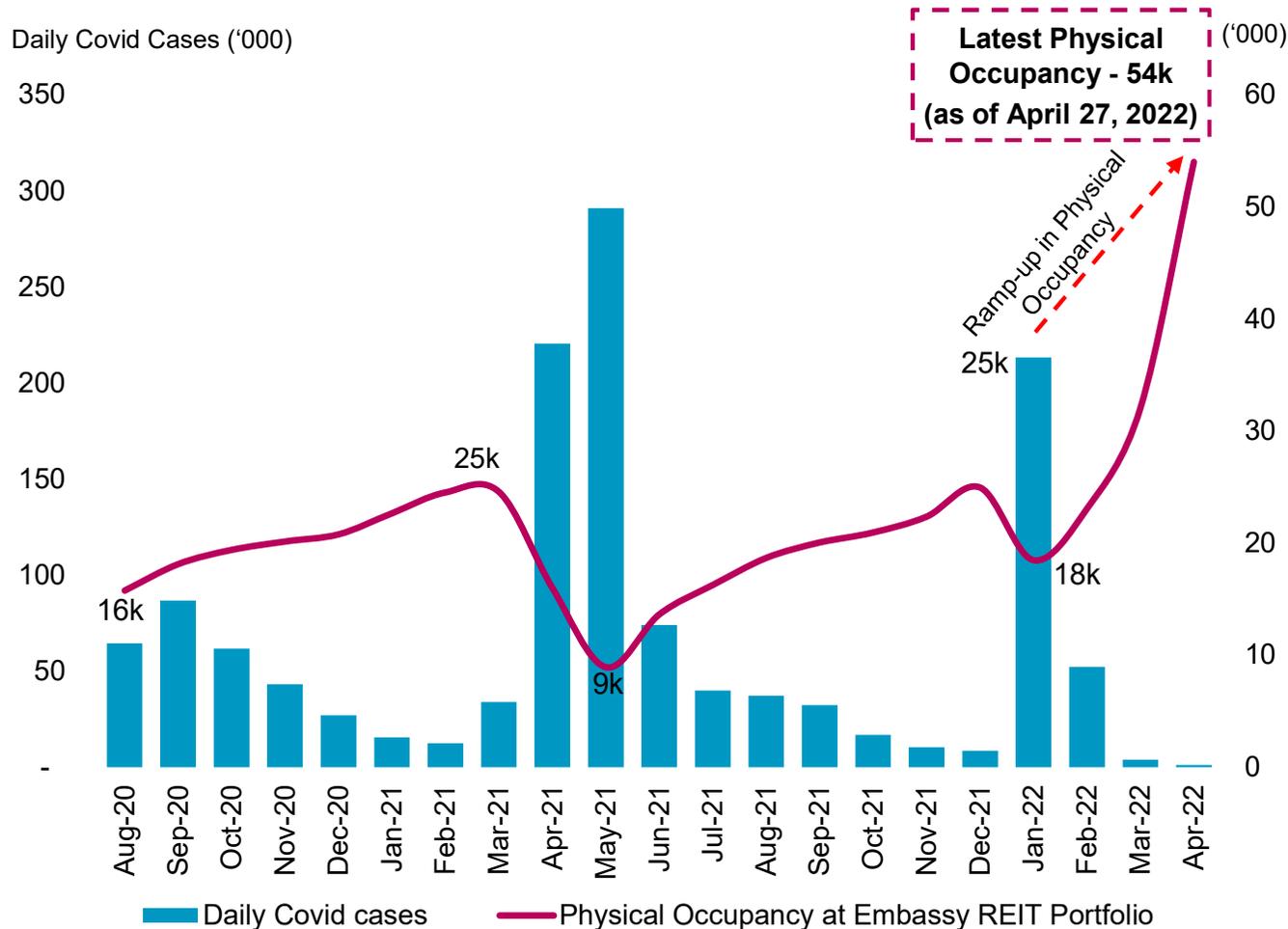
- (1) Includes new lease-up, end-of-tenure renewals and pre-commitments
- (2) Comprises 2.5 msf of new deliveries since listing and 4.6 msf of ongoing development
- (3) Includes completed, under construction and proposed future development area
- (4) Including Q4FY22 distributions totalling ₹5 bn

- (5) Source: Bloomberg. For period April 1, 2019 to April 22, 2022.
- (6) The price, market value and market capitalization of the units the Embassy REIT may fluctuate due to multiple reasons and the price, market value and market capitalization figures and trends indicated above are not indicative of any future trading price, market value or market capitalization. This should not be construed as any assurance or guarantee of returns or distributions to investors



# Back to Office Ramp-up

**Significant ramp-up in park population since Jan'22, ~19% physical occupancy highest since the start of the pandemic**



*“Most professionals learn their job through an apprenticeship model, which is almost impossible to replicate in the Zoom world. ...dramatically undermine the character and culture you want to promote in your company”*  
**Jamie Dimon, Chairman and CEO, JP Morgan** on impact of remote working on learning

*“...very difficult to build a culture of hard work, imagination, excellence, intuition, meritocracy, discussion and debate if people worked from home ...My wish is that all the companies get back to office at the earliest...”*  
**Narayan Murthy, Infosys Founder** on role of office in building org. culture

- ▶ Highest physical occupancy of 54k employees in 25 months, with Mumbai (>55%) leading vs other cities
- ▶ Significant ramp-up planned by occupiers in Q2, expecting 25% physical occupancy by Jun'22

Source:  
(1) www. Mohfw.gov.in

# Bangalore Leading India's Office Recovery

Given its position as India's best performing office market and with its well-established tech and start-up ecosystem, Bangalore is at the forefront of office demand rebound

## Largest Tech, Start-up and GCC Hub in India

**40%**

Highest share in India's software exports<sup>(1)</sup>

**1 in 3**

Home to Indian tech employees<sup>(2)</sup>

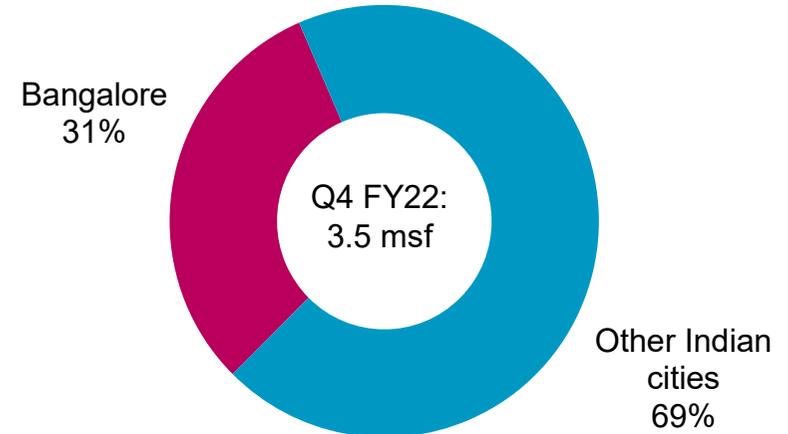
**40 of 90+**

Largest Unicorn Hub<sup>(3)</sup>

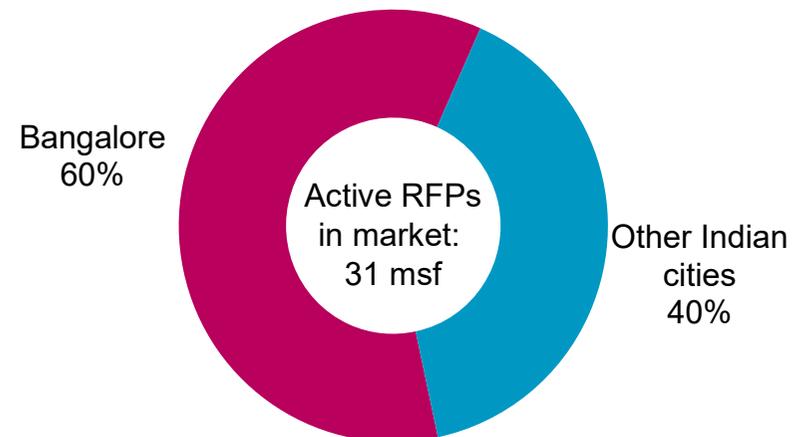
**31%**

Largest hub of GCCs in India<sup>(4)</sup>

## Dominant share of leasing demand in Q4 FY22<sup>(1)</sup>



## Largest share of active RFPs as of Mar'22<sup>(5)</sup>



► Our 74% concentration towards Bangalore market is a major strength and a significant differentiator

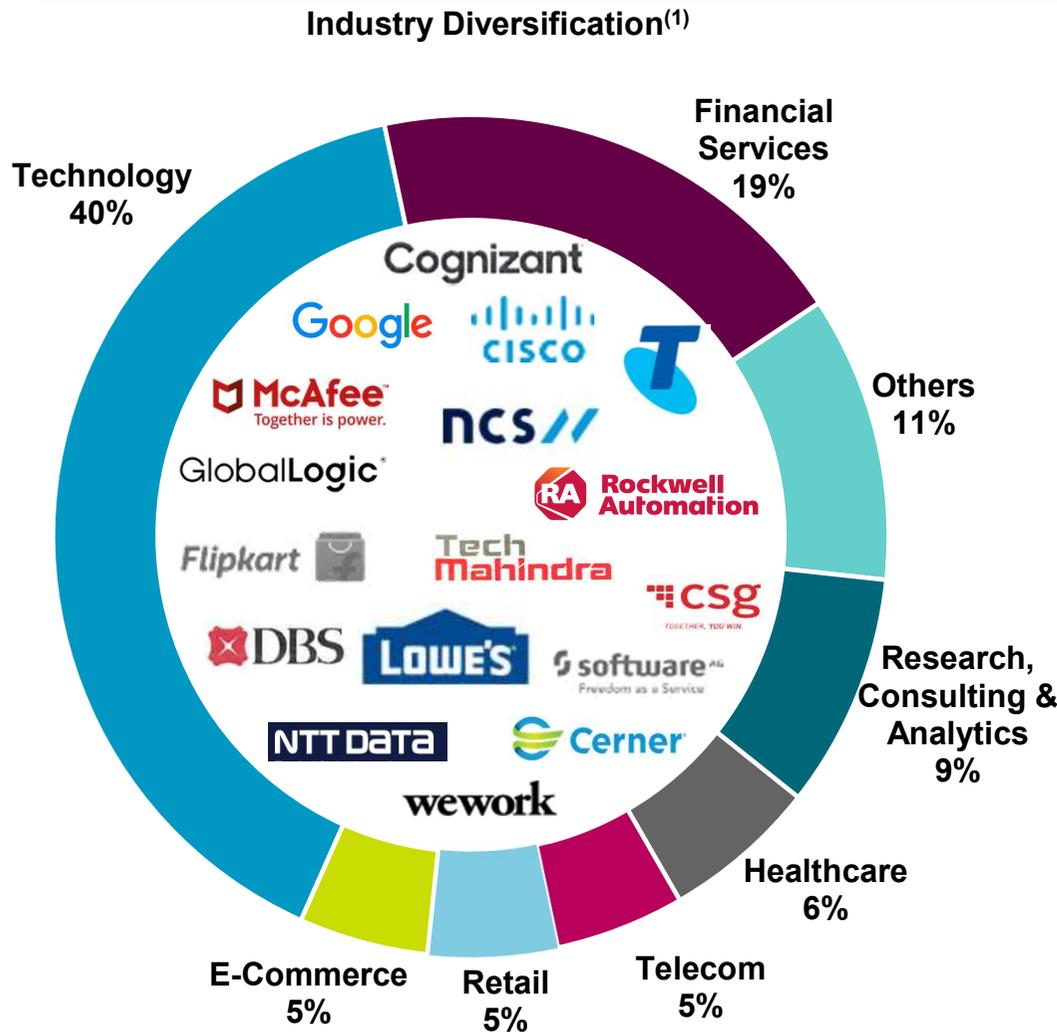
Sources:

- (1) CBRE Estimates, 2021, 2022
- (2) Credit Suisse – India Market Strategy, Aug'21
- (3) Orios Venture Partners, India Tech Unicorn Report 2021, Jan'22, media articles

- (4) NASSCOM, Zinnov - GCC India Landscape: 2021 & Beyond, Sep'21
- (5) Embassy REIT Estimates

# Fueled by Global Technology Trends

Tech occupiers and Global Captives constitute over 72% of our occupier base



Top 10 Occupiers <sup>(2)</sup>	Sector	% of Rentals
Global Technology and Consulting Major	Technology	8.1%
JP Morgan	Financial Services	7.1%
Cognizant	Technology	6.0%
NTT Data	Technology	3.4%
Flipkart	E-commerce	3.0%
Wells Fargo	Financial Services	2.8%
ANSR	Research, Consulting & Analytics	2.7%
Google India	Technology	1.9%
PwC	Research, Consulting & Analytics	1.9%
Cerner	Healthcare	1.8%
<b>Total</b>		<b>39%</b>

▶ Added 18 new occupiers in FY22, including from high-growth sectors such as SaaS, EVs and Ecommerce  
 ▶ Contribution from Top 10 occupiers at 39% today (vs 42% at the time of listing)

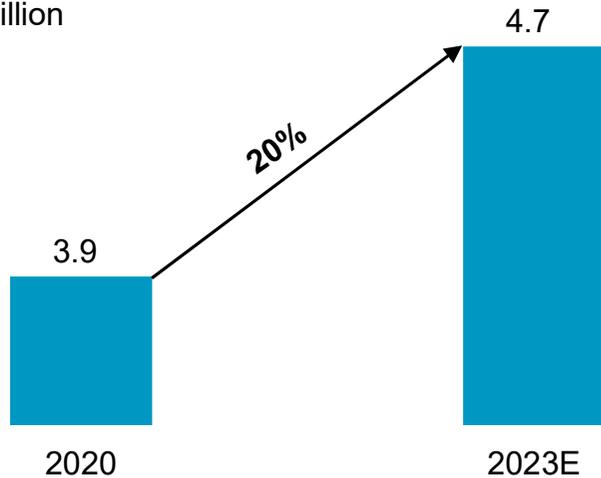
Notes: Actual legal entity name of occupiers may differ  
 (1) Represents industry diversification percentages based on Embassy REIT's share of gross rentals  
 (2) Excludes enterprise level deals between end use occupier(s) and co-working operators

# Benefitting from Record Tech Spends, Offshoring and Hiring

Our tech customer base continues to grow as digital transformation accelerates globally. Global tech spends are driving record earnings, deal pipelines and robust hiring for tech occupiers

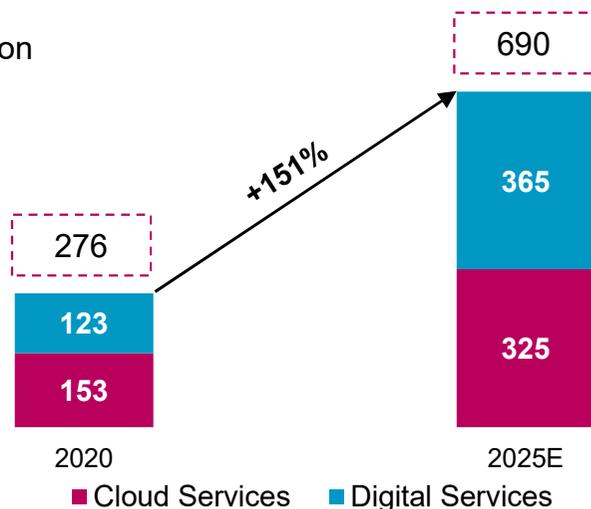
## Record Global Tech Spends<sup>(1)</sup>

In US\$ trillion



## Global Cloud and Digital Spends Set for Rapid Growth<sup>(3)</sup>

In US\$ billion



## FY2022: A record year for Indian Tech<sup>(2)</sup>

**5.1 Mn**  
Technology  
industry workforce

### Highest Ever Hiring

- Technology industry workforce
- **445,000** net new hires

**15%**  
Indian Tech  
growth in FY22

### Highest growth since FY12

- Tech revenues doubled in 10 years
- IT services revenues crossed \$100 bn

**30-32%**  
Share of digital  
revenue

### Digital Revenue Acceleration

- Share of Digital revenues growing at 25%
- 1 in 3 is a digitally skilled employee

**~25K**  
No. of startups in  
India

### 3rd Largest Tech Start-up Hub in The World

- 2,500+ new start-ups
- 42 new unicorns

Sources:

- (1) Gartner, Press Release, Oct'20, Apr'22  
(2) NASSCOM, Technology Sector in India 2022 – Strategic Review  
(3) NASSCOM - Future of Technology Services, Winning In This Decade, Feb'21

## Delivering to Global Occupiers

Delivered office space to JP Morgan – this 1.1 msf state-of-the-art campus at ETV was completed in Dec'21 despite Covid challenges



# Investing in Next Growth Cycle

Our 4.6 msf existing on-campus office development helps cater to occupier growth needs

Embassy TechVillage – Block 8 (1.9 msf)



Embassy Manyata – M3 Block A (1.0 msf)



Embassy TechZone – Hudson and Ganges (0.9 msf)



Embassy Oxygen – Tower 1 (0.7 msf)



Note:  
(1) Apr'22 Pictures

# Opportunity for Acquisition led Growth

Lowly levered balance sheet helps capitalize on our healthy acquisitions pipeline, both ROFO and third-party acquisition opportunities

## Acquisitions Delivered / Pipeline<sup>(1)</sup>

**10.2 msf**

Acquisitions  
Delivered Since Listing

**9.2 msf**

Select ROFO Pipeline<sup>(2)</sup>

**23.2 msf**

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

## 5 msf Chennai ROFO invitation from Embassy Sponsor



Actual Picture

## 4.2 msf ROFO<sup>(2)</sup> at ETV Backland, Bangalore



Perspective

Notes:

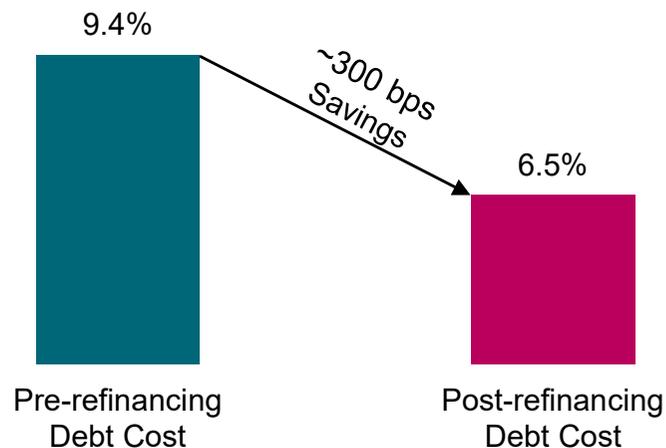
- (1) Pipeline is indicative only. There can be no assurance that above opportunities or other pipeline opportunities will materialize in current form or at all or result in transactions
- (2) Embassy REIT has c.31.2 msf of ROFO opportunities from Embassy Sponsor and upto c.4.2 msf of ROFO potential within overall ETV campus from other parties

# Supported by Fortress Balance Sheet

Successfully raised ₹46 billion debt at 6.5% to refinance existing ZCB, balance sheet well positioned to finance growth given ₹120 bn proforma debt headroom

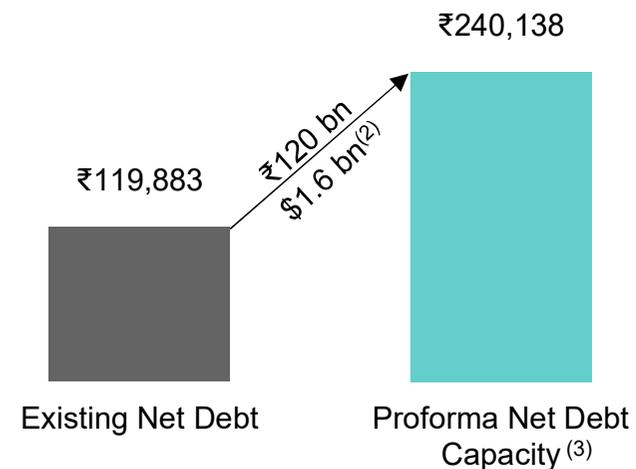
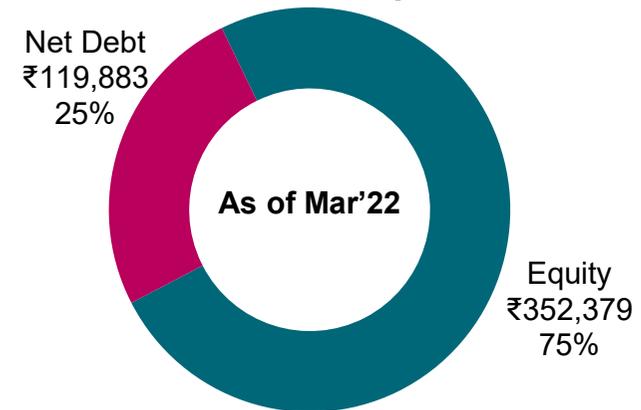
## Successful ZCB Refinance

- ▶ Raised ₹46 bn coupon bearing debt at 6.5% debt cost
  - Widened investor pool with long term capital
  - First time participation from Insurers in REIT debt
- ▶ Refinanced legacy ZCB in Nov'21, ahead of actual maturity
  - Achieved ~300 bps positive spread
  - ₹1.3 bn proforma annual interest cost savings



## Strong Balance Sheet to Finance Growth

### Net Debt to Market Capitalization<sup>(1)</sup>



▶ Conservative 24% Net Debt/GAV allows for significant ₹120bn debt headroom to finance growth

Notes:

(1) Closing price on National Stock Exchange as at March 31, 2022  
 (2) \$1 = ₹76  
 (3) Gross Asset Value (GAV) considered per Mar'22 valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer notes on slide 58

# Green Impetus across Investing, Operations and Financing

ESG focus and commitment aligned with broader goals of occupiers and investors. ESG leadership position a strong differentiator and long-term advantage

## Invested in 20+ MW Solar Rooftop, Mar'23 completion

**₹950 million**

Projected Capex

**30%+**

Projected IRR

**25k tonnes**

CO<sub>2</sub> Emission Reduction<sup>(1)</sup>

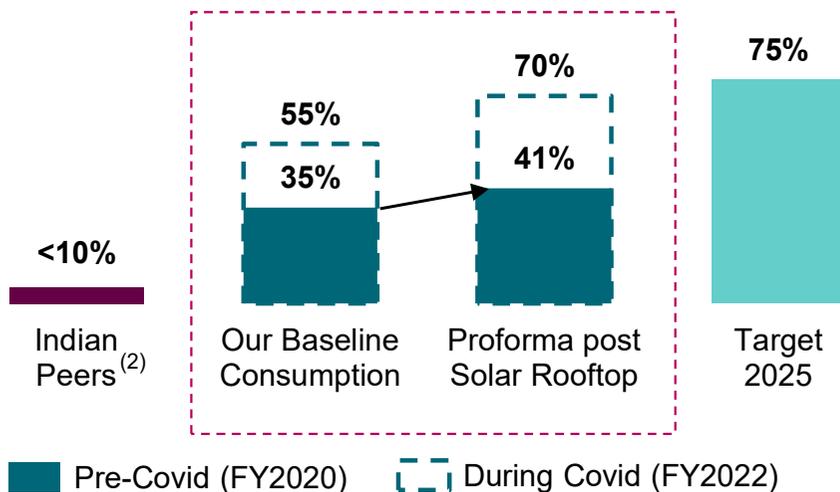
**3 years**

Payback Period

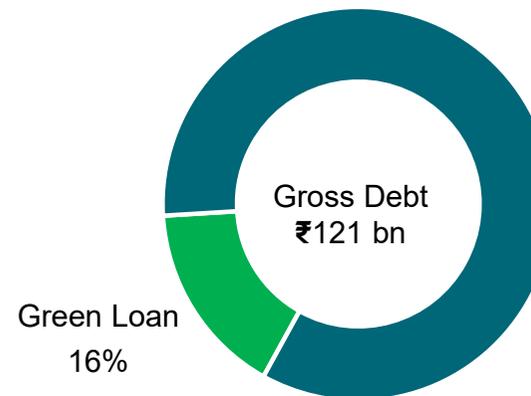
## Green Lease clauses as part of Leases



## % of Renewable Power in Our Energy Consumption



## Achieved ₹22 bn green loans ahead of 2025 target



Notes:

- (1) Annual figures based on CO<sub>2</sub> baseline database for the Indian power sector Dec'18
- (2) As per company disclosures by Indian office listed real estate peers

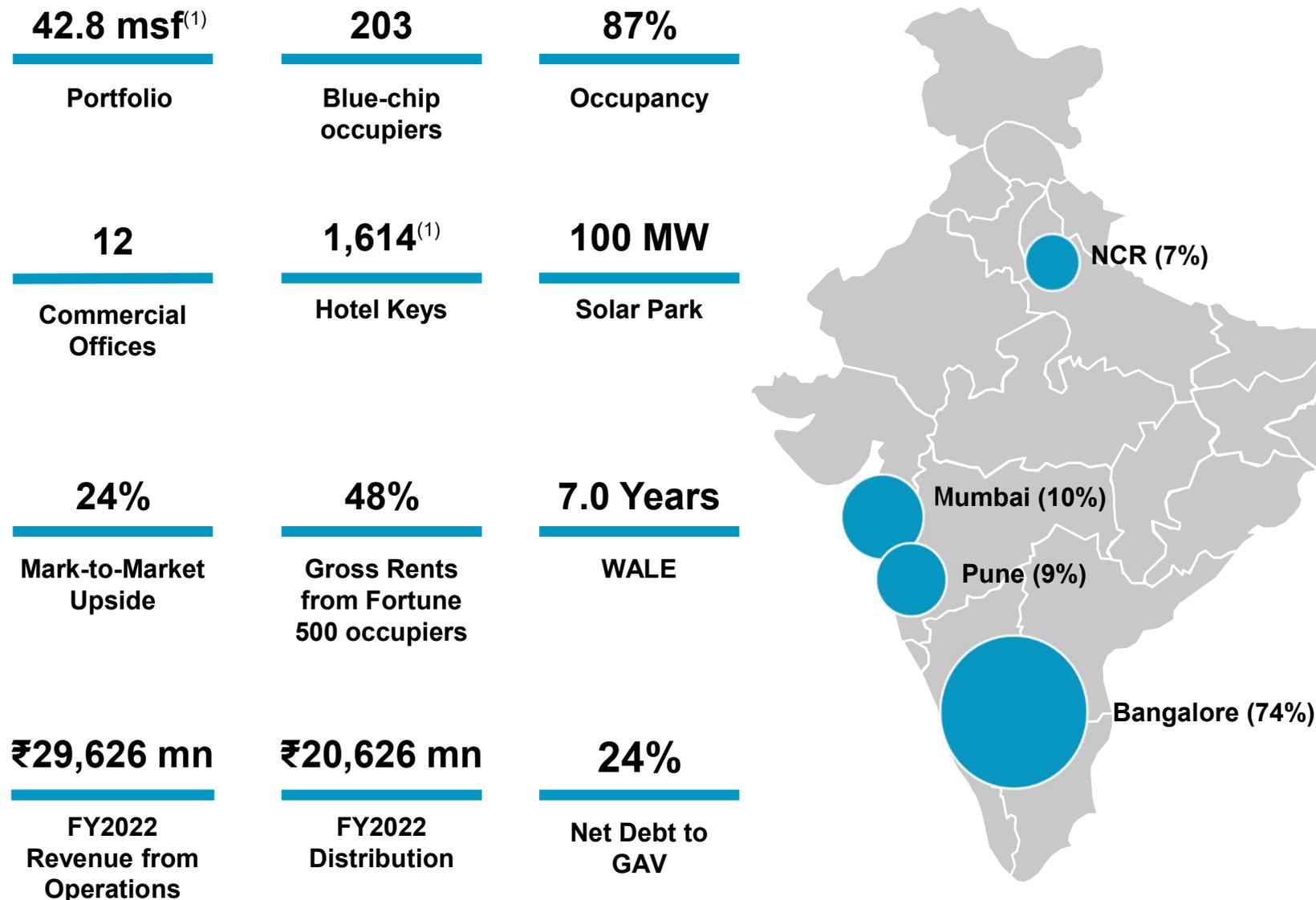
## II. Overview

Express Towers, Mumbai



## Who We Are: Quick Facts

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

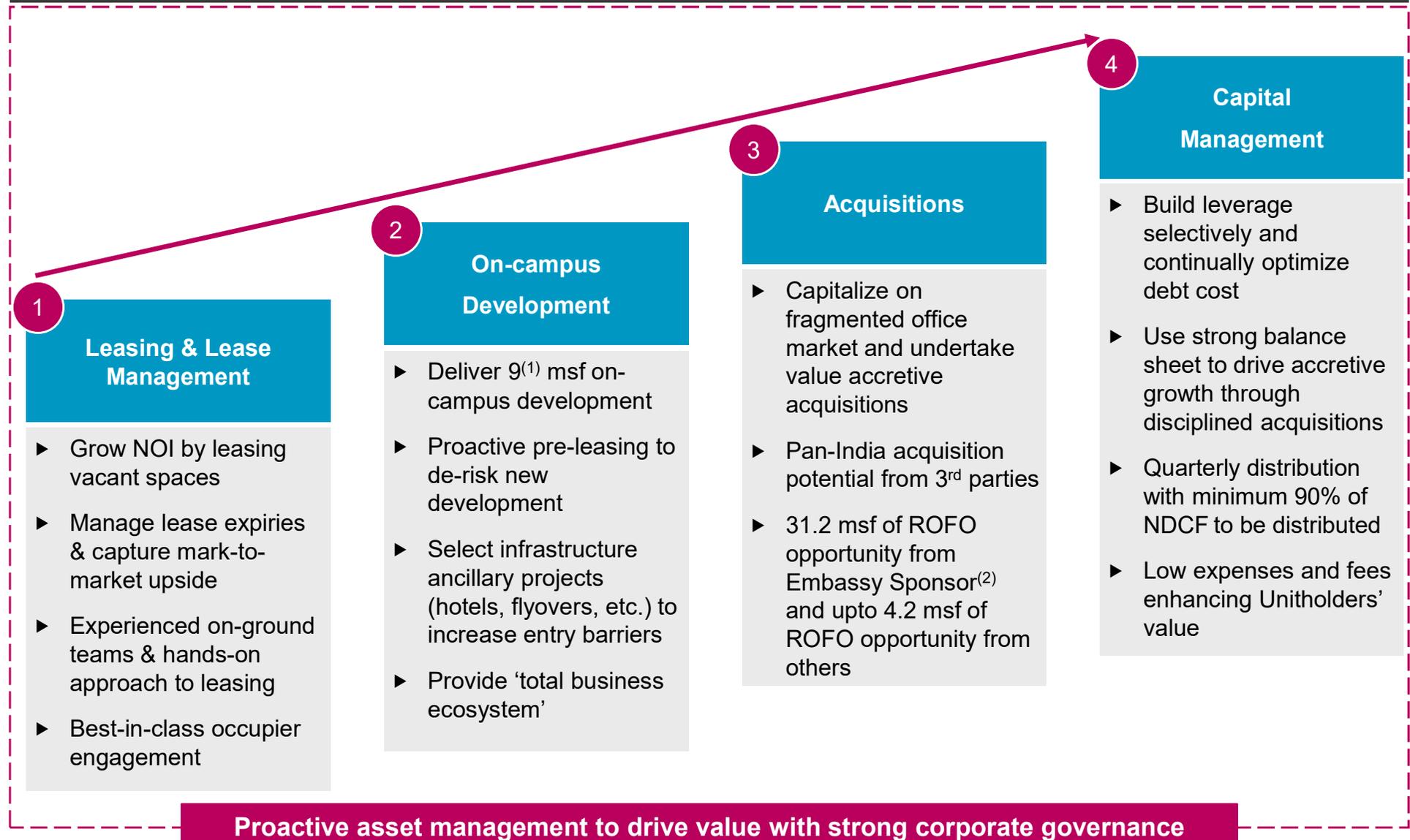


Notes: City wise split by % of Gross Asset Value (GAV) considered per Mar'22 valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually.

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

# What We Do: Our Strategy

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



Notes:

(1) Includes U/C area of 4.6 msf and proposed future development of 4.4 msf

(2) Received Right of First Offer ('ROFO') intimation on January 28, 2022 for 5 msf Embassy Splendid TechZone, Chennai from Embassy Sponsor. There can be no assurance that this opportunity will materialize in current form or at all



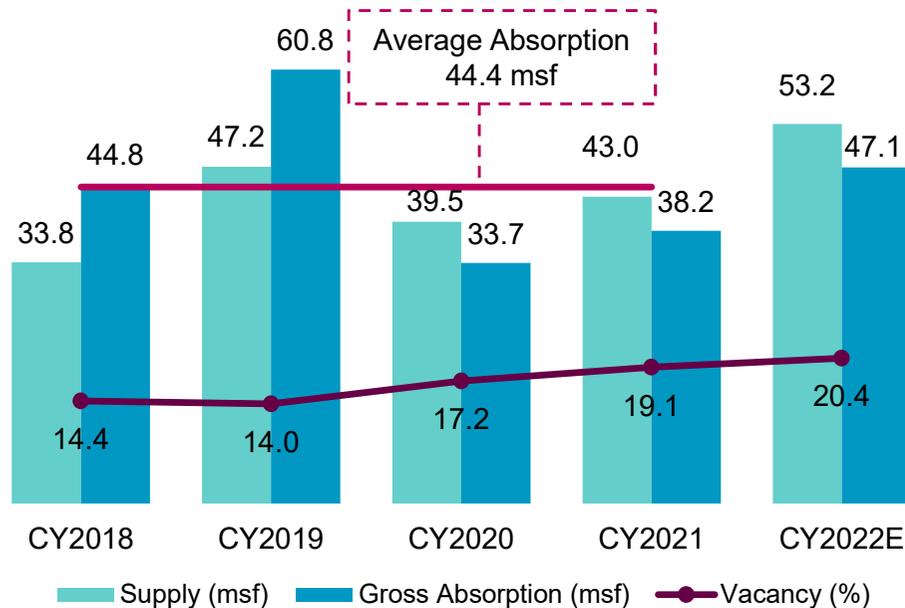
# III. Market Outlook

FIFC, Mumbai

## Market Fundamentals – Update

Sharp recovery in office leasing in Q1 CY22 driven by record hiring as occupiers continue to ramp-up

Demand and Supply Trends (CY2018 – to date)



City-wise Performance (Q1 CY2022)

City	Gross Absorption (msf)	Supply (msf)	Vacancy (%)
Bangalore	3.5	2.3	10%
Pune	1.1	1.2	21%
Mumbai	0.8	0.2	26%
NCR	1.9	0.6	29%
<b>Embassy REIT Markets</b>	<b>7.3</b>	<b>4.3</b>	<b>20%</b>
Hyderabad	1.4	2.2	16%
Chennai	2.3	2.0	18%
Kolkata	0.2	0.0	36%
<b>Other Markets</b>	<b>3.9</b>	<b>4.2</b>	<b>20%</b>
<b>Grand Total</b>	<b>11.2</b>	<b>8.5</b>	<b>20%</b>

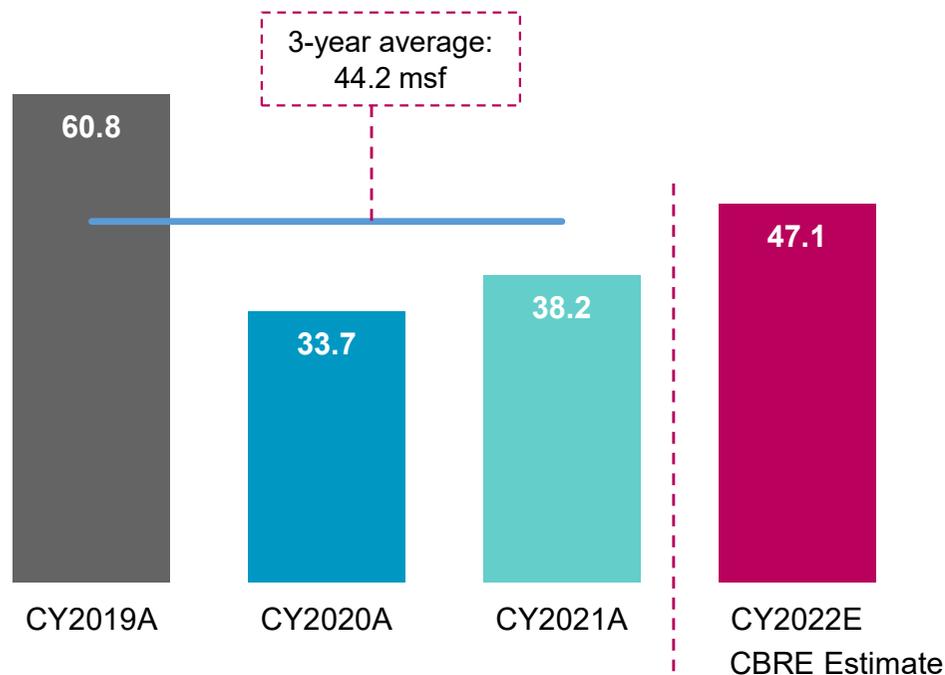
- ▶ Office demand expected to rebound strongly in 2022
  - ‘Back to office’ ramp-up, record tech spends and resulting hiring to drive leasing demand
  - Key drivers include India’s STEM talent, demographics, lack of physical infra at home and increasing wellness
- ▶ Leasing momentum undeterred by Omicron wave, given low severity and near-universal vaccine coverage
  - Occupiers moving ahead to secure space to meet pent-up space requirement
  - Absorption in Q1CY22 at 11.2 msf (vs. 6.4 msf in Q1CY21, up 75% higher YoY)
  - Bangalore contributed 1/3<sup>rd</sup> of all new leases in Q1 CY22, and ~60% of all active RFPs

## Market Fundamentals – Demand Trends

**Demand to rebound strongly in 2022 given increased offshoring and robust hiring by Technology Corporates and Global Captives**

### Demand Outlook

#### Gross Absorption (msf)



- ▶ **CY21 witnessed 38 msf absorption (up 13% YoY)**
- ▶ **Q1 CY22 witnessed 11.2 msf absorption (up 75% YoY)**
- ▶ **Bangalore leading pan-India absorption at 31% share**

### Demand Trends

#### ▶ Short-term Outlook

- Robust growth in market enquiries, given vaccine coverage, stronger business outlook and pent-up demand
- Encouraging trend of new lease deals, by multiple new market entrants committing to premises
- ‘Back to Office’ ramp-up leading to surge in demand for readily available stock

#### ▶ Medium-term Outlook

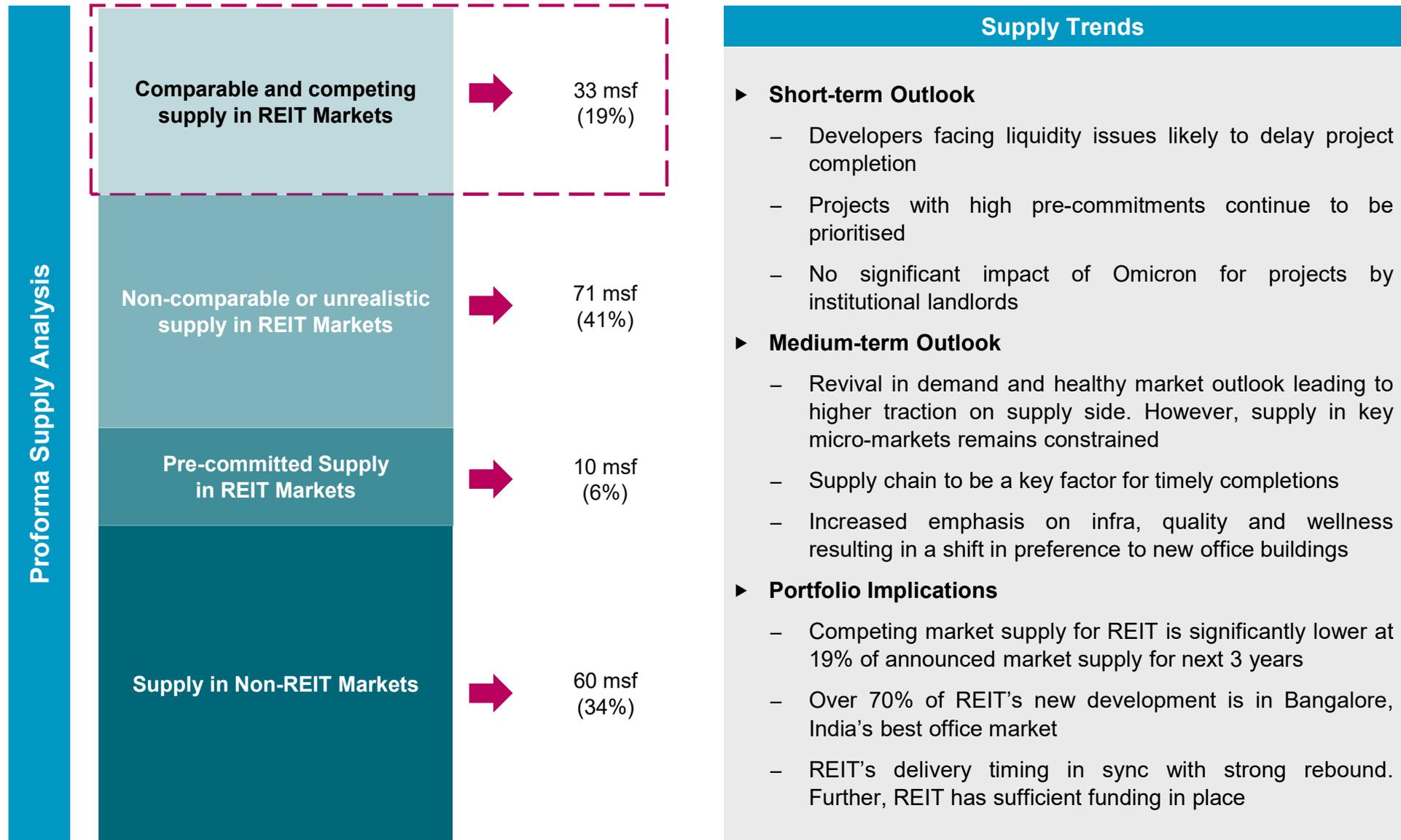
- Demand to rebound strongly given improving business sentiments, increased offshoring and robust hiring
- Large occupiers to proceed with expansion and consolidation plans leading to stronger leasing recovery
- Tech, global captives, startups to continue to drive demand

#### ▶ Portfolio Implications

- Long term office space planning fast becoming a top priority for occupiers
- Wellness-oriented and green buildings to be preferred by global occupiers – institutional landlords to benefit
- Our high-quality portfolio makes us ‘landlord of choice’
- With 74% concentration to Bangalore, REIT is well-positioned to capture demand rebound

# Market Fundamentals – Supply Trends

Increase in announced market supply given demand rebound. However, actual supply is likely to be lower with only 19% of next 3 years supply being comparable and competing to REIT markets



Source: CBRE, Embassy REIT

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

# IV. Leasing Update

Embassy Quadron, Pune



# Resilient Leasing, Addition of High Growth Occupiers

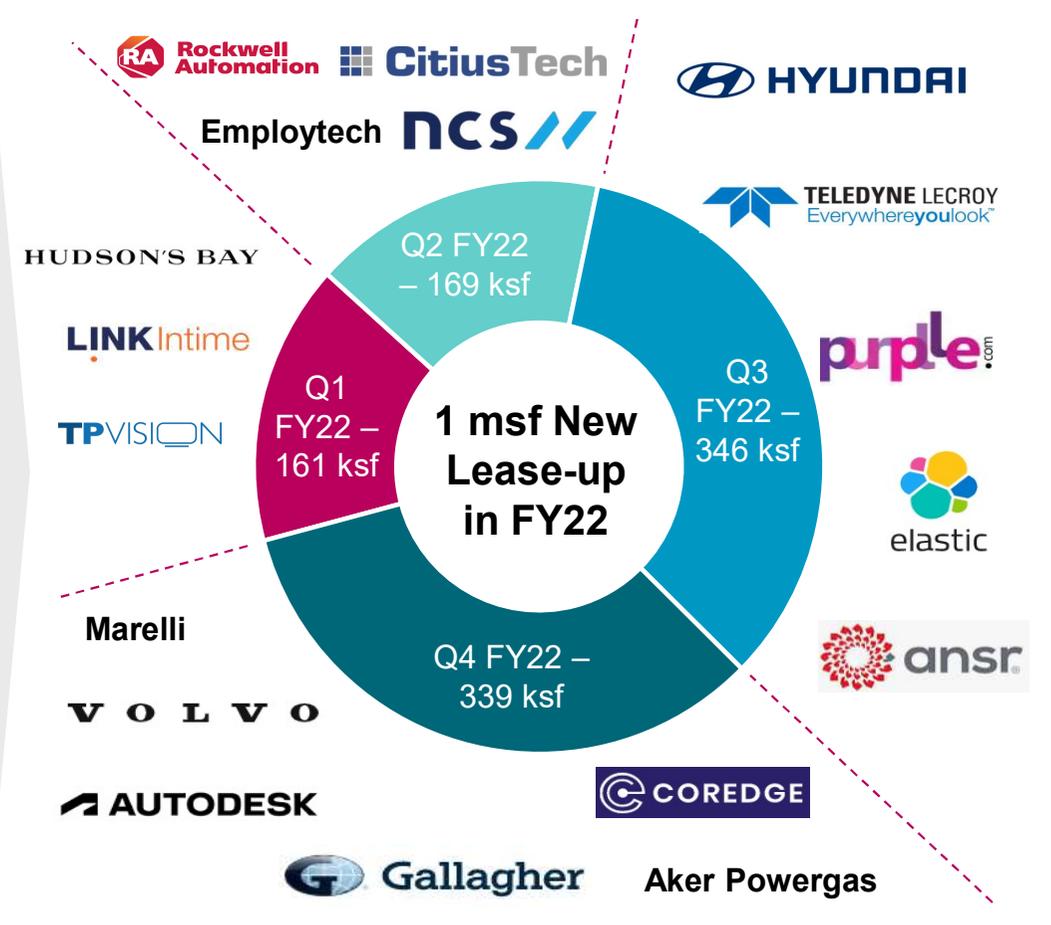
Achieved 2.2 msf total lease-up at 18% spreads; focused on occupiers from high growth sectors such as SaaS, EV and E-Commerce

**1 msf**  
 New Lease-up at 27% MTM

**1.2 msf**  
 End- of-Tenure Renewals at 13% MTM<sup>(1)</sup>

**31 Nos.**  
 New Deal Activity (vs 33 in pre-pandemic<sup>(2)</sup>)

New leasing focused on high growth occupiers



▶ Targeted smaller leases with high growth occupiers, to benefit from their scale up  
 ▶ Signed over 20 such leases at an average deal size of 50k sf and in advanced discussions for more deals

Notes:  
 (1) Includes 511k sf early renewal with Nokia as a part of 'blend and extend' strategy, leases originally expiring between FY25/26  
 (2) Average of FY19 and FY20, across both new leases and end-of-tenure renewals

## Leasing Highlights for Q4

**555k sf total lease-up across 18 deals in Q4, comprising of 339k sf new lease-up at 40% re-leasing spread and 215k sf renewals at 2% renewal spread**

4Q FY2022 Highlights			Pick-up in Leasing Momentum			
<b>New Leases signed ('000 sf)</b>	<b>(A)</b>	<b>339</b>	<b>Occupier</b>	<b>Property</b>	<b>Sector</b>	<b>Area ('000 sf)</b>
<b>New Leases</b>						
– Re-leasing ('000 sf)		339	Autodesk	Embassy GolfLinks	Technology	61
– Re-leasing Spread		40%	Marelli	Embassy Manyata	Engineering & Manufacturing	55
<b>Renewals ('000 sf)</b>	<b>(B)</b>	<b>215</b>	Gallagher Insurance	Embassy 247	Financial Services	26
– Renewal Spread		2%	Aker Powergas	Embassy Qubix	Technology	25
<b>Total Lease-up ('000 sf)</b>	<b>(A + B)</b>	<b>555</b>	Volvo	Embassy GolfLinks	Engineering & Manufacturing	20
Pipeline discussions ('000 sf)		c.500	Others	Various	Various	152
<b>Renewals</b>						
			Others	Various	Various	215
<b>Total Lease-up</b>						<b>555</b>

### New Leases & Renewals in 4Q FY2022



Notes:

- (1) Actual legal entity name of occupiers may differ
- (2) Through an enterprise solution between respective end use occupier and co-working operator

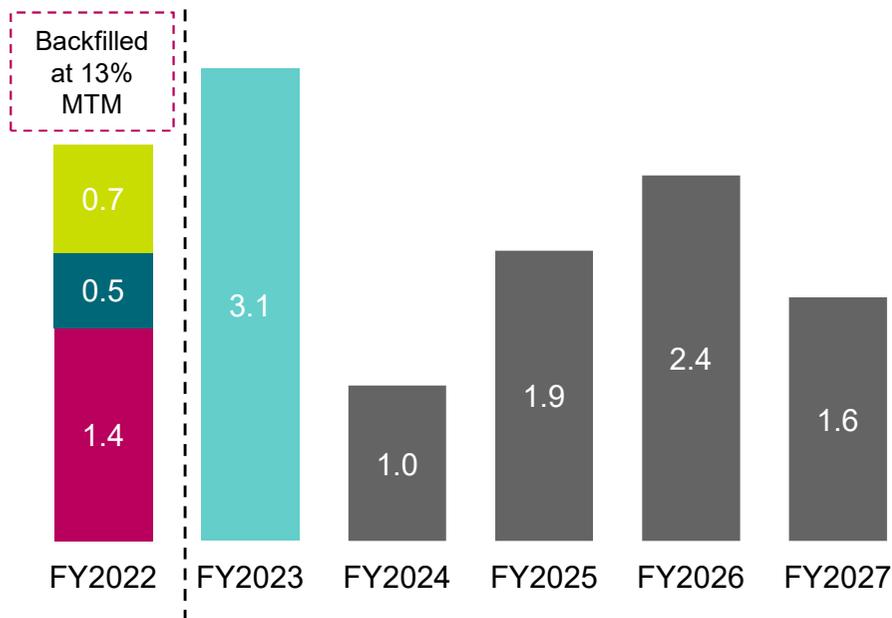
# Mark-to-Market Potential

**Delivered on guidance for lease renewals, successfully renewed 1.2 msf in FY22 at 13% spreads. Mark-to-market potential of 32% on 3.1 msf expiring in FY23**

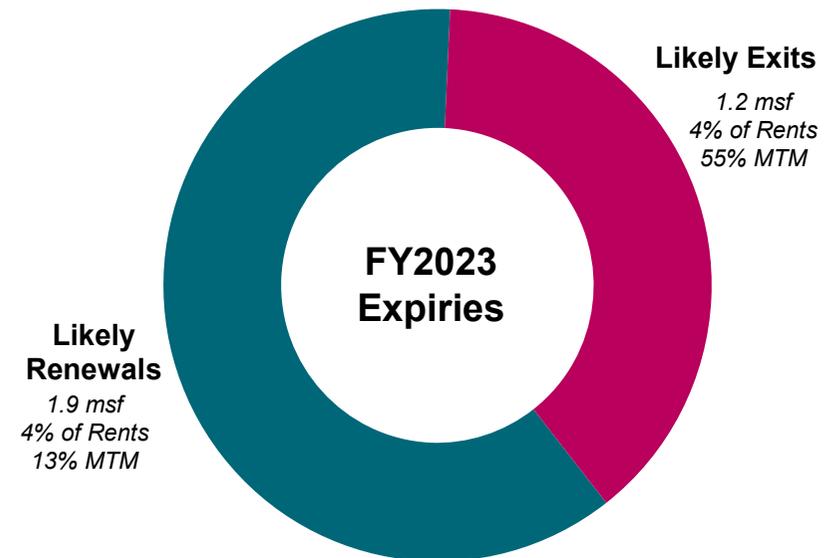
36% of Leases expire between FY2023–27

## Area Expiring (msf)

- Exits
- Renewal Completed
- Early Renewal



FY2023 Lease Expiries Update



	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Mark-to-market opportunity<sup>(1)</sup></b>	32%	17%	48%	21%	13%
<b>Rents Expiring<sup>(2)</sup></b>	8%	4%	7%	11%	6%

- ▶ 3.1 msf upcoming expiries in FY23 comprising 8% of Revenue
  - In-place rents 32% lower vs. market rents per CBRE
- ▶ 1.9 msf likely renewals, comprising 4% of revenue
- ▶ 1.2 msf likely exits, comprising 4% of revenue ‘business as usual’ churn and portfolio housekeeping exits
  - In-place rents 55% lower vs. market rents per CBRE

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  
 (3) Includes 511k sf early renewal with Nokia as a part of ‘blend and extend’ strategy, leases originally expiring between FY25/26

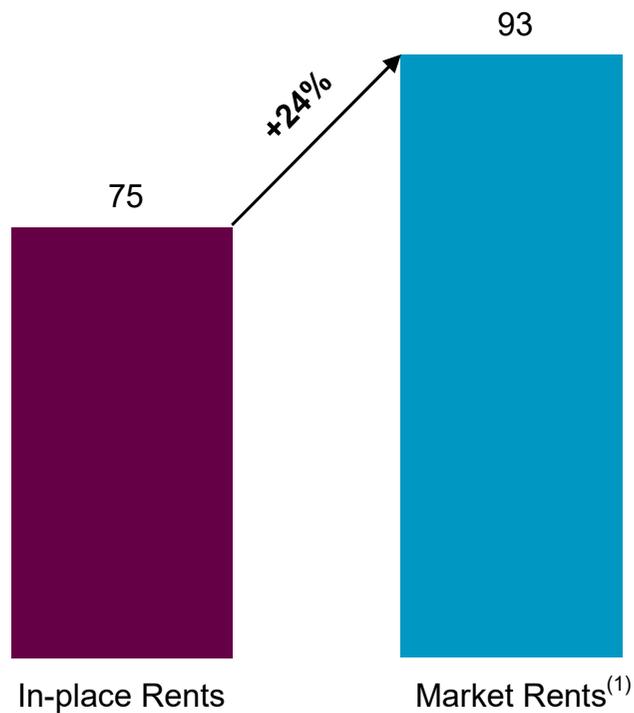
# Embedded Rent Growth

**Achieved rent escalations of 14% on 7.7 msf across 89 leases in FY22. On track for additional 14% rent escalations due on 8.2 msf across 68 leases in FY2023**

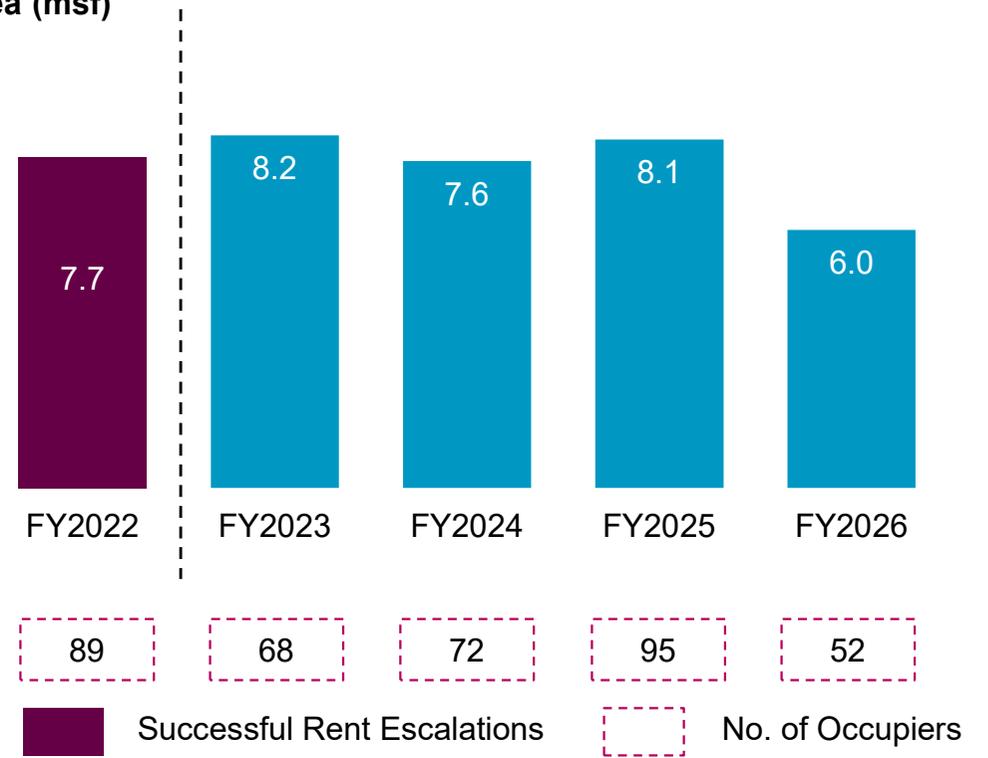
**Market Rents 24% above in-place rents**

**Embedded Rent Escalations of 14% aids NOI growth**

Rent (₹ psf / month)



Area (msf)



<b>Rent Escalations</b>	14%	14%	14%	14%
<b>Post-escalation MTM opportunity</b>	13%	33%	17%	25%

**Q4 Update: Achieved 15% rent increase on 2.3 msf**

Note:  
(1) CBRE, Mar'22, Embassy REIT



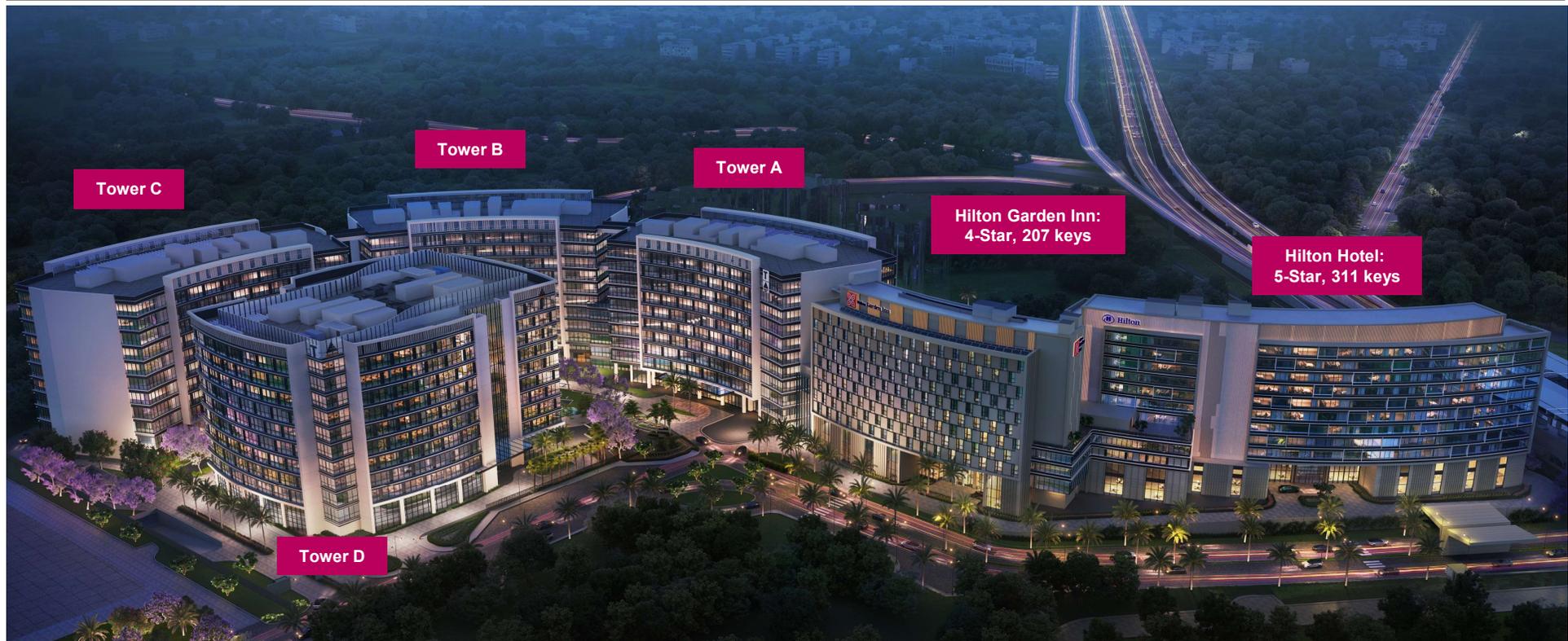
# V. Development Update

Embassy TechVillage – JP Morgan BTS, Bangalore



## Kickstarted New Growth Cycle

New growth cycle at ETV gaining momentum with construction of 1.9 msf office development and launch of construction of 518 key Hilton hotels



- ▶ **Opportunity:** Office demand significantly outstripping supply in Bangalore's ORR micro-market
  - ORR is India's best performing market with 7 msf active RFPs and sub-6% market vacancy
- ▶ **Development Update:** Developing entire 1.9 msf office block in one go given robust demand
  - Construction in full swing, financing available at attractive 7-8% interest rate
- ▶ **Pre-Lease at ETV:** Incubation space availability<sup>(1)</sup>, proposed hotel & amenity offering and planned metro are key differentiators

Note:

(1) Through a tie-up with upcoming adjacent property with ability to seamlessly integrate access with Block 8 development

# Project Progress at Site

Embassy TechVillage – Block 8 (1.9 msf)

Design Perspective



Embassy Manyata – M3 Block A (1.0 msf)



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



Note:  
(1) Apr'22 Pictures

# Project Progress at Site (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) Apr'22 Pictures

# VI. Acquisitions Update

Embassy GolfLinks, Bangalore



# Financing Add-on Acquisition by GLSP

**Completed ₹9.3 bn debt financing to GLSP, REIT's investment entity, which used proceeds to acquire 0.4 msf area within Embassy GolfLinks campus ('EGL') and CAM business for EGL**

<b>Overview</b>	<b>357k sf</b>	<b>4.7 msf</b>	<b>Key Benefits to GLSP</b>	
	Area Acquired	CAM Business Acquired	<b>Consolidation of Strata Owned Space</b>	<ul style="list-style-type: none"> <li>▶ Consolidation of additional 357k sf by GLSP, REIT's 50% investment entity                             <ul style="list-style-type: none"> <li>– Enhances GLSP's ownership in EGL, one of India's award-winning office parks</li> <li>– Enhanced alignment for GLSP stakeholders</li> </ul> </li> </ul>
	<b>₹9.3 bn</b>	<b>4.8%</b>		<b>Better Alignment with Occupiers</b>
<b>Debt Raise</b>	<ul style="list-style-type: none"> <li>▶ REIT raised ₹10 bn NCDs at fixed coupon of 7.4%, mainly to finance debt to GLSP for the acquisition                             <ul style="list-style-type: none"> <li>– 5-year fixed-rate listed debt</li> <li>– First time participation from FPIs in REIT debt</li> <li>– 'AAA' Rated by CRISIL</li> </ul> </li> </ul>		<b>Returns to GLSP</b>	<ul style="list-style-type: none"> <li>▶ Strong leasing witnessed by GLSP on area acquired from strata owners</li> <li>▶ Brings in contracted CAM revenues to GLSP for 4.7 msf<sup>(1)</sup></li> <li>▶ Acquisition at discount to average of two Independent Valuations commissioned by GLSP</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>▶ REIT funded GLSP at 8.1%, a 70 bps spread cost                             <ul style="list-style-type: none"> <li>– REIT's debt spread at arm's length as benchmarked by Grant Thornton Bharat</li> <li>– Efficient cash flow-through to the REIT by GLSP</li> </ul> </li> <li>▶ Acquisition by GLSP, 50% investment entity of REIT                             <ul style="list-style-type: none"> <li>– Consideration for acquisition at 4.8% discount to average of two Independent 3<sup>rd</sup> party valuations</li> <li>– Dedicated management team at GLSP</li> </ul> </li> </ul>			

Note:

- (1) Of the total 4.7 msf of leasable area in EGL, GLSP previously owned 2.7 msf and now has additionally acquired c.0.4 msf
- (2) Embassy REIT holds 50% of the equity shares and economic interest in GolfLinks Software Park Private Limited (GLSP), its investment entity, through Manyata Promoters Private Limited, with the remaining 50% owned by a joint venture partner. GLSP is a joint venture.

A wide-angle photograph of the Embassy TechVillage in Bangalore, India. The image shows a modern, multi-story building with a light beige facade and numerous windows. A prominent feature is a large, arched glass entrance on the right side, flanked by vertical green walls. The building is surrounded by a paved courtyard with outdoor seating, including tables and chairs, and a covered walkway with a grid-like roof structure. A clock is visible on the building's facade. The sky is blue with scattered white clouds.

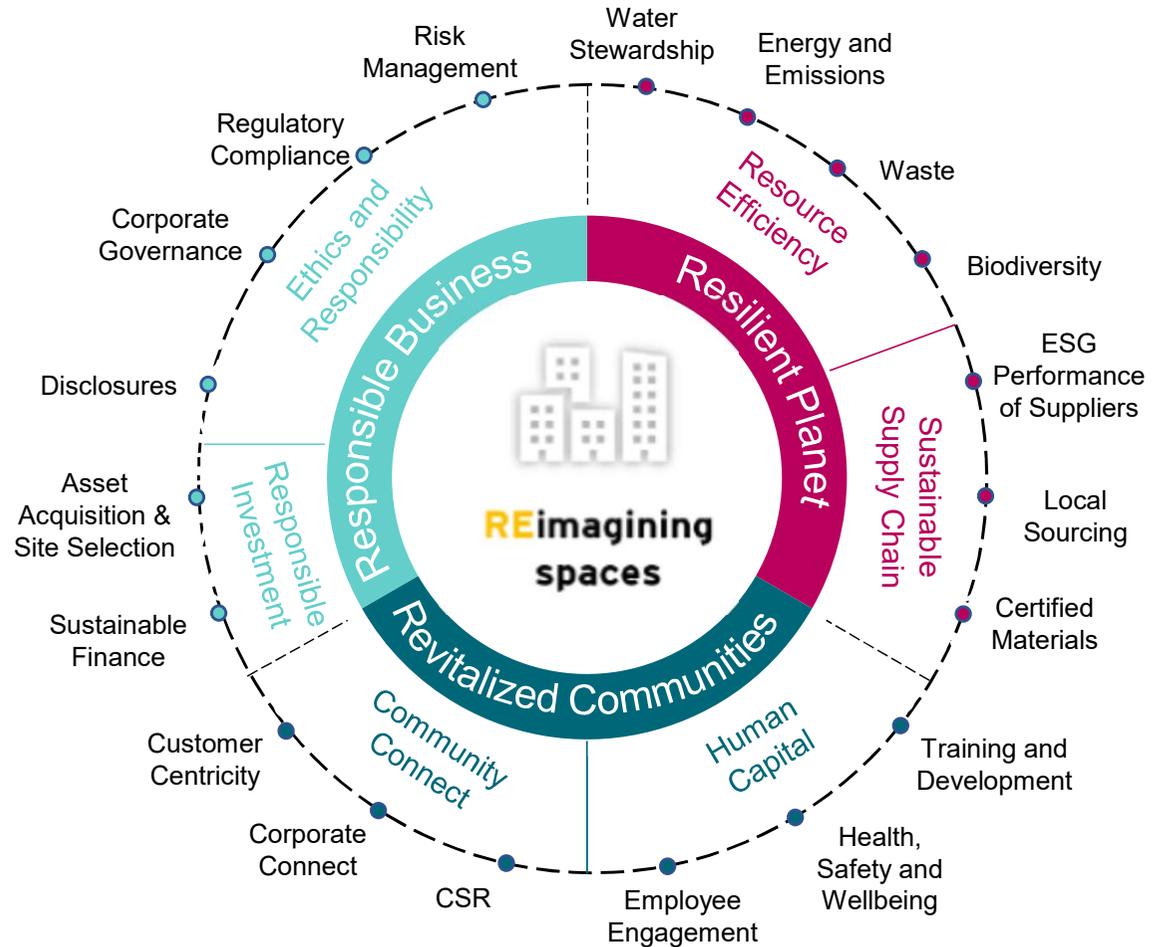
# VII. ESG Update

Embassy TechVillage, Bangalore

# ESG Vision and Framework – 3 Pillars

**ESG Framework, comprising of 19 specific programs, is driven by our vision to “Reimagine spaces” for a sustainable tomorrow for all our stakeholders**

- 1  
Framework
- 3  
Pillars
- 6  
Focus Areas
- 19  
Programs



- ▶ ESG objective is integrated into our business objectives and values
- ▶ Net Zero Carbon Emissions by 2040 across our operational portfolio

# ESG Memberships and Certifications

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

Past Achievements	Current Achievements and Focus Areas	Future Plans
  	       	  

## ESG Roadmap – Progress Report

In-line with 2040 net zero commitment, defined next 3-year sustainability targets across 19 ESG Programmes within the overall 3 Pillar ESG framework

Pillar	Metric	Target <sup>(1)</sup>	FY2022 Actuals	Status
Resilient Planet	▶ Renewable energy consumption share	75% by FY25	55%	On track
	▶ Water consumption reduction	7% by FY25	64% <sup>(2)</sup>	On track
	▶ OWC capacity increase	25% by FY25	4%	On track
	▶ Local sourcing <sup>(3)</sup> share	30% by FY25	31%	Achieved
	▶ USGBC LEED certified portfolio (% of area)	100% by FY23	29%	On track
Revitalized Communities	▶ ‘Green leases’ signed during the period	70% by FY24	86% <sup>(4)</sup>	On track
	▶ 5-star BSC certified portfolio (% of area)	100% by FY23	26%	On track
	▶ Occupiers engaged under ‘Corporate Connect’	10%	10%	Achieved
	▶ Females as % of total new hires	50% from FY23	13%	On track
Responsible Business	▶ TCFD compliant annual report	100% by FY25	Gap assessment underway	On track
	▶ Cumulative green / sustainable finance portfolio	₹10 bn by FY24	₹22 bn	Achieved
	▶ ESG due-diligence	100% from FY23	NA	On track

Notes:

- (1) Target set against baseline of FY2020 actuals for the portfolio (including Embassy TechVillage acquisition)
- (2) Lower water consumption noted during FY2022 as physical occupancy in our properties was impacted due to the Covid pandemic
- (3) Local sourcing is defined as sourcing of materials for our new developments within 1000 kms radius of respective sites
- (4) Data considered from Q3 FY2022 onwards

A nighttime photograph of a modern office building, the Embassy Manyata, in Bangalore. The building is illuminated with warm yellow lights from its windows and vertical light strips. A flyover is visible in the foreground, with light trails from vehicles. The sky is a deep blue and purple, indicating dusk. The Embassy Manyata logo is visible on the building's facade.

# VIII. Total Business Ecosystem Update

Flyover at Embassy Manyata, Bangalore

## Improving Hospitality Outlook

Rebound in hospitality demand given eased restrictions, ramp-up of corporate travel and pent-up leisure demand

### Hilton at Embassy GolfLinks



247 Keys

5-Star Hotel

Operational

Q4 Occupancy : 35% (22% in Q4 FY21)

Q4 EBITDA: ₹(8) mn [₹(20) mn in Q4 FY21]

'2021 Travellers Choice Award'

- by TripAdvisor

### Four Seasons at Embassy One



230 Keys

5-Star Luxury Hotel

Operational

Q4 Occupancy : 25% (13% in Q4 FY21)

Q4 EBITDA: ₹(26) mn [₹(45) mn in FY21]

Copitas ranked no 3 among 30 Best Bars  
India Awards 2022

### Hilton Garden Inn at Embassy Manyata



353 Keys

3-Star Luxury Hotel

Launched in Mar'22, ramped up quickly

Q4 Occupancy : 23%

Q4 EBITDA: ₹0.2 mn

EBITDA positive in 1<sup>st</sup> month  
post its launch

- ▶ Tapering of Omicron, eased restrictions and ramp-up of air-travel is driving sharp improvement
- ▶ Expect occupancies and ADRs to rise given increased corporate travel and back to office trends
- ▶ Tapping demand in underserved markets through new hospitality offerings complementary to our grade-A office product
  - 619 keys Hilton Hotels and Convention centre at Embassy Manyata – Recently launched
  - 518 keys Hilton Hotels at ETV – Currently under development

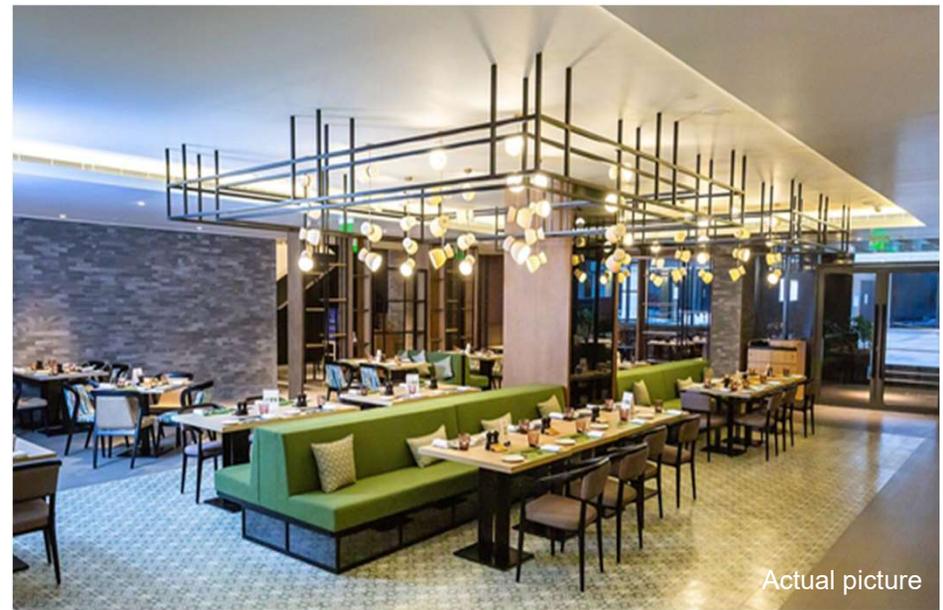
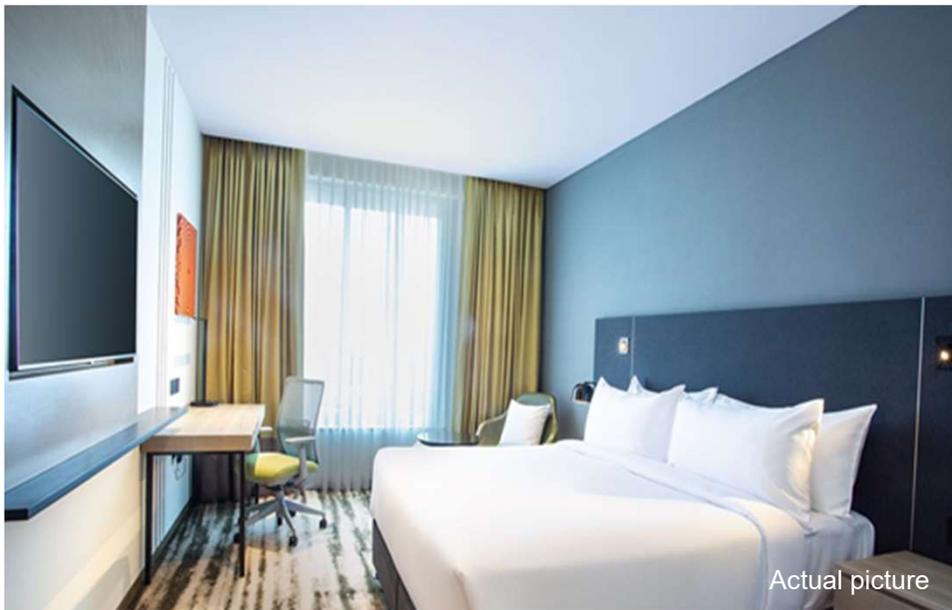
## Launched Hilton Hotels at Embassy Manyata

619 key Hilton hotels complex at Embassy Manyata launched ahead of target. One of India's leading mixed-use complexes with Convention Centre, Retail and F&B offerings integrated with hospitality.



- ▶ Launched India's largest Mixed-use hotel complex at Embassy Manyata, expands Total Business Ecosystem
- ▶ Spread over 619 keys, 60k sf Convention Center including 13k sf ballroom capable of hosting 1500 people
- ▶ Integrates 85k sf retail and F&B hub, making it a full portfolio offering providing 'Work, Stay, Meet and Dine'
- ▶ Launch timing in sync with rebound in corporate and leisure travel and resulting occupancy pick up
- ▶ Signed over 110 Corporate contracts already; robust event pipeline for Convention centre

# Hilton Garden Inn - Select Pictures

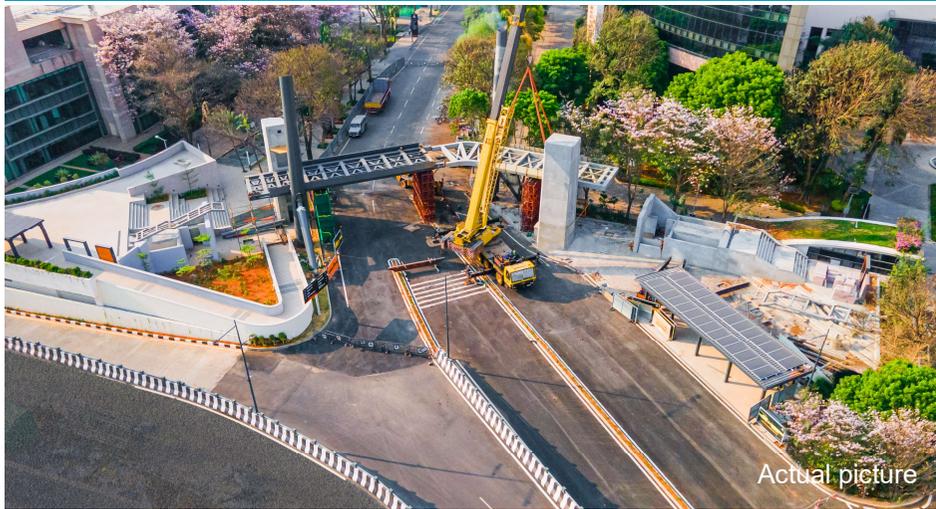


Note:  
(1) Apr'22 Pictures

# Deepening Business Moat

Continuing investment in infrastructure and amenities deepens business moat and fortifies REIT properties for the next phase of growth

South Side Skywalk at Embassy Manyata (WIP, May'22)



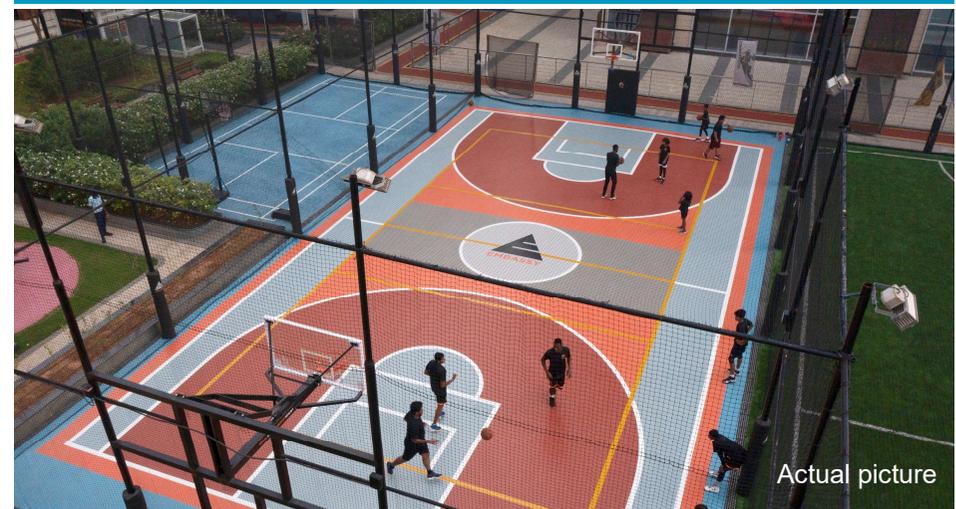
1 km long flyover at Embassy Manyata (Delivered, Nov'21)



Skywalk at Embassy TechVillage (Completed, Nov'21)



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



Note:  
(1) Apr'22 Pictures

# 'Central Garden' – Amenity Zone at ETV

Initiated 'Central Garden', an 8-acre attraction zone. Designed by a renowned Singapore architect, comprises amenities such as an open amphitheater, sports zones, F&B and sit-out areas

Upper and Lower Gardens



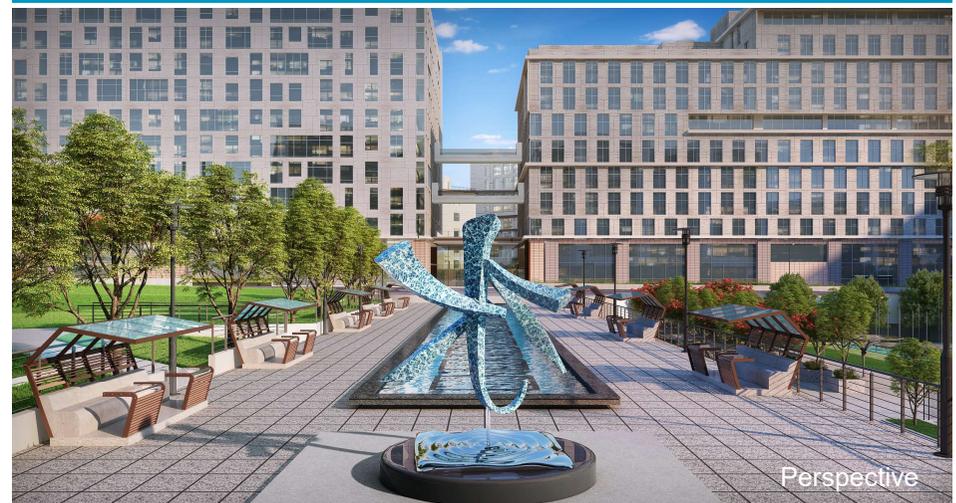
Sports Zone



Amphitheatre



Memory Plaza



Note:  
(1) Apr'22 Perspectives



# IX. Financial Update

Embassy TechZone, Pune

## Robust Financial Performance

**FY22 NOI and EBITDA up 23% each year-on-year respectively with NOI and EBITDA margins at 84% and 82% respectively**

	FY2022 (mn)	FY2021 (mn)	Variance %	Remarks
<b>Revenue from Operations</b>	<b>₹29,626</b>	<b>₹23,603</b>	<b>+26%</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 Hotel occupancy</li> <li>▶ Lease rent escalations of 14% on 8 msf</li> <li>▶ Partially offset by occupancy decline since start of pandemic</li> </ul>
<b>NOI</b>	<b>₹24,911</b>	<b>₹20,323</b>	<b>+23%</b>	<ul style="list-style-type: none"> <li>▶ Increase in Revenue from Operations</li> <li>▶ Partially offset by                             <ul style="list-style-type: none"> <li>– Costs corresponding to CAM Operations of Embassy Manyata, TechZone &amp; TechVillage<sup>(3)</sup></li> <li>– Costs corresponding to hotel operations</li> </ul> </li> </ul>
<b>Margin (%)</b>	<b>84%</b>	<b>86%</b>		
<b>EBITDA</b>	<b>₹24,250</b>	<b>₹19,693</b>	<b>+23%</b>	<ul style="list-style-type: none"> <li>▶ In-line with NOI increase</li> </ul>
<b>Margin (%)</b>	<b>82%</b>	<b>83%</b>		
<b>Distribution</b>	<b>₹20,626</b>	<b>₹18,364</b>	<b>+12%</b>	<ul style="list-style-type: none"> <li>▶ Increase in EBITDA</li> <li>▶ Partially offset by interest costs on additional debt for acquisitions and ZCB refinance</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 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 management operations in 3Q FY2021

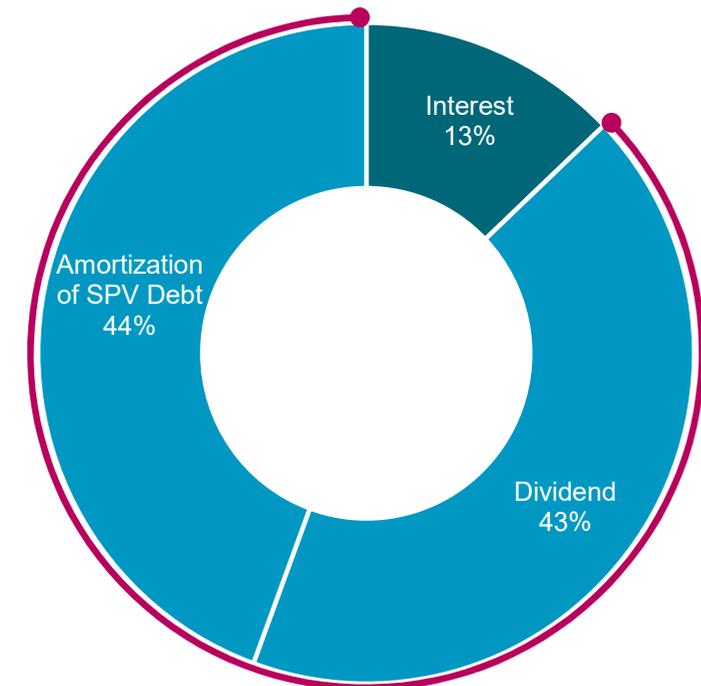
## Delivering on Distributions

Distributions for Q4 stood at ₹4,986 mn i.e., ₹5.26 per unit with 87% being tax-free for Unitholders

### Distribution Highlights

Particulars	4Q FY2022	FY2022
Distribution period	Jan'22 – Mar'22	Apr'21 – Mar'22
Distribution amount (mn)	₹4,986	₹20,626
Outstanding units (mn)	948	948
Distribution per unit (DPU)	₹5.26	₹21.76
Announcement date	April 28, 2022	-
Record date	May 09, 2022	-
Payment date	On or before May 13, 2022	-

### Distribution Mix – Q4



87% of Q4 distributions are tax-free

- ▶ 100% distribution payout ratio demonstrates commitment to regular quarterly distributions
- ▶ On FY basis, 82% of distributions are tax-free for Unitholders (against 66% in FY2021)

# Prudent Capital Management

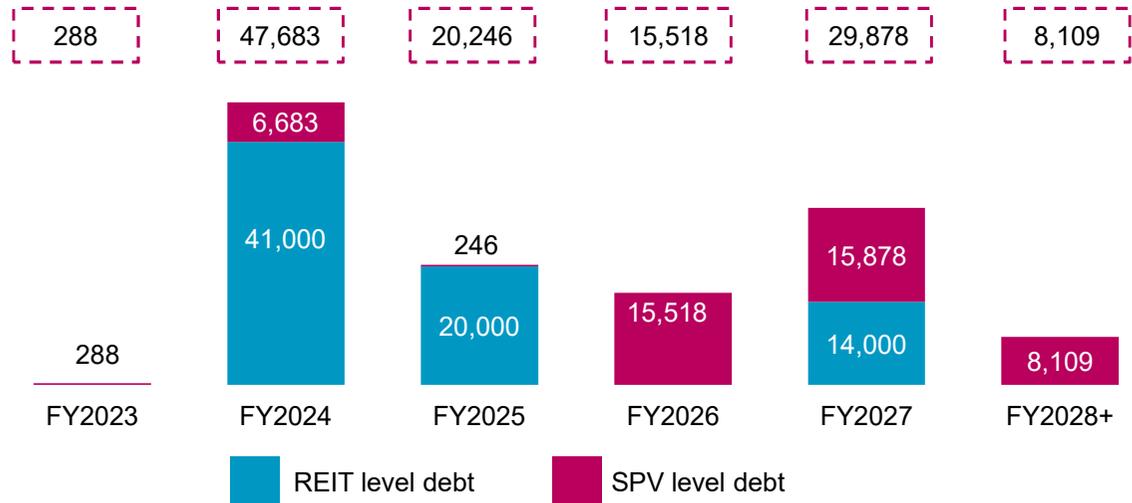
Successfully reduced overall interest cost to 6.7% and locked-in 62% of total REIT debt at fixed interest rate. Staggered debt maturities with <1% debt maturing over next 12 months

**6.7%**  
Average Debt Cost

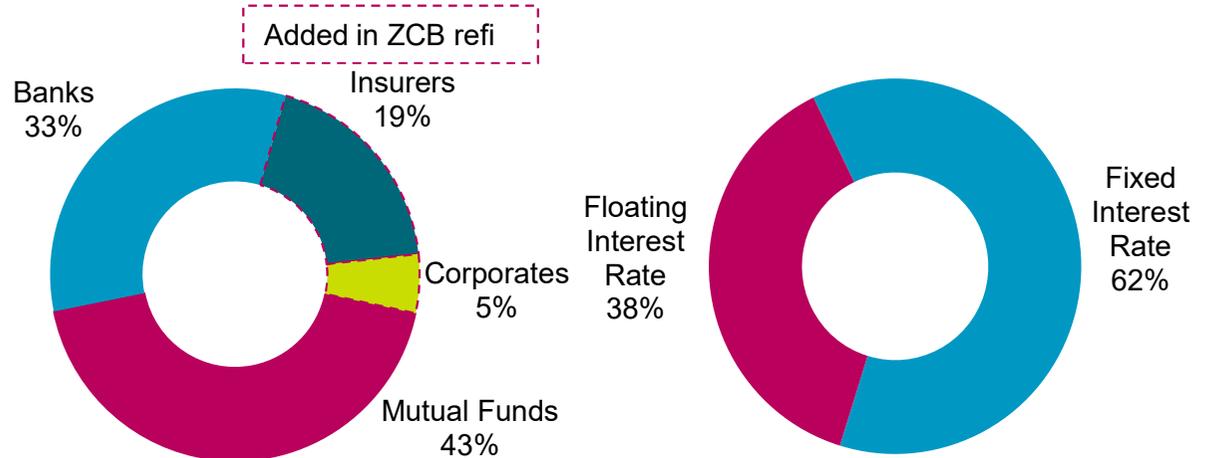
**<1%**  
Debt Maturity over next 12 months

**₹53 bn**  
Refinanced at 260 bps spreads

## Staggered Debt Maturity (₹ mn)



## REIT Debt Composition



## Growth in Portfolio Value

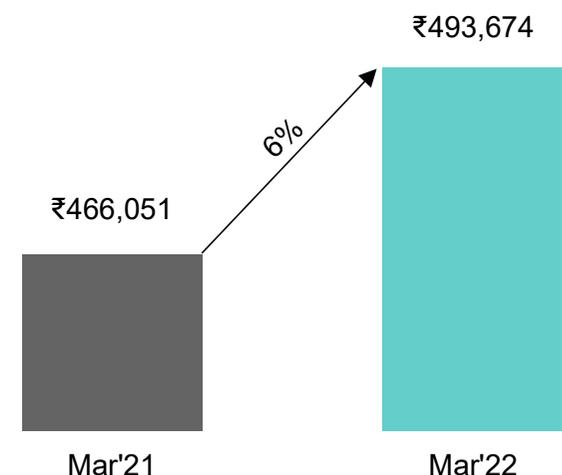
**Gross Asset Value has increased by 6% driven by improved demand outlook and lease-up, market rent assumptions and new deliveries**

### Total Enterprise Value ('TEV')

Particulars (₹ mn)	March 31, 2022
Gross Asset Value (GAV) <sup>(1,2)</sup>	490,078
Add: Other Assets	77,115
Less: Other Liabilities	(72,806)
Less: Gross Debt	(121,013)
<b>Net Asset Value (NAV)</b>	<b>373,374</b>
Number of Units	947,893,743
NAV per Unit (₹)	393.90

Particulars	March 31, 2022
Net Debt to GAV	24%
Net Debt to EBITDA <sup>(3)</sup>	4.46x
Interest Coverage Ratio	
– <i>excluding capitalized interest</i>	3.1x
– <i>including capitalized interest</i>	2.7x
Available Debt Headroom	₹120 bn

### GAV Increase



### GAV Break-up by Segment



Notes:

- (1) Gross Asset Value (GAV) considered per Mar'22 valuation undertaken by IVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer notes on slide 58
- (2) Given Embassy REIT owns 50% economic interest in GLSP, GAV includes fair value of equity investment in GLSP basis equity valuation method
- (3) Net Debt to EBITDA calculated as per financial covenants agreed under the financing documents for REIT NCDs

An aerial night photograph of the Embassy Galaxy building in Noida. The building is a large, modern structure with multiple wings and a prominent glass facade. It is illuminated from within, and a red 'CSC' logo is visible on a tall brick tower on the right side. The surrounding area includes a road with light trails from moving vehicles, trees, and other buildings in the background under a twilight sky.

# X. Appendix

Embassy Galaxy, Noida

# Eight Infrastructure-like Office Parks (40.5 msf)<sup>(1)</sup>

**Embassy Manyata**  
Bangalore (14.8 msf)



**Embassy TechVillage**  
Bangalore (9.2 msf)



**Embassy GolfLinks**  
Bangalore (3.1 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)



## Portfolio Summary

**33.8 msf completed Grade A office assets (87% occupied, 7.0 years WALE, 24% 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	3.0	14.8	6.7	88.3%	65	93	43%	183,028	37%
Embassy TechVillage	7.3	1.9	9.2	9.9	99.0%	74	94	27%	116,329	24%
Embassy GolfLinks <sup>(1)</sup>	3.1	-	3.1	7.1	94.2%	128	150	17%	31,560	6%
Embassy One	0.3	-	0.3	8.1	33.0%	150	147	(2%)	4,678	1%
<b>Bengaluru Sub-total</b>	<b>22.4</b>	<b>4.9</b>	<b>27.4</b>	<b>7.9</b>	<b>92.0%</b>	<b>77</b>	<b>102</b>	<b>32%</b>	<b>335,595</b>	<b>68%</b>
Express Towers	0.5	-	0.5	2.8	80.7%	277	270	(3%)	17,987	4%
Embassy 247	1.2	-	1.2	3.0	84.1%	109	112	2%	17,939	4%
FIFC	0.4	-	0.4	3.5	77.5%	300	275	(8%)	14,045	3%
<b>Mumbai Sub-total</b>	<b>2.0</b>	<b>-</b>	<b>2.0</b>	<b>3.0</b>	<b>82.1%</b>	<b>180</b>	<b>176</b>	<b>(2%)</b>	<b>49,971</b>	<b>10%</b>
Embassy TechZone	2.2	3.3	5.5	4.1	86.0%	50	48	(3%)	22,441	5%
Embassy Quadron	1.9	-	1.9	4.3	50.1%	49	48	(3%)	12,855	3%
Embassy Qubix	1.5	-	1.5	5.5	89.3%	42	48	15%	9,999	2%
<b>Pune Sub-total</b>	<b>5.5</b>	<b>3.3</b>	<b>8.8</b>	<b>4.5</b>	<b>74.5%</b>	<b>47</b>	<b>48</b>	<b>2%</b>	<b>45,295</b>	<b>9%</b>
Embassy Oxygen	2.5	0.7	3.3	9.6	75.8%	50	54	7%	24,648	5%
Embassy Galaxy	1.4	-	1.4	1.4	85.1%	35	45	28%	9,276	2%
<b>Noida Sub-total</b>	<b>3.9</b>	<b>0.7</b>	<b>4.6</b>	<b>7.2</b>	<b>79.0%</b>	<b>45</b>	<b>51</b>	<b>13%</b>	<b>33,924</b>	<b>7%</b>
<b>Subtotal (Office)</b>	<b>33.8</b>	<b>9.0</b>	<b>42.8</b>	<b>7.0</b>	<b>87.1%</b>	<b>75</b>	<b>93</b>	<b>24%</b>	<b>464,785</b>	<b>94%</b>
Four Seasons at Embassy One	230 Keys	-	230 Keys	-	23.2%	-	-	-	7,938	2%
Hilton at Embassy GolfLinks	247 Keys	-	247 Keys	-	29.4%	-	-	-	4,280	1%
Hilton & Hilton Garden Inn at Embassy Manyata (5 & 3 star)	619 Keys	-	619 Keys	-	23.3%	-	-	-	7,496	2%
Hilton & Hilton Garden Inn at Embassy TechVillage (5 & 3 star)	-	518 Keys	518 Keys	-	-	-	-	-	210	0%
Embassy Energy	100MW	-	100MW	-	-	-	-	-	8,965	2%
<b>Subtotal (Infrastructure Assets)</b>	<b>1,096 Keys / 100MW</b>	<b>518 Keys</b>	<b>1,614 Keys / 100MW</b>						<b>28,889</b>	<b>6%</b>
<b>Total</b>	<b>33.8 msf/1,096 Keys/100MW</b>	<b>9 msf / 518 Keys</b>	<b>42.8 msf / 1,614 Keys</b>						<b>493,674</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, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. For further details refer glossary on page 58

## Walkdown of Key Financial Metrics

Particulars (₹ mn)	4Q FY2022	4Q FY2021	Variance (%)	FY2022	FY2021	Variance (%)	
Revenue from Operations	7,488	7,387	1%	29,626	23,603	26%	NOI
Property Taxes and Insurance	(293)	(268)	9%	(1,174)	(849)	38%	
Direct Operating Expenses	(945)	(958)	(1%)	(3,540)	(2,431)	46%	
<b>Net Operating Income</b>	<b>6,250</b>	<b>6,161</b>	<b>1%</b>	<b>24,911</b>	<b>20,323</b>	<b>23%</b>	NDCF at SPV level
Other Income	316	290	9%	1,080	1,084	(0%)	
Dividends from Embassy GolfLinks	275	350	(21%)	1,400	915	53%	
Property Management Fees <sup>(1)</sup>	(170)	(175)	(3%)	(670)	(536)	25%	
Indirect Operating Expenses	(261)	(348)	(25%)	(884)	(708)	25%	
<b>EBITDA</b>	<b>6,411</b>	<b>6,279</b>	<b>2%</b>	<b>25,837</b>	<b>21,078</b>	<b>23%</b>	
Working Capital Adjustments	924	289	220%	2,977	418	613%	
Cash Taxes	(341)	54	NR	(1,670)	(522)	220%	
Principal Repayment on external debt	(46)	(27)	71%	(134)	(133)	1%	
Interest on external debt	(613)	(521)	18%	(1,848)	(1,422)	30%	
Non-Cash Adjustments	(42)	(11)	273%	(376)	(679)	(45%)	
<b>NDCF at SPV level</b>	<b>6,292</b>	<b>6,062</b>	<b>4%</b>	<b>24,785</b>	<b>18,740</b>	<b>32%</b>	Distribution
Distribution from SPVs to REIT	6,287	6,062	4%	24,814	18,862	32%	
Distribution from Embassy GolfLinks	-	-	NR	-	738	(1)	
Interest on external debt	(1,225)	(638)	92%	(3,820)	(914)	3	
REIT Management Fees <sup>(1)</sup>	(59)	(54)	9%	(254)	(212)	20%	
Other Inflows at REIT level (Net of Expenses)	(9)	(45)	(80%)	(102)	(117)	(14%)	
<b>NDCF at REIT level</b>	<b>4,994</b>	<b>5,324</b>	<b>(6%)</b>	<b>20,638</b>	<b>18,356</b>	<b>12%</b>	
<b>Distribution</b>	<b>4,986</b>	<b>5,308</b>	<b>(6%)</b>	<b>20,626</b>	<b>18,364</b>	<b>12%</b>	

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

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

## Portfolio Valuation

**Gross Asset Value of REIT portfolio stood at ₹494 bn with 94% of value in commercial office segment, underpinning Embassy REIT's asset quality**

Property	Segment	March 31, 2022	March 31, 2021	Variance
		(₹ mn)	(₹ mn)	(%)
Embassy Manyata	Commercial Office	183,028	173,579	5%
Embassy TechVillage	Commercial Office	116,329	106,491	9%
Embassy GolfLinks <sup>(2)</sup>	Commercial Office	31,560	28,053	13%
Embassy One	Commercial Office	4,678	4,324	8%
Express Towers	Commercial Office	17,987	18,403	(2%)
Embassy 247	Commercial Office	17,939	16,914	6%
FIFC	Commercial Office	14,045	13,889	1%
Embassy TechZone	Commercial Office	22,441	22,827	(2%)
Embassy Quadron	Commercial Office	12,855	12,938	(1%)
Embassy Qubix	Commercial Office	9,999	10,414	(4%)
Embassy Oxygen	Commercial Office	24,648	23,694	4%
Embassy Galaxy	Commercial Office	9,276	9,028	3%
Hilton at Embassy GolfLinks	Hospitality	4,280	3,995	7%
Four Seasons at Embassy One	Hospitality	7,938	7,278	9%
Hilton at Embassy Manyata	Hospitality	7,496	4,341	73%
Hilton at Embassy TechVillage	Hospitality	210	582	(64%)
Embassy Energy	Others	8,965	9,302	(4%)
<b>Gross Asset Value</b>		<b>493,674</b>	<b>466,051</b>	<b>6%</b>
Other Assets		73,521	81,820	
Other Liabilities		(193,819)	(180,521)	
<b>NAV</b>		<b>373,374</b>	<b>367,350</b>	
<b>NAV per unit</b>		<b>393.90</b>	<b>387.54</b>	<b>2% higher</b>

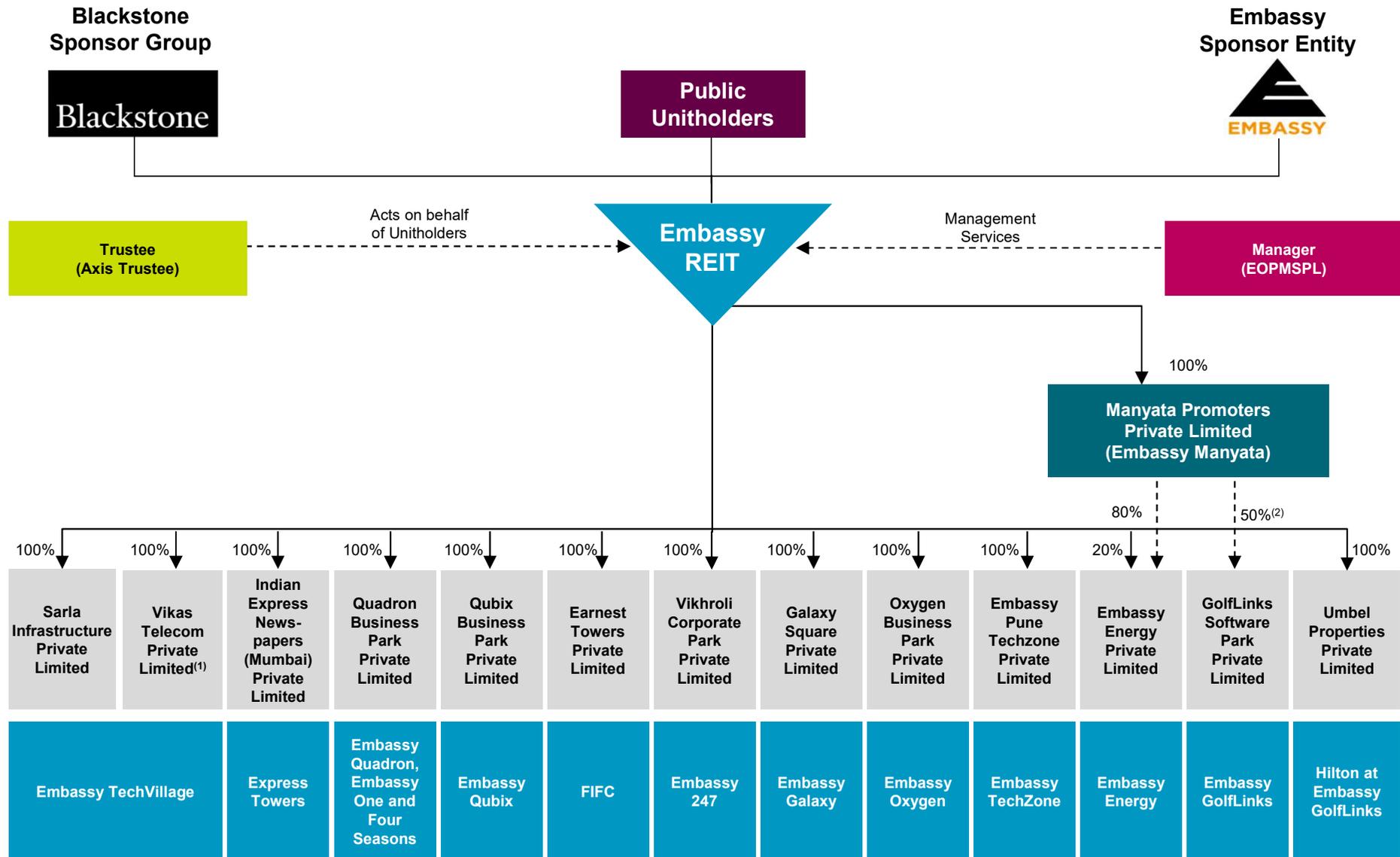
Notes: As per Mar'22 valuation by independent valuer. Valuation exercise undertaken semi-annually.

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

# Embassy REIT Structure



Notes:

- (1) Pursuant to a scheme of arrangement (the 'Scheme') involving EOVPL and VTPL which was approved by the National Company Law Tribunal ('NCLT'), Bengaluru branch via order dated February 28, 2022, EOVPL merged with VTPL and is now a 100% directly held Special Purpose Vehicle of Embassy REIT
- (2) Balance 50% owned by JV partner
- (3) 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 Mar 31, 2022
- ▶ 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
- ▶ Gross Asset Value (GAV) considered per Mar'22, valuation undertaken by iVAS Partners, represented by Mr. Manish Gupta, in conjunction with value assessment services undertaken by CBRE. Valuation exercise undertaken semi-annually. GAV of approximately 186k sf area and property maintenance business of EGL Campus has not been considered for Mar'22 valuation purposes, as the acquisition was completed by GLSP post year end.
- ▶ Key Terms and Definitions:
  1. 4Q/Q4/Four Months ended – Quarter ending Mar'22
  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) and Sarla Infrastructure Private Limited (SIPL). The ETV entities also included Embassy Office Ventures Private Limited, an erstwhile holding company of Embassy REIT, which has been dissolved pursuant to a restructuring among EOVPL and VTPL through an NCLT scheme
  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. Green Loan – Green loan refers to loans given by Multinational banks against Green Buildings (Gold or Platinum LEED certified). These loans are classified as Green Loans under the banks Green & Sustainable Finance Framework and comprises certifications received from Climate Bond initiatives
  27. GRESB – Formerly known as Global Real Estate Sustainability Benchmark \
  28. Holdco – Refers to MPPL
  29. Investment Entity – Refers to GolfLinks Software Park Private Limited
  30. IPO – Initial Public Offering of units of Embassy Office Parks REIT
  31. Leasable Area – Total square footage that can be occupied by a 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
  32. LTM – Last twelve months
  33. Manager – Embassy Office Parks Management Services Private Limited
  34. MEP – Mechanical, Electrical & Plumbing
  35. mn – Millions
  36. MNC – Multinational Corporation
  37. 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. ORR – Outer Ring Road
54. OWC – Organic Waste Converter
55. Proforma Debt Headroom – Proforma Debt Capacity (Maximum debt as per REIT Regulations) - Current Net Debt
56. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
57. 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
58. QoQ – Quarter on quarter
59. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
60. 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 Mar'22
61. RevPAR – Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
62. Re-leasing spread – Refers to the change in rent psf between new & expiring leases, expressed as a percentage
63. 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 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
64. ROFO – Right of First Offer
65. sf / psf – Square feet / per square feet
66. Sponsor(s) – Embassy Property Developments Private Limited and BRE / Mauritius Investments
67. SPV – Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, in this case being UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL, VTPL, SIPL, EPTPL and GSPL
68. TEV – Total Enterprise Value
69. Total Returns – Total Return captures price movement and distribution since listing in Apr'19
70. TI / TIs – Tenant Improvement / (s)
71. tn – Trillions
72. 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
73. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
74. 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
75. WFH – Work from home
76. WIP – Work-in-progress
77. Years – Refers to fiscal years unless specified otherwise
78. YoY – Year on year
79. YTD – Year to date
80. YTM – Yield to Maturity
81. 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)