

Embassy Office Parks REIT

Completion of Embassy Splendid TechZone Acquisition

June 3, 2024



Completed Acquisition of Embassy Splendid TechZone, Chennai

Successfully acquired ESTZ for an Enterprise Value of ₹11,853 mn, a best-in-class office park that marks Embassy REIT's entry into a new growth market of Chennai

Grade A Asset with Multinational Tenant Roster

- ▶ 5.0 msf campus-style office park spread over ~26 acres; complementary to the REIT's existing high-quality portfolio
- ▶ Leased to marquee multinational occupiers such as Wells Fargo and BNY Mellon, among others
 - 100% of gross rentals from multinationals and 81% of gross rentals from GCCs
- ▶ Located on Pallavaram-Thoraipakkam Road and close to the Chennai International Airport

Stable Cash Flows with Embedded Organic Growth

- ▶ Stable cash flows from 95% occupancy in completed portion with WALE of 14 years
- ▶ Multiple growth levers: Contractual escalations + 1.6 msf on-campus development + 2.0 msf future development potential

Enterprise Value and Key Metrics

- ▶ Acquired at Enterprise Value of ₹11,853 mn⁽²⁾ which is at a 9.2% discount to the average of two independent valuation reports
- ▶ Transaction financed primarily through SPV-level debt at average interest rate of c.8.05% and internal accruals
- ▶ Accretion of 2.0% and 0.2% to FY2025 mid-point NOI and DPU guidance respectively and NAV accretion of 0.2%, on a proforma basis

Next steps

- ▶ Initiated on-ground teams integration
- ▶ Vendor mobilization to ramp-up construction of 1.6 msf on-campus development
- ▶ Pre-leasing of under-construction areas

Notes: Unless stated otherwise, all figures are as of March 31, 2024

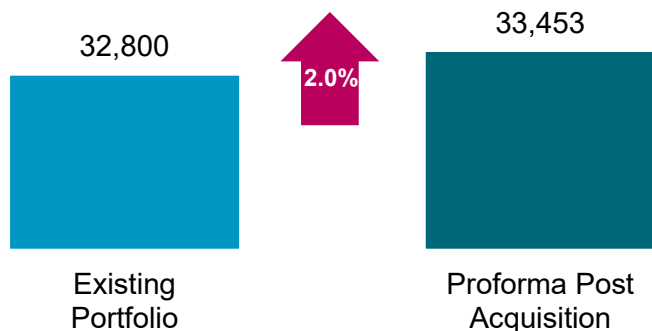
(1) On April 29, 2024, Unitholders approved the acquisition of ESTZ and fund-raise through institutional placement(s) of up to ₹30,000 mn valid for 365 days

(2) Given binding agreement to lease in relation to certain identified leasable area at ESTZ was not executed prior to the date of completion of the acquisition, Embassy REIT has completed the acquisition at a reduced Enterprise Value of ₹11,853 mn without rental support of ₹429 mn (with binding agreement enterprise value was ₹12,690 mn)

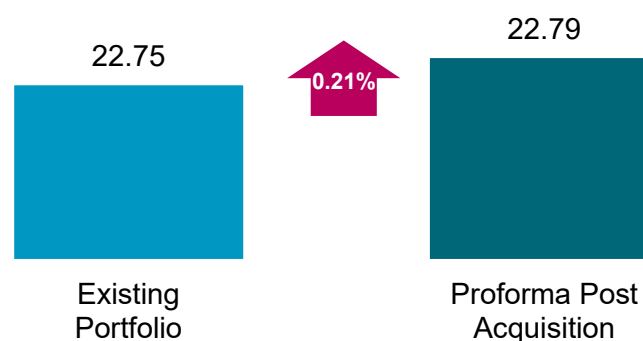
Accretive Across Key Metrics

Overall transaction is 2.0% NOI, 0.2% DPU and NAV accretive, on a proforma basis

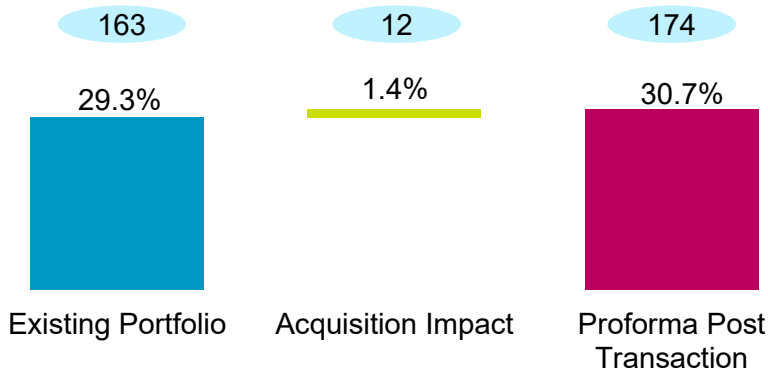
FY2025 NOI (₹ mn)^(1,2)



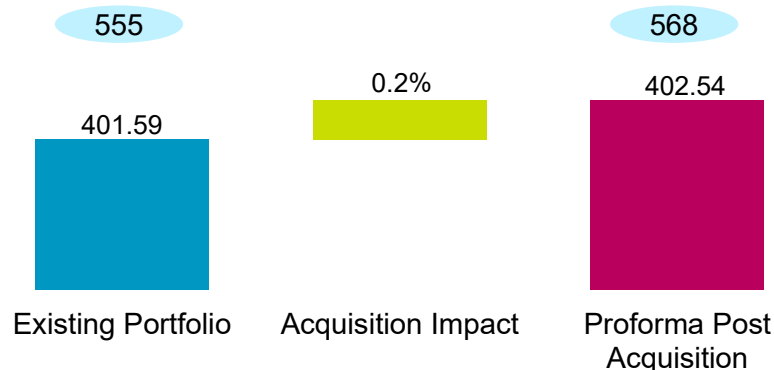
FY2025 DPU (₹ / unit)^(1,2,3)



Mar'24 LTV (%)^(4,5)



Mar'24 NAV (₹ / unit)⁽⁵⁾



Net Debt (₹ bn)

GAV (₹ bn)

Notes:

- (1) Basis FY2024 actuals, NOI and DPU accretion is 2.2% and 0.23% respectively
- (2) Calculated considering mid-point of management guidance of FY2025 NOI for Embassy REIT of ₹32,800 mn and Contracted NOI for ESTZ Acquisition of ₹653 mn. Contracted NOI for ESTZ Acquisition calculated as annualized NOI of leases with lease commencement date prior to March 31, 2024, but excluding rental support from Embassy Sponsor on under construction area given binding lease agreement was not executed prior to closing
- (3) Calculated considering mid-point of management guidance of FY2025 DPU for Embassy REIT of ₹22.75, DPU for ESTZ Acquisition impact based on management calculations
- (4) LTV calculated as Net Debt divided by GAV. Considering Net Debt as of March 31, 2024 for Embassy REIT, Debt Raise of ₹11,579 mn for ESTZ
- (5) Considering GAV and NAV as of March 31, 2024 for Embassy REIT (valuation undertaken by Ms. L. Anuradha, in conjunction with Independent property consultant review services undertaken by C&W), GAV of ESTZ Acquisition of ₹12,752 mn as of March 31, 2024 (valuation undertaken by Ms. L. Anuradha, in conjunction with Independent property consultant review services undertaken by C&W), Debt Raise of ₹11,579 mn for ESTZ and GAV to NAV adjustments of ₹274 mn

Notes

1. Some of the figures in this Presentation have been rounded-off to the nearest decimal for ease of presentation
2. The “**ESTZ Acquisition**” refers to the acquisition through the purchase of 100% of the equity share capital of ESNP Property Builders and Developers Private Limited (“ESNP”) from Embassy Property Developments Private Limited (“EPDPL” or “Embassy Sponsor”) (and its nominee), of ESNP’s rights, title and interest in Embassy Splendid TechZone, a commercial real estate project in Chennai, India, which is expected to comprise a total leasable area of approximately 5.0 msf in the commercial towers upon completion (“Embassy Splendid TechZone, Chennai”), consisting of the ownership interest in the completed and rent/income-generating towers as well as rights, title and interest in the under-construction portions thereat, economic interests (including 61% proportionate lease revenue share), leasehold rights, co-development rights and other rights of ESNP in Embassy Splendid TechZone, Chennai, including the right to provide common area maintenance services and common infrastructure services. All operational metrics included in this Presentation in relation to ESTZ and the ESTZ Acquisition are with reference to Embassy Splendid TechZone, Chennai held by ESNP. A third-party landowner is entitled to the remaining 39% proportionate lease revenue share from ESTZ
3. Proforma KPI information (NOI, DPU, Gross Debt, Net Debt, LTV, GAV, NAV etc.) (collectively, the “**Proforma Metrics**”), for the period ending March 31, 2024 have been included for presentation purposes only and have been computed basis Embassy REIT’s KPIs for the same period (unless specified otherwise) factoring / consolidating with the KPIs of the ESTZ Acquisition to reflect the acquisition. Unless stated otherwise, the Proforma Metrics have been arrived at assuming (i) ESTZ Acquisition at an enterprise value of ₹11,853 mn and (ii) debt raise of ₹11,579 mn at 8.05%. The Proforma Metrics are presented for illustrative purposes to address hypothetical situations and therefore, do not represent factual financial position or results. They purport to indicate the results of operations that would have resulted had the ESTZ acquisition been completed at the beginning of the period presented and the financial position had the ESTZ acquisition been completed as at period-end but are not intended to be indicative of expected results or operations in the future periods or the future financial position of Embassy REIT. Embassy REIT’s future operating results and the actual outcome of the ESTZ Acquisition may differ materially from the Proforma Metrics due to various factors, including changes in operating results. Further, the Proforma Metrics have not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities and Exchange Act of 1934, as amended, U.S. GAAP, the REIT regulations, IFRS or Ind-AS. The resulting Proforma Metrics have not been audited or reviewed in accordance with U.S. GAAP, IFRS or Ind-AS. The rules and regulations related to the preparation of proforma financial information in other jurisdictions may vary significantly from the basis of preparation for the proforma financial information. Accordingly, the proforma financial information should not be relied upon as if it has been prepared in accordance with those standards and practices.
4. This presentation contains certain financial measures which are not audited or reviewed or measures determined based on GAAP, Ind-AS or any other internationally accepted accounting principles, and the recipient should not consider such items as an alternative to the historical financial results or other indicators of the Embassy REIT’s cash flow based on Ind-AS or IFRS

Notes, Key Terms & Definitions

1. C&W – Cushman & Wakefield
2. CBRE – CBRE South Asia Private Limited
3. Completed Area – the Leasable Area of a property for which occupancy certificate has been received; and includes area for which construction has been completed but occupancy certificate is awaited
4. DPU – Distribution per unit calculated by dividing REIT distributions by total outstanding units
5. Embassy REIT refers to Embassy Office Parks REIT
6. ESNP – ESNP Property Builders and Developers Private Ltd.
7. ESTZ – Embassy Splendid TechZone, Chennai
8. Existing Portfolio refers to 35.8 msf of completed office assets, 9.6 msf of under construction and proposed development area, 1,614 hotel keys and 100 MW solar park
9. FY – Period of 12 months ended March 31 of that particular year, unless otherwise stated
10. GAV – Gross Asset Value
11. Independent Valuation 1 – Valuation as of March 31, 2024 undertaken by iVAS Partners, represented by Mr. Manish Gupta, with value assessment services undertaken by CBRE South Asia Private Limited
12. Independent Valuation 2 – Valuation as of March 31, 2024 undertaken by Ms. L Anuradha, in conjunction with Independent property consultant review services undertaken by C&W
13. KPI – Key Performance Indicators like NOI, NOI Yield, DPU, NAV per unit
14. LTV / Leverage – Net Debt divided by GAV
15. mn – Millions
16. msf – Million square feet
17. NAV – Net Asset Value
18. Net Debt – Gross Debt minus Cash and Cash Equivalents
19. NOI – Net Operating Income
20. Occupancy / % Occupied / % Leased – Occupancy is defined as the ratio of the Occupied Area and the Completed Area
21. Occupied Area – Completed area of property which has been leased or rented out in accordance with an agreement entered into for the purpose
22. Pre-leased Area: The Leasable Area of a property for which LOI has been signed with the tenant
23. Proposed Development Area – The Leasable Area of a property for which (i) either the master plan for development has been obtained and internal development plans are yet to be finalized or the master plan and internal development plans are yet to be finalized; and (ii) applications for requisite approvals required under the law for commencement of construction are yet to be received
24. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
25. psf – Per square feet
26. REIT – Real Estate Investment Trust
27. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
28. Rents – Refers to Gross Rentals of Embassy REIT 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'24
29. Sponsor(s) – Embassy Property Developments Private Limited and BRE/ Mauritius Investments
30. SPV – Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations
31. TEV – Total Enterprise Value
32. Total Leasable Area – Total square footage that can be occupied by an occupier for the purpose of determining an occupier's rental obligations. Total Leasable Area is the sum of Completed Area, U/C Area and Proposed Development Area
33. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
34. Under Construction Area – The Leasable Area of a property for which the master plan for development has been obtained, internal development plans have been finalised and application for requisite approvals required under the law for commencement of construction have been applied, construction has commenced, and occupancy certificate is yet to be received

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5 YEARS*

AS INDIA'S FIRST LISTED REIT

45.4 msf TOTAL PORTFOLIO | 4 GATEWAY CITIES | 13 OFFICE PARKS | 255 BLUECHIP OCCUPIERS



INVESTOR CONTACT:

Website: www.embassyofficeparks.com | **Email:** ir@embassyofficeparks.com | **Office:** +91 80 4722 2222