

Embassy Office Parks REIT

3Q FY2020 Investor Materials

February 14, 2020



Press Release

Embassy Office Parks REIT Announces Third Quarter FY 2019-20 Results and Quarterly Distributions of Rs. 4,707 million

Quarter marked by strong leasing, delivery of under-construction blocks ahead of schedule and completion of first acquisition since listing

Bengaluru, India, February 14, 2020

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) ('Embassy REIT'), India's first listed REIT and the largest in Asia by area, reported results today for the fiscal third quarter ended December 31, 2019.

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 Rs. 4,707 million or Rs. 6.1 per unit for 3Q FY2020. The cumulative distribution for YTD FY2020 totals Rs.13,504 million or Rs.17.5 per unit. The record date for the 3Q FY2020 distribution is February 24, 2020 and the distribution will be paid on or before February 29, 2020.

Commenting on the quarterly results, Michael Holland, Chief Executive Officer of Embassy REIT said,

"Our office portfolio continues to deliver. In 2019, leasing across the Indian markets crossed a record 60 million square feet ("msf"), again underlining the strength of India's office sector as the leading office absorption market globally. We continue to capitalize on this occupier demand, driven by international corporations, through consistent leasing, early delivery of our accretive development pipeline, commencement of additional on-campus office developments and the acquisition of additional area to support further growth at our largest business park."

Financial Highlights

- Revenue from Operations for 3Q FY2020 grew year-on-year by 14% to Rs. 5,459 million and cumulatively grew year-on-year by 16% for YTD FY2020
- Net Operating Income for 3Q FY2020 grew year-on-year by 16% to Rs. 4,639 million and cumulatively grew year-on-year by 17% for YTD FY2020
- Net Operating Income margin for 3Q FY2020 and YTD FY2020 was 85% reflecting scale efficiencies and low manager fees
- Raised Rs.16,400 million debt at 9.03%; balance sheet continues to be conservatively levered with Net Debt to TEV (Total Enterprise Value) at 12% as of December 31, 2019

Business Highlights

- Portfolio occupancy increased to 95.1% as on December 31, 2019, an increase of 220 bps year-on-year and 40 bps quarter-on-quarter
- New leasing for 3Q FY2020 was c.527k sf with a strong forward pipeline of c.500k sf
- Cumulative new leasing for YTD FY2020 stood at record c.1.7 msf with a 56% mark-to-market spread on c.1.1 msf of re-leases demonstrating embedded growth

Growth Initiatives

- Delivered c.1.4 msf of office space ahead of schedule with 44% pre-committed to occupiers
- Launched next phase of growth with an additional c.2.6 msf of on-campus projects
- Acquired 0.6 msf leasable area within the overall Embassy Manyata business park in Bengaluru, at 9.25% initial yield on development completion in 4Q FY2023

Press Release (cont'd)

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) unaudited condensed standalone and condensed consolidated financial statements for the quarter and nine months ended December 31, 2019, (ii) an investor presentation covering 3Q FY2020 results, and (iii) supplemental operating and financial data book that is in line with leading reporting practices across global REITs. All these materials are available in the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Embassy REIT will host a conference call on February 14, 2020 at 18:30 hours Indian Standard Time to discuss the 3Q FY2020 results. A replay of the call will be available till February 29, 2020 on the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited ("**the Manager**") in its capacity as the Manager of the Embassy Office Parks REIT ("**Embassy REIT**"), and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own assessment of the market and the market position of Embassy REIT.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Manager. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager disclaims any obligation to update these forward-looking statements to reflect future events or developments. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

This press release also contains certain financial measures which are not 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. These non-GAAP financial measures, as defined by the Manager, may not be comparable to similarly titled measures as presented by other REITs due to differences in the way non-GAAP financial measures are calculated. Even though the non-GAAP financial measures are used by management to assess the Embassy REIT's financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Embassy REIT's financial position or results of operations as reported under Ind-AS.

Investors should also take note that Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22, 2019 to March 25, 2019. Accordingly, the comparative quarterly financial information has been prepared by comparing unaudited combined financial statements for the quarter ended December 31, 2018 and audited combined financial statements for the nine months ended December 31, 2018 (assuming that the Embassy REIT held the REIT assets in its present form during quarter and nine months ended December 31, 2018) as against unaudited condensed consolidated financial statements for the quarter and nine months ended December 31, 2019.

About Embassy REIT

Embassy Office Parks is India's first and only listed REIT. The REIT comprises 24.8 msf of completed and operational commercial properties across India. With approximately 8.5 msf of on-campus development in the pipeline, the total portfolio spans 33.3 msf across seven Grade A office parks and four city-center office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune and the National Capital Region (NCR). The portfolio is home to over 160 blue chip corporate occupiers, and comprises 75 buildings with strategic amenities, including two completed hotels, two under-construction hotels, and a 100MW(AC) solar park that supplies renewable energy to park tenants.

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I. Key Highlights



Embassy Manyata, Bengaluru

Business Highlights

Strong business performance in 3Q FY2020 driven by robust leasing and early delivery of on-campus development. Add-on acquisition of c.0.6 msf at 9.25% yield to be DPU accretive upon stabilization

Leasing

- ▶ 95.1% occupancy as at Dec'19, an increase of 220 bps (vs. Dec'18) and 40 bps (vs. Sep'19)
- ▶ c.527k⁽¹⁾ sf new lease-up during 3Q FY2020 with a strong forward pipeline of c.500k sf
- ▶ c.1.7 msf cumulative new lease-up YTD with c.56% mark-to-market spread on c.1.1 msf re-leases

Development

- ▶ c.1.4⁽²⁾ msf on-campus office development delivered 2-3 quarters ahead of schedule
 - 44%⁽³⁾ already pre-committed, including to global fortune corporations
- ▶ c.2.6 msf on-campus office development launched, to drive next phase of growth
 - Across Bengaluru, Pune and NCR cities, projects under excavation and pre-construction stages

Growth Initiatives

- ▶ Acquisition of c.0.6 msf leasable area at 9.25% yield upon completion in 4Q FY2023
 - Located within overall Embassy Manyata campus
 - Expected to be DPU accretive upon stabilization
- ▶ ROFO invitation to offer for Embassy TechVillage asset received in Nov'19 from Embassy Sponsor
 - Opportunity currently under evaluation as per framework

Asset Management

- ▶ GOP margin and RevPAR for Hilton at Embassy Golflinks up 500 bps and 600 bps respectively YoY
- ▶ Occupancy of Four Seasons during 3Q FY2020 at 26%, up from 10% in 2Q FY2020
- ▶ Infrastructure and amenity upgrade initiatives across portfolio
 - Under construction 619 key Hilton hotels at Embassy Manyata on track for Dec' 21 launch
 - Flyover and master-plan upgrade initiatives underway at Embassy Manyata

Notes:

(1) Includes leases signed during the quarter ended December 31, 2019 for Embassy Manyata NXT Blocks (0.8 msf) which was delivered in Dec'19 and received occupancy certificate on January 3, 2020

(2) Delivered in Dec'19, occupancy certificate received post quarter ended Dec'19

(3) Excluding c.183k sf growth options at Embassy Manyata NXT and Embassy Oxygen. Factoring these growth options, area pre-committed would be 58%. These options are exercisable at various dates until Mar'21

Financial Highlights for 3Q FY2020

Revenue from Operations and NOI for 3Q FY2020 up 14% and 16% respectively YoY

	3Q FY2020 (mn)	3Q FY2019 (mn)	Variance %	Remarks
Revenue from Operations	₹5,459	₹4,774	+14%	<ul style="list-style-type: none"> ▶ Contracted lease escalations on c.6.1 msf ▶ Lease-up of c.1.8 msf vacancy across Embassy Manyata, FIFC, Embassy 247, Embassy Techzone & others; ▶ Revenue from hotels including Four Seasons Hotel launched in May'2019
NOI	₹4,639	₹3,984	+16%	<ul style="list-style-type: none"> ▶ NOI increase largely in-line with increase in Revenue from Operations; and ▶ Decrease in expenses due to cost saving initiatives at Embassy Manyata
Margin (%)	85%	83%		
EBITDA	₹4,462	₹3,694	+21%	<ul style="list-style-type: none"> ▶ Increase in NOI; and ▶ One-off items⁽¹⁾ in previous period FY2019 <ul style="list-style-type: none"> – Adjusted for these one-off items, EBITDA margin for 3Q FY2019 was 81% vs. 82% in 3Q FY2020
Margin (%)	82%	77%		
Distribution	₹4,707	–	NA	<ul style="list-style-type: none"> ▶ Distribution of ₹4,707 mn or ₹6.10 per unit for 3Q FY2020 representing payout ratio of 99.9% of NDCF at REIT level
Payout ratio	99.9%	–		

Notes: Above results exclude Revenue, NOI and EBITDA from Embassy Golflinks since Embassy REIT owns 50% economic interest in GLSP. Embassy Golflinks revenue is ₹905 mn and EBITDA is ₹809 mn for 3Q FY2020
Figures for 3Q FY2020 are basis reviewed consolidated financials

Figures for 3Q FY2019 are basis unaudited combined financials and may not be comparable. For further details refer notes on slide 50

(1) One-off items relate to FY2019 (pre-listing period) and comprise of impairment charge and certain interest income on inter-corporate deposits

Financial Highlights for YTD FY2020

Revenue from Operations and NOI for YTD FY2020 up 16% and 17% respectively YoY

	YTD FY2020 (mn)	YTD FY2019 (mn)	Variance %	Remarks
Revenue from Operations	₹16,016	₹13,760	+16%	<ul style="list-style-type: none"> ▶ Contracted lease escalations on c.7.7 msf ▶ Lease-up of c.2.4 msf sf vacancy across Embassy Manyata, FIFC, Embassy 247, Embassy Techzone & others ▶ Revenue from hotels including Four Seasons Hotel launched in May'2019
NOI	₹13,551	₹11,541	+17%	<ul style="list-style-type: none"> ▶ NOI increase in-line with increase in Revenue from Operations
Margin (%)	85%	84%		
EBITDA	₹13,025	₹11,386	+14%	<ul style="list-style-type: none"> ▶ One-off items⁽¹⁾ in previous period FY2019 <ul style="list-style-type: none"> – Adjusted for these one-off items, EBITDA margin for YTD FY2019 was the same at 81%
Margin (%)	81%	83%		
Distribution	₹13,504	–	NA	<ul style="list-style-type: none"> ▶ Cumulative distribution of ₹13,504 mn or ₹17.5 per unit for YTD FY2020 representing payout ratio of 99.7% of NDCF at REIT level
Payout ratio	99.7%	–		

Notes: Above results exclude Revenue, NOI and EBITDA from Embassy Golflinks since Embassy REIT owns 50% economic interest in GLSP. Embassy Golflinks revenue is ₹2,776 mn and EBITDA is ₹2,459 mn for YTD FY2020
Figures for YTD FY2020 are basis reviewed consolidated financials
Figures for YTD FY2019 are basis audited combined financials and may not be comparable. For further details refer notes on slide 50

(1) One-off items relate to FY2019 (pre-listing period) and comprise of impairment charge and certain interest income on inter-corporate deposits

Distribution Overview

Distribution for 3Q FY2020 stood at ₹4,707 mn i.e. ₹6.1 per unit with scheduled payment date on or before February 29, 2020

Particulars	Distribution for 3Q FY2020	YTD Distributions
Distribution period	Oct'19 – Dec'19	Apr'19 – Dec'19
Distribution amount	₹4,707 mn	₹13,504 mn
Outstanding units	771,665,343	771,665,343
Distribution per unit	₹6.10	₹17.50
- <i>Interest</i>	₹2.50	₹7.50
- <i>Amortization of SPV level debt</i>	₹3.60	₹9.86
- <i>Dividend</i>	-	₹0.14
Ex-date	February 14, 2020	-
Record date	February 24, 2020	-
Payment date	On or before February 29, 2020	-

II. Overview

Embassy Techzone, Pune



Who We Are: Quick Facts

We run a commercial office portfolio that serves as essential corporate infrastructure to multinational occupiers

33.3 msf⁽¹⁾

Portfolio

160+

Blue-chip tenants

95.1%

Occupancy

11

Commercial Offices

1,096⁽¹⁾

Hotel Keys

100 MW

Solar Park

30%

Mark-to-Market Upside

45%

Gross Rents from Fortune 500 Clients

6.9 Years

WALE

₹16,016 mn

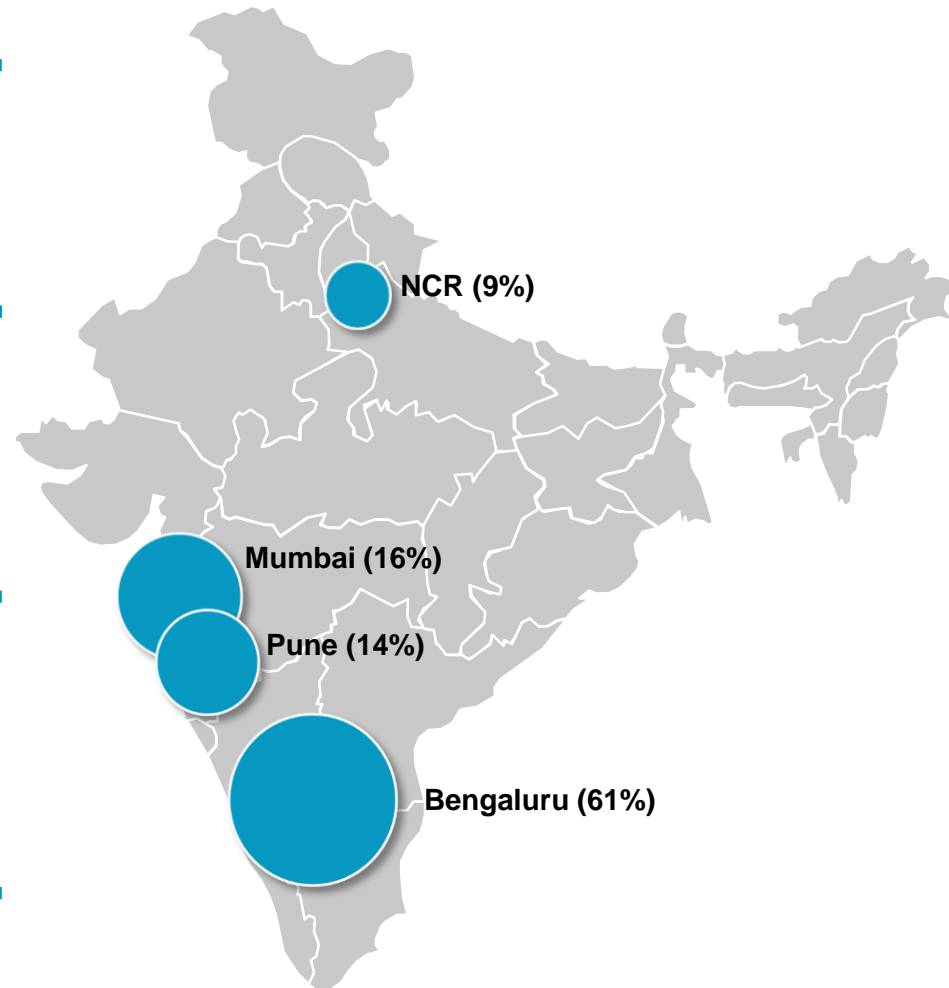
YTD FY2020 Revenue from Operations

₹13,504 mn

YTD FY2020 Distributions

12%

Net Debt to TEV



Notes: City wise split by % of GAV per Sept'19 valuation by independent valuer. Valuation exercise undertaken semi-annually. For further details refer notes on slide 50
 (1) Includes completed, under construction & proposed future development

Seven Infrastructure-like Office Parks (31 msf)⁽¹⁾

Embassy Manyata
Bengaluru (14.8 msf)



Embassy Quadron
Pune (1.9 msf)



Embassy Golflinks
Bengaluru (2.7 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 & 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)

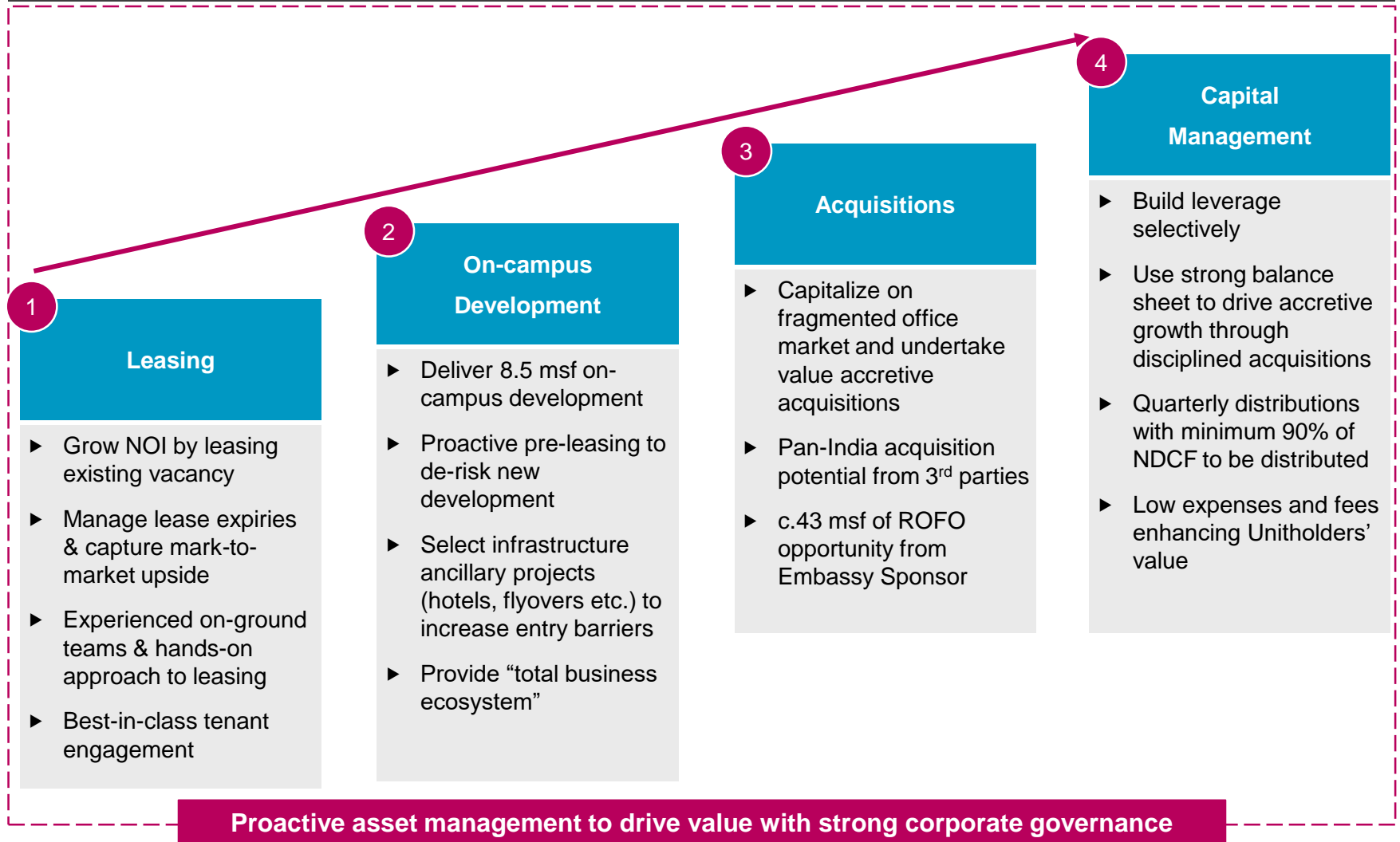


Embassy One
Bengaluru (0.3 msf)



What We Do: Our Strategy

Maximize distributions and NAV per unit through organic growth & new acquisitions



Our Opportunity: India as the Global Technology Innovation Hub

India continues to attract global technology companies owing to availability of highly educated & skilled talent at a reasonable cost; leading to continued demand for office space

Indian IT-BPM Landscape – Foundation of Global Technology⁽¹⁾

Services

- Information Technology
- Engineering R&D
- BPM
- Digital

Software

- Systems
- Cybersecurity
- Enterprise
- Fintech /Edtech

Indian eCommerce

- Social Shopping
- Intelligence
- Voice Commerce
- Digital Payments

Technologies

- Cloud / Robotics
- Blockchain
- Intelligent Automation
- Reality AR/VR

\$177 bn
(6.1% growth)

Revenue

\$136 bn
(8.3% growth)

Exports

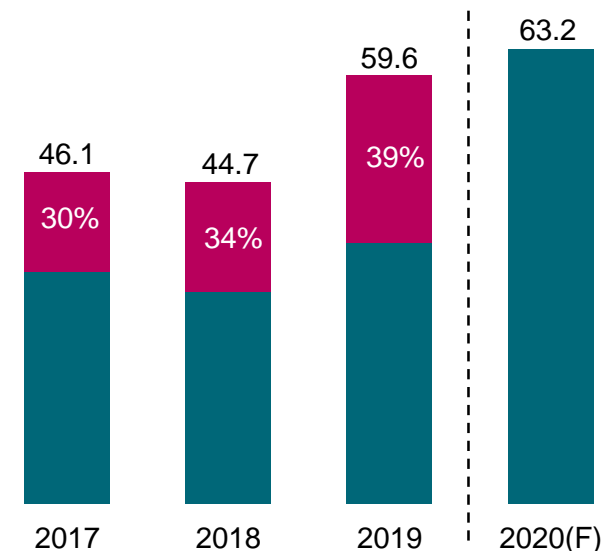
₹2.9 tn
(7.9% growth)

Domestic

4.14 mn
(4.3% growth)

Employees

Pan-India Gross Absorption (msf) & Tech Sector⁽²⁾



Pan-India Technology Sector Absorption
 Embassy REIT Technology Tenant Mix

- ▶ India leads in STEM⁽³⁾ talent for technology assignments with over 2 million students graduating each year
- ▶ Continuing rise in Indian IT/ITeS hiring, c.7-8%⁽⁴⁾ p.a growth in CY2019. Also, IT/ITeS services turning towards leasing vs. owning
- ▶ With over 1,250 GCCs, demand from GCC across seven major Indian cities is estimated at c.30-35⁽²⁾ msf between CY2020-22

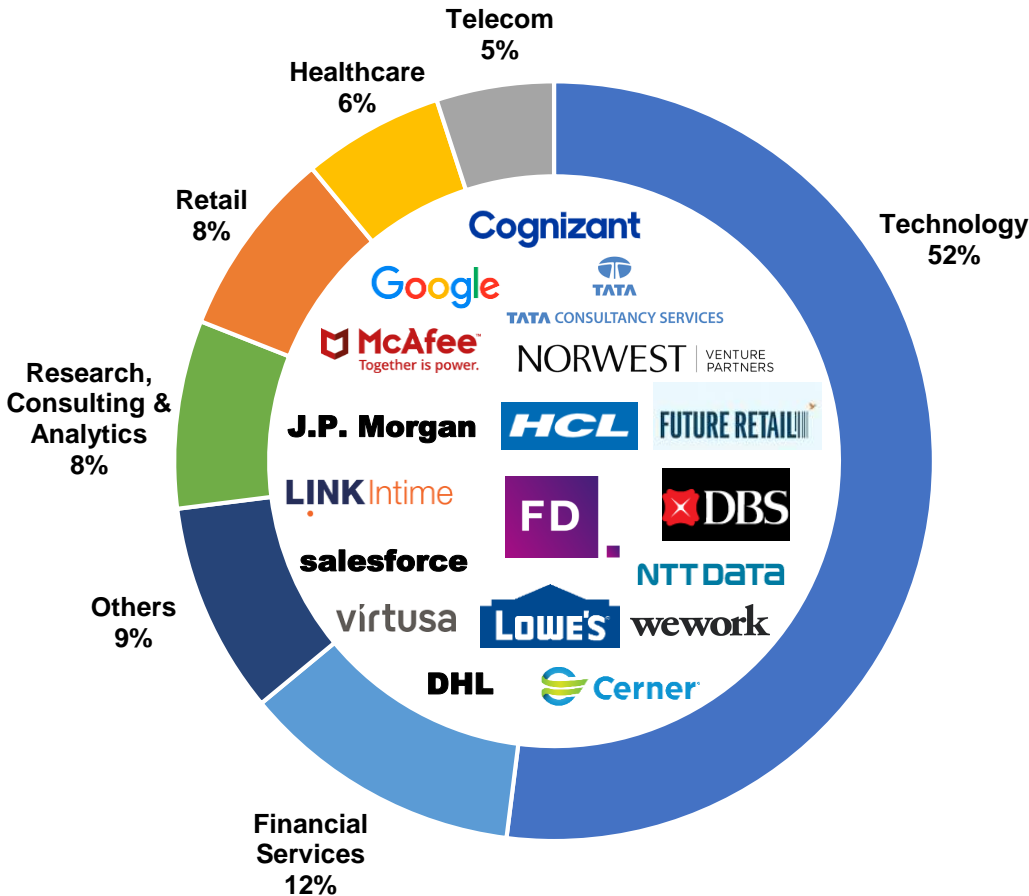
Source:

(1) Nasscom IT-BPM Sector in India 2019 (Decoding Digital)
 (2) CBRE Research 2019, Embassy REIT
 (3) Science, Technology, Engineering, Mathematics
 (4) Based on hiring trend by Top 5 Indian IT companies as at Dec'19, Embassy REIT Research

Our Occupier Base

Global business with a diversified portfolio across established and growth sectors. Continued diversification with 6 new entrants in Top 10 occupiers since FY2016

Industry Diversification⁽¹⁾



43% of Gross Rentals Originate From Top 10 Occupiers

Top 10 Occupiers	Sector	% of Rentals
IBM	Technology	12%
Cognizant	Technology	10%
NTT Data	Technology	5%
Cerner	Healthcare	3%
PwC	Research & Analytics	3%
Google	Technology	3%
NOKIA	Telecom	2%
JP Morgan	Financial Services	2%
Lowe's	Retail	2%
L&T Infotech	Technology	1%
Total		43%

Note:
(1) Represents industry diversification percentages based on Embassy REIT's share of gross rentals

Our Portfolio Summary

24.8 msf Portfolio of completed Grade A office assets (95.1% occupied, 6.9 years WALE and 30% MTM opportunity)

Property	Leasable Area (msf)/Keys/MW			WALE ⁽³⁾	Occupancy	Rent (₹ psf / mth)			GAV ⁽⁴⁾	
	Completed	Development	Total	(yrs)	(%)	In-place	Market	MTM (%)	₹ mn	% of total
Embassy Manyata	11.0	3.8	14.8	7.4	99.3%	57	87	51%	135,968	42%
Embassy Golflinks ⁽¹⁾	2.7	-	2.7	9.1	97.5%	114	146	29%	26,432	8%
Embassy One	0.3	-	0.3	9.2	5.5%	156	153	(2%)	5,608	2%
Bengaluru Sub-total	13.9	3.8	17.8	7.9	97.3%	69	99	44%	168,008	52%
Express Towers	0.5	-	0.5	4.9	92.2%	254	275	8%	18,590	6%
Embassy 247	1.2	-	1.2	4.2	94.0%	99	105	6%	17,256	5%
FIFC	0.4	-	0.4	4.3	77.8%	296	290	(2%)	14,912	5%
Mumbai Sub-total	2.0	-	2.0	4.5	90.7%	166	174	4%	50,758	16%
Embassy Techzone	2.2	3.3	5.5	5.7	91.7%	49	48	(2%)	21,325	7%
Embassy Quadron	1.9	-	1.9	4.4	91.4%	42	50	18%	14,609	5%
Embassy Qubix	1.5	-	1.5	4.9	100.0%	37	48	29%	9,962	3%
Pune Sub-total	5.5	3.3	8.8	5.1	93.8%	43	49	12%	45,896	14%
Embassy Oxygen	1.9	1.3	3.3	10.6	85.3%	47	54	16%	20,657	6%
Embassy Galaxy	1.4	-	1.4	3.4	99.2%	34	45	33%	8,914	3%
Noida Sub-total	3.3	1.3	4.6	7.9	91.0%	41	50	22%	29,571	9%
Subtotal (Office)	24.8	8.5	33.3	6.9	95.1%	67	87	30%	294,233	92%
Four Seasons at Embassy One ⁽²⁾	230 Keys	-	230 Keys	-	14% ⁽⁵⁾	-	-	-	8,244	3%
Hilton at Embassy Golflinks	247 Keys	-	247 Keys	-	68% ⁽⁵⁾	-	-	-	5,045	2%
Hilton at Embassy Manyata (5 & 3 star)	-	619 Keys	619 Keys	-	-	-	-	-	3,079	1%
Embassy Energy	100MW	-	100MW	-	-	-	-	-	10,519	3%
Subtotal (Infrastructure Assets)	477 Keys / 100MW	619 Keys	1096 Keys / 100MW						26,887	8%
Total	24.8 msf / 477 Keys / 100MW	8.5 msf / 619 Keys	33.3 msf / 1096 Keys / 100MW						321,120	100%

Notes:

- (1) Details included in the above table are for 100% stake in Embassy Golflinks, except GAV which reflects only our 50% economic interest
- (2) Four Seasons at Embassy One was launched in May'19 and is currently under stabilization
- (3) Weighted against Gross Rentals assuming tenants exercise their renewal options after the end of the initial commitment period
- (4) Gross Asset Value (GAV) per Sep'19 valuation by independent valuer. Valuation exercise undertaken semi-annually. For further details refer notes on slide 50
- (5) Represents occupancy for YTD FY2020 / average since launch in May'19 for Four Seasons at Embassy One

III. Market Outlook

Embassy One, Bengaluru

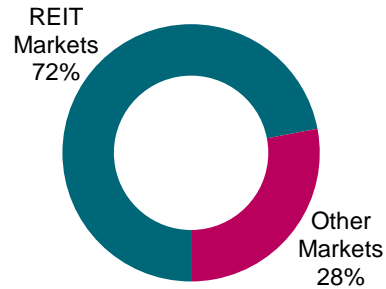


Market Fundamentals

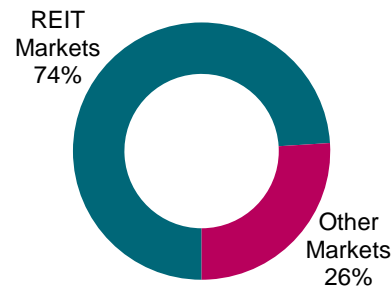
Strong fundamentals resulting in robust demand & low vacancy in key REIT markets. Comparable & competing supply to be a significantly smaller proportion of overall announced market supply

Market Overview

Total Office Stock



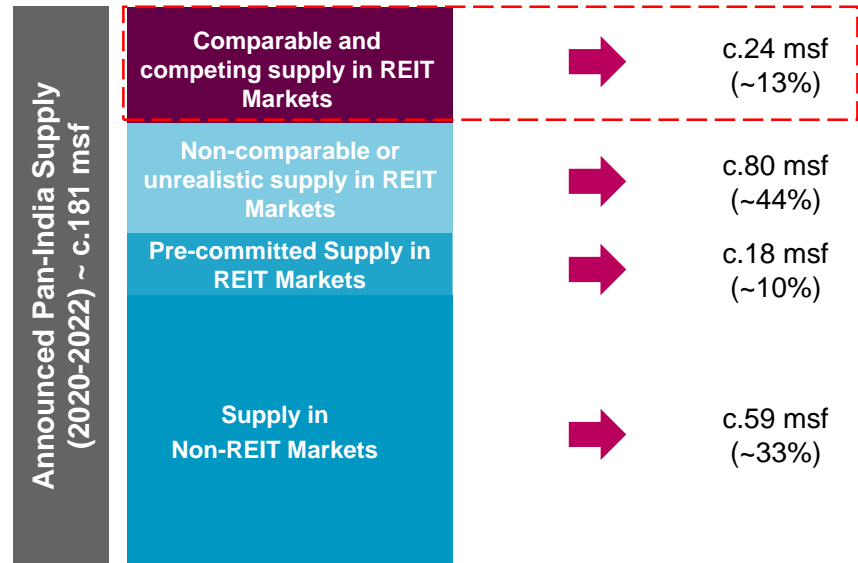
% Absorption⁽¹⁾



City	CY2020F Absorption	CY2020F Supply	Vacancy (% of Stock)
Bengaluru	12.1	13.7	4.7%
Pune	4.5	5.2	6.3%
Mumbai	6.1	7.7	21.0%
NCR	8.8	10.2	22.6%
Embassy REIT Markets	31.5	36.8	13.9%
Chennai	3.0	5.5	11.3%
Hyderabad	13.6	15.6	10.9%
Kolkata	0.8	1.7	37.6%
Other Markets	17.3	22.7	14.6%
Grand Total	48.8	59.5	14.4%

Proforma Supply Analysis (2020-2022)

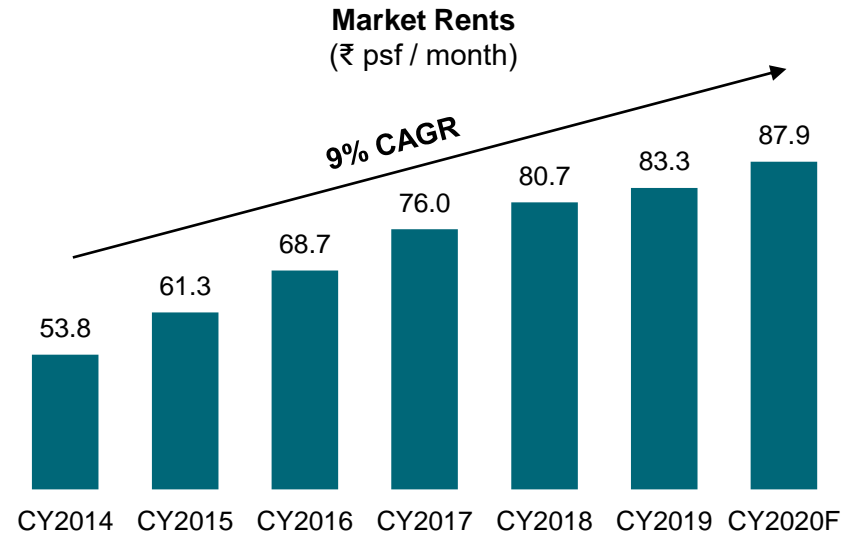
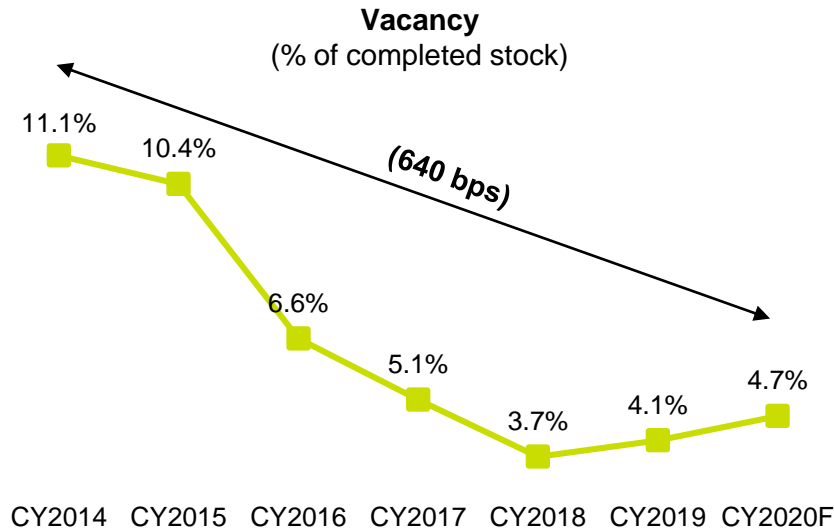
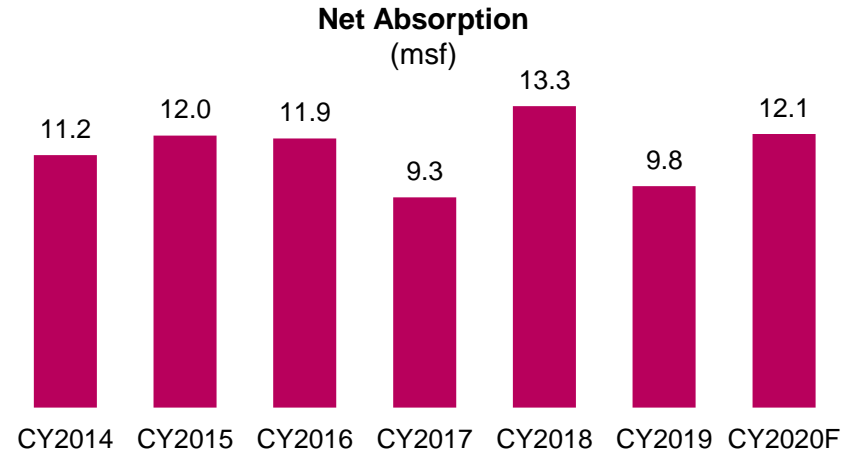
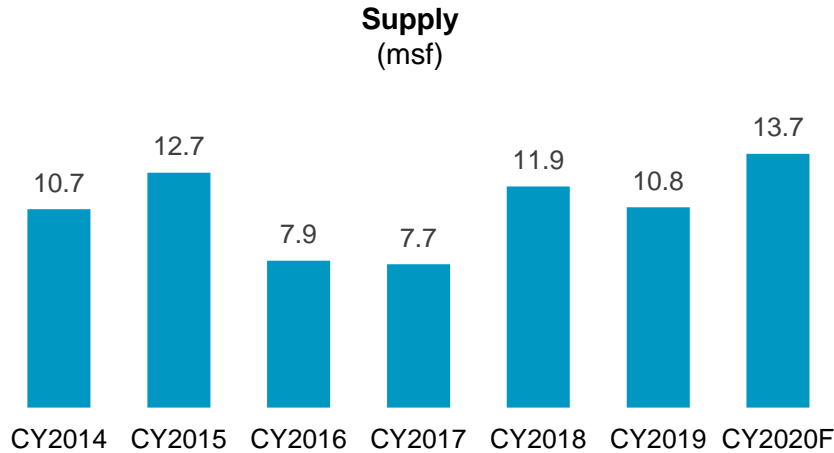
- ▶ Comparable & competing supply estimated to be significantly lower (c.13%) of total Pan-India announced market supply for next 3 years
- ▶ Against this supply, Embassy REIT has total upcoming lease-up of c.5.1 msf in next 3 years (including new deliveries)
- ▶ Embassy REIT's average annual lease-up during last 4 years and 9 months is c.1.8 msf p.a. (FY2016 – 3Q FY2020)



Source: CBRE Research 2019, Embassy REIT. Figures updated as of December 31, 2019
Comparable and competing supply has been arrived factoring supply considerations including city, micro-market, location, project completion timing, quality etc.
CY2020F refers to forecasted numbers for 2020 per CBRE Research 2019
(1) Absorption for period CY2013 to CY2019

Bengaluru Market Fundamentals

Bengaluru continues to be Asia's fastest growing city and is #1 location for technology occupiers⁽¹⁾



Source: CBRE Research 2019, Embassy REIT
 (1) Colliers Asia Market Outlook 2020

City-wise Market Outlook

Strong occupier demand and sustained rental momentum in LTM across REIT markets. Bengaluru continued to lead with sub-5% vacancy, Pune and NCR witnessed record absorption

Bengaluru

- ▶ Robust leasing activity with LTM absorption of 9.8 msf driven by technology companies
- ▶ Limited availability of quality space resulting in low vacancy of 4.1% at city level, 0.4% in CBD
- ▶ Sustained global occupier interest and limited supply resulting in steady rental growth
- ▶ Pre-commitments expected to drive leasing volumes over next 2-3 years

Pune

- ▶ Robust leasing activity with LTM absorption of 4.1 msf highest in 3 years
- ▶ Lack of quality ready space with 5.6% vacancy, higher pre-commitments in upcoming projects
- ▶ Increased leasing activity in West Pune driven by technology sector hiring
- ▶ Rentals expected to strengthen in West Pune (Hinjewadi) given high rent levels in East Pune

Mumbai

- ▶ Consulting, banking, financial services and media sectors continue to drive demand
- ▶ New completions lagged transaction activity, drop in overall vacancy by 154 bps to 21% in LTM
- ▶ Vacancy in BKC and Nariman Point (REIT core markets) remain significantly lower at 13%
- ▶ Rentals expected to witness moderate growth in core markets given limited availability of institutional quality non-strata sold stock and trend of consolidation by occupiers

NCR

- ▶ Robust leasing activity in NCR with LTM absorption of 8.6 msf highest in 5 years
- ▶ Limited supply and higher rents in Gurugram market directing cost conscious occupiers to Noida
- ▶ Noida continues to witness healthy pre-commitments from captive centres and IT-BPM occupiers
- ▶ Noida vacancy remains significantly lower at 11.7% for institutional quality non-strata sold stock

IV. Commercial Office Update



Leasing Highlights for 3Q FY2020

527k sf leased during the quarter to occupiers across technology, healthcare, research & consulting, and shared office space sectors. Robust near-term leasing pipeline of c.500k sf

3Q FY2020 Highlights		Key Leases Signed ⁽¹⁾			
New Leases signed ('000 sf) ⁽¹⁾	527	Occupier	Property	City	Area ('000 sf)
– Area Released ('000 sf)	166	WeWork ⁽²⁾	Embassy Manyata	Bengaluru	220
– Re-leasing Spread	15%	ANSR	Embassy Manyata	Bengaluru	75
Existing Tenant Expansion	78%	Motorola	Embassy Manyata	Bengaluru	64
Renewals ('000 sf)	128	Value Momentum	Embassy Techzone	Pune	43
Lease pipeline ('000 sf)	c.500	Fulcrum Digital	Embassy Techzone	Pune	26
		Virtusa	Embassy Techzone	Pune	25
		Norwest Venture Partners	Express Towers	Mumbai	10
		Various	Multiple	Multiple	64
		Total			527

Leases Signed in 3Q FY2020:



Notes: New leases signed includes re-leases, excludes renewals
 (1) Includes leases signed during the quarter ended December 31, 2019 at Embassy Manyata NXT Blocks which received OC on January 3, 2020
 (2) Arm's length benchmarking undertaken by Grant Thornton India LLP

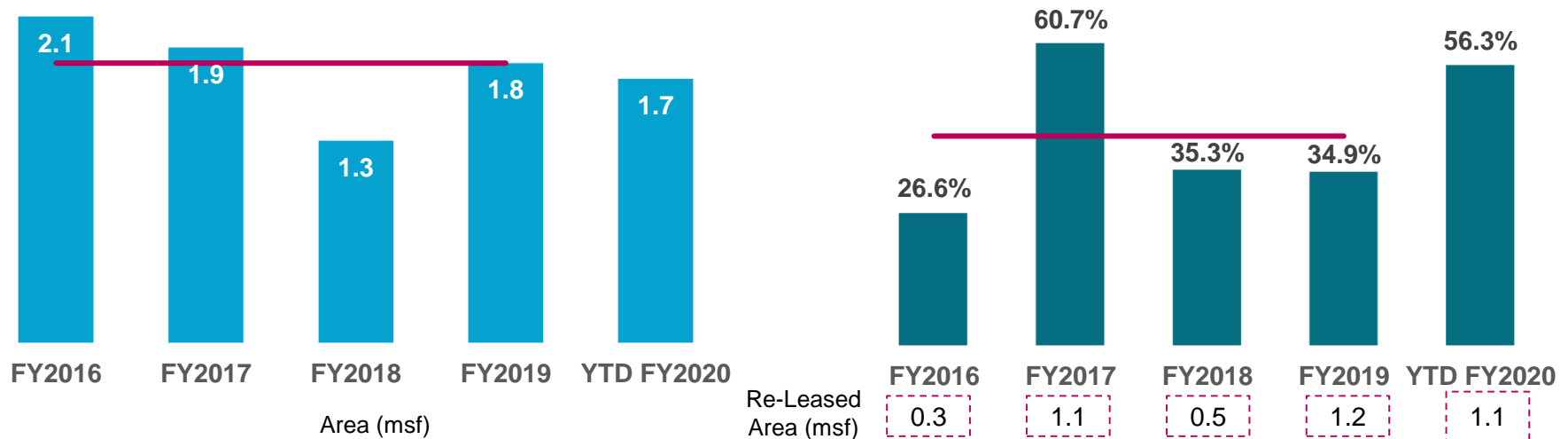
Continued Leasing Momentum

1.7 msf leased in YTD FY2020 demonstrating continued leasing momentum across portfolio, of this c.1.1 msf re-leased at c.56% mark-to-market spreads

Particulars		YTD FY2020	Average (2016-19)	FY2019	FY2018	FY2017	FY2016
Completed Area	msf	24.8		24.8	24.2	23.1	22.5
Occupancy	%	95.1%	94.0%	94.3%	93.5%	94.7%	93.4%
New Leases Signed	msf	1.7 ⁽¹⁾	1.8	1.8	1.3	1.9	2.1
Re-Leasing	msf	1.1	0.8	1.2	0.5	1.1	0.3
Re-Leasing Spreads	%	56.3%	42.2%	34.9%	35.3%	60.7%	26.6%
Existing Tenant Expansion	%	76.5%	61.8%	59.0%	69.0%	50.0%	71.0%
Renewals	msf	0.4	1.9	0.9	2.9	1.6	2.3

1.8 msf average new leases signed between FY2016-19

42.2% Average re-leasing spread between FY2016-19



Notes: New leases signed includes re-leased area, excludes renewals

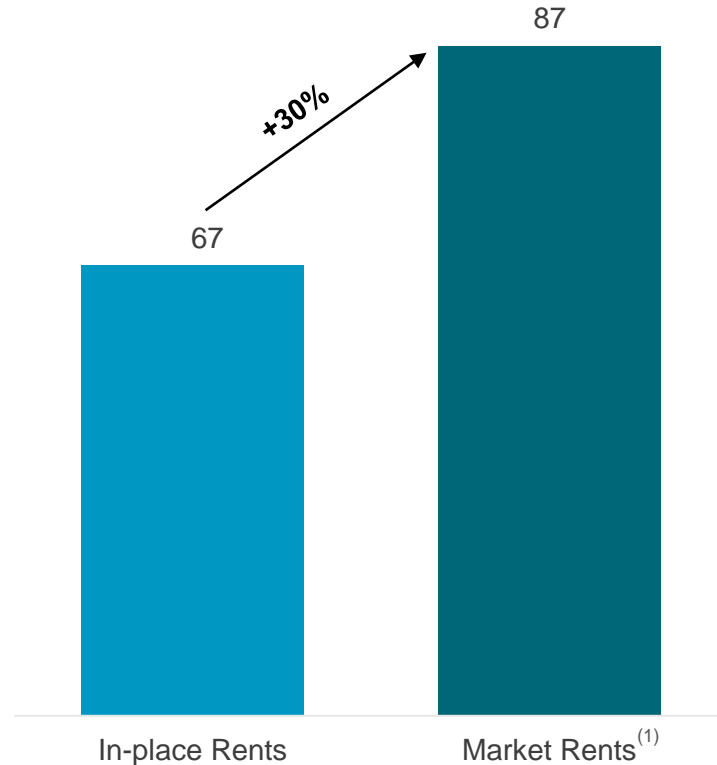
(1) Includes leases signed during the quarter ended December 31, 2019 at Embassy Manyata NXT Blocks which received OC on January 3, 2020

Embedded Mark-to-Market Growth

Market rents 30% higher than in-place rents. Opportunity to re-lease c.5.5 msf at market rents over next 3-4 years

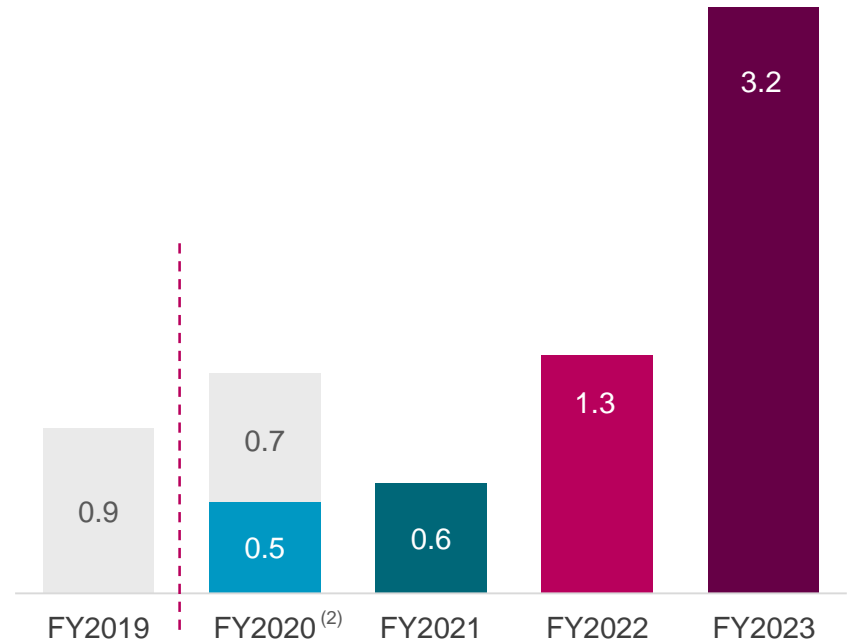
Current market rents are 30% above in-place rents

Rent (₹ psf/month)



23% of leases expire between FY2020–23

Area Expiring (msf)



Mark-to-market opportunity	36%	15%	66%	45%
Rents Expiring	5.3%	2.8%	4.9%	9.5%

Notes:
(1) CBRE Research 2019, Embassy REIT
(2) of c.1.2 msf area expiring in FY2020, re-leased c.0.7 msf expiries in YTD FY2020 at 41% MTM spreads



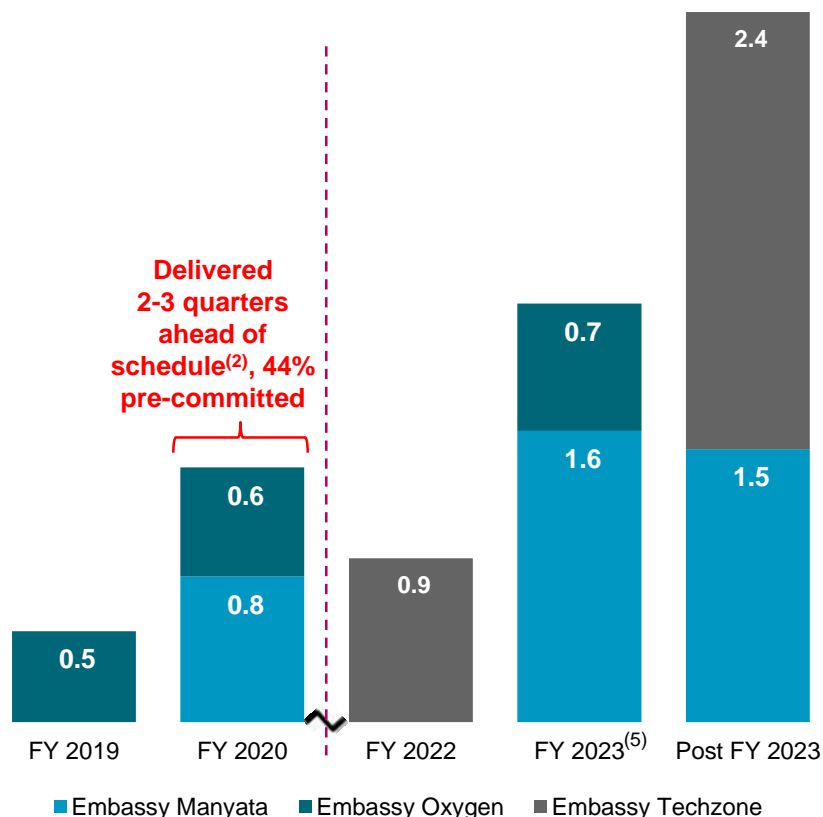
V. Development Update

Embassy Manyata, Bengaluru

Development Pipeline

Delivered c.1.4 msf of office space ahead of targeted delivery with 44% pre-committed. Launched next phase of growth with additional c.2.6 msf on-campus projects

Development Pipeline⁽¹⁾ (msf)



Development Status as of February 14, 2020

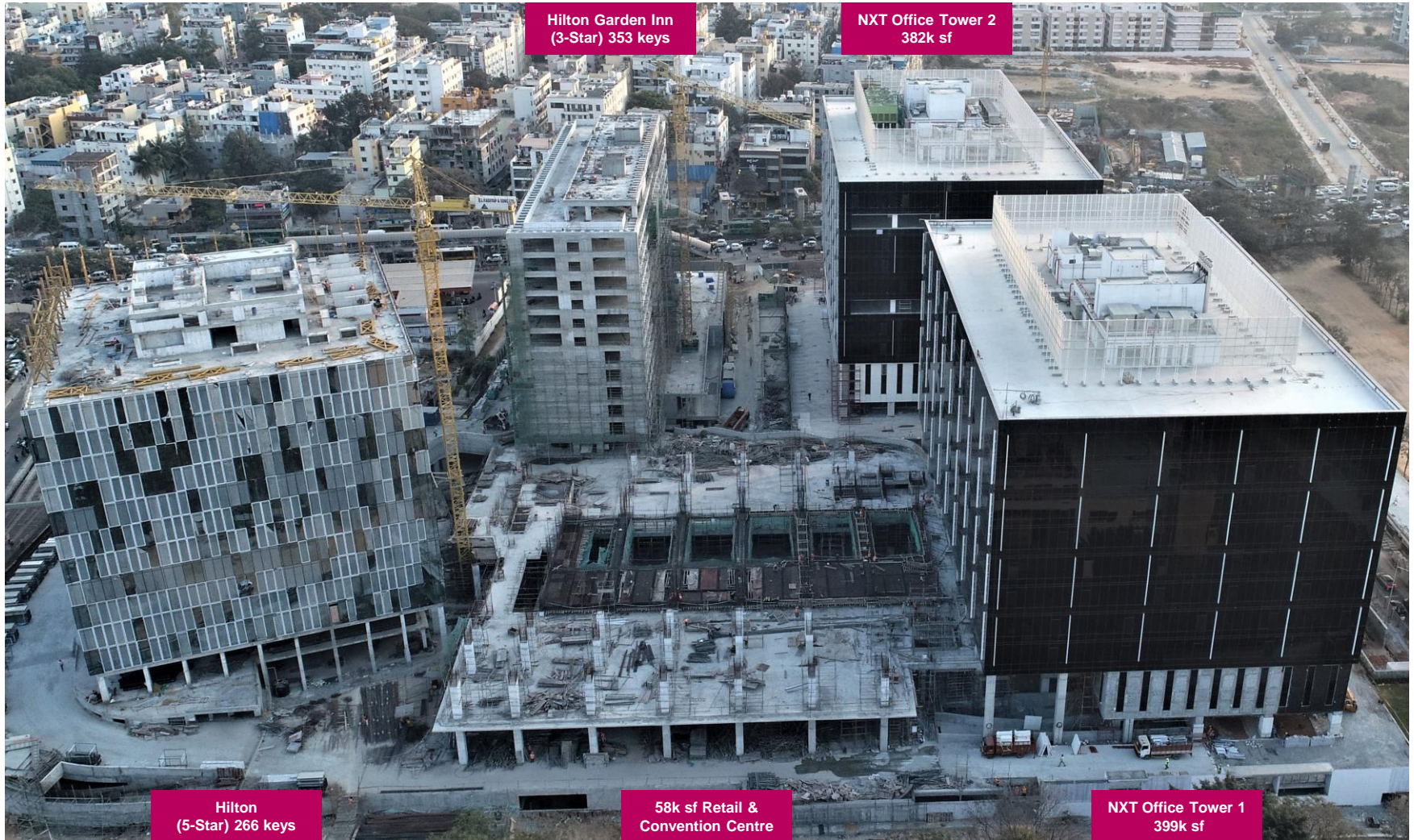
Embassy Manyata (NXT, 0.8 msf)	<ul style="list-style-type: none"> ▶ Delivered three quarters ahead of schedule⁽²⁾ ▶ 46% or c.359k sf pre-committed⁽³⁾
Embassy Oxygen (Tower 2, 0.6 msf)	<ul style="list-style-type: none"> ▶ Delivered two quarters ahead of schedule⁽²⁾ ▶ 42% or c.246k sf pre-committed⁽⁴⁾
Embassy Techzone (Hudson, 0.5 msf) (Ganges, 0.4 msf)	<ul style="list-style-type: none"> ▶ Hudson Block – Design and excavation completed for revised area of 0.5 msf (from earlier 0.3 msf); sub-structure work underway ▶ Ganges Block – Design completed; excavation and sub-structure work underway ▶ Targeting Dec'21 completion
Embassy Manyata M3 Parcel (Block A – 1.0 msf) (Block B – 0.6 msf)	<ul style="list-style-type: none"> ▶ M3 Block A – Design and piling works completed; excavation and sub-structure works underway. Targeting Jun'22 completion ▶ M3 Block B – Pre-construction works initiated. Targeting Mar'23 completion
Embassy Oxygen (Tower 1, 0.7 msf)	<ul style="list-style-type: none"> ▶ Design completed, excavation and pre-construction works initiated ▶ Targeting Dec'22 completion

Notes:

- (1) Excludes 619 hotel keys across Hilton & Hilton Garden Inn at Embassy Manyata due for delivery in 3Q FY2022
- (2) Occupancy certificate received post quarter ended Dec'19
- (3) Excludes 138k sf growth options. Factoring the growth options, area pre-committed would be 64%. These options are exercisable till Jun'20
- (4) Excludes 45k sf growth options. Factoring the growth options, area pre-committed would be 50%. These options are exercisable till Mar'21
- (5) Includes acquisition of 0.6 msf M3 Block B located within overall Embassy Manyata upon building completion

Embassy Manyata (Front Parcel)

NXT office blocks delivered three quarters ahead of schedule in Dec'19 and is 46%⁽¹⁾ pre-committed.
619 keys dual branded Hilton hotels on track for Dec'21 delivery



Notes: Feb'20 picture

(1) Excludes 138k sf of growth options. Factoring the growth options, area pre-committed would be 64%. These options are exercisable till Jun'20

Embassy Oxygen

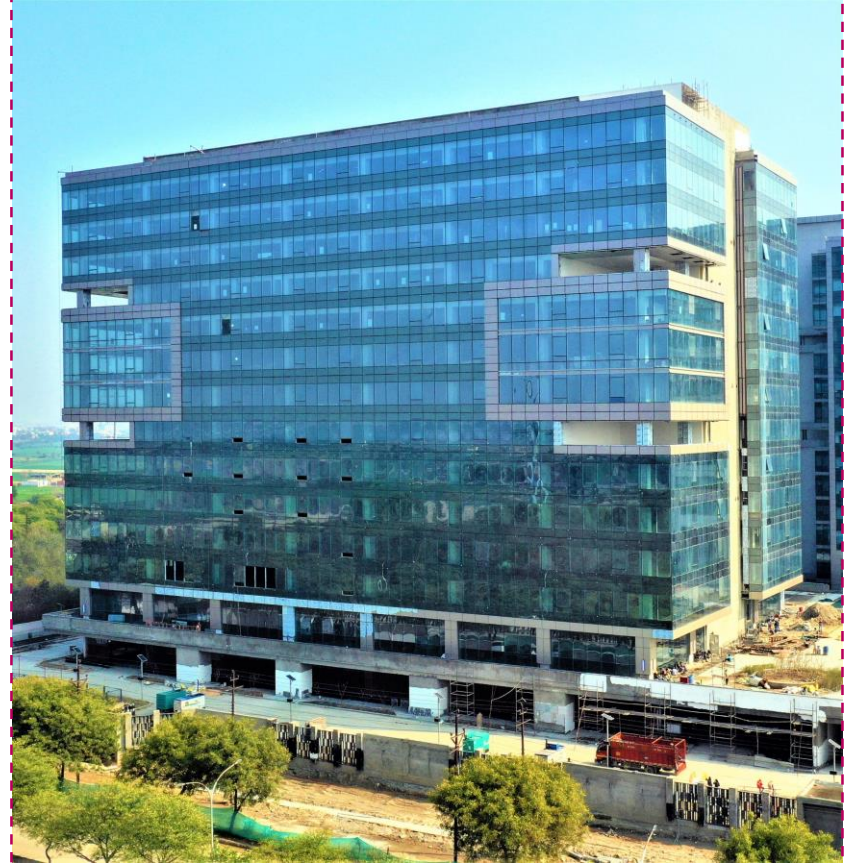
0.6 msf Tower 2 delivered two quarters ahead of schedule in Dec'19 and is 42% pre-committed

Tower 3 – 0.5 msf



Delivered on schedule, 100% committed and fully operational

Tower 2 – 0.6 msf



Delivered 2 quarters ahead of schedule, 42%⁽¹⁾ pre-committed

Notes: Feb'20 pictures

(1) Excludes 45k sf growth options. Factoring the growth options, area pre-committed at Tower 2 would be 50%. These options are exercisable till Mar'21

VI. Growth Initiatives

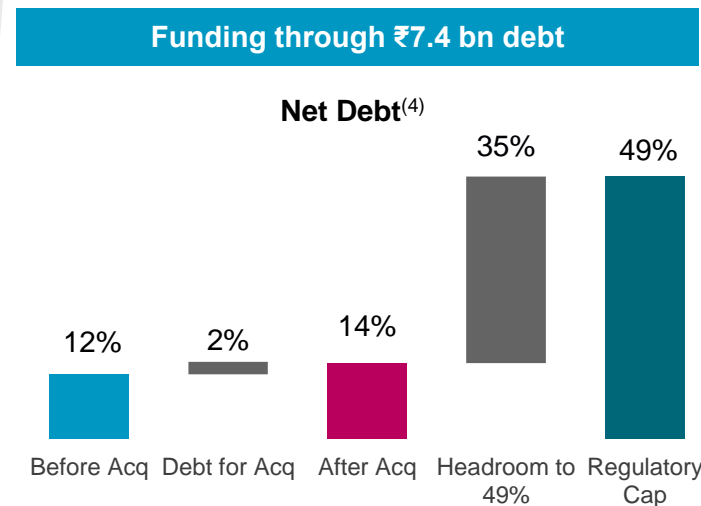
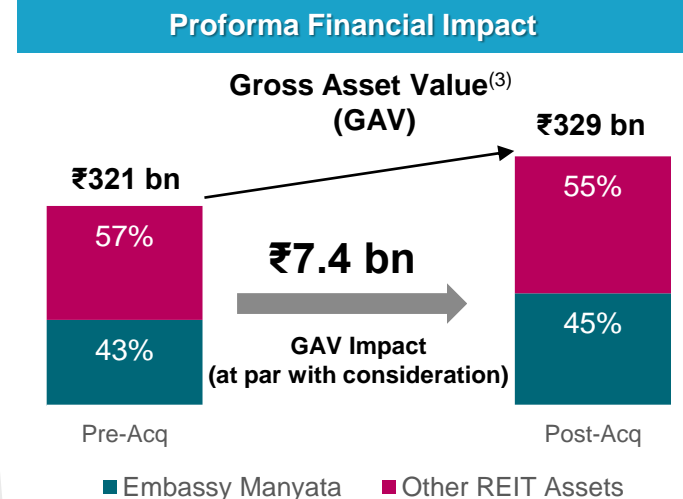


Embassy Oxygen, Noida

Add-on acquisition at Embassy Manyata

Acquisition of c.0.6 msf at 9.25% yield upon completion in 4Q FY2023, acquisition expected to be DPU accretive upon stabilization

Transaction Overview	M3, Block B	c.0.6 msf	4Q FY2023
	Embassy Manyata	Area	Target Building Completion
	₹7.4 bn	9.25%	+0.13%
	Cost, incl. Fees ⁽¹⁾	Property Yield	Proforma DPU Accretion ⁽²⁾
Transaction Rationale	<ul style="list-style-type: none"> ▶ Expansion of existing strategic asset with strong demand <ul style="list-style-type: none"> – 11 msf at 99.3% occupancy ▶ DPU accretive ▶ Attractive 9.25% yield vs. 8% stabilized cap rate of Embassy Manyata (per 1H FY2020 independent appraisal) ▶ Consolidation of M3 land parcel at Embassy Manyata ▶ Lease-up and development risk to seller's account 		
	<ul style="list-style-type: none"> ▶ Strong framework regulating related party transactions <ul style="list-style-type: none"> – Affiliated board members abstain from approval vote – Two Independent 3rd party valuations ▶ Fairness opinion from Duff & Phelps ▶ Customary transaction diligence 		
Process	<ul style="list-style-type: none"> ▶ Strong framework regulating related party transactions <ul style="list-style-type: none"> – Affiliated board members abstain from approval vote – Two Independent 3rd party valuations ▶ Fairness opinion from Duff & Phelps ▶ Customary transaction diligence 		



Notes:
 (1) Disbursement linked to construction milestones earn Embassy REIT cost of debt + 100 bps during construction
 (2) Proforma DPU accretion based on proforma FY2020 distribution and considering M3 Block B on a completed basis. Actual performance may differ given proforma accretion is based on estimates
 (3) Gross Asset Value (GAV) per Sep'19 valuation by independent valuer. Valuation exercise undertaken semi-annually. For further details refer notes on slide 60
 (4) Net Debt % computed basis 2Q FY2020 Net Debt to GAV

ROFO Opportunity – Embassy TechVillage

ROFO invitation to offer received in Nov'19 for Embassy TechVillage asset from Embassy Sponsor, opportunity currently under evaluation as per framework

Opportunity

- ▶ c.43 msf of ROFO opportunity from Embassy Sponsor
- ▶ ROFO invitation to offer for Embassy TechVillage asset received in Nov'19
- ▶ Embassy TechVillage is a large-scale integrated business park
 - Located in key Outer Ring Road micro-market of Bengaluru
 - Diverse tenant roster comprising technology, banking, finance, e-commerce and engineering occupiers

Asset Overview

c.80 Acres	35+	c.97%
Land Parcel	Tenants	Occupancy
c.6.2 msf	c.1.9 msf	518 Keys
Completed Area	Under Construction Area	Proposed Hilton Hotels

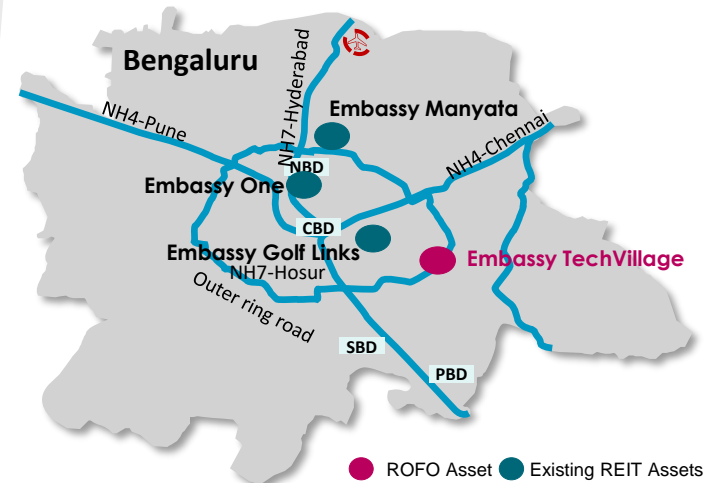
Process

- ▶ Detailed evaluation of opportunity underway
- ▶ Strong framework regulating related party transactions
 - Dedicated REIT management team
 - Affiliated board members to abstain from approval vote
 - Two Independent 3rd party valuations
- ▶ Unitholder approval per REIT Regulations

Asset Picture



Asset Location



VII. Asset Management Update

Hilton

Hilton at Embassy Golflinks, Bengaluru

Hospitality Update

477 hotel keys are currently operational with construction of additional 619 hotel keys at Embassy Manyata on target for Dec'21 launch

Hilton at Embassy Golf Links



247 Keys

5-Star Hotel

Operational

Occupancy: 62%

ADR: ₹10,554 (+8% YoY)

RevPAR: ₹6,551 (+8% YoY)

Four Seasons at Embassy One



230 Keys

5-Star Luxury Hotel

Operational, launched in May'19

Occupancy: 26% (vs. 10% in Q2)

ADR: ₹10,782

120+ Corporate accounts signed

Hilton Hotels at Embassy Manyata



619 Keys

5-Star & 3-Star Hotel

Under Construction

Expected completion in Dec'21

58k sf Retail

48k sf Convention Centre

Awards



Ministry Of Food at Hilton
**Restaurant of the Year
(Silver)**



Salt Grill at Hilton
**The Best European
Restaurant**



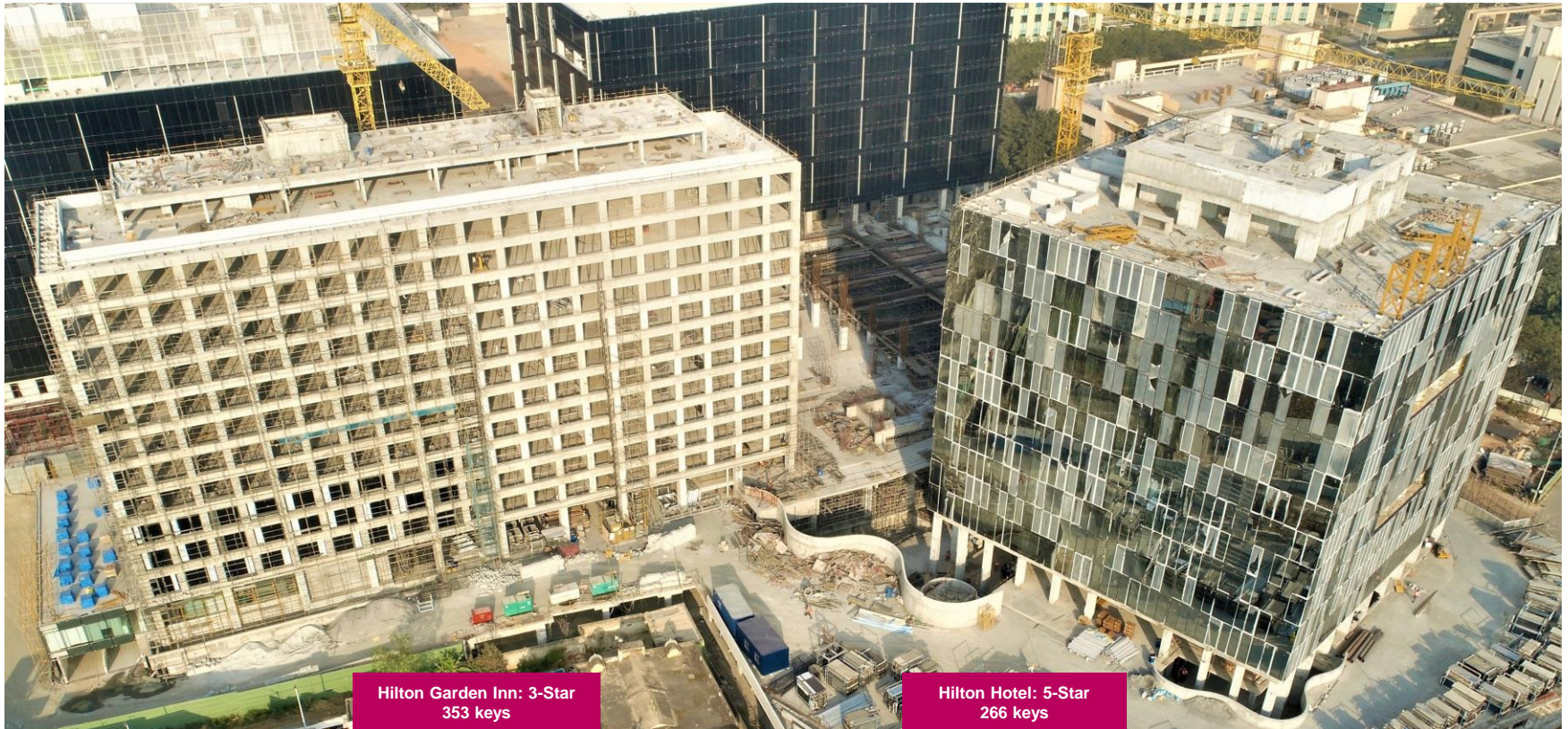
Four Seasons
**Best New
Business Hotel**



CUR8 at Four Seasons
**Best All-Day Dining
Restaurant**

Hospitality Update (Cont'd)

Under construction 619 key dual branded Hilton hotels at Embassy Manyata on track for Dec' 21 launch



- ▶ **Hilton – 5 Star (266 keys)**
 - Structure and façade works completed; MEP works underway
- ▶ **Hilton Garden Inn – 3 Star (353 keys)**
 - Structure completed; façade works underway

Infrastructure and Amenity Initiatives

Select infrastructure, upgrade and ancillary projects underway to further enhance competitiveness

Four Seasons Hotel New Fine Dining Restaurant
(Completed in Jan'20)



Embassy Manyata NXT Marketing Suite
(Completed in Jan'20)



Embassy Golflinks Building Refurbishment
(WIP, targeting Mar'20 completion)



Embassy Manyata Flyover – Tracking 1 quarter ahead
(WIP, targeting Dec'20 completion)



Value Creation Case Study – Embassy 247

Successfully repositioned Embassy 247 asset including recent launch of a large format lifestyle store at GF by India’s leading retailer. Meaningful increase in both occupancy and rents in LTM

Situation Overview

- ▶ 1Q FY2019
 - c.184k sf anchor occupiers exit due to cost considerations
 - Occupiers prefer competing buildings due to lower rentals
- ▶ 2Q FY2019
 - Asset in urgent need of capex to attract quality occupiers

Hands-on Asset Management

- ▶ 3Q FY2019
 - Launched comprehensive asset re-positioning
 - Revamp of food court, lobbies, boulevard, landscape etc.
- ▶ 4QFY2019
 - Negotiated to replace legacy retail with a modern format
 - Demand catalyst, preference for lifestyle driven offerings
- ▶ 3Q FY2020
 - Expedited façade revamp, to coincide with retail launch
 - Modern format retail outlet launched successfully

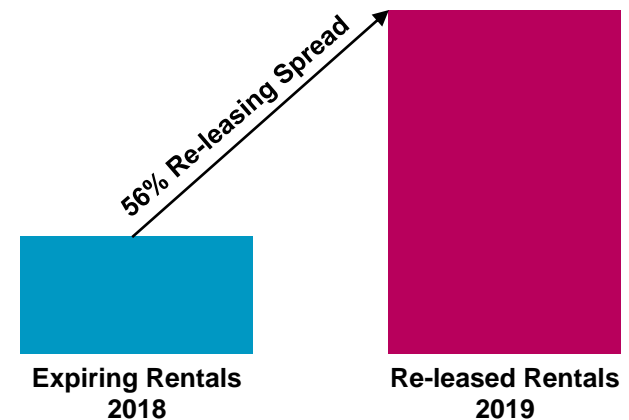
Value Add

- ▶ Added 5 new occupiers, incl DBS, Accelya Kale, Link Intime
- ▶ Existing occupier expands area to 2.7x at 35% higher rents
- ▶ Strong performance across metrics (2019 vs. 2018)
 - 94% occupancy, up 20% YoY
 - c.286k sf incremental leasing, up 65% YoY
 - ₹114 psf marginal rents, up 950 bps YoY

Asset repositioned with new façade and boulevard



Higher MTM spreads on Re-leasing



VIII. Financial Update

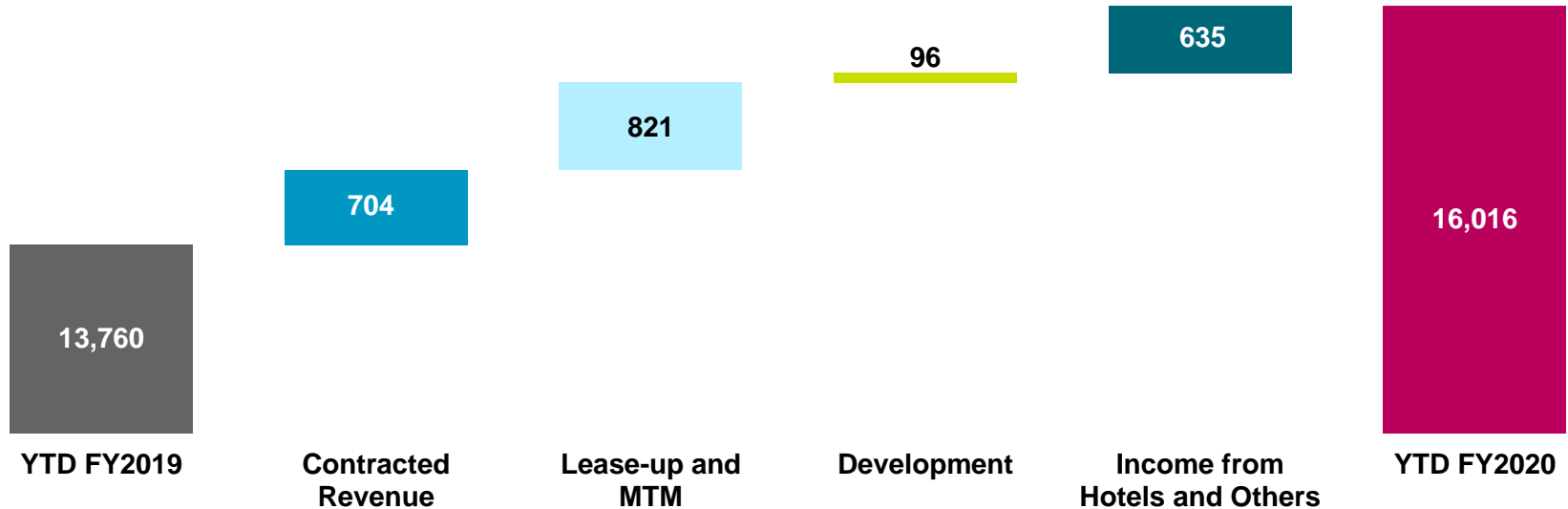
Embassy Quadron, Pune



Revenue Drivers

Revenue for YTD FY2020 was higher by 16% YoY with contracted escalations, new lease-up and MTM being the key drivers

Revenue from Operations (₹ mn)



% of revenue increase	31%	37%	4%	28%	Revenue Growth YoY
Key Drivers	<ul style="list-style-type: none"> ▶ Contracted lease escalation on c.7.7 msf ▶ Increase in maintenance and other contracted income 	<ul style="list-style-type: none"> ▶ Lease up of c.2.4 msf across Embassy Manyata, FIFC, Embassy 247, Embassy Techzone & others ▶ MTM on c.1 msf of ultimate expiry at Embassy Manyata, Embassy 247 & others ▶ Net of downtime 	<ul style="list-style-type: none"> ▶ Lease-up of c.0.5 msf Tower 3 at Embassy Oxygen 	<ul style="list-style-type: none"> ▶ Launch of operations at Four Seasons hotel in May'2019 ▶ Straight lining and other Ind-AS adjustments 	16%

Strong Balance Sheet

At 12% Net Debt to TEV, our conservative Balance Sheet provides significant flexibility for growth

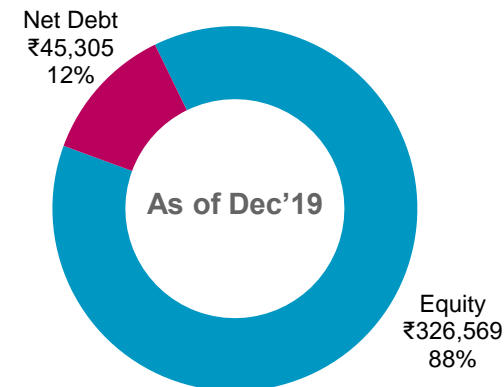
Total Enterprise Value (₹ mn)

Particulars	31-Dec-19
Market Capitalization ⁽¹⁾	326,569
Add: Net Debt	45,305
<i>Gross Debt</i>	<i>56,553</i>
<i>Less: Cash & Cash Equivalents</i>	<i>(1,005)</i>
<i>Less: Short-term treasury investments⁽²⁾</i>	<i>(10,243)</i>
Total Enterprise Value (TEV)	371,873

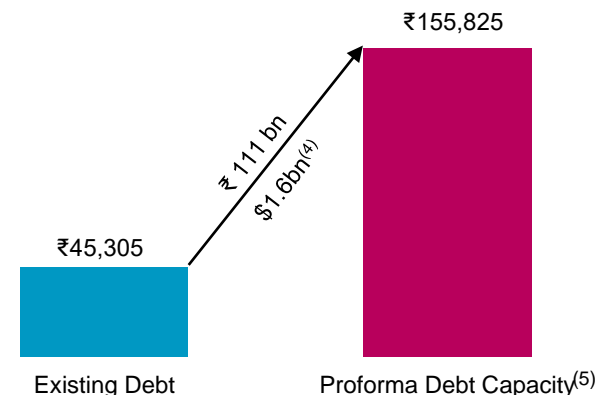
Leverage Metrics

Particulars	31-Dec-19
Net Debt to TEV	12%
Net Debt to EBITDA ⁽³⁾	2.6x
Interest Coverage Ratio	
- excluding capitalized interest	5.6x
- including capitalized interest	4.2x
Available Debt Headroom	₹111bn

Net Debt to Market Capitalization



Available Debt Headroom (₹ mn) (As of Dec'19)



Notes:

- (1) Closing price on National Stock Exchange as at December 31, 2019
- (2) Includes short-term liquid investments, fixed deposits etc. net of 3Q FY2020 distribution of ₹4,707 mn
- (3) EBITDA has been annualized for comparability purposes
- (4) \$1 = ₹71
- (5) Computed basis Gross Asset Value (GAV) as per Sep'19 valuation by independent valuer

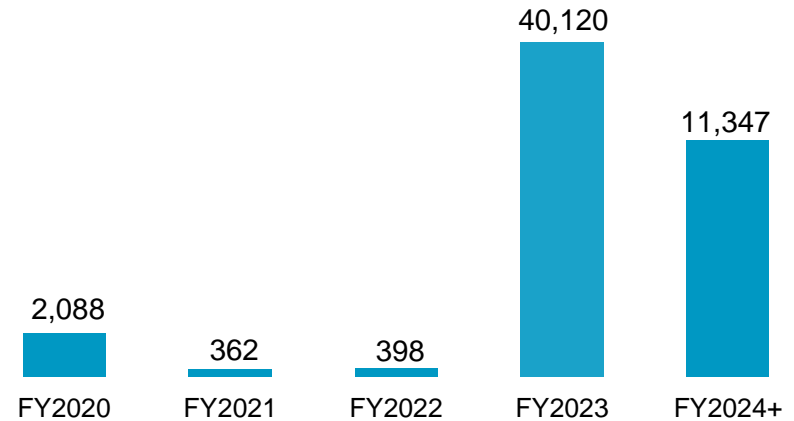
Leverage Update

Successfully secured ₹16,400 mn debt in Q3 at 9.03% interest rate, 86 bps lower than in-place debt cost

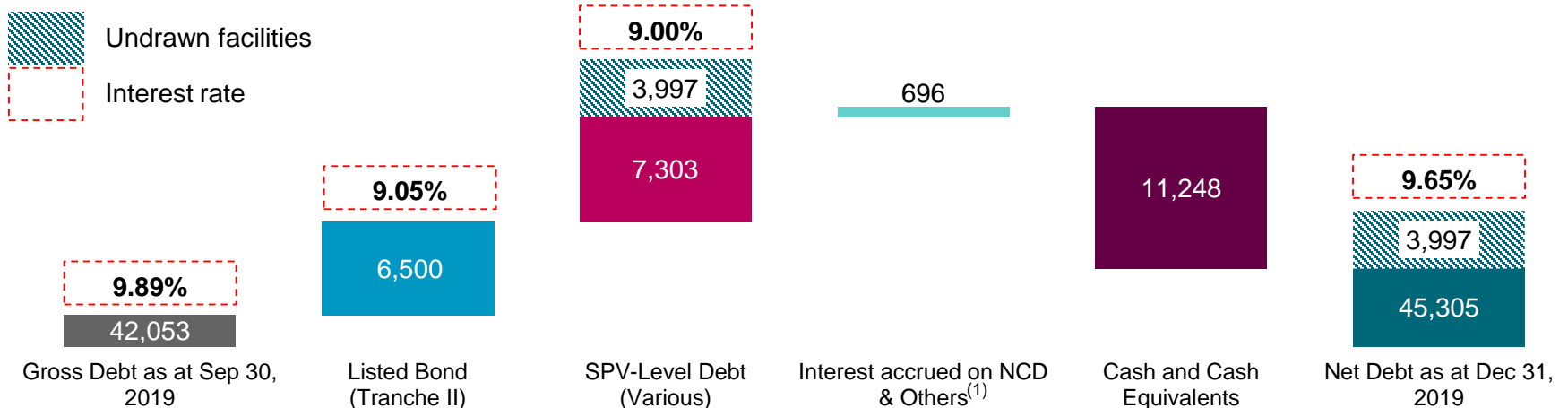
Highlights for 3Q FY2020

- ▶ Successfully placed ₹6,500 mn Tranche II listed bond in Nov'2019 at 9.05%
 - 35 bps lower than Tranche I bond raised in May'2019
- ▶ Secured ₹9,900 mn debt at a competitive rate of 9.02%
 - To fund on-campus development at Embassy Manyata and Embassy Oxygen
- ▶ Decrease in overall interest cost by 24 bps QoQ
 - Actively evaluating refinancing opportunities to further optimize debt costs

Principal Maturity Schedule (₹ mn)



Debt Movement during 3Q FY2020 (₹ mn)



Note:
(1) Net of debt repayment of ₹21 mn during 3Q FY2020


IX. Looking Ahead

Embassy Qubix, Pune



Key Growth Drivers

Near-term priorities include executing on organic growth levers ('business as usual') as well seek acquisition opportunities

Growth Levers	Achieved YTD FY2020	Near term priority
 <p>Acquisitions</p>	<ul style="list-style-type: none"> Acquired c.0.6 msf leasable area upon completion in 4Q FY2023 at 9.25% yield <ul style="list-style-type: none"> Located within overall Embassy Manyata campus, Bengaluru 	<ul style="list-style-type: none"> Evaluate ROFO opportunity relating to Embassy TechVillage asset in Bengaluru
<p>On-Campus Development</p>	<ul style="list-style-type: none"> Delivered c.1.4 msf; 2-3 quarters ahead of delivery <ul style="list-style-type: none"> c.44%⁽¹⁾ pre-committed 	<ul style="list-style-type: none"> Drive progress for c.2.6 msf of new on-campus development projects Proactively pre-lease under construction area
<p>Vacancy Lease-up & MTM</p>	<ul style="list-style-type: none"> New lease-up of c.1.7 msf to 20+ tenants Re-leased c.1.1 msf at c.56% MTM spreads Four Seasons occupancy at 26% in 3Q FY2020 (vs. 10% in 2Q FY2020) 	<ul style="list-style-type: none"> Lease c.2.0 msf in NTM across portfolio Re-lease c.0.9 msf in NTM at proforma 18% MTM spreads Ramp-up occupancy and turn cash positive at Four Seasons hotel
<p>Contractual Escalations</p>	<ul style="list-style-type: none"> Achieved 12-15% escalation on c.3.9 msf, 30+ tenants 	<ul style="list-style-type: none"> Escalate c.6.3 msf in NTM at 12-15%, 60+ tenants

Note:
(1) Excluding c.183k sf growth options at Embassy Manyata NXT and Embassy Oxygen. Factoring these growth options, area pre-committed would be 58%. These options are exercisable at various dates until Mar'21

X. Appendix



Embassy Galaxy, Noida

Walkdown of Financial Metrics

(Amount in ₹ mn)

	For the Quarter ended			For the period ended				
	3Q FY2020	3Q FY2019	Variance (%)	YTD FY2020	YTD FY2019	Variance (%)		
Revenue from Operations	5,459	4,774	14%	16,016	13,760	16%	NOI	Distribution
Property Taxes and Insurance	(180)	(148)	22%	(538)	(492)	9%		
Direct Operating Expenses	(639)	(641)	(0%)	(1,926)	(1,727)	12%		
Net Operating Income	4,639	3,984	16%	13,551	11,541	17%	NDCF at SPV level	
Other Income	153	323	(53%)	596	1,172	(49%)		
Property Management Fees ⁽¹⁾	(125)	(65)	91%	(359)	(226)	59%		
Indirect Operating Expenses	(139)	(548)	(75%)	(493)	(1,102)	(55%)		
EBITDA	4,528	3,695	23%	13,295	11,386	17%		
Working Capital Adjustments	187	(860)	NR	1,289	(1,096)	NR		
Cash Taxes	(356)	(470)	(24%)	(1,038)	(1,480)	(30%)	NDCF at REIT level	
Other Adjustments ⁽²⁾	(177)	(42)	322%	(768)	(814)	(6%)		
Cash Flow from Operating Activities	4,181	2,322	80%	12,779	7,996	60%		
External Debt (Interest & Principal)	(258)	NA	NA	(1,111)	NA	NA	Distribution	
Other Income from Investments	105	NA	NA	412	NA	NA		
NDCF at SPV level	4,028	NA	NA	12,080	NA	NA		
Distribution from SPVs to REIT	4,323	NA	NA	12,321	NA	NA		
Distribution from Embassy Golflinks	480	NA	NA	1,440	NA	NA		
REIT Management Fees ⁽¹⁾	(55)	NA	NA	(159)	NA	NA	Distribution	
Other Inflows at REIT level (Net of Expenses)	(38)	NA	NA	(51)	NA	NA		
NDCF at REIT level	4,710	NA	NA	13,552	NA	NA	Distribution	
Distribution	4,707	NA	NA	13,504	NA	NA		

Notes: Walkdown of Financial Metrics upto 'NDCF (SPV Level)' represents financial numbers of all SPV's consolidated excluding REIT standalone numbers

Figures for 3Q FY2020 are basis reviewed consolidated financials

Figures for 3Q FY2019 are basis unaudited combined financials and may not be comparable. For further details refer notes on slide 50

(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 distributions

(2) Mainly includes income from investments & other non-cash income/expenses

Environment, Social & Governance

Continued focus on environment and community engagement is core to our CSR philosophy

Environment

100 MW (AC) Solar Plant



Eco-friendly (CNG) Shuttle buses



Battery operated electric vehicles



Awards



“Workplace Excellence” award for excellence in Ecological Sustainability by iNFHRA Awards 2019-20



Social

Reading programs & Libraries



International Disability Day



Public Places Transformation



Environment, Social & Governance (cont'd)

Embassy REIT has world class corporate governance standards

Asset

- ▶ Minimum 80% of value in completed and income producing
- ▶ Minimum 90% of distributable cash flows to be distributed
- ▶ Restrictions on speculative land acquisition

Debt

- ▶ Majority unitholder approval required if debt exceeds 25% of asset value
- ▶ Debt cannot exceed 49% of asset value

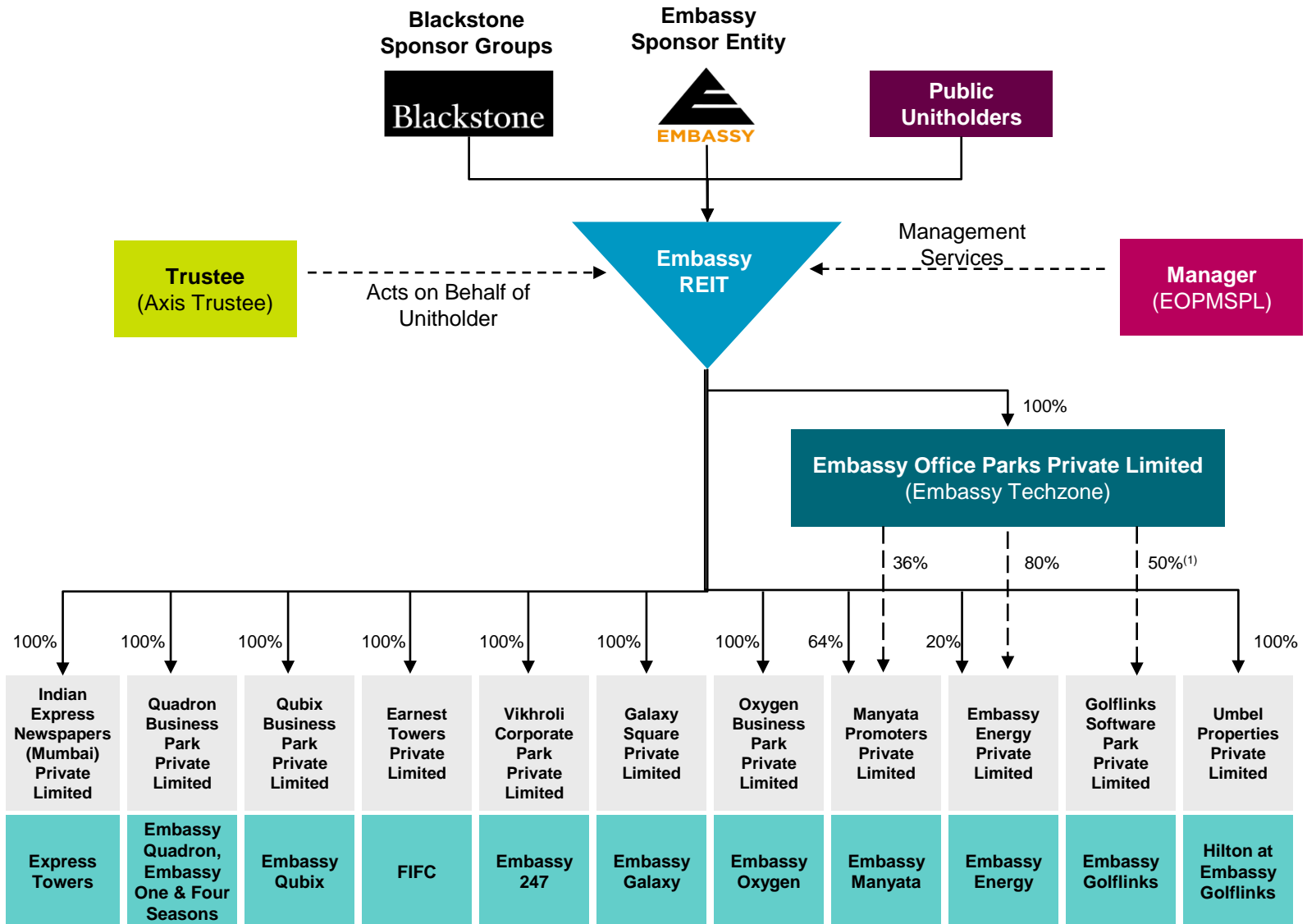
Manager

- ▶ 50% independent directors on the Board, with 50% representation on all committees
- ▶ Manager can be removed with 60% approval of unrelated Unitholders
- ▶ Alignment with Unitholder interests due to a distribution-linked management fees structure

Strong Related Party Safeguards

- ▶ Sponsors are prohibited from voting on their related party transactions
- ▶ Majority Unitholder approval required for acquisition or disposal of asset which exceeds 10% of REIT value
- ▶ Acquisition or sale price of new asset cannot deviate from average valuation of two independent valuers by +/- 10%
- ▶ Fairness opinion from independent valuer required if related party leases exceed 20% of the total REIT area

Embassy REIT structure



Notes:
(1) Balance 50% owned by JV partner

REIT Fundamentals

- ▶ **REIT stands for Real Estate Investment Trust**
- ▶ **A REIT is a trust that owns, operates or finances income-producing real estate**
 - REITs give all investors access to the benefits of real estate investment with the advantage of investing in publicly traded units
- ▶ **A REIT is a tax-efficient vehicle that**
 - enables owners of real estate to pool income generating assets together in a portfolio; and
 - allows investors to buy ownership in real estate assets in the form of equity
- ▶ **REITs globally are a US\$2 trillion asset class; first REIT started in the US in the 1960s**
 - REITs are universally accepted by global institutions and individual investors as a product that provides:
 - Liquidity
 - Transparency
 - Diversification
 - Dividends
 - Performance
- ▶ **REITs must pay out majority of earnings as distributions to Unitholders**
 - Indian regulations require REITs to pay out 90% of distributable cash flows
- ▶ **REITs must have at least 80% of their assets be completed and income-producing**
 - A low level of development (20% or less) means less risk to the cash flows
- ▶ **REITs are typically listed on stock exchanges through an Initial Public Offering (IPO)**
 - Once listed, they serve as permanent capital vehicles to raise debt and equity in the capital markets to acquire new assets to grow

Key Terms & Definitions

Notes:

- ▶ All figures in this presentation are as of December 31, 2019 unless specified otherwise
- ▶ All figures corresponding to year denoted with "FY" are as of or for the one-year period ending (as may be relevant) 31st March 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) 31st December 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 our 50% economic interest in GLSP.
- ▶ Any reference to long-term leases or WALE (weighted average lease expiry) assumes successive renewals by tenants at their option
- ▶ Given Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22 – 25, 2019, the comparative quarterly financial information included herein are the combined unaudited financial information for 3Q FY2019 (assuming that the Embassy REIT held the Embassy REIT assets in its present form during 3Q FY2019) as against consolidated reviewed condensed financial statements for 3Q FY2020. The information for the YTD FY2019 is derived from the audited combined financial statements and the information for the YTD FY2020 is derived from the audited consolidated financial statements of the Embassy REIT
- ▶ Valuation as of September 30, 2019 undertaken by Mr. Manish Gupta, Partners, iVAS Partners (independent valuer per SEBI Regulations) with value assessment services undertaken by CBRE
- ▶ Key Terms and Definitions:

1. Base Rentals – Rental income contracted from the leasing of Completed Area; does not include fit-out & car parking income
2. bn – Billions
3. BPS – Basis points
4. BSE – Bombay Stock Exchange
5. CAGR – Compounded Annual Growth Rate
6. CBRE – CBRE South Asia Private Limited
7. Completed Area – the Leasable Area of a property for which occupancy certificate has been received
8. Duff & Phelps – Duff & Phelps India Private Limited
9. EBITDA – Earnings before interest, tax, depreciation and amortization
10. Embassy Group – refers to the Embassy Sponsor or its subsidiaries or limited liability partnerships
11. Embassy REIT refers to Embassy Office Parks REIT
12. EOPMSPL – Embassy Office Parks Management Services Private Limited
13. FY – Period of 12 months ended March 31 of that particular year, unless otherwise stated
14. GF – Ground floor
15. GAV – Gross Asset Value
16. GLSP – Golflinks Software Park Private Limited
17. Holdco – Refers to Embassy Office Parks Private Limited
18. IPO – Initial Public Offering of units of Embassy Office Parks REIT
19. Investment Entity – Refers to Golflinks Software Park Private Limited
20. Leasable Area – Total square footage that can be occupied by a tenant for the purpose of determining a tenant's rental obligations. Leasable Area is the sum of Completed Area, Under Construction Area and Proposed Development Area
21. LTM – Last twelve months
22. Manager – Embassy Office Parks Management Services Private Limited
23. MEP – Mechanical, Electrical & Plumbing
24. mn – Millions
25. MNC – Multinational Corporations
26. msf – Million square feet

27. MTM – Mark to Market
28. MW – Mega-Watt
29. Mumbai – Mumbai Metropolitan Region (MMR)
30. NAV – Net Asset Value
31. NCD – Non-Convertible Debentures
32. NXT – Manyata front parcel office towers
33. NDCF refers to Net Distributable Cash Flows
34. Net Debt – Gross Debt minus short term treasury investment and cash and cash equivalents
35. NM – Not material
36. NOI – Net Operating Income
37. NR – Not Relevant
38. NSE – The National Stock Exchange
39. NTM – Next twelve months
40. OC – Occupancy certificate
41. Occupancy / % Occupied / % Leased – Occupancy is defined as the ratio of the Occupied Area and the Completed Area
42. Occupied Area – Completed area of property which has been leased or rented out in accordance with an agreement entered into for the purpose
43. Portfolio – Together, the Portfolio Assets and the Portfolio Investment
44. 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
45. psf – Per square feet
46. QoQ – Quarter on quarter
47. REIT – Real Estate Investment Trust
48. REIT Regulations – Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014
49. 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 Dec'19
50. RevPAR – Revenue Per Available Room (RevPAR) is a hotel industry financial metric calculated by multiplying the Average Daily Rate by the percentage occupancy
51. ROFO – Right of First Offer
52. SF – Square feet
53. Sponsor(s) – Embassy Property Developments Private Limited and BRE/ Mauritius Investments
54. SPV – Special purpose vehicles, as defined in Regulation 2(l)(zs) of the REIT Regulations, in this case being, MPPL, UPPL, EEPL, IENMPL, VCPPL, ETPL, QBPL, QBPPL, OBPPL and GSPL
55. TEV – Total Enterprise Value
56. tn – Trillions
57. Units – An undivided beneficial interest in the Embassy REIT, and such units together represent the entire beneficial interest in the Embassy REIT
58. U/C – Under construction
59. Under Construction Area – The Leasable Area of a property for which the master plan for development has been obtained, internal development plans have been finalized and applications 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
60. WALE – Weighted Average Lease Expiry
61. WIP – Work-in-progress
62. Years – Refers to fiscal years unless specified otherwise
63. YoY – Year on year
64. YTM – Yield to Maturity
65. YTD – Year to date

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The comparative quarter and nine months financial information included herein is being presented to provide investors with a general overview of the Embassy REIT’s performance for quarter and nine months period ended December 2019 as compared, in the manner determined by the Manager, against the quarter and nine months period ended December 2018 on the basis of certain key parameters for general information purposes only and does not purport to present a comprehensive representation of the financial performance of the Embassy REIT for these periods. The Embassy REIT, the Trustee and the Manager make no representation, express or implied, as to the suitability or appropriateness of this comparative information to any investor or to any other person. This information should not be used or considered as financial or investment advice, a recommendation or an offer to sell, or a solicitation of any offer to buy any units of the Embassy REIT.

The comparative quarterly financial information has been prepared by the Manager, in the manner determined by the Manager, and has not been subjected to limited review or audit by the statutory auditors of the Embassy REIT. While the Manager has exercised reasonable diligence in the preparation of this comparative quarterly financial information, and in the Manager’s view, this comparative quarterly financial information provides a reasonable scheme of reference for Investors with respect to the key parameters chosen by the Manager, investors are requested to not place undue reliance upon such information and to not regard such information as an indication of future trends or guarantee of future performance.

Investors should also take note that Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22, 2019 and March 25, 2019. Accordingly, the comparative quarterly financial information has been prepared by comparing, in the manner determined by the Manager as referenced above, unaudited combined financial information for quarter ended December 2018 (assuming that the Embassy REIT held the Embassy REIT assets in its present form during quarter ended December 2018) as against reviewed condensed consolidated financial statements for quarter ended December 2019. The information for the nine months ended December 2018 is derived from the audited combined financial statements and the information for the nine months ended December 2019 is derived from the reviewed condensed consolidated financial statements of the Embassy REIT.

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EMBASSY OFFICE PARKS



**WHERE THE WORLD
COMES TO WORK**

Thank You

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