

CEO'S MESSAGE

Enhancing Value of our Iconic Properties



Dear Unitholders,

It is my privilege to present to you our report for the first six months of FY2022. Given the environment and the extraordinary year, we have seen a resilient performance, strengthened by the agility of our response to the changes triggered by the pandemic. Our teams across the country were focused on supporting the critical functions of our tenants with elevated health and safety standards at our campuses.

Amidst the significant volatility caused by the second wave of COVID-19, our prudent financial framework allowed us to emerge steady and focus on building the business for the future. As the economic backdrop regained momentum over the last few months with the roll-out of vaccines, it has allowed companies to start planning their return-to-office strategies.

We are set to scale up our response to the evolving situation, supporting our tenants in their concerted efforts to meet their workspace requirement, while ensuring the safe return of their vaccinated employees to the workplace. We take pride in sharing that we are the first office portfolio in India to receive the 'Bureau Veritas Safeguard Certification', demonstrating our commitment to the safety and well-being of our tenants.

STABLE AND SUSTAINED PERFORMANCE

During the six-month period ending September 30, 2021, we recorded a stable performance, with growth in operating lease rentals and good rental collections.

Our campuses, housing many of India's leading technology and service companies, remained resilient with 85% Same-Store Committed Occupancy and 93% of our value in completed assets. Rental collection remained stable at 99%, including 7.2% escalation on 1.5 million square feet of leased area. We achieved gross leasing of 216,000 square feet and ended the period with 82% of Committed Occupancy. During the year, we re-leased and renewed 178,000 square feet space.

We continued to maintain a strong balance sheet, with low leverage of ₹ 21,850 million, which is only 19% loan-to-

value. We recorded healthy Net Distributable Cash Flows (NDCF) of ₹ 3,892 million (₹12.85 per unit), of which we shall distribute ₹ 3,634 million to the unitholders, i.e., ₹ 12.00 per unit. 28% of this distribution will be tax-free for unit holders. A WALE of 6.6 years provides further stability to our cash flows.

Our Identified Assets continue to show significant progress towards stabilization. Candor G1 in Gurugram, Sector 48 is now fully developed, while Candor N2 in Noida, Sector 135 has completed the state-of-the-art Tower 11 (673,000 sf) during the year. The building has achieved 80% leasing within six months of completion. Our assets have attracted marquee Multi-national Corporations (MNCs) like Samsung, who are choosing to relocate or expand within well managed campus developments. Candor N2 has seen strong leasing traction, having achieved 535,000 sf of leasing till October 2021, with advanced discussions of 170,000 sf underway.

INCREASED PREFERENCE FOR GRADE A, CAMPUS-STYLE CORPORATE PARKS

The long-term demand for Grade A office spaces has remained stable in India despite the uncertainties of the past year. Companies are looking to re-assess office layouts with an option of expansion of area and consolidation of locations to ensure compliance with health and safety norms. The demand has received further impetus due to increased preference for large campus-style and well-amenitized office spaces with a safe work environment and quality workspaces, coupled with the ability to expand space through new development.



The trend augurs well for us on account of our robust portfolio and healthy pipeline. With the fast-growing IT sector contributing over 50% to our tenancy profile, we are confident of benefiting extensively from the post-pandemic business recovery and pick-up in the 'return-to-office' inclination. Advancing our strategic initiatives since our last reporting, we completed several key developments and upgrades to enhance the value and experience of our tenants.

OUR ESG JOURNEY

We remain committed to our sustainability-first approach and to ensuring the health, safety and well-being of our people and tenants. We are setting a sustainability benchmark for the industry by undertaking initiatives for energy, water and waste reduction while generating positive outcomes for the community in which we operate. Our focus on the health, safety and well-being of our people and tenants played an important role in making us a partner of choice. As a member of Valuable 500, a global initiative to drive disability inclusion as boardroom agenda, we pledged to ensure inclusivity through planned infrastructural changes making our campuses universally accessible.

LOOKING AHEAD

As India's only institutionally managed REIT, we are optimistic about the demand for high-quality workspaces gaining momentum, as we expect tenants to return to the

office as they have in other parts of the world. The ongoing vaccination drive coupled with economic and business recovery will give a further boost to this trend. Our assets, in key gateway Indian cities, accounted for more than half of the net absorption in their micro-markets before the pandemic and are well-positioned to benefit from the uptick in the post-pandemic demand for office space.

We shall continue to deliver sustainable value for all stakeholders by investing in the improvement of our campuses. At the same time, we continue to partner with our tenants to facilitate the safe and secure return of their employees to office.

In conclusion, I take the opportunity to thank our team for successfully steering Brookfield India REIT through these testing times. I also thank our tenants and other stakeholders for their continued trust and support.

Wishing you all good health and a safe return to our workplaces.

Sincerely,

Alok Aggarwal

Chief Executive Officer

Manager of Brookfield India Real Estate Trust