“Mindspace Business Parks REIT Q2 FY 2027 Earnings Call”

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Moderator: Ladies and gentlemen, good day, and welcome to Mindspace Business Parks REIT Earnings call for Q2 FY2027 financial results. Please note, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded. With that, I hand over the call to Mr. Shravan Kailasa from Mindspace Business Parks REIT. Thank you, and over to you.

Shravan Kailasa: Good morning, everyone, and thank you for joining the earnings call for Q2 FY2027 for Mindspace Business Parks REIT. At this point, we would like to highlight that the management may make certain statements that may be forward-looking in nature. Please be advised that our actual results may differ materially from these statements. We do not guarantee these statements or results, and are not obliged to update them at any point of time. I would now like to welcome our CEO and MD, Mr. Ramesh Nair, CFO, Ms. Preeti Chheda, and Mr. Govardhan Gedela, Head Corporate Finance, who will take you through the business updates and the financial performance during the quarter. We will then open the call to a round of Q&A. I will now go hand over the call to Ramesh.

Ramesh Nair: Thanks, Shravan. Good morning, everyone, and thank you for joining us. Q2 has been another strong quarter for us. We delivered our highest distribution of Rs.6.67 per unit, which is 14.4% year-on-year increase. Our, NOI grew by nearly 32% year-on-year to Rs.836 Crores. On a like-to-like basis, our NOI grew around 16.8%. Our leasing momentum, has continued. We, achieved leasing of 1.6 million square feet. This has taken our committed occupancy to a record 96.1% on a like-to-like basis including the acquisitions, which we did in H1. Our, overall portfolio committed occupancy today stands at, 93.8%. Happy to inform that 10 of our 16 assets are now operating at over 96% occupancy, with 7 of them at the perfect 100% occupancy. The quality of the portfolio is, also showing up in its, value. Our, GAV is now, approximately, Rs.55,200 Crores up 16% since, March. This includes, the addition of the Chennai acquisitions, and also reflects the rising rentals in the various micro-markets we operate. Consequently, the NAV per unit rose 7.2% to approximately Rs.565 per unit. Today, I will cover four things. The market. Where is our growth coming from? The experience in our parks and also how we are building the wider platform? Preeti will then take you through the financial performance.

Let me start with the market where, demand is, held up well. The macro backdrop, stayed, unsettled, through the quarter. Tension in the Gulf kept oil prices firm, and the rupee remained under pressure. After the quarter closed, the RBI raised the repo rates by 25 basis points its first, hike since February 2023. But, on the ground, office demands tells a very different story. Calendar year Q2 saw a media pause.

In calendar year Q3, the deals that had slipped got closed, and deferred decisions came through. JLL puts calendar year Q3 gross leasing at about 23 million sq ft, up 41% on the previous quarter and the strongest quarter of the year. JLL, Cushman, and CBRE all reported the strongest first 9 months on record between 61 million and 66 million sq ft of gross leasing. It is just not the deals being signed. JLL also reports record net absorption of 42 million sq ft in the first 9 months of the calendar year. Occupiers are moving in and adding headcount, obviously. GCCs remain the anchor. They took 42% of leasing in the quarter, according to Cushman & Wakefield.

JLL and CBRE both put GCC leasing at a record 26 million to 28 million sq ft in the calendar 9 months, and JLL expects GCCs to beat last year's full-year record. Global firms are increasingly building their AI development and operations teams in India, and GCCs are taking more space to do it. BFSI had its strongest quarter ever, according to JLL, and Cushman & Wakefield named it the single largest demand driver. Hyderabad was once again one of the standout markets. It accounted for 30% of national volume in calendar year Q3, according to Knight Frank. In spite of supply picking up in some micro-markets in the country, many prime business districts remain in single-digit vacancy. In Mumbai, JLL reported a vacancy at a 16-year low. Rents are rising, and occupiers are obviously paying for quality.

For global companies, India's cost advantage remains compelling, and our infrastructure and talent keeps getting better. Estimates may vary across IPC research reports, but the direction is consistent, demand is healthy, and it is concentrated in the segments and cities where we have our strongest presence. Let me turn to where our growth is coming from. With most of our parks already full, growth will come increasingly from four sources: rental growth through contractual escalations and mark-to-market realization within our existing portfolio, leasing up of our Chennai and Airoli assets, new development within our established parks, and acquisitions from sponsors and third parties. Let me take each one by one. First, the rental growth and mark-to-market within our existing portfolio. Our portfolio in-place rent is approximately Rs.81.50 per sq ft per month. That gives us a mark-to-market potential of about 23%, and we are capturing it.

Re-leasing spreads this quarter was 24%. Rents on this quarter's deals were also ahead of our own business plan. At Mindspace Madhapur, we pre-leased approximately 219,000 sq ft in Building 8 to a global biotech GCC at Rs.133 per sq ft per month. Building 8 is now 91% pre-leased at an average rent of Rs.117, and the balance 9% would be signed any day now. When we started redeveloping this building, we were expecting around Rs.90. Madhapur itself is at 98.6% occupancy, with only about 160,000 sq ft available across 20 buildings in a 12 million sq ft park. In Airoli, recent deals are now being signed at

approximately Rs.70 to Rs.80 per sq ft per month, with one recent deal even touching Rs.85 per sq ft. That tells you where the micro-market is heading. Also happy to share that Ascent Worli is now 100% leased. This quarter, we signed a lease of 365 rupees psf per month the highest rent we have achieved in the Ascent asset. Some of you may remember, we had underwritten this asset at 325. That is what quality CBD space commands in Mumbai today.

Let's look at the second aspect, leasing up. In Chennai, we have had a great start. Our recent Chennai acquisitions, which comprises One Radial and Commerzone Pallikaranai, two high-quality institutional campuses of approximately 2.6 million sq ft each on Chennai's PTR corridor. Since July, we have leased approximately 550,000 sq ft between Rs.85 and Rs.90 per sq ft. That also is ahead of the rents we underwrote at acquisition. This includes approximately 4.6 lakh sq ft at One Radial with a leading European BFSI GCC. This took One Radial committed occupancy from 57% to 75% in a single quarter. Commerzone Pallikaranai also has moved up to 77.5% occupancy, with a recent deal at Rs.90 per sq ft. We are also on the verge of closing another deal at Rs.93. We remain confident of leasing these buildings by March, April 2027. Third, on the development front, we continue to build where the demand is. We have 6 million sq ft under construction out of our 8.7 million sq ft pipeline. Of this, 3.2 million sq ft is due for delivery by March 2027. Building 8 in Madhapur, Block 1 in Commerzone Pallikaranai, where we are tracking ahead of schedule in terms of construction and getting the OC, and our next data center at Airoli West. That will take a completed portfolio from the present 37.7 million sq ft to 41 million sq ft. Starting with Hyderabad, our first redevelopment project, Building 1, at Madhapur is now complete. We have received the occupancy certificate. This is a 1.5 million sq ft building, fully leased to a global banking GCC. The client has finished their fit-outs, and rentals commence from January 2027. Building 1 is the blueprint for what will come next. We are currently evaluating further redevelopment opportunities in Madhapur, building on the successful delivery of our first redevelopment project. At Building 8, facade and finishing works are underway, and we expect the occupancy certificate to come in Q4 FY27. At Building 18, foundation work is underway using precast construction. Building 18 is pre-leased, like some of you know, for a Ritz-Carlton hotel. The Pearl Club within Madhapur has completed trial operations and opens to members this month. It is part of our strategy to build mixed-use ecosystems with integrated amenities.

Now let's move to Navi Mumbai. In Airoli East, committed occupancy has improved to 85%. At Building 17, the foundation work is underway at a 900,000 sq ft mixed-use development, a 300,000 sq ft Hyatt Regency hotel, which is pre-leased, and the 600,000 sq ft office block. We are also evaluating further data centers at Airoli. At Airoli West, which is at nearly 97% occupancy, we have submitted plans for a new building, Building 12, approximately 1.1 million sq ft of new office space, and work for Building 12 is expected to

start next quarter. Our experience of delivering and operating large business parks gives us the confidence to keep investing in building new capacity. Our data center business, also in Navi Mumbai, continues to scale. Mindspace remains the only REIT listed in India with a data center portfolio. Two data centers are operational in Airoli West. The third is due in March 2027, followed by the fourth in July 2027, and the fifth in December 2027.

In Commerzone Yerwada, we have started work on B9, a new 400,000 sq ft office building. Alongside it, we are starting work on the 200,000 sq ft hotel, which is pre-committed. Fourth, let's look at acquisition, starting within our own parks. We continue to consolidate third-party ownership within our campuses. This quarter, we acquired another approximately 150,000 sq ft across Pune and Madhapur. At Madhapur, we acquired 100,000 sq ft in Building 10, giving us full ownership of office space in that building. Cumulatively, we have now acquired 800,000 sq ft of strata-owned space within our parks. This gives us better control over asset management, makes redevelopment a lot more easier, and room to unlock more value from parks we already know very well.

Looking outside our parks, the acquisition pipeline is strong. Our sponsor has an active development pipeline of 20 million sq ft across various stages, providing a strong pipeline for future growth. Beyond the sponsor pipeline, we're also seeing a healthy flow of high-quality assets come to the market as several institutional funds approach us as the end of their fund life nears. We continue to actively evaluate acquisition opportunities that are accretive to unit holders and will strengthen our presence in our core markets. Growth is one part of the story. Keeping our tenants is the other, and that starts with the experience in our parks. Our parks are where our tenants spend their working day, and we keep investing to make that day better. It starts with how our parks are run. From 1st July, we transitioned to our new facility management partners, which include firms like JLL and CBRE. We are also continuing to upgrade our parks. This financial year, we plan to spend Rs.250 crores on base build upgrades and another Rs.140 crores on MEP upgrades. At Airoli East, the upgrade program is nearing completion, and new F&B additions are strengthening the campus experience. In Pune, we opened a new food court in Commerzone Yerwada Building 1, adding more dining options within the campus. In Mindspace Madhapur, we completed certain road extensions, making traffic movement smoother. In Ascent Worli, the pickleball and padel courts are now operational. Hospitality is becoming a bigger driver of what we offer. Membership drives for the Pearl Club are underway, and Ascent Residences, our apartments in Worli, are shaping up well, which will start operations next quarter. Beyond the physical space, we have also moved from one-off events to year-round tenant engagement. An engaged workforce makes for a loyal tenant, and that supports retention. We held IPC meets in Hyderabad and Chennai, engaging 300-plus IPC broker partners of

ours, and we are also the title sponsors for the Chennai Night Run, where we've gained citywide visibility in the market.

Let me now turn to the wider platform, starting with sustainability. The Science Based Targets initiative validated our near-term, long-term, and net zero targets, reinforcing our commitment to be net zero by 2042. In the 2026 GRESB assessment, we scored a perfect 100 for development category and 94 for standing investments category. We earned five-star ratings for the fourth consecutive year and were named sector leader in both. Mindspace Airoli East received the IGBC Green Landscape Gold rating. This is the first for any REIT in India. One Radial received the IGBC New Building Platinum rating. We were also recognized as the BW Sustainable World Awards 2026 for data and tech-driven ESG transformation.

Our people and our brand are evolving with our portfolio. We are proud to be named amongst India's top 50 best places to work for women 2026 in the mid-size category by Great Place To Work. We are investing in capability building at every level, from frontline customer teams to experienced managers, with a strong focus on technology and AI. Today, our campuses go well beyond offices, integrating workspaces with hotels, clubs, restaurants, F&B, recreation, wellness, and landscape spaces to create richer, more engaging environments for occupiers and their employees. Finally, a word on AI. Last quarter, we walked through how we use AI across finance, legal, and compliance. Those tools are now part of how we close every quarter, from rent roll conversion and regulatory checks on our filings to automated SEBI and MCA monitoring. On the demand side, our view has not changed.

We are not seeing lease tenure shorten or pre-commitments fall. We believe AI will add to office demand, not reduce it. We will get new occupiers, growing data needs, and stronger case for quality workplaces. Our job is to make sure our parks are ready for that. Let me close with where we go from here. Most of our portfolio is already full. From here, growth comes from within it. We have 3.2 million sq ft due for delivery by March. Building 12 at Airoli West will add another 1.1 million sq ft to a park that is already 97% occupied, and demand is there. We are tracking around 9 million-10 million sq ft of active RFPs across our markets. Our approach does not change. Build where occupiers want to be, lease well, and keep the balance sheet strong. Thank you for your continued confidence in Mindspace REIT. I will now hand over to Preeti for the financial update.

Preeti Chheda: Thank you, Ramesh. Morning, everyone. We continue to deliver strong financial performance backed by strong operating performance. Our NOI grew 31.9% year-on-year to Rs.8.4 billion, driven amongst others by effective portfolio management, healthy office

demand, which has aided leasing and rentals, and contributions from new acquisitions. Or like-to-like NOI grew almost 17% year-on-year in Q2 FY27, reflecting the strong organic growth within the portfolio. Revenue from operations for this quarter increased almost 30% year-on-year to Rs.10.1 billion, crossing the Rs.10 billion mark. Within the existing portfolio, we have a development pipeline of 8.7 million sq ft. Of this, about 5 million sq ft will be delivered by FY29. So this, together with lease-up of vacant space, contractual escalations, MTMs, and contributions from our recent completions will all add about Rs.17 billion-Rs.18 billion NOI over the next three years.

We have also demonstrated a consistent track record of healthy distribution growth with double-digit DPU growth for several quarters now. This quarter, our distribution grew a healthy 14.4% year-on-year to Rs.6.67 per unit, taking our cumulative distribution since listing to Rs.126 per unit, in addition to the capital appreciation, reflecting the value of the underlying portfolio. On the September 2026 valuation update, the GAV of our portfolio increased by approximately 16% from March 2026 to around Rs.552 billion. This includes our Chennai acquisitions as well as Strata acquisitions, which we completed during the first half. Our NAV increased by a healthy 7.2% from Rs.527 per unit in March 2026 to Rs.565 in September 2026.

This reflects, amongst other things, the 1.8 million square feet of additional development potential, which has been identified in Airoli, Navi Mumbai, and Pune, together with rental growth across our markets, particularly Hyderabad and Navi Mumbai, the rising occupancies, and the recent acquisitions. Moving to the balance sheet, we continue to maintain a prudent balance between leverage and growth. Our loan-to-value stood at 29.1% as of September 2026, providing us with sufficient balance sheet flexibility to pursue our growth opportunities. Our cost of debt remained broadly stable sequentially at 7.43% per annum per month, though we expect the borrowing cost to move up in the quarters to come amidst elevated crude oil prices, rising inflation, and consequent tighter global and domestic monetary policies. Against this backdrop, we expect our cost of debt to increase by approximately 25 bps by end of this financial year.

And of course, needless to say that FY28 could see further increase depending on how the macro factors unfold. However, we do not expect this increase in borrowing cost to have any material bearing on our NDCF, and that is largely because of two reasons. As all of you know, the recent tax amendments enabled REITs to move to the new tax regime without losing the distribution tax exemption in the hands of the unit holders and also allowing carry forward of MAT credit for utilization in future years. Mindspace REIT asset SPVs have decided to opt for the new tax regime. This helps us reduce our tax from 35% to

28.6% for the larger SPVs and also will help utilization of almost Rs.90 Crores of MAT credit, which can be now carried forward.

Tax saving from this transition to new tax regime should offset the anticipated increase in interest cost, leaving our NDCF mostly unaffected. Secondly, the recent RBI amendment permitting banks to lend to REITs offers us a new avenue for debt capital raise, which could help optimize our funding cost. Currently, we have about 60% of our debt fixed and 40% variable. We will keep altering our fixed and variable debt mix opportunistically to optimize our borrowing cost. To conclude, we remain focused on disciplined capital allocation across asset upgrades, redevelopment, new developments, and also acquisitions. Our objective remains clear, to drive sustainable distribution growth and maximize long-term returns for our unit holders while maintaining a prudent balance sheet and a robust governance framework. With this, I hand over the call to the operator to open the floor for questions. Thank you, everyone, and happy Diwali.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may click on the raise hand icon from the Participants tab on your screen. We request participants to restrict to two questions each, and then return to the queue for more questions. To rejoin the queue, you may click on the raise hand icon again. We will wait for a few minutes until the question queue assembles. We will take our first participant. We have Karan Khanna of Ambit Capital. Please go ahead with your question. Karan Khanna, you can unmute your microphone and go ahead with your question now?

Karan Khanna: Thanks for the opportunity, and congrats on continued NOI growth and the sustained high occupancy across most parks. First question to you, Ramesh. Your portfolio is increasingly tilting more towards GCCs, while third-party IT and ITES exposure has reduced. So, are these GCCs still taking larger blocks and committing for longer tenures, or are AI-related productivity gains beginning to affect the size of their space requirements? And as a follow-up, can you share the latest tenant mix by rental income, rather than only by area, and talk a bit about any material concentration risks by tenant or sector?

Ramesh Nair: GCC's mix today from our office area perspective is 52% and this is obviously gone up. Two years back this was around, 48% domestics and others (Indian & foreign MNCs) continue to be around 25% and IT services we have seen a drop from 25% to 21%. So the 4% drop in IT services have been captured by the 4% increase in GCCs. In terms of rentals rental revenue shared it is 52% so that is in line with so look even if you look at our top 10

clients today it is less than 30% of our portfolio. We have big GCCs like British Petroleum, Qualcomm, JPMorgan, Hitachi all of them in our portfolio. So GCC is increasing and your question about if the sizes of GCC requirements are reducing we have not seen that. Incidentally, we have seen sizes actually go up in markets like Hyderabad. Where I saw research which said that out of the 100 new GCCs who came to India around 45% of them went to Hyderabad and there were massive RFPs of 4 lakh, 5 lakh, 7 lakh in these markets and we have been the beneficiaries of that. So I have not seen any reduction in RFPs of the sizes within the GCC world.

Karan Khanna: And my second question, Ramesh, on the 3.2 million square feet that is slated for delivery in 4Q, across Building 8 Madhapur, B7, Airoli West, and Block 1 Pallikaranai, will the rent start commencing from Q1 FY2028 itself, or is there a slight lag here in terms of when they start contributing to the NOI? And as a follow-up, how much of the 17-18 billion of 3-year organic NOI growth ambition is already secured by pre-leases, and how much is still dependent on future lease-ups? And then lastly, until the last quarter, there was also a slide on sponsor pipeline, which is in there in the 2Q presentation. While you spoke about the active sponsor pipeline of 20 million square feet, are any of the sponsor assets currently under active consideration?

Ramesh Nair: That is a lot of questions Karan so let us start with the rent commencement, Madhapur, where Building 1 building which is fully leased to a global banking GCC, Rent is staggered start date is January 2027 around 43% of the rental starts in April 2027 around 25% of the rent starts and January 2028 another 33% of the rental starts So that is on Building 1. In terms of Building 7 and 8 more or less the full building is leased except the last one floor which is going to be signed at any moment. Around 52% of leases for Building 7 & 8 will start in October 2027 and around 30% will start in March 2028. The balance is in mid-2028 again. So that is the rent start dates for our data centers like I mentioned, rentals will start immediately which is March for one data centre July for another data center next year and December for another data center. So, these are the rentals which is coming next year. Sponsor pipeline we actively look for various assets which the sponsor is developing right now the sponsor has some very high-quality assets within Mumbai, Hyderabad and Pune. So, we will, continue to look at that. No active discussions right now.

Karan Khanna: Great. Thanks, Ramesh and Preeti, and greetings to the entire team for the festive season.

Ramesh Nair: Just one more point 3.7 million square feet out of the 6 million square feet, which is under construction is pre-let so there is zero leasing risk for these 3.7 million square feet.

Karan Khanna: Great, thanks Ramesh.

Ramesh Nair: Thanks, Karan.

Moderator: Thank you. Moving to our next participant, we have Yashas Gilganchi of DAM Capital Advisors. Yashas, please go ahead.

Yashas Gilganchi: Good morning, team. Thank you for taking my question. Please help me understand the size of the opportunity. You see, for the acquisition of third-party assets, more specifically, of the institutional assets coming into the market, how many of these assets are well-placed to fit into Mindspace's portfolio maybe in a million square feet. What kind of cap rates are they being priced at? At what cap rates do you think they are attractive to you? What would make, you consider acquiring these assets versus sponsor assets?

Ramesh Nair: In my 27 years in commercial real estate I have actually never seen so many institutional assets come up. We are looking at some really good opportunities. Obviously, it has to make sense from a cap rate point of view. I think today's cap rates for prime CBD trophy assets would be in 7%-7.25% mark, and the non-CBD assets should be in the 7.7%-8% mark. If it comes close to that levels, we will look at it. We are there in every asset which is being offered, especially after acquisitions of more than Rs.10,000 Crores, which we have done in the last two years. We keep looking at that. Cap rates obviously have to make sense, including making sense in the increased interest rate environment. We do not miss out on any deal in the market, which is available. We spend time, we evaluate it, we have very strong teams who will study these assets, and then we take a call whether to do it or not.

Yashas Gilganchi: Got it. Thank you very much.

Moderator: Thank you. Requesting participants to please click on the raise hand icon from the participants tab on your screen, if you wish to ask a question. We will take our next question from Pritesh Sheth of Axis Capital. Pritesh, you can go ahead now.

Pritesh Sheth: Thanks for the opportunity. First question is on, Chennai Assets, strong leasing since the time we have acquired. How does the outlook, now stand in terms of leasing? Would we be able to lease it out fully by end of this fiscal year. And in terms of rentals, I think you quoted around Rs.93 for upcoming deal that has been discussed for Commerzone Pallikaranai. You can correct me if I am wrong, but, overall, how do you see rentals shaping up there for future leases that we will do?

Ramesh Nair: It's played out perfectly. I remember some of you asking us after the Chennai deals in February when it was leasing at around Rs.72 - 73 of our strategy of controlling supply in that market by picking up two acquisition opportunities, it has exactly played out the way we want it to. So the first deal was done at Rs.85 then we have done deals at Rs.87 we have

2 deals at Rs.90. Now we are close to signing up Rs.93, a deal. So that is exactly played out. Every time you do a deal, we try and increase it by Rs.1, 2, or 3 depending on the client profile and the size of the requirement. What has worked in our favor is in Chennai today DLF which is not very far from us in the OMR stretch quoting Rs.150. That is helping us. Other players in the market like Sattva and Bagmane are quoting three-digit numbers which is also helping us in this market. So as I mentioned in my speech we hope that Chennai whatever is completed will get leased up by around March-April and then we will focus starting next quarter on Block 1 which is going to be ready. That is around 12 lakh square feet. We have already started getting inquiries for that.

Pritesh Sheth: That is helpful. Yes, that is helpful. And second question on the valuation report. So, no change as of now on WACC and cap rate. But any sort of discussion or any risk that you immediately see when we again, do this exercise in March, in terms of WACC and cap rate, increase, and would that offset the rental growth that we are, seeing in our portfolio.

Ramesh Nair: Cap rate little early to say. That remains at 11.75% and 13% respectively for completed and under-construction assets and cap rates between 7.5% and 8% have been left unchanged. Rentals I am seeing an upward trend in many markets because there is hardly any new supply which is coming up. In the JLL latest report relevant vacancy is less than 10% pan-India, with many cities seeing lowest vacancy numbers in 15 years. That is also helping us. So rentals, we expect to go up in March. Too early to talk about WACC and cap rates for March now.

Preeti Chheda: Just to add on the WACC and cap rates, WACC generally, if you see the trend over the last six years also, it is not that with every increase in the interest rates or every reduction, the value keeps moving. They generally wait for a reasonable time period to see where the interest rates are headed and then accordingly take a call on the WACC. So we will have to wait for a little bit to see in which direction they are going to move, because these are long-term rates which are being factored in the valuation.

Ramesh Nair: Again, Pritesh, like Hyderabad we have I think the rental valuations are done at 110. We have done deals at like I mentioned last deal happened at 133 and the current rental in the portfolio is 81. That shows the mark-to-market overall opportunity.

Pritesh Sheth: Sure, that is pretty helpful. That is it from my side. All the best, and season greetings to everyone in the team. Thank you.

Moderator: Thank you. We will take our next question from Abhinav Sinha of Jefferies. Abhinav, please go ahead.

Abhinav Sinha: Thanks for the, opportunity. A couple of questions. Sir, firstly, Preeti, on the increase in the interest rates that you are talking about, what is your estimate that you have taken in while you are saying that 25 bps is the likely increase in cost of capital by March? So the benchmark rates, you are expecting to move up further?

Preeti Chheda: Abhinav, we have given that number on a very conservative basis, assuming two more rate hikes in this financial year. So, if we have two more rate hikes then we expect the cost to go up by 25 bps. So, this is more from a conservative perspective. If that does not happen then of course we will save something.

Abhinav Sinha: Okay, and is it fair to assume that, say, for every 100 bps hike, we will have roughly 50 bps transmission in your portfolio on an annualized basis, is that a fair assumption?

Preeti Chheda: No, I think it will be a little lesser than that. Because almost 60% is still fixed. And we will have some bit of refinancing which will come across for the rest of the year and of course next year also. So I do not think the impact will be so much.

Abhinav Sinha: Okay, so roughly the trajectory that we are seeing in DPU north of 10%, this is repeatable. At least in the immediate future, for two, three quarters?

Preeti Chheda: Yes, we do not give guidance, but that is what we have maintained for many quarters.

Abhinav Sinha: Sure. Right. Now, just a question on supply. You were hinting that there are some micro-markets where the supply is going up, but you are not seeing the impact, at least right now. So, can you please highlight your thoughts on supply, which areas could be more at risk, say, from a medium-term perspective?

Ramesh Nair: Abhinav, we looked at the 37 micro markets in the country and over the next two three years we studied which are the micro markets where there is going to be an oversupply situation. There are markets, let's say Hyderabad Financial District, where we have an exposure but that is hardly any space left for us to lease. Mount Poonamallee Road in two, three years, there could be a bit of oversupply coming, but again, our assets are 100% full. Mumbai CBD with a lot of supply coming up in BKC and Mahalaxmi is also one of those markets where we could see a little bit of oversupply. But right now, our occupancy is 100% in these assets. So, there are six to seven micro markets.

But over the years, what I have seen is, in the last 25 years, supply being significantly more than demand. I have only seen it in 4 years out of those 25 years. Otherwise, demand has always been more than supply or demand has been same as supply. And those 4 years were the one-year post dotcom bust, one year after GFC and the two COVID years. Otherwise,

we have always seen, and developers typically slow down supply if they see a lot of supply coming up. So that helps neutralize the market. I would not worry about supply too much right now.

Abhinav Sinha: Thanks, and all the best to the team.

Moderator: Thank you. We will take our next participant. We have Sumit Kumar of JM Financial. Sumit, you can go ahead now.

Sumit Kumar: Good morning. Thanks for the opportunity. My question will be on the income support mentioned in the presentation. If you could give us a quantum of income support for the quarter. And, given that, leasing in Chennai typically has happened over underwritten, or higher than the underwritten rate, so we do not see any risk there, but is there a possibility that these winds down and there is a loss of NOI, maybe, at Mumbai. How do you see that situation?

Govardhan Gedela: On the income support, the quantum for this quarter is about Rs.17.5 Crores, as if you would recall, we had taken income support for the Commerzone Pallikaranai asset for two completed buildings, and also the JPMorgan asset, in Kalina, which is below the current market rent. So the income support is coming for these two assets of Rs.17 Crores during the quarter.

Ramesh Nair: In terms of, I do not see much of risk there, in terms of leasing, given that there is hardly any supply in Chennai in the preferred micro-market, so I do not see any risk. For Block 1, we are starting to see decent inquiries, 100,000, 200,000 sq ft of various inquiries not much of a worry there, Chennai unlike Hyderabad is not a pre-leasing a market. Our teams have done a good job of finishing the building earlier. Hopefully we will get the OC by January, and then we will actively start pushing it in the market.

Sumit Kumar: That's helpful. Second question would be on the LTV. It's standard about close to 30%. In terms of the CapEx that we have for the next two, three years, it's quite considerable. How do we see that moving, or do we expect significant sort of additions from the deliveries that we make over the next 12 months? How will that LTV number move?

Preeti Chheda: Factoring the CapEx, I believe it still will be around these levels. I don't see it moving because of the portfolio values also keep increasing. They will keep developing. The developments will start completing. We don't see that will happen unless we are doing any acquisition, then of course to that extent it can. Otherwise, it should remain at these levels.

Sumit Kumar: Okay. Understood. One last question. What would be your target end FY 2027 occupancy for the portfolio?

Ramesh Nair: Our target occupancy we are looking at around the 97%-mark building 1 what we originally thought the building would be ready by around April, looks now it's going to be January and February Occupancy certificate. There'll be a bit of a drag on the occupancy in the last quarter but that will not have any reflection on NOI growth and DPU growth.

Sumit Kumar: Okay, thank you, for your opportunity and all the best. Happy Diwali.

Ramesh Nair: Thank you.

Moderator: Thank you, Sumit. We will take our next question. We have Satinder Bedi of Eon Info Investments. Satinder, you can unmute your microphone and go ahead now.

Satinder Bedi: Thank you for the opportunity. Congratulations on a set of great results once again. Preeti, I must appreciate the data book that you put out in Excel. I think that is great corporate governance, okay? Congratulations on that. So, a couple of questions. So, one, Ramesh, you said that 3.7 million sq ft of the 6 million sq ft under development is pre-let, so there is not much of a risk on that. So just wanted to understand the commitment from the lessee in terms of pre-let. So, what security deposit or commitment has he put on the table for us to feel comfortable that, should the market dynamics change quickly, he has got enough skin in the game? So that is one question.

Ramesh Nair: Satinder, typically we charge around six months of security deposit, of which the tenants pay three months when we sign a binding MOU the balance three months come at the time of lease agreement which is your final contract when they register the lease deeds. It is not just signing a contract we do a lot of due diligence of our tenants with their financial capability; we study what has been their pattern of growth. I was shocked recently, there was a huge 900,000 sq ft deal which we did in Building 8, and I have not heard of that company but when we checked it is a $100 billion company, another deal we did in Hyderabad I have not heard of that company it is a $60 billion company. Another deal we did in Hyderabad I have not heard of the company name a $50 billion company. We check many things every tenant we deal with has a detailed check done by our finance team. Only after that, we get into a contractual commitment. These are all large global corporations, and it is not just a security deposit at play.

Satinder Bedi: Okay, that helps. Second, in terms of like you have done very good pace-setting in terms of double-digit DPU growth, I think, which is a good aspiration for a REIT kind of a product. Given that there is enough of development pipeline on buildings and data centers

happening, which will keep us busy and probably assist in this double-digit growth for the next 12 to 24 months, would it be a good idea to maybe go slow on acquisitions, given that interest rates are expected to be higher for longer? This might, from a timing point of view, might not be best of things to do, especially since we have a lot of organic high IRR return activity already going on. Just wanted your thoughts on that. Connected to that, any particular micro market that you would like to be in that we are not present? You hit the right markets, even in terms of Pune micro markets, but any one micro market that Mindspace would like to be at?

Ramesh Nair: Good question on double-digit DPU growth. I was checking the numbers. This quarter obviously it is 14.4% DPU growth but in the last three quarters before that we gave 20%, 16%, and 18%. So last one-year DPU growth if you look at all the quarters it has been 14% and in the last three years we have given an absolute 39% DPU growth. A good point on acquisitions we do not want to acquire just for the heck of acquiring it has to be accretive on all fronts we are actually looking at expanding our footprint in the four markets where we already have a presence and we look at quality, we look at tenants and obviously it should help unit holders from a distribution DPU growth point of view. We discuss with the institutional sellers where there is good infrastructure improvement opportunities within the micro market. So, those are things we typically look at. But there is a good point you mentioned about looking at future acquisitions.

Satinder Bedi: Thanks. Finally, last one, Preeti, what are the components of the working capital change of Rs.103 million in the NDCF waterfall? Could you just kind of amplify that, please?

Preeti Chheda: So, that is largely security deposits. Some of course, the routine working capital asset liabilities, current asset liabilities, which keep moving. So, that is how the composition is.

Satinder Bedi: Okay, so what component is security deposits, approx?

Preeti Chheda: It is almost Rs.50 Crores to Rs.60 Crores.

Satinder Bedi: Okay, fine.

Preeti Chheda: And then, of course, there is some advance payment of property taxes and so on and so forth.

Ramesh Nair: I think that interestingly these correlates to the question you asked. So, some of the deposits come from the pre-commitments that the tenants have made.

Satinder Bedi: Great. I can understand this. This does provide a tailwind to the DPU growth, okay? The way you are growing, I think is a great thing. Thank you. So, great execution. My only thing is the execution has been so good that sustaining a 15% growth is not easy, but all the best to you. All the best. Thank you.

Preeti Chheda: Thank you.

Moderator: Thank you so much. Ladies and gentlemen, we will take that as the last question. I will now hand it over back to the management for closing remarks and vote of thanks. Over to you.

Ramesh Nair: Thank you everyone for attending the call and very Happy Diwali.

Preeti Chheda: Wish you all a very happy Diwali, guys. Thank you so much for joining.

Moderator: Thank you so much. Ladies and gentlemen, as we will take your leave. On behalf of Mindspace Business Parks REIT, that concludes today's conference call. Thank you all for joining us and you can now click on the leave icon to exit the meeting. Thank you all for your participation.