November 07, 2026

To,
The Corporate Relations Department,
The National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400051.

To,
The Corporate Relations Department,
Department of Corporate Services,
BSE Limited,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

Re: Script Symbol "BAGMANE", Scrip Code "544758"

Dear Sir/ Madam,

Subject: Transcript of the Earnings Conference Call for the quarter and half year ended September 30, 2026 held on Tuesday, November 03, 2026

ln continuation to our letter dated Tuesday, November 03, 2026, regarding the link to access the audio recording of the earnings conference call on Tuesday, November 03, 2026, at 15:45 Hrs IST to discuss Bagmane Prime Office REIT's financial results for the quarter and half year ended September 30, 2026, please see enclosed the transcript of the aforesaid earnings conference call.

The transcript referred to above has been uploaded on our website and can be accessed through the link as set out below:

https://www.bagmanereit.com/media/filer_public/32/68/3268778d-a834-4132-96f7-95381aec48a9/bagmane_prime_office_reit_-_q2fy27_-_earnings_call_transcript.pdf

Thanking you,

For and on behalf of **Bagmane Prime Office REIT** acting through its Investment Manager, **Bagmane Realty Investment Manager Private Limited**

Venkatesh Ranganath P
Digitally signed by Venkatesh Ranganath P
Date: 2026.11.07 13:27:12 +05'30'

Venkatesh Ranganath P
Company Secretary and Compliance Officer
A37567

Bagmane Prime Office REIT
Q2 FY27 Earnings Conference Call
November 03, 2026

CORPORATE PARTICIPANTS:

MR. HUGH ANDREW – CHIEF EXECUTIVE OFFICER – BAGMANE PRIME OFFICE REIT
MR. ASHAY SHAH – CHIEF FINANCIAL OFFICER – BAGMANE PRIME OFFICE REIT
MR. RAHUL KASHYAP – BAGMANE PRIME OFFICE REIT

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY27 Earnings Conference Call hosted by Bagmane Prime Office REIT. As a reminder, 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. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. I now hand the conference over to Mr. Rahul Kashyap from Bagmane Prime Office REIT. Thank you and over to you, Mr. Rahul.

Rahul Kashyap: Good evening and thank you for joining us for Bagmane Prime Office REIT's Q2 FY27 earnings call. This is our first full quarter as a listed REIT. Late evening yesterday, we released our financial results for the quarter and half year ended September 30, 2026, following the meeting of the board of directors of Bagmane Realty Investment Manager Private Limited, the Manager to the REIT.

The release comprises the unaudited standalone and consolidated financial results and statements and earnings presentation, a supplementary data book and the press release along with the summary valuation reports, detailed valuation report, industry report and independent property consultant report issued by JLL.

All documents have been filed with NSE and BSE and are available in the investors section of our website. Over the course of this call, management may make statements that could be construed as forward-looking. Any projections or pro forma information we refer to are management estimates based on certain assumptions and have not been subject to any audit or review.

On the call today, we have Hugh Andrew, Chief Executive Officer, and Ashay Shah, Chief Financial Officer. Hugh will take you through the quarter's leasing performance and the market environment. Ashay will cover the financial performance and distribution. We will then open the floor for questions. With that, over to Hugh.

Hugh Andrew: Thank you, Rahul. Good, good day to everybody and thank you for joining us on today's call. As Rahul explained, I am going to focus on a fundamental foundation of the performance of the REIT, and that is leasing. 2026 has been a year where global and geopolitical influences have perhaps rightly so raised

questions about tenant demand, leasing velocity, and GCC commitments to India's innovation technology and manufacturing capability.

Contrary to any skepticism, I can report that we have leased 1.2 million square feet. That is more than four times our leasing success in the first quarter, and it takes our gross leasing for the first half of the year to 1.4 million square feet. Let me unpack that number, because what sits behind it matters more than the headline.

96% of that space leased this quarter went to global capability centers, the GCCs. These are the occupiers our parks were built for. Across the portfolio, 93% of our tenants are GCCs. 98% are foreign MNCs, and 64% are Fortune 500 companies. New leases this quarter include commitments from a big four consulting firm, leasing 326,000 square feet, OpenText leasing 295,000 square feet, Texas Instruments leasing 269,000 square feet, and a Fortune 500 semiconductor company leasing 54,000 square feet.

Our 20-plus-year relationship with Volvo continues to grow, as they have also leased an additional 11,000 square feet, and we have renewed leases with a leading AI-powered CRM platform, and with emphasis for a total of around 202,000 square feet. I'd also like to add more depth to how these companies are making long-term commitments to their partnerships with the Bagmane REIT.

Half of the quarter's leasing, 600,000 square feet, was for space under development that is not yet complete. As a result, 60% of the 1 million square feet we have under construction at Bagmane Cosmos is already pre-leased months before completion. Occupiers do not commit to a building before it is finished unless they are confident about the location, the asset, and of course, their landlord.

I can also report that we are seeing continued growth on rental values. Leases were signed at an average rent of INR166 per square foot per month, continuing our track record in achieving above prevailing market rents. For the half-a-million-square-feet space that we re-leased this quarter, we have achieved a 9% mark-to-market increase and an 11% mark-to-market increase across the total 800,000 square feet in the full first half year.

Since Financial Year 2023, our average re-leasing spread has been 15% and 91% of our leasing has come from existing tenants choosing to stay and grow with us. At the end of this quarter, the portfolio is in an outstanding position and continues to be a strong platform for growth. Committed occupancy rose to 99% as of September 30, 2026, up from 98.7% in June.

That is across the completed portfolio of 16.7 million square feet. Our occupancy remains the highest among the listed office REITs in India, and the portfolio has a weighted average lease expiry of 6.1 years. We have consistently held committed occupancy above 94% since March 2021, with rentals growing at a 5.9% CAGR over that period.

The market backdrop supports what we are seeing on the ground. As per JLL, India recorded 61 million square feet of gross office leasing in the first nine months of the Calendar Year 2026, the highest ever for that timeframe. For the 9-month period, Bengaluru retained its dominant position as the number one office market in the country, with a share of 28% of that gross leasing volume.

GCC leasing is up 30.6% year-on-year, and accounts for 43% of all office demand, and foreign occupiers and multinationals now make up 62% of leasing, a 7-quarter high. The runway for GCC demand is long. India is home to more than 3,700 GCCs today, and JLL expects that number to reach between 4,700 and 4,800 by Financial Year 2030.

That occupation could employ up to 2.7 million people and will occupy up to over 300 million square feet of Grade A space. And remember, only around 65% of Fortune 500 companies are yet to set up a GCC in India. Demand continues to run ahead of supply. Gross leasing is expected to average 88 million square feet a year over 2026 to 2028, against average new supply of just 68 million square feet.

As per JLL, India's office leasing is expected to match 2025's historic levels, and annual gross leasing volumes could reach 100 million square feet over the next 2 to 3 years. The next wave of real estate growth is being driven by AI development, semiconductor design, and advanced engineering. These are larger, longer-term commitments that need the scale, infrastructure, and campus quality that our parks offer. Our occupier conversations remain expansion-led.

And so, looking forward, our priorities have not changed. To keep the portfolio fully leased and keep our occupiers growing with us, to capture the 18% mark-to-market growth potential with our in-place rents, 26% of gross contracted rentals coming up for renewal by FY30, and then of course, convert that revenue into distributions.

To deliver our under-construction projects on time and lease up the remaining space, to use the strongest balance sheet in the sector to grow through our 47 million square feet of ROFO pipeline, and of course, selective, accretive third-party acquisitions. Additionally, as you know, India has overtaken Hong Kong to become Asia's fourth-largest real estate investment trust market by market value, and we are happy, Bagmane are happy to have played an integral role in India's real estate growth journey.

And with that, I'm delighted to hand over to Ashay Shah, who will give you more color on the financials, and will also take you through our development and portfolio operations.

Ashay Shah: Thank you, Hugh. Good afternoon, everyone. This is our first full quarter of results as a listed REIT. So, for the first time, the reported numbers reflect a complete quarter of operations. Revenue from operations for Q2 FY27 was INR 7,650 million, and net operating income was INR 6,844 million, and an NOI margin of 89%.

For the first half, revenue from operations was INR 15 billion, and NOI was INR 13.4 billion at 90% NOI margin. This remains one of the highest margins among listed office REITs in India. It comes from the scale of our parks, efficient operations, and our in-house facility management. The drivers of our growth remain straightforward: contractual escalations, mark-to-market on renewals and re-leasing, and new income from our portfolio under development. The leasing, Hugh described feeds directly into all three.

The 9% mark-to-market on re-leasing this quarter is already flowing into rent. Looking ahead, our in-place rents carry 18% mark-to-market potential, and 26% of our gross contracted rentals expire by FY30. So much of that upside comes through in the next few years. And with 60% of our under-construction space already pre-leased, with a strong pipeline for remaining space, we have visibility on income as they complete.

Turning to distributions. The Board has declared a distribution of INR 5,270 million for Q2, which translates to INR 1.55 per unit. 79% of the quarterly distribution is in the form of dividends, which is tax-exempt in the hands of the unitholders, the highest dividend component among listed REITs. That takes distributions for the first half to INR 10.4 billion, or INR 3.05 per unit. The record date and payment will follow within regulatory timelines.

On valuation, the gross asset value of the portfolio stands at INR 416 billion as of September 30, 2026, and NAV is INR 113.6 per unit. On the balance sheet, gross debt is just over INR 25 billion, and net debt is INR 17 billion. Our loan-to-value ratio is 4%, still the lowest among listed office REITs in India. Average cost of debt is 7.4% and we are rated AAA. The balance cost to complete our current developments of offices, solar asset, and the two hotels is about INR 11 billion.

That is comfortably within our INR 180 billion of debt headroom, which leaves ample firepower for ROFO and third-party acquisitions without stretching the balance sheet. Let me bring you up to date on our development program. We are presently building two new buildings at Cosmos Business Park in SBD City, totaling 1 million square feet. We have successfully pre-leased 60% of this space.

Ceres is on track for completion in Q3 FY27. Finishes are underway. The building is 54% pre-leased. Aurora is on track for completion in Q4 FY27. Façade work has begun and it is 63% pre-leased. Beyond this, we have 2 million square feet of future development potential within our existing parks. Good construction progress continues with our two hotel projects on the Outer Ring Road, and in this quarter, all three basements have been completed.

Upon completion, this exciting new development will comprise 607 keys and a convention facility, further providing services and amenities to our tenants. The hotels are designed to meet captive demand from our occupiers for global standard hospitality in that location. Looking ahead at our long-term development, our ROFO pipeline of over 47 million square feet across Bengaluru, Chennai, and Delhi is the largest among listed office REITs in India.

Beyond the ROFO, we continue to evaluate accretive third-party grade A+ acquisitions in India's top office markets. We are in the final stages of commissioning our fourth solar farm in Chitradurga, and upon completion will add an additional 72.5 megawatt DC, taking our total renewable energy supply to 164.4 megawatt DC across four solar parks.

Sustainability remains key to how we run our parks, and this latest addition means that over 80% of our portfolios and tenants' energy needs will come from renewable sources. 92% of our completed assets are LEED certified. We hold a GRESB 5 rating, and as a RE100 member, committed to providing 100% renewable energy by 2030. A very important part of our ESG program is the well-being of our employees, tenants, and third parties.

This quarter, four of our campuses were awarded Sword of Honour by British Safety Council. Thank you. Back to you, Hugh.

Hugh Andrew: Thank you, Ashay. In closing, I want to leave you with this. We have leased 1.2 million square feet this quarter, 4 times the previous quarter, almost entirely to GCCs at rents above market. Half of this is on a pre-leasing basis and 60% of our under-construction space is now committed ahead of completion. This further demonstrates the depth of our tenant relationships and their confidence in our ability to provide world-class corporate solutions for their growth in India.

We have delivered our first full quarter of results with a distribution of INR 1.55 per unit. We continue to have the lowest leverage in this sector and over INR 180 billion of headroom to grow. Whilst we are a new REIT, our portfolio is well-established, almost fully occupied and is located in the most dynamic and sought-after office locations in India. Nearly three decades of building and operating our campuses successfully reflects in our leasing, our occupancy and our distributions.

The demand is real, the growth is embedded in the portfolio and the balance sheet is ready for the right asset growth opportunity. Before I hand back to the moderator for questions, it just leaves me to thank the REIT management team for their hard work, the Bagmane Group for their continued support and of course you, our unit holders, for your commitment and trust in us to deliver the

returns that you expect. Thank you very much. And back to the moderator for questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Your first question comes from the line of Mohit Agrawal with IIFL. Please go ahead.

Mohit Agrawal: Hi, good afternoon, everyone, and thanks for the opportunity. My first question is on the rentals expiring in the second half 0.7 million square feet and with an MTM of 10%. Could you give some color around where is this expiry coming in from and is 10% mark-to-market, do you really see a surprise there in terms of being able to achieve higher mark-to-market ? So, some color on that would be helpful.

Ashay Shah: Sure. Thanks, Mohit, for your question. Out of the 0.7 million square feet which is coming up for expiry, almost 40% of that is already leased, which also reflects the leasing in this quarter. Another 15% of it is under renewal and the remaining 45% is what is expected to be terminated, for which we are in active discussion with our clients. And we expect to achieve this 10% mark-to-market. Like we have shown in our past 2 quarters versus what market trends were projected, we have achieved 2%-4% higher than that. So, keeping our fingers crossed, we intend to achieve the same track record.

Mohit Agrawal: Okay, so this 0.7 is largely in the Bagmane Tech Park, and fair to say you've achieved about a 9% mark-to-market, is that correct?

Ashay Shah: That's right. So, 9% is overall for this particular quarter, which includes some bit of the H2 as well.

Mohit Agrawal: Okay, understood. Okay, so that, my second question is on your NDCF, walk-down. I see that the EBITDA margins reported about 87%. This is the first quarter reporting the full NDCF walk-down. Are these EBITDA margins of 87%, even if I take out other income, which is a small part are these margins sustainable? And is this number that we'll see going forward? And the second question actually on the NDCF walk-down only is a little bit color on the cash tax. It is almost 23% of EBITDA. Last quarter we spoke about it and you were positive about this number coming down. Could you give some color on that?

Ashay Shah: Sure. So, on the EBITDA and the NOI margin, Mohit, we have delivered back-to-back margins. Let me talk about NOI - between 89% to 90%, quarter on quarter, and we expect our NOI margin to continue in the range of 88% to 90% going forward. In terms of taxes, so this quarter you will see a little bit of higher tax because the taxes were paid assuming older tax regime. However, after the payment of advance tax, the decision was taken to shift to new tax regime. So, there will be a reduction in tax going forward in the subsequent quarters, and you can expect the taxes to be in the range of 16% to 17% of NOI.

Mohit Agrawal: This will be for FY27?

Ashay Shah: Yes, that's right.

Mohit Agrawal: And next year onwards, that should fall further because of the fact that you've already paid, or, or should it be similar, I think, going forward as well, given the current circumstances?

Ashay Shah: It will be similar.

Mohit Agrawal: And Ashay, just on, this question around NOI margin, 89%, 90% is well understood. The flow from NOI to EBITDA, the typical 3% property management fees, and then would it be fair to say that 89% would eventually have 3% property management fees and a few other expenses, and then the EBITDA margin would close at 85%?

Ashay Shah: So, that's right. So, we have a property management fee of 3.5% at SPV level, and that is not on EBITDA, it is on the facility rentals. So CAM margin is excluded out of the fees. So that 3.5% is the leakage. And then there may be minor other expenses, corporate-level expenses, and then you will also have some other income in terms of treasury income or those kind of incomes.

Mohit Agrawal: Okay. Sure. Perfect. Those are my questions. Thanks a lot.

Ashay Shah: Yes. Thank you.

Moderator: Thank you. Your next question comes from the line of Pritesh Sheth with Axis Capital. Please go ahead.

Pritesh Sheth: Yes. Thanks for the opportunity. Just a couple of questions. Firstly, in terms of new development, since 1 million square feet that we had and the development

is almost about to complete, what's the plan on another 2 million square feet potential both at Cosmos and BTP? When should we expect the commencement of that?

Ashay Shah: Yes. Hi Pritesh, thanks for your question. So, the new development, the future development of 2 million square feet is spread across three buildings, and Cosmos and BTP are in the same micro market, right? So, effectively it's the same location. We are working on the plans to commence one building out of the three in the coming quarter. So, in the March quarter, we expect to start construction in one out of the three buildings, and subsequently every 6 to 9 months, we will be launching a new building.

Pritesh Sheth: Sure. And completion timelines, once building starts would be what, 2.5 to 3 years?

Ashay Shah: No, it'll be typically between 24 to 27 months.

Pritesh Sheth: Okay. Interesting. Okay. Thanks for that. And second on these recent media news highlighting layoffs from Qualcomm and Microsoft, which also happens to be our tenants as well. How do you read that and what sort of conversations you are having in terms of what kind of jobs are going out and what is getting replaced?

So, some anecdotes on that would be helpful. I'm sure they are taking up space because Qualcomm also signed up some space this quarter with us. So, Yes, if you can just clarify on what exactly are you reading through this?

Hugh Andrew: Sure. It's Hugh here. Good afternoon. Thanks for joining the call. Look, our comments obviously are based on the relationship we have with our tenants, which is really focused around real estate. But in order for us to provide those right solutions, we do a lot of research on how we see the economy in general and also some of those influences. And I think we're dancing around the subject of AI here a little bit.

Of course, if we knew the answers, we'd all be lying on a beach in the Caribbean because we would have made all our money. But we don't. But what we're seeing on the ground, as I said in the presentation, we're seeing a continued demand that hasn't changed over the last six or seven quarters. So that would take into account the increased noise around the impact of the AI

development and obviously, of course, the impact of what's happened in the Middle East.

Globally, the media are always looking to sell a story. And Qualcomm, Microsoft, Barclays in the banking sector have all recently come out with announcements about reducing headcount. If you take a company, a global organization, they're probably going to shed around 5% of staff every year anyway, which is based on pure performance.

What the media doesn't include in their slightly reckless speculation is, are the graduate programs, projects that these companies are taking on, the outsourcing, and so the outsourcing companies then also have to increase their headcount. So, we're not quite as doom and gloom as the media would portray.

What we've also found over time is that India , if you were to be in a boardroom in New York and you were talking about reducing headcount across the board, I would suspect that in most cases India, because of its relatively low real estate costs. But with its incredibly good talent pool, India will always be very low down on the list of those locations where we'll see that reduction in headcount. Not completely, but I think it would be very low down on the list.

We're also seeing, and this is not speculation, this is fact, that in order to attract the right talent and in order to grow AI development, semiconductor development, which is part of that industry growth piece, companies are actually giving more space to their employees. Average per employee occupation in India, 80 square foot to 90 square foot a person.

And we know that some of our tenants are actually giving 250 square foot per person in that AI space because they need to attract the better talent. So they need to provide a better environment in which this talent can perform. Overall, with demand in the market, Bangalore continues to maintain very high RFP rates on a quarterly basis.

We haven't seen that dip. And as I mentioned, we see that there will always be more demand than there will be supply up until 2028. Beyond that, it's very difficult to predict. So I might be slightly biased, and I think you would forgive me for that, but we really do take these issues seriously.

And in order for us to work with the group on the pace of development and the pace not just of the ROFO pipeline but also maybe the pace of third-party acquisitions, we need to understand what these economic changes mean to the real estate economy. And so we work quite hard to make sure that we are factoring those things in.

Pritesh Sheth: Sure, thanks for that clarification. And one just last, we discussed about this year's MTM potential, 10% in H2, but I think next year onwards, we know this M2M potential increases considerably with 20% to 30% kind of a range. So how confident we are on, fully realizing this, M2M potential, considering these are like large clients. We also do not want to, bargain, to the full extent. So in general, with your experience, does this high M2M potential eventually gets realized to full extent?

Ashay Shah: Yes, so Pritesh, MTM potential is relevant, is dependent on when what lease is expiring. So next year there are few leases which are expiring materially lower than the market. Repeatedly on an ongoing basis we have seen all our large clients whenever they have renewed they have ended up paying us market.

So a more interesting metric to look at is what we have been showing for last 2 quarters as what we have achieved beyond the market trends. So last quarter it was 4%, this quarter it was 2%. So we are actually leasing beyond the market trends. And whenever these renewals come up for, the clients are very pragmatic and they understand what the market is at. And that is where we see these leases also being signed at.

Pritesh Sheth: Got it. Thanks, and all the best. That's it from my side and season's greetings to everyone in the team. Thank you.

Hugh Andrew: Thank you. Nice to chat. Take care.

Moderator: Thank you. Your next question comes from the line of Sourabh Gilda with JM Financial. Please go ahead.

Sourabh Gilda: Yes, hi, good afternoon, and thanks for the opportunity. My first question is on the expansion through third party. You alluded to the intention of evaluating third-party assets in your opening remarks, and some of your peers have also highlighted a large pipeline of quality third-party assets being available in the

market. So can you please shed some color around the size of pipeline that you currently have or the micro market that you're currently evaluating? And maybe a potential timeline for concluding some of these transactions?

Hugh Andrew: Well, Sourabh, I am sure you'd agree that if we started to tell you on this call what assets we are looking at, the price will go up by 20%. So we can't do that. But before Ashay gives you perhaps a little more detail, the portfolio that we operate is campus, its campus offices. And naturally, we want to ensure that we buy similar quality real estate, and we also want to be able to manage and operate it in the way that we currently manage the portfolio here in Bangalore.

So that perhaps gives you a broad view on, on the sort of third-party opportunities we look at. We also recognize that there are 6 cities in India that would match what we do here in Bangalore. We have already got that pipeline in Chennai and in Delhi. But we are not in the business of just growing AUM. We are in the business of accretive acquisitions so that we improve the distribution to our unit holders. Ashay, do you want to add anything?

Ashay Shah: No, I think you have covered everything. So I think just to expand on what Hugh is saying, we are looking at, and like other REITs also would have highlighted there are opportunities across markets and we are looking at those opportunities. And the opportunities which fit our philosophy are the ones which we are going to go behind.

Now we cannot have a timeline to this because all of these opportunities are opportunistic, and there's possibility that someone will outbid us. So we cannot commit to any acquisitions and we cannot commit to timelines, but we are actively looking at these acquisitions.

Sourabh Gilda: So fair enough, thanks for that response. Lastly, on Cosmos, specifically on the previous preleasing that we have done. Can you please highlight the rentals that we have logged in for the preleasing deal that, that was closed in the quarter?

Ashay Shah: Sure. So, the Cosmos market rent, what the valuer has estimated is around INR 157 per square feet for this financial year. And the 2 leases that we have done almost totalling to 600,000 square feet are between INR 158 to INR 172 per square feet.

Saurabh Gilda: Okay. Sure. Thank you. Those were my questions. And seasons greetings to everyone.

Hugh Andrew: Thanks, Saurabh.

Moderator: Thank you. Your next question comes from the line of Nilesh Doshi with Prospero Tree Asset Management Company. Please go ahead.

Nilesh Doshi: Thanks for the opportunity. Am I audible, sir?

Ashay Shah: Yes.

Nilesh Doshi: Thank you. Thank you. Sir, currently, Bagmane is enjoying 99% committed occupancy of the 16.7 million square feet area. So, I think that there is a very less room for the volume growth. Is the future growth will be led by the only value growth in terms of the re-leasing and renewable whenever the renewal happens. So for the, up to the new building is fully built up and let out, there is a very less room for the revenue growth and also the distribution growth. Is it correct understanding, sir?

Ashay Shah: Thank you, Nilesh for your question. So, firstly, I would like to rephrase your question. It's not really Bagmane who's enjoying. It's you all. All our investors are enjoying a 99% occupancy. And we have been consistently at this occupancy since last five years, even through COVID. We've never fallen below 94% committed occupancy.

So, there are two aspects to look at. One is whether the occupancy can further improve and whether if there is any market slowdown, whether this occupancy is resilient. And resilience is what we offer in our portfolio with the kind of tenants that we have. Also, what happens with such high occupancy is whenever anything comes for re-leasing, you have that much more bargaining power to get the right rentals when those leases are being re-leased.

And that's how we get our growth. Obviously, there is development, which is happening. Also, just to give you a flavour of us versus our peers, the peers are at a certain occupancy because they also have some fantastic assets. But they also have assets which are not core assets. And that's why they are at a certain occupancy. And because we have assets in the best micro markets, we continue to be at the highest occupancies.

Hugh Andrew: Yes, I don't have much to add other than, actually, we're short of space. We meet weekly with our leasing and marketing team, as you would expect. And one of the biggest challenges that they have is trying to satisfy RFPs, not just from existing customers, but from new customers coming into the market. And it becomes like trying to build a jigsaw.

We've got a rough idea on where future vacancy may occur. We have such a high renewal rate that's difficult to predict. We would like to be able to satisfy all of our tenants. And so that is a key driver in how we develop the strategy for AUM growth. We work with the group because they design, they build, and they lease the space before we would then bring it into the REIT portfolio.

And staging that over a period of time, taking into account that it takes 24 months to 27 months to build these assets, it's a little bit of a juggling exercise. And it's a nice position to be in. I mean, if I put the shoe on the other foot, and we were faced with perhaps some of the vacancy levels that the other REITs have, we would be defending that position with our unit holders. And that's not where we are at the moment. And we will continue to work very hard to make sure that we're always in that right sweet spot of occupancy versus our ability to allow our tenants to grow.

Nilesh Doshi: Okay. And out of 99% committed occupancy, all are rent generating or still there is some vacancy, their commitment has reached, but it is not occupied by the tenant?

Ashay Shah: So this particular quarter, 99% is our committed occupancy as well as occupancy. So when we say occupancy is also 99%, that means everything is occupied.

Nilesh Doshi: Okay. And sir, my second question is related to NAV. This quarter, you have disclosed the NAV of INR 113.60. I would like to know which method of valuation has been applied to arrive at the valuation? Can you elaborate, sir?

Ashay Shah: Sure. So, Nilesh, what happens is for NAV calculation, there are multiple levels. First, the GAV is calculated by aregistered independent valuer. So generally, they follow a discounted cash flow method. They take a 10-year cash flow. For the 11th year cash flow, they will apply a cap rate and do the terminal value.

And they will use an appropriate cap rate and WACC rate for doing the valuation. Once the valuation is given by this independent valuer, we also appointed JLL, who does the review check of this valuation? And they provide an IPC report on the fairness of this valuation. After, all of this, this GAV is taken by our stat auditor and it is adjusted for other book assets and liabilities.

And that is how we arrive at NAV. By dividing the absolute NAV in millions, by the number of units outstanding, that comes to a number of INR 113.60. So as per these independent advisors, this is the fair value per unit of the REIT as on 30th September.

Nilesh Doshi: And sir, what discount rate has been applied to arrive at the GAV?

Ashay Shah: So, the weighted average cost of capital used by our Valuer is again twofold: 11.5% for the completed assets and a higher WACC for the under-development assets. And all of these valuation reports, the detailed valuation reports and a summary valuation report all have been uploaded, on our website as well as, have been sent to Exchanges.

Nilesh Doshi: So, the current rate is INR 106 on the stock exchange. So, it reflects that there is hardly room for the further appreciation because our current NAV, which is discounted at the 11.5% of discount under the discounted cash flow method, and, so there is a 93% to the NAV, our current unit price. So, there is a very less room. Is correct understanding?

Ashay Shah: Absolutely not. I think the way to look at it is we are trading 7% lower than the fair value, right, so, there is enough and more potential for the current prices to grow because the fair value is 7% to 8% higher than what we are trading at.

Nilesh Doshi: Okay, sir. Thank you. Thank you, sir. Thank you. All the best, sir, and happy Diwali in advance.

Hugh Andrew: Thanks, Nilesh. Thanks for your questions.

Moderator: Thank you. Your next question comes from the line of Yash Bhandari with Neo Markets. Please go ahead.

Yash Bhandari: Thanks for the opportunity. I have two questions.

Moderator: Sorry to interrupt. Yes, sir, you're sounding slightly muffled.

Yash Bhandari: Hello, am I audible?

Ashay Shah: Yes.

Moderator: Yes, sir.

Yash Bhandari: So, I was asking that weighted average lease expiry have dropped from 6.8 to 6.1 in just one quarter. So, is it because the new leases are being signed at shorter duration compared to portfolio average? And second question is, like, if I remember correctly, 100% of the debt is currently in floating. So, with the RBI cycle potentially shifting, what effect will 25 bps or let's say 50 bps increase in interest rate will have on our DPU?

Ashay Shah: Sure, thanks, Yash, for your question. So, in terms of WALE, Yash, the drop is, as you rightly pointed out, twofold. One is on account of some of the new leases being signed for lesser period of five years, and second is on account of some terminations that we've received and that has also reduced the WALE.

Also, what has happened is some of the leases, new leases that we've achieved this quarter are not reflecting in the WALE because these leases are for expiries which are going to happen subsequently. So, as and when those expiries happen, these leases will come under the occupied area and the WALE will again get adjusted.

In terms of debt, we are only at 4% LTV, so any change in interest rate is hardly any impact on our distribution.

So, if the interest rates go up by 50 bps and our average cost of debt will be trailing that interest rate, it will not be immediately, but it will be trailing that. So, if our cost of debt goes up by 50 bps, then that is a very small impact of 3 bps to 4 bps on our distribution.

Yash Bhandari: Okay, thank you so much. And the first point, the five-year lease expiry, is this something we are preferring, or is it from the, like, tenants that they prefer shorter expiry?

Ashay Shah: So again, Yash, it is dependent on case to case. We sometimes try to do five years so that we can achieve that mark-to-market after the five years. So, it's a

mix. Sometimes the client wants 10 years or even longer. So, it depends on the negotiation how we go about it. And so very much case to case dependent.

Yash Bhandari: Thank you so much.

Ashay Shah: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference back to the management for closing comments. Over to you, sir.

Hugh Andrew: Well, thank you very much for joining the call this afternoon. It's been our pleasure to prepare and present this. Again, a big thank you to our team here in Bengaluru and also the support that we get from our consultants. We're very pleased with the results for this quarter, and in fact, we're very pleased with the results for the first half.

My commitment and the commitment of the team that I'm proud to lead is to you, our unitholders. We will continue to be diligent, we'll continue to work hard, and our ultimate aim is to ensure that we're providing the best distribution cycles that we can. So once again, thank you very much for taking the time.

Moderator: Thank you. On behalf of Bagmane Prime Office REIT, that concludes this conference. Thank you everyone for joining us, and you may now disconnect your lines. Thank you.