

GMR Infrastructure Limited

Business Highlights

Update on Demerger to Unlock Value

We filed the composite scheme of Amalgamation and Arrangement amongst GMR Power Infra Limited and GMR Infrastructure Limited and GMR Power and Urban Infra Limited and their respective shareholders with the National Company Law Tribunal (NCLT) on March 5, 2021 for taking the Scheme forward. We have already received key approvals including Stock Exchanges, SEBI, Shareholders and Creditors. Rest of the steps in the de-merger process are procedural in nature. We expect the final order from NCLT soon.

The Scheme involves a vertical split demerger of the Non-Airport Business (Energy, EPC, Urban Infrastructure, etc.) of GIL into GMR Power and Urban Infra Limited (GPUIL), as a going concern, along-side amalgamation of GMR Power Infra Limited (GPIL) with GIL, as a step preceding demerger.

Groupe ADP and GMR Execute Industrial Partnership

Groupe ADP and GMR announced the execution of Industrial Partnership, demonstrating intent to cooperate with each other and a shared global vision for the airport sector. It is a significant step into building the world's largest airport alliance to welcome passengers and leverage both groups' expertise to continuously improve operations.

Completed Divestment of Kakinada SEZ Limited

We have received first tranche considerations of ~INR 1692 Cr out of the total consideration of INR 2719 Cr towards divestment of entire stake in Kakinada SEZ Limited. Additionally, ~INR 1027 Cr is to be received in next 2 - 3 years which is contingent upon certain agreed milestones. As part of the agreement, 51% equity stake held in Kakinada SEZ Ltd through GMR SEZ and Port Holding Limited is divested to Aurobindo Realty and Infrastructure Private Limited (ARIPL).

APTEL Order on Kamalanga Plant's Change in Law appeal against Bihar Discom

As per the APTEL order passed on August 6, 2021, all the amounts due and payable to GMR Kamalanga Energy Limited (GKEL) by the Bihar Discom under various change-in-law events shall be paid along with carrying costs in accordance with law. GKEL is entitled to recover expenditure involved in procurement of alternate coal due to shortfall in domestic coal supply corresponding to scheduled generation pertaining to Bihar PPA thereby restoring GKEL to the same economic position as before as if no change-in-law event has occurred. Bihar Discom has filed Appeal in Supreme Court (SC) against the APTEL Order and the Appeal is pending before SC which is yet to be listed for admission.

Update on Bharti Realty deal for ~5 mn sq. ft.

Subsequent to discussions with Bharti Realty, the transaction has been restructured into two phases – i.e. Phase 1A of 2.73 mn sq. ft. and Phase 1B of 2.16 mn sq. ft. The Lease Rentals for the Phase 1A is effective from September 1, 2021. Phase 1B is expected to be effective by FY23.

Hyderabad Airport CP 3 Tariff order

AERA issued tariff order for third control period (CP 3 i.e. April 1, 2021 to March 31, 2026) for Hyderabad Airport. Key highlights of the CP 3 order are:

- Yield Per Pax increased from Rs. 217 in CP 2 to Rs. 429 in CP 3

- WACC raised from 10.84% in CP 2 to 12.2% in CP 3
- Granted a true up of ~INR 740 Cr w.r.t pre-control period entitlement

Boston Living signed definitive agreements with GMR Hyderabad Aero City

Boston Living, an incubation venture of INCOR Group, signed definitive agreements with GMR Hyderabad Aero City to develop co-living and serviced residences. The new project will be named "The Landing by Boston Living". As part of the agreement, GMR Hyderabad Aero City will lease land to Boston Living to develop 0.5 million sq. ft. space.

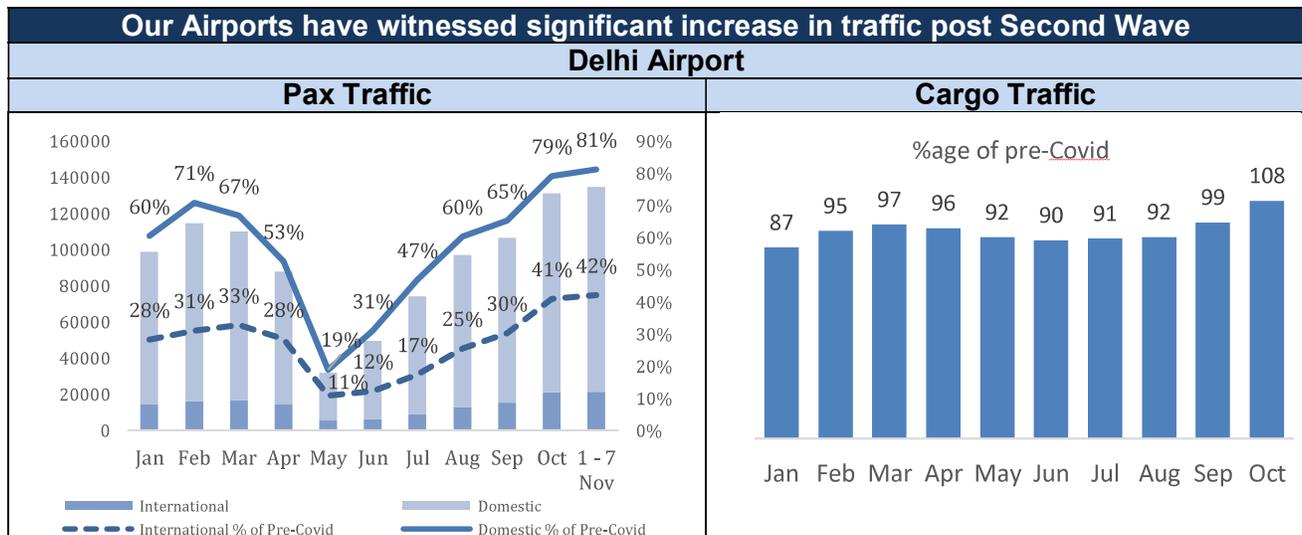
Update on Nagpur Airport

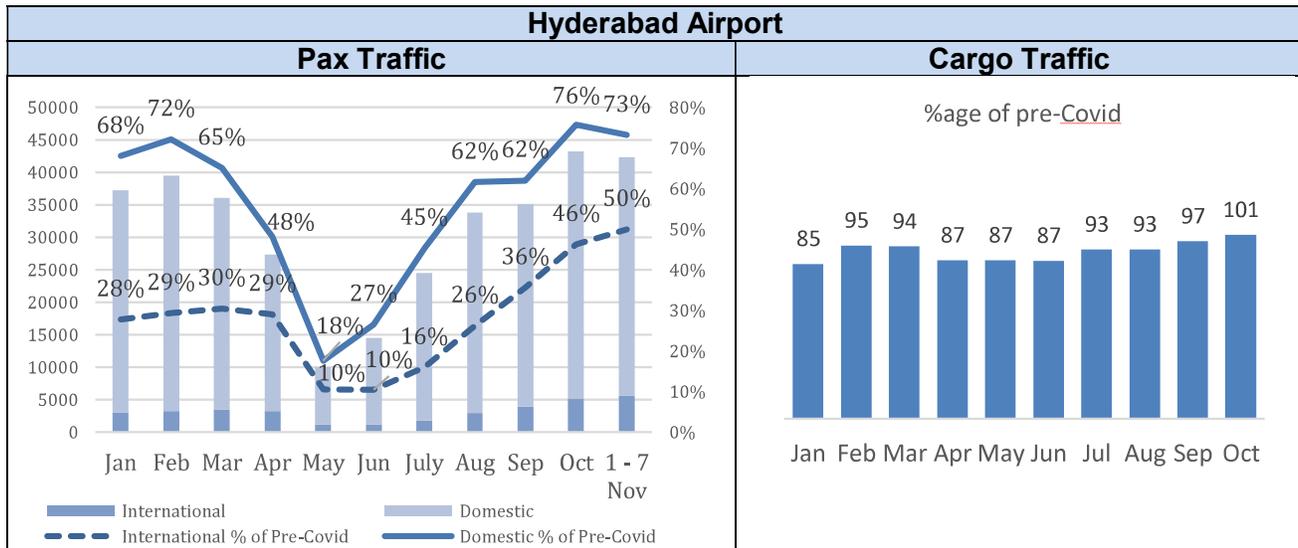
Bombay High Court quashed the award cancellation letter by MIHAN and directed MIHAN to take all steps in terms of the Request for Proposal (RFP) conditions, including signing of a Concession Agreement (CA) for the Nagpur Airport. We are awaiting signing of the CA.

Business recovery

Airport Business

- Traffic rebounded quickly post Second Covid Wave and is on a fast pace recovery path than initially anticipated. This is encouraging considering Govt. of India imposed curb on the capacity for the airlines at 50% from June 1, 2021 which was later revised to 65% from July 5, 2021 and 72.5% from August 13, 2021. Govt. of India lifted the capacity restrictions for domestic flights from October 18, 2021. International destinations and frequencies were increased under the bubble arrangements.
- Several countries have also eased travel guidelines. In order to cater to rising demand, Terminal 2 at Delhi Airport resumed operations in July 2021 and Terminal 1 on October 31, 2021. Passenger confidence to travel is on the rise with the decline in Covid cases, increased pace of vaccination and relaxation of the testing norms. Passenger profile mix is also shifting with increased passenger travel from Tier 2/ Tier 3 cities vs Metros; Friends & family/ Leisure travel vs Corporate travel.





Note: 1. Non-adjusted gross numbers

2. Pre-Covid benchmark to average daily traffic for the entire FY20 (excluding March 2020).

3. Govt had allowed 33% capacity for the airlines till Jun 25, 2020 and increased to 45% till Sep 2, 2020, 60% till Nov 11, 2020, 70% till Dec 3, 2020 and 80% till 31 May 2021. Jun 1, 2021 onwards cap reduced to 50% and revised to 65% in Jul 5, 2021, 72.5% in Aug 12, 2021. Restrictions for domestic flight lifted on Oct 18, 2021

- We expect traffic to gain further momentum with the reducing trend in Covid cases, lifting of government restrictions on airline capacity and increased pace of vaccination
 - India's daily new Covid cases are now below 13K and vaccinated pace has picked up. ~746 mn people have received 1st dose and 354 mn received both doses as of November 10, 2021
 - Metro cities, which are core to our business, have recorded over 95% vaccine coverage
 - Most states in India has lifted travel restrictions with Covid cases receding and various states has also lifted RTPCR requirement for fully vaccinated citizens
 - Globally too, weekly covid cases has declined to 1.3 mn as of November 8, 2021 vs peak of 5.7 mn in April 2021 (<https://covid19.who.int/>) as vaccination drive is on full swing which will further boost international traffic. Globally, ~ 730 Cr vaccine doses has been administered
 - Air Bubbles' arrangement will continue for next few months aiding recovery of international traffic. Currently, Air Bubbles' arrangement is with 28 nations including USA, UK, Canada, Germany, France, UAE etc.
 - International countries have also eased travel restrictions. For instance, USA has lifted travel restrictions for fully vaccinated travelers. Far East countries especially Singapore, Australia, Thailand are opening up for fully vaccinated passengers.
 - UK is set to lift travel restrictions for passengers vaccinated with WHO listed vaccines. While Covishield vaccine is already approved by most countries, Covaxin recently

- received WHO approval. UK including 96 countries will start accepting Covaxin. This will enable more Indians to travel outside India
- Fleet addition by major Indian airlines, takeover of Air India by Tata, entry of new airlines including Jet Airways to aid expansion of operating capacity
- We anticipate domestic traffic to reach pre-Covid level by FY22 and international by FY23 at our Indian Airports.

Energy Business

Power demand and coal supply are improving resulting in higher PLFs

PLF (%)	FY20	FY21	H1FY22	Oct 2021	Nov 2021**
Kamalanga	64%	77%	82%	90%	96%
Warora	82%	75%	51%*	66%	89%

Note: *impacted by lower supply of linkage coal from mines, lower power exchange rates and delayed realization from Discoms

**Nov 2021 data till 8th Nov 2021

PT Gems

PT Gems performance continues to be strong despite volumes impacted by unseasonal rains. EBITDA margin up USD 5 per ton YoY to USD 9 per ton in Q2FY22 driven by 42% YoY increase in realization. GEMS paid a record dividend of USD 180 mn in H1CY21. Subsequently, it has also paid dividend of USD 60 mn during Aug 2021

Highway Business

Hyderabad Vijayawada expressway

- Traffic increased by 27% YoY to 10.4 Mn during Q2FY22. On a QoQ basis, traffic increased by 24% in Q2FY22.

Ambala Chandigarh expressway

- Toll has been suspended since Oct 12, 2020 due to farmer's agitation

Q2FY22 Performance Highlights

Airport Sector

Delhi Airport

- Traffic improved by 2.1x YoY from 4.1 Mn in Q2FY21 to 8.5 Mn in Q2FY22. On a QoQ basis, traffic increased 67% in Q2FY22
- Gross Revenue increased by 67% YoY from INR 406 Cr in Q2FY21 to INR 678 Cr in Q2FY22. On a QoQ basis, revenue increased by 9% in Q2FY22
- EBITDA improved from a loss of INR 3 Cr in Q2FY21 to a positive INR 380 Cr in Q2FY22. On a QoQ basis, EBITDA increased by 21% in Q2FY22
- Capex to increase capacity from 66 Mn pax to 100 Mn pax - achieved 49.8% completion as of October 31, 2021.
- 73 domestic destinations connected as of September 30, 2021 (vs. 72 pre-covid). On international, 45 destinations are connected.

ESG Initiatives, Recognition and Awards

- Won the prestigious awards of 'National Energy Leader' and 'Excellent Energy Efficient Unit' at the 22nd National Award ceremony for 'Excellence in Energy Management' organised by the Confederation of Indian Industry - Green Business Centre
- Adjudged as the 'Best Regional Airport in India and Central Asia' for the third consecutive year in 2021 by Skytrax
- Improved its Skytrax global ranking, moving from 50th in 2020 to number 45th in the 2021
- Bestowed with the 'COVID-19 Airport Excellence Award' for providing exemplary safety protocols during the global pandemic, making it the only airport in India to be ascribed in this category

Hyderabad Airport

- Traffic improved by 82% YoY from 1.5 Mn in Q2FY21 to 2.8 Mn in Q2FY22. On a QoQ basis, traffic increased 83% in Q2FY22
- Gross revenue increased by 82% YoY from 85 Cr in Q2FY21 to INR 154 Cr in Q2FY22. On a QoQ basis, revenue increased 51% in Q2FY22
- EBITDA improved from a loss of INR 6 Cr in Q2FY21 to a profit of INR 49 Cr in Q2FY22. On a QoQ basis, EBITDA increased by 15x in Q2FY22
- Capex to increase capacity from 12 Mn pax to 34 Mn pax - achieved 66.6% completion as on October 31, 2021.
- 64 domestic destinations connected vs. pre-covid level of 55 and 16 International destinations connected in line with pre-covid time.

ESG Initiatives, Recognition and Awards

- Bagged 3rd rank in the 'Cleanest Airport in India and Central Asia' category by Skytrax
- Winner of CII's National Energy Leader & Energy Excellence Unit Award 2021

- Successfully renewed the ACI Airport Health Accreditation Programme for the year 2021-2022
- Commissioned its second 5 MW solar power plant in July'21

Goa Airport

- Work is in progress at site with physical activities being carried out simultaneously at multiple sites of the project including Runway, Taxiway, ATC etc.
- Achieved Milestone III in terms of both financial and physical progress within the agreed timelines as defined in Concession Agreement. As on October 31, 2021, the project has achieved a progress of 43.8%.
- COD targeted by August 2022
- Tender for Expressway (NH166S) connecting NH 66 to Mopa Airport released. Project is expected to take 18 months to complete post award of contract

Cebu Airport

- Traffic increased by 6.9x YoY from ~0.04 Mn in Q2FY21 to ~0.26 Mn in Q2FY22. On a QoQ basis, traffic improved 27% in Q2FY22
- Revenue increased by 64% YoY from INR 10 Cr in Q2FY21 to INR 17 Cr in Q2FY22. On a QoQ basis, revenue improved 4% in Q1FY22
- With the 2022 election campaigning to begin shortly, we expect rapid increase in traffic

Crete

- Earthworks are progressing in multiple fronts of runway, taxiway, apron, terminal building, external access roads.
- As on October 31, 2021, ~8.4% financial progress is achieved with completion of ~68.51% of earthworks

Bhogapuram

- Development of detailed design of the Airport is in progress
- Land acquisition is in its last stages and R&R works in progress.

Energy Sector

Kamalanga Power Project

- PLF at 82% in Q2FY22 similar to 82% in Q2FY21
- Revenue at INR 580 Cr in Q2FY22 as against INR 576 Cr in Q2FY21
- Generated EBITDA of INR 183 Cr in Q2FY22 vs INR 196 Cr in Q2FY21

Warora Power Project

- PLF at 49.0% in Q2FY22 as against 84% in Q2FY21.
- Q2FY22 PLF impacted by lower supply of linkage coal from mines, lower exchange rates and delayed realization from Discoms.

- However, PLF is recovering post Q2FY22 as October 2021 PLF is at 66% and 89% in November 2021 (till 8th Nov)
- Revenue decreased by 35% YoY to INR 242 Cr in Q2FY22
- Generated EBITDA of INR 30 Cr in Q2FY22 as against INR 75 Cr in Q2FY21

ESG Initiatives, Recognition and Awards for Warora and Kamalanga

- Environment Quality (Ambient Air, Noise, PM) is within norms
- Water quality STP, ETP outlet is within norms
- Safety Performance Highlights for Q2FY22 - Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR) is 0.00
- Both Plants expanded footsteps towards sustainable ash utilization by sending by-product to cement manufacturers / brick Manufacturing through railway rakes. Ash Utilization achieved in both plants more than 100%
- Various workshop under EHS as part of excellence and regular process carried out at both sites for Associate & GMR Employees.
- Kamalanga planted 0.392 Mn sapling till Q2FY22

Bajoli Holi

- More than 99% of overall project completed - COD targeted by Dec 2021

Indonesia Coal Mine (PT GEMS)

- Sales volume declined by 3% YoY to 7.9 Mn tons in Q2FY22 from 8.1 Mn tons in Q2FY21 due to the impact of unseasonal rain
- Revenue at INR 2,596 Cr in Q2FY22 vs INR 1,933 Cr in Q2FY21 mainly due to higher realization
- Realisation up 42% YoY to USD 44.6/ton in Q2FY22 from USD 31.5/ton in Q2FY21 due to increase in the global market prices
- EBITDA at INR 519 Cr in Q2FY22 vs INR 244 Cr in Q2FY21
- PAT at INR 336 Cr in Q2FY22 vs INR 158 Cr in Q2FY21
- Cash balance is at INR 1,507 Cr at the end of Q2FY22

ESG Initiatives

- GEMS awarded as one of the 'Best of the Best the 50 Best Companies 2021' by the Forbes Indonesia
- President Director of the Company received the 'Top Leader on CSR Commitment 2021' award
- PT Borneo Indobara its subsidiary received the 'Top CSR Awards 2021 on Star 5' and 'Program CSR Exit Strategy' awards by Top Business and KNKG.

Highways

Hyderabad – Vijayawada

- Traffic increased by 27% YoY to 10.4 Mn in Q2FY22 from 8.2 Mn in Q2FY21
- Gross revenue increased by 26% YoY to INR 92 Cr in Q2FY22 from INR 73 Cr in Q2FY21
- EBITDA at INR 46 Cr in Q2FY22 vs INR 34 Cr in Q2FY21

Ambala – Chandigarh

- Revenues and Traffic during the quarter impacted due to farmer's agitation
- EBITDA loss at INR 6 Cr in Q2FY22 vs profit of INR 8 Cr in Q2FY21

Chennai Outer Ring Roads

- Revenue declined by 4% YoY to INR 23 Cr in Q2FY22 from INR 24 Cr in Q2FY21
- EBITDA at INR 19 Cr in Q2FY22 vs loss of INR 3 Cr in Q2FY21

Pochanpalli Expressways [on NH-7, Andhra Pradesh]

- Revenue declined by 56% YoY to INR 13 Cr in Q2FY22 from INR 29 Cr in Q2FY21
- EBITDA declined by 24% YoY to INR 8 Cr in Q2FY22

Dedicated Freight Corridor Project

- GMR along with the partner SEW Infra has been executing contract to construct a part of the eastern corridor:
 - Mughalsarai to New Karchana (UP) - 181 Kms
 - New Karchana to New Bhaupur (UP) - 236 Kms
- Construction work is picking up pace - ~76% of package 201 and ~89% of package 202 completed

Consolidated Financial Highlights

[INR Cr]

Particulars	Quarter ended			Year Ended	
	Q2	Q1	Q2	H1FY	H1FY
	Sep'21	Jun'20	Sep'20	2021-22	2020-21
Gross Revenue	2,056	1,776	1,294	3,832	2,428
Net Revenue	1,945	1,658	1,244	3,603	2,333
EBITDA	640	422	140	1,066	122
PBT (Before excep. items & share of JVs)	(319)	(434)	(822)	(753)	(1,795)
Share of Profit / (loss) from JVs / associates	48	77	33	125	20
PBT	(59)	(357)	(790)	(416)	(1,775)
Profit After Tax (from continuing operations)	(169)	(318)	(749)	(487)	(1,583)

About GMR Infrastructure Limited:

GMR Group is a leading global infrastructure conglomerate with unparalleled expertise in designing, building and operating Airports. It also has significant presence in areas of Energy, Transportation and Urban Infrastructure.

GMR is the largest private airport operator in Asia and fourth largest globally, handling passengers in excess of 172 million annually (pre-Covid). It operates the iconic Delhi Airport, which is the largest and fastest growing airport in India. It also runs Hyderabad Airport, a pioneering greenfield airport known for several technological innovations. The company is also operating the architecturally renowned Mactan-Cebu International Airport in Cebu, Philippines, in partnership with Megawide.

The Group is currently developing three major greenfield airport projects across India and Greece. Goa and Visakhapatnam airports in India are poised to transform the economy and landscape of the surrounding areas when ready. Crete airport in Greece will similarly play a significant role in the local economy of the region.

The Group's Energy business has a diversified portfolio of around 4,995 MW. Transportation and Urban Infrastructure division of the Group has six operating roads and highway projects spanning over 2,400 lane kilometres. GMR is also developing multi-focus Special Investment Regions at various locations in India.

GMR Group's underlying philosophy is to work closely with and support the local communities wherever it is present. Towards this, GMR Varalakshmi Foundation (GMRVF), the CSR arm of the group, focuses on improving the quality of life of people by enhancing skills, providing education and developing healthcare infrastructure and services.

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