TRANSCRIPT OF THE APSEZ CONFERENCE CALL

Subject: Evos transaction

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- Mr. Krishna Menon (Chief Financial Officer)

- Mr. Rahul Agarwal (Head – ESG & Investor Relations)

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- Ms. Aenna Jagga (Head – Liquid Business Development)

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Rahul Agarwal: Hello everyone and thank you for joining us on short notice. Welcome to APSEZ's conference call this evening to discuss the recent Evos transaction that we announced earlier today. My name is Rahul Agarwal from the APSEZ Investor Relations team. Along with me on this call, we have participants from APSEZ joining. First, we have Mr. Ashwani Gupta, Whole-Time Director and CEO. We have Mr. Krishna Menon, CFO. We have Mr. Chirag Vakharia, Head of our M&A team. We have Ms Aenna Jagga, our Head of Liquid Business Development, and we have Mr. Rohil Vashist, our Head of Legal. We will begin today's call with opening remarks from Mr. Ashwani Gupta and then open the floor for Q&A. All participants would be on mute during the call. Please raise your hand post the opening remarks, and then we will let you post your question. With that, I will hand over the call to Mr. Ashwani Gupta for the opening remarks. So, over to you.

Ashwani Gupta: Thank you, Rahul. Hello everyone. Thank you for joining our conference call to discuss the recent Evos transaction. APSEZ agrees to acquire 100% in Evos BV from Igneo Infrastructure Partners for an enterprise value of 2.56 billion euros. The equity value of the transaction is at 1.18 billion euros, implying a multiple of 11.7x of CY25 EV by EBITDA. Evos is a highly profitable business with 392 million euros in revenue and an EBITDA margin of 56% in CY25. The regulatory approval process and the works council consultation process will start immediately. This is an all-cash transaction that will be funded via debt, and on a pro-forma basis, we expect APSEZ's

net debt to EBITDA to be at 2.76x but revert to our guidance of 2.5x net debt to EBITDA by the end of FY27.

Evos is an extremely strategic asset for APSEZ. Evos is the second largest independent liquid storage operator in Europe with eight port-based terminals in five countries: Netherlands, Germany, Spain, Belgium, and Malta. These terminals, with a capacity of 6.3 million cubic meters, are in the heart of most important energy and industrial hubs in Europe, including the ARA region. These terminals store, transfer, blend, and deliver other value-added services for a variety of traditional and transition sustainable fuels. Importantly, while traditional fuels has been always Evos' stronghold, it is also an early mover in the transition fuel storage space. Evos has strong capabilities across many new-age liquids, including SAF, biofuels, methanol, bioethanol, etc., and is set to play a crucial role in Europe's energy transition trajectory. Evos' value proposition is further strengthened by excellent pipeline connectivity to customers and various pipeline networks.

Why we acquired Evos:

Number one reason is the the macro. Evos operates in a stable macro and currency environment, offering strong top-down stability to its overall operations. Moreover, Evos operates in regions that are at the heart of the world's liquid storage and energy hubs.

Another reason is Evos' core competency. Evos' extensive liquid storage portfolio across traditional and transition fuels offers high revenue and operating cash visibility. Evos is also the preferred storage partner for many tier-1 blue-chip customers.

APSEZ has access to local funding, including foreign currency bank facilities.

Another reason is Evos' competent leadership team. We are committed to ensuring the management continuity post-acquisition, retaining the leadership and expertise that have been instrumental in Evos' success and will be instrumental in taking it to the next level.

Evos ticks all the boxes which I always explain in our analyst call and whenever I meet you all, of our international M&A strategy.

Evos will continue to contribute immediately to our top line and bottom line without diluting APSEZ's EBITDA profile. During our Ambition 2031 time frame, the ROCE of the asset will be increased to double digits, in line with APSEZ's overall ROCE profile driven by revenue growth, operating efficiency, and efficient capex deployment. Pro-forma consolidated debt for the transaction will also be within our guided 2.5x net debt to EBITDA. Last but not least, sustainability is a core component of Evos' profile, and Evos' advanced sustainability credentials will further enhance APSEZ's overall ESG profile across various environmental and social KPIs.

Now let me share with you how Evos will contribute to APSEZ moving forward.

First, Evos will translate into significant upside in the future driven by price realization, export potential of key liquids including diesel, and transition to high-value liquids including methanol, bio methanol, SAF, etc. APSEZ can also use this platform to expand its presence in energy transition within Europe and beyond Europe around the world. Evos will add sizable euro-denominated hard currency earnings from A- rated sovereign family in Europe, that will enhance overall APSEZ's risk profile. Evos will scale and expand APSEZ's liquid business to more than double the contribution as it is today from Mundra and Hazira terminals. That will give a very balanced mix of commodities between container, liquid, dry, and other commodities. Other benefits include access to cutting-edge technology and a great engineering talent pool within Evos with strong innovation and R&D capabilities that will also be needed in India moving forward, following the energy transition in the near future. Moreover, India-Europe FTA will also accelerate further business opportunities. We are delighted to welcome Evos to the APSEZ family. We are very excited to partner with the Evos team as we integrate our operations and execute the next phase in its corporate journey. I would like to thank you for having the strong confidence in APSEZ and for your patience, and now I will answer your queries. Thank you.

Rahul Agarwal: Thank you, Ashwani. Participants wishing to ask any queries can now start to raise their hand. We can see some participants who have already posted questions. We will begin with Alok Deora from Motilal Oswal. Alok, please go ahead and ask your question.

Alok Deora: Oh, yeah. Alok here. Am I audible now?

Rahul Agarwal: Oh, okay. Alok is back.

Alok Deora: Yeah. First of all, just wanted to congratulate on this acquisition, but just wanted to also understand more details on this. So, first is what is the tonnage we are looking to handle here? I see in the presentation there is some 37 million tons which were kind of handled in the last calendar year. So, what's the trajectory there, and are there any take-or-pay contracts here like we have in NQXT? So, if you can just explain those dynamics, and then I have some further questions.

Ashwani Gupta: Yeah, thank you, Alok, for your question. APSEZ handles today approximately 5.5 million cubic meters with Hazira, Mundra, and a couple of more, and with this 6.3, we will be close to 11.5. So, if you convert into million metric tons, that is exactly what we have said, it's around 37 million metric tons. The second question is on the take-or-pay. Answer is yes, significant number of contracts are take-or-pay, but also CPI-linked with mid to long-term customer contracts.

Alok Deora: Got it. And so how should we see this? I mean, so whatever 37-38 million tons the entity had posted in CY25, that should kind of continue for CY26, CY27? minimum is that the capacity or the volume that should we should get revenue for?

Ashwani Gupta: So, there are two things to it. I mean, it is exactly the same how we operate in Mundra and Hazira. There are total 452 tanks, there are total 63 vessel and barges berths all put together in the whole infrastructure of eight port-based terminals. Volume is a key driver, but more than volume, what is the key driver is the evolution of the flow, and how the flow will evolve moving forward. It has already started evolving since two to three years. This evolution is following the energy transition, which more and more the traditional fluids are transitioning towards the sustainable liquid. Today, overall Europe is 80% conventional and 20% sustainable, and in 15 to 20 years, it would be around 50-50, which means more and more sustainable fuels which attract high value, driven by the higher revenue and the higher margins, will drive the profitable growth. And the capacities will also, has already been started using for the export, with all the demands of conventional fluid coming up in the countries like Africa, where still the capacity in case of refineries are far from the reality, and those exports of the conventional flows have already started and it will increase. So overall, the profitable growth will come from (A) transition to the value-added sustainable fuels with the higher margins, and (B) by the export potential which already started to the countries which are having demand but less supply.

Alok Deora: Got it. Thanks for that. Second question is on the margin profile. Now, the entity is currently doing around 55-56%. So, once we get into the play, then what kind of margin ramp-up could this see, and would that be the key driver for earnings, or there could be some sort of a capacity enhancement also possible here once we get operational?

Ashwani Gupta: I think the first driver is the utilization of the tanks and the turnaround ratio. This is exactly how we measure that efficiency in our liquid terminals, especially in Hazira. So that is, more than the capacity, the turnaround of the storage will be the driver in increasing the overall output. And number two is the operational efficiency. With all the latest technology from the world, these terminals are positioned to deliver one of the highest operational efficiencies moving forward. And the third one, we will expect, and this is what we will start working on from now with the leadership team to prepare the detailed business plan, and we expect that because of the transition to the higher value-added flows, the EBITDA percentage margin expansion will also take place. So, we clearly see the upside based on the assets, asset utilization, but also the product flow evolution.

Alok Deora: Sure. Just last question if I can. So, the entire funding will be debt-funded, and it will be taken in the local currency there?

Ashwani Gupta: Yes, that's what we plan to do it, and if you could see today, the cost of capital here is somewhere around 4.5, and by having the assets in hard currency denominated markets with the revenue in hard currency, we are also lowering down our cost of capital with a higher sovereign rating, which will uplift the APSEZ balance sheet

in a significant direction and position APSEZ as a really globally asset allocation or capital allocation company. Thank you.

Alok Deora: Sure. Thank you so much for that. Thank you, all the best.

Rahul Agarwal: Thank you, Alok. Ankita, can you go next, please?

Ankita Shah: Yes, thank you, and congratulations on the acquisition. I have a couple of questions. So, basically, first is how has been the growth in the volumes in the past, and how do you see the storage volumes going up?

Ashwani Gupta: Thank you, Ankita. That's really a great question. I would say that when we talk about markets like Europe, more than the volume, it is driven by the value. You know, when we talk about countries like us in India, our growth is more driven by GDP domination, but when we talk about matured markets like Europe, the growth is more driven by the value creation. So here, if you can see the revenue as well as the EBITDA growth is mainly driven by how much value we are creating, and the value which is created is because of two aspects: number one, the export potential because of the supply-demand gap, but number two, by transitioning towards the higher sustainable liquids moving forward. So, we do not expect any capex to increase the capacity in very near future. However, as you can see in the last two years and moving forward, our growth in revenue and EBITDA will be coming by more and more value creation, which this company has already demonstrated.

Ankita Shah: Got it. And why, given there is debt on this asset, so you already mentioned 4.5% of cost of debt. What is the reason, I mean, the asset is good, it's very strategic in nature, why is Igneo Infrastructure Partners is looking to sell the asset?

Ashwani Gupta: Yeah, that's a great question, Ankita. And you know, we have positioned ourselves as a strategic investor and not a financial investor. And you know, as I shared in last analyst call, we are evaluating more than 20 assets around the world, but as a strategic investor. What strategic investor means is when we are entering a country, a business, we are entering with a very long-term view, and our capital allocation is for the growth. However, the expectations of the financial investor to get into the infrastructure is different. And that's why with Igneo, who have really done extremely well in establishing a great profile of Evos, so we were interested, and of course, this asset followed the process, and finally, we were the winner in acquisition of these assets as a strategic investor.

Ankita Shah: And who will be the global competitors to this kind of a business?

Ashwani Gupta: See, there are, I mean, we can count on fingers, but we have Vopak, we have VTTI, but every company has got their own flow, every company have got their own geographical advantage. But Evos, being in the ARA region, which is the world's most strategic liquid storage hub, Evos is in a very, very important location. And on top of that,

most of the contracts are take-or-pay, most of the contracts are CPI-linked, and most of the contracts are with Tier-1 blue-chip customers, including the value-added services, whether it is blending or the pipeline connectivity with the airport and so on and so on.

Ankita Shah: Got it. One last thing. Will we get only storage revenue from this, or we will also be getting terminal handling of liquid volumes also here?

Ashwani Gupta: Yeah, it depends, Ankita. I think we will still get into it. As you know that always we think of the ecosystem, but it's too early to say that because we just closed the transaction few hours before.

Ankita Shah: Okay, so it will be more storage-led for now.

Ashwani Gupta: Yes, mainly. I would say not only storage, but you know, in the storage also, Evos does lot of value addition, including blending, and in some of the things, it may include the distribution, but it's too early for me to say. But today you can consider the baseline as storage and the value-added services inside the storage or outside the storage.

Ankita Shah: Got it. Thank you so much and wish you all the best.

Ashwani Gupta: Thank you, Ankita. I appreciate.

Rahul Agarwal: Thank you, Ankita. Achal, if you can go next, please.

Achal Lohade: Good evening, sir. Can you hear us? Am I audible?

Ashwani Gupta: Yes, very well.

Achal Lohade: Yeah, congratulations for the transaction, sir. 2-3 questions if I may ask. First, given it's a privately held company, any sense you can provide us in terms of the PAT number, you have talked about EBITDA, but if you could help us with respect to PAT, and whether in year one, let's say in CY27, will it be EPS accretive, or would there be an EPS dilution at consolidated APSEZ level?

Ashwani Gupta: I think I will answer the first one, and the second one, please give us a little bit more time as a follow-up because we just finished the transaction this morning. If you do the benchmark on these kinds of infrastructure assets, when they are run by a strategic investor versus, they are run by the financial investors, the objectives are different. The strategic investor always, and especially APSEZ, if you see our profile, always invests the operational cash for the future growth, right? Whether it is 5 years, 7 years, 10 years, 15 years, 20 years, we see Vizhinjam, we see Mundra. All these assets we have acquired considering what would be the maximum potential 10, 20, 30 years after. However, if I am a financial investor, I am looking at what is the leverage cap with which I can take out the return on the capital which I am expecting because I am a financial investor. So that's why, if you look at the general profile today, the PAT is double-digit of this asset, which you may say that not in line with what APSEZ is

delivering. However, if you take out the cash out which is not for the growth of the business, very soon you will hit the figure that it will be in line with the APSEZ average PAT profile. So I think what we have to see, not the PAT from yesterday, because that was driven by a different financial objective, what we have to see is the capability of APSEZ to make it at the average APSEZ PAT profile because of the revenue and the EBITDA percentage, which is one of the benchmark in the global, that too in the hard currency, and if we are reinvesting the operational cash and using the same balance sheet with a less cost of capital, definitely it's not a challenge to hit that number. Rahul, just before anticipating that question, I asked you to say that what is the PAT if we do it as per our hypothesis?

Rahul Agarwal: See, PAT will trend into double-digit contribution as percentage of revenue going forward, and as you rightly said, we will actually have surplus cash that we can consider towards balance sheet reorganization to be able to have a healthier PAT figure.

Ashwani Gupta: Because today, today the leverage ratio is at 6 because of, because of, as I said, the financial objectives. But you know, once we start the operations by ourselves, definitely we will restructure our balance sheet to minimize the leverage ratio and maximize the PAT. Hope it answers the question.

Achal Lohade: Absolutely, sir. The second question I have, in a passing remark you did mention that it is very similar to Mundra, Hazira, right? So are these like assets on lease? What kind of lease period it has, and B, is there any scope to add more capacity at the existing location?

Ashwani Gupta: I think it is mix of both because they are in the different regions, on lease but also on the free hold. But you know, these are long, stable assets, so definitely no issues in that, because you know, these are not only the storage, these are the port terminals. And the second thing is, what did you ask, sorry?

Achal Lohade: In terms of the adjacencies, is there any scope to go into an adjacency?

Ashwani Gupta: Yes, so land is available, so if we want to expand we can. But I think more than that, what is important is the evolution of the liquid and conversion of these storage and handling capacities into a value-added liquid, which Evos has already started doing it. I think the priority will be there, instead of having the new capex, that how with the existing asset we can sweat the asset, using the utilization but more than utilization, the revenue coming from the value-added services.

Achal Lohade: Got it. Just a clarification if I may, sir. With respect to the exports angle, if you could elaborate a little bit how does it change, like what is the current mix, and what kind of change are you looking at when you're talking about one is the value-added fuel

liquid, and the other was about the exports, the flows, so, the second aspect if you could.

Ashwani Gupta: Yeah, we will start preparing, you know, that when we do the due diligence, when we close the transaction, obviously we follow the process, and as you know, it's a well-structured and organized process when you go through these kinds of bids. We will get with the leadership team to prepare the business plan, and when we will be closing, we will be sharing with you. But I can give you an overall figure of Europe, which comes from the statistics which is public. Diesel may go down by 36%, but the biodiesel and the equivalent and the export may go more than 36% up, and that's how the transition towards the sustainable fuel, including the exports, will take place. But details we will be sharing with you when we will be closing and sharing with you the next five-year business plan which we normally do after doing the acquisition and before closing the final transaction. Hope it answers the question. Thank you.

Achal Lohade: Yeah, sounds great, sir. Thank you so much.

Ashwani Gupta: Thank you.

Rahul Agarwal: Thank you, Achal. Aditya, if you would like to go next, please.

Aditya Mongia: Yeah, Thanks for the opportunity. I hope I'm audible to you.

Ashwani Gupta: Yes, very well.

Aditya Mongia: Thanks. So, the first thing over here, what is the capital employed in this business, and the starting ROCE of the business, as it is getting acquired at a certain market value?

Ashwani Gupta: So, you know, the first is ROCE. This is exactly what I said before. I would say that ROCE is at a very good starting level, and with no new capex planned, and the planned increase in revenue and increase in EBITDA, will very soon take it to the double-digit ROCE, which is in line with our Ambition 2031. It could take, I don't know, two years, three years, but not more than that. But this is what we will share with you when we talk about the business plan. But once again, we have to see the fundamental of operating this business. The fundamental of operations of this business is with the existing asset, how we utilize more and how we create more value by transitioning towards the sustainable liquids and the export, which are not only priced based on CPI, but which also have price premiums because they are one of the front-runners to transition to the sustainable fluids, because already methanol, SAF, biofuels, and bio methanol, they are already doing it. Thank you.

Aditya Mongia: Understood. The second question that I had was on the number of bidders that were in the fray for this transaction. When you say that a financial investor is exiting and a strategic investor is buying, the value that gets created, was it kind of put

on the table, or is still there with you? I'm just trying to get a sense of the competitive intensity.

Ashwani Gupta: Sorry, can you come back with your question?

Aditya Mongia: Just some sense on the number of bidders over here that were there, whether this asset was keenly fought for or not.

Ashwani Gupta: No, this is a structured organized bidding process. I don't know how many bidders were there because that's a confidential information run by the sell side. Yes, but there were bidders, and it's a structured, transparent, organized process. What we know is we are the strategic investors, and as a winner, we are the strategic investors. We can talk about ourselves.

Aditya Mongia: Okay. And one last question from my side. Ashwani, I understand that the company is on the look-out for more deals. Is this transaction size, which is about 3 billion dollars, is this something that you would incrementally think through as the right size, or would you think of up-sizing the quantum of the deal that you may think through the next time around, and part B of the question should be, expect something in the next two years to happen, or would there be a pause for now?

Ashwani Gupta: See, I think what I can say here is we are not after the deals, but we want deals to be after us. How? Because we are very clear in our international strategy or growth expansion strategy, which is we want profitable growth but not at the cost of leverage. Then we want to have a structured balance sheet which is well-diversified, strong enough to maximize the opportunities and minimize the risk. Third, in terms of product mix, also when we look at on one side container, that is our strength. On the other side, container is driven by industrialization. Industrialization is driven to the trade, which means this will be always upwards. When it comes to liquid, it is following the energy transition of the world, definitely it will be always upwards, and sometimes it can be maximized in terms of opportunity as we have seen in the geopolitical situation just before. And the third, I would say that the dry cargo is plus-minus, and you know, it is not only in the hands of trade, but there are many other things which happens in the dry cargo. For example, last year we saw coal decline, this year we see coal upwards. So if we look at the whole global trade, we will find container and liquid are the two categories or the two commodities where we can maximize our profitable growth in a structured and organized way, and if they are in the geographies where we can restructure our balance sheet to maximize the opportunity and minimize the risk, that's what it is. So as a conclusion, I would say that all the 20 assets which we are looking at are mainly driven by the strategic thinking we have, to go for international expansion.

Aditya Mongia: So, you may end up, the balance sheet allows you to bid for more assets over the next one-two years?

Ashwani Gupta: See, we are at, with this acquisition, we are at 2.5, you know, I'm talking about 2.7 next year, right? I mean, we are at 2.5, right? And I think we still have the appetite to go more, but once again, appetite in a way that it will contribute and increase our capability and capacity to go more. So that's where we are very selective in going for acquisitions.

Aditya Mongia: Got that. All the very best from my side. Those are my questions.

Ashwani Gupta: Thank you.

Rahul Agarwal: Thank you, Aditya. Priyankar, if you would like to go next, please.

Priyankar Biswas: Am I audible?

Rahul Agarwal: Yeah.

Priyankar Biswas: Yeah, of course congratulations to you for such a large deal. My first question is like, as you said that there is spare land also on the terminals that you have. So, what I am trying to understand is let's say tomorrow if there is requirement for an expansion of your fuel farm of let's say the storage tankage over there. So right now, you are at roughly 6.5 million cubic meters. So, what is the extent you can expand up to? So, any ballpark idea if you can give.

Ashwani Gupta: See, we can extend significantly because there is significant land on these terminals. But the question is we are not evaluating that, because again I repeat, developing countries are measured by GDP denominated growth, and developed countries are measured by value created growth. So, for us, more and more value we can create with the existing capex, it will improve our ROCE, it will improve our PAT, it will reduce our leverage ratio. That's our first and foremost objective. Obviously, we as a strategic investor have entered for a longer run and based on the balance sheet and based on the market demand, definitely we can go for the expansion of the capacities. Absolutely there is no concern to increase the capacities. The point is when and what kind of capacity. But still, our first objective is to maximize the existing asset with the export as well as with the value-added sustainable fuels. That's the first objective.

Priyankar Biswas: Okay, so let me understand the business models a bit correctly. So, like in India, so I'm just contrasting these two things. So, like in India, we often put up capacities, then gradually it gets utilized, so we hope for the cargo. And in Europe, is it like that, the customer comes to you, like there is an agreement, then you put up a tankage based on his requirements to support your capex, he does a take-or-pay long-term contract at certain fixed chemical storage for this much duration, so does it work like that?

Ashwani Gupta: Exactly, the second one is the most important thing, and that's why the business is very sustainable, it's contracted, it's very stable, and it is very, very predictable.

Priyankar Biswas: It's like a growing annuity almost.

Ashwani Gupta: Yeah. And that's why, I again repeat, what we do in India is also good because the trade is driven by the GDP. But what we should do, and we will do, or what we are doing in Australia, and we are doing in Haifa, Israel, and we will do in Europe, is that value-driven capacity utilization. That's why first comes the business or the stability, and then the capacity is created. But in this case, business has already come, and the existing capacity needs to be transitioned towards a value-added capacity which already started. So that a business model here. And I thank you for this question because this was the main thing during our due diligence, that how we will create the value out of these assets in a matured market.

Priyankar Biswas: So, sir, because this is like a new type of model for us, especially investors in India. So, if you allow me, just one more question on this. So, is it right to say that once you get this annuity-type revenues, then you start doing let's say something akin to value add as in blending, liquids distribution, something of that, and that also further adds on to your EBITDA? So, like a sort of a distribution revenue/EBITDA. Is it the right way to look at, and if so, like in the EBITDA that you have given, what would be the share of this annuity-type revenues based on storage alone, and what is on distribution, and how much can we extend it by? What sort of growth you see? Just understanding the business.

Ashwani Gupta: It looks like, looks like I am giving an examination for my PhD! You are asking great questions, and as I always say, your questions always educate me to learn more. But I think you are absolutely right. And here what I would say, the reference is that. However, this is where APSEZ will bring its own strength. You know, if you travel to Heathrow airport, or if you travel to JFK in New York, do we think that there is no opportunity to increase the capacity and deliver a better customer delight? I believe so, that there is an opportunity, even if there are matured markets. There is an opportunity on the infrastructure. Now the question is, who is ready to invest in the infrastructure, not based on 5, 6, 7 years, but based on 10, 20, 30, 40 years? And for us, we are exactly looking in that way. We are taking the business, which is extremely strong in terms of operational efficiency, customer satisfaction, technology, the leadership team, and most important, the engineering capability which absolutely we don't have it in India today, right? So, we are getting access to that. Now, how we will take this to the next level based on what we will bring as APSEZ, so it will be a combination of value-driven business and the learnings from a GDP-driven business. I will give you one example. It is not that we will start tomorrow, but when we started Mundra, we started Mundra with just one terminal. And I don't think at that time we would have thought that we will get into offshore marine, or we will get into warehousing, or we will get into trucking. But at the end, in 25 years, we are managing the full ecosystem. So, your question is absolutely right. It may not happen tomorrow, but at the end, as an integrated transport

utility company, we would like to maximize the ecosystem presence using the core of the business, which is the liquid storage and handling. Thank you.

Priyankar Biswas: Okay, sir. That answers my questions. Thank you.

Ashwani Gupta: Thank you.

Rahul Agarwal: Thank you. Can we have Bharani go next, please?

Bharanidhar Vijayakumar: Am I audible?

Ashwani Gupta: Yes, very well.

Bharanidhar Vijayakumar: Good evening. My first question is regarding how the ownership of the land or the asset works there. In India you have a concession agreement with the state or the government. So how does it work there, and what kind of ownership of the assets and the land exists with the existing government? How long is it for?

Ashwani Gupta: Yeah, so Chirag, would you like to share? But it is as I said, combination of lease and free hold. Chirag, would you like to share?

Chirag Vakharia: Yeah, can you hear us?

Bharanidhar Vijayakumar: Yeah.

Ashwani Gupta: Yeah, Chirag Vakharia is our Head of M&A.

Chirag Vakharia: Yeah, so I'll take this one. So basically, on most of the terminals, this is leasehold land. This is land that is leased from the port authorities, like the Port of Amsterdam or the Port of Rotterdam. These are generally very long-term leases, some of them going all the way up to even 2092. One terminal is where we have freehold land. So, this is generally the construct that they have. And the lands are generally renewed depending on where it is, every 25 to 30 years at revised rates.

Ashwani Gupta: Yeah, so to answer the question very simply, I think when it comes to leasehold and the concessions, it is the same way what we have in India. Here we could have state, there we could have, you know, Amsterdam and Rotterdam and so on. But the leases are much longer. As Chirag said, some of the leases would be up to 2070 and maybe beyond that. So that is the situation.

Bharanidhar Vijayakumar: Right. Okay. Yeah. Thank you so much.

Ashwani Gupta: Thank you.

Rahul Agarwal: Koundinya, would you like to go next please?

Koundinya Nimmagadda: Yeah, hi. Thanks for the opportunity. Sir, two-three questions from my end, sorry, I think I briefly got disconnected, I don't know if you have answered

one of those at least already. So, my first question is if you can help us understand what is the PAT over here, and what are the, how does the ROCE look like? You did mention that you intend to go to double-digit ROCE very soon. What's the current ROCE like? Is it like high single-digits or is it like mid to low single-digits? So, that's the first question, and what is the payback period that you're looking at? Also, if you can briefly comment on the valuations, what was the valuation methodology used here when you say 11.5x times? So, what were the benchmarks that you have used to arrive at that?

Ashwani Gupta: Okay, that's a great point. You know, I may not be able to share our know-how that how we do the valuation because we have many more deals where we are working on. But I will give you a broad answer, right? Today, the ROCE is 7%, right? which from my viewpoint, in a hard currency, in a matured market, for this business is quite good. Moving forward, there is no new capex, but there is upside on the revenue as well as on the EBITDA, which means we will get to the double-digit, right? So, this is what the first answer I would give, and that's why I said that was one of the reasons why we went for this asset. Now, when it comes to valuation, if we go by the valuation, we are 11.7x with respect to CY25 EV/EBITDA. But when we do this kind of number, I go back to one of the boxes which I said, that it should be contributing to the APSEZ average profile. So, we do a business plan, we do a forecast, which of course we cannot share today because we have to work with the leadership team. Which means in coming two, three, four, five years, 11.7x should significantly go down, right? So that is what is the value creation without spending the capex. Now, where we position this asset, knowing that it is a strategic location, knowing that it has got mid to long-term customer contracts, knowing it has got competent leadership team including the engineering capability, knowing that this has got long-term concessions, long-term leasing, knowing that it has already started engaging customers for the higher revenue, higher margin sustainable fuel, I would say that 11.7x on an average should be lower than the other deals which have been made around the world, and we can do the benchmark and you will find the figure.

Koundinya Nimmagadda: Understood, sir. If you can comment on the payback period that you worked with if possible, and the other question is slightly a bit on the operational side. Correct me if I'm wrong, my understanding was that, you know, you will try to drive up realizations through by handling new commodities etc. and then there is also a large player in the form of Vopak, sitting in the same location. So, has there been some benchmarking done with the market leader out there? Obviously, you're number two. So, are there some white spaces which you thought can be worked around to improve it? If you can also briefly comment around the employee structures / unionization etc. how are the things around there?

Ashwani Gupta: So, at first, the leadership team and the employees are great, and you know, this morning itself we had an engagement with them because we closed the deal

this morning. So absolutely no issues on that, and of course, they are used to it. Number two, we have done the full market benchmark. We have done the competitors' benchmark, we have done the market, and we have also defined the energy roadmap till 2050. And we know exactly what the strength of Evos is, and what could be done in addition to what Evos is doing today. And once again, I would say, similar to the container business, liquid has also got its own catchment areas, right? If I want to replicate Hazira in Krishnapatnam, I will not be able to do that because, you know, the Hazira is connected to the north or to many customers around the Hazira area. So that's the strength of Evos, that it is at a strategic location where it has got its own catchment area which is sustainable enough with the long-term customer contracts in mid to long run.

Koundinya Nimmagadda: Sure. Okay, thank you very much and all the best.

Ashwani Gupta: Thank you.

Rahul Agarwal: Aritra, would you like to go next please?

Aritra Banerjee: Hello, am I audible?

Ashwani Gupta: Yeah.

Aritra Banerjee: Yeah, thanks for the opportunity. First of all, congratulations for the acquisition. So just wanted to clarify one thing. So, this debt that will be undertaking for the acquisition, so that will be denominated in Euro, right? And what would be the interest rate differential between our INR borrowings and this borrowing for the acquisition, if you could provide some colour on that please?

Ashwani Gupta: Yeah, I mean, you know, we will restructure the balance sheet, but I can give you a high-level figure. Today the cost of debt is 4.5% on these assets, and if you look at APSEZ, the average cost of funding is between 6.4 to 6.6, but that includes, you know, our funding in the foreign currencies. So that's what I can share with you today. Maybe detailed, Rahul can share with you offline later.

Aritra Banerjee: Understood, sir. And sir, another question that I had was that I understand by end of this year, we'll move back to 2.5x net debt to EBITDA level, but going back to this 1.7-1.8x net debt to EBITDA level that we reached or even 2x, so do you see a road map going forward for that, or would you be more comfortable remaining near this 2.5x net debt to EBITDA and probably looking at a few more acquisitions going forward?

Ashwani Gupta: So, that's great. I mean, if I have to deliver a CAGR of 18 to 19%, I need to be on an average 2.5x in mid-term. So, you know, like today we will go up to 2.7, but next year, we will come around 2.5. Then it will go down, and then, we may have another acquisition, and we want to float around 2.5 in mid to long term sustainably. I think what's very important that we sustain the leverage ratio. Now, if you look at all the

matured markets and the assets in the matured markets, which are primarily held by the financial investors, because of the structure of the balance sheet and the return objectives, they are at, they are around 6, right? We were evaluating the AB Ports in UK, that was also at a leverage ratio of 6. So, that is where we want to create the value, that we want to minimize the leverage ratio and maximize the return by investing the capital for the profitable growth, and why we can do that, because we have the capability in terms of people and the business expertise, and also we have the capacity in terms of our strong balance sheet to do that, which makes us different than our competitors.

Aritra Baneerjee: Understood, sir. And sir, my final question is regarding this asset itself. So, in the past whenever we have acquired international assets, for example Haifa, we have seen a very sharp turnaround and an improvement in the operating performance. So, for this asset will that sort of upliftment in operating performance be driven only by a change in product mix, or do you have any other levers in place as well for driving that operating performance upwards?

Ashwani Gupta: Yeah, the leadership team is committed to deliver the operational excellence, and I will introduce you to all after we close the transaction. But main uplift will come from the product mix. Of course, operational excellence will keep on improving, but because the benchmark is so high in terms of quality of operations, we may not expect what we do after acquiring Karaikal, or Gopalpur, or Krishnapatnam.

Aritra Banerjee: Understood, sir. Thanks for answering my questions. Yeah, that was helpful. Yeah, thanks and all the best. And Happy Diwali in advance.

Ashwani Gupta: Thank you.

Rahul Agarwal: Thank you. Vikram, would you like to go next?

Vikram Suryavanshi: Am I audible?

Ashwani Gupta: Yeah, very well.

Vikram Suryavanshi: Okay, sir. So, you have been talking about engineering capabilities of the acquired company. So, do we also develop similar liquid storage business in India with the kind of engineering capabilities we'll get?

Ashwani Gupta: Sir, I think you asked a very good question. Answer is yes. India will also need the energy transition, and we see that India is one of the leaders in energy transition, right? That's why our other companies are into green, solar, wind, we started the green hydrogen plant. At the end, what we believe as APSEZ, that ports are not only the gateway to the trade, but ports are becoming gateway to the energy transition. And that's why we want to capture this opportunity of having the energy transition in the ecosystem of ports, and to do that, what will make us different is the engineering capability, not of building up the tank, but engineering capability of understanding that

how the sustainable products are evolving and what kind of handling and the storage will be needed for handling those kinds of products.

Vikram Suryavanshi: Got it. Thank you very much.

Ashwani Gupta: Yeah. Rahul, is there any question?

Rahul Agarwal: No, sir. We are done with the question queue. You can make your closing comments.

Ashwani Gupta: So, thank you everyone. And I really want to say thank you for keeping faith and confidence in APSEZ. I also thank you for asking very, very good questions that help me to educate myself more and more, and I do my best to answer each question. If not, you can always send a follow-up question, and we will be very happy to answer to your question. Number three is I would like to conclude once again, is international acquisition is not the objective, it is the consequence of preparing a healthy profitable growth for the future, which is driven by: number one, it should contribute to top line and bottom line; number two, it should be in a geopolitically stable macroeconomics; number three, we are able to raise the fund in that currency where we will be having the same currency of revenue, and we will be uplifting the strength of our of our P&L; and last but not least, we should be able to have the competent local leadership team who knows the geography, who knows the business, who knows the customer, and become a one family of APSEZ, as we have today from Africa to Australia. And with that note, I would like to say thank you, and definitely we'll see you in the in the in the next quarterly results. But if you have any questions, feel free to ask before. Thank you.

Rahul Agarwal: Thank you, Ashwani. Thank you, everyone, for taking the time to be on the call. We will close this conference call at this moment. Thank you and good night.