

Embassy REIT Announces Q3 FY2022 Results, Raises Full Year Guidance Given Accelerated Leasing Activity

- Executes 428k square feet leases, raises full year leasing guidance to 1 msf
- Grows Net Operating Income by 30% YoY, distributing ₹493 crores to Unitholders, 83% tax-free
- Delivers 1.1 msf JP Morgan campus at ETV, kick-starts next growth cycle with 1.9 msf new development
- Raises full year NOI and DPU guidance, reflecting pick-up in new leasing

Bangalore, India, January 28, 2022

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) (**Embassy REIT**), India's first listed REIT and the largest office REIT in Asia by area, reported results today for the third quarter ended December 31, 2021.

Michael Holland, Chief Executive Officer of Embassy REIT, said,

"We are delighted to announce another great set of results despite Covid disruptions, once again underscoring the resilience and growth potential of Embassy REIT. We continue to see multiple positive indicators for our business – the uptick in new leasing, our delivery of the 1.1 million square feet ('msf') JP Morgan campus, our 4.6 msf of development pipeline, and a 5 msf potential acquisition opportunity in Chennai. Positive leasing momentum gives us the confidence to increase our guidance for the full year FY2022 as we look beyond the external challenges of the past two years. We are excited for the next phase of growth and value creation for our Unitholders through our focused investments in developing, enhancing, and expanding our world-class portfolio."

Business Highlights

- Leased 428k square feet ('sf') at 24% spreads across 15 deals, achieved 14% rent increases on 1.8 msf
- Raised FY2022 full year guidance for new leasing from 400k sf to 1 msf, already achieved ~700k sf YTD
- Added 8 new occupiers including from high-growth sectors such as SaaS, logistics and e-commerce; occupier roster now over 200
- Successfully integrated ₹9,782 crores Embassy TechVillage ('ETV') property within a year of acquisition, delivered better than underwriting on a number of metrics

Financial Highlights

- Grew Net Operating Income ('NOI') by 30% to ₹621 crores, with operating margin of 84%
- Raised FY2022 full year guidance for both NOI and Distribution per Unit ('DPU'); NOI estimate now up by 3% to ₹2,450 crores
- Raised ₹4,600 crores at 6.5% to refinance existing zero-coupon bond, delivered significant 300 bps or ₹130 crores proforma annual interest savings
- Maintained strong balance sheet with low leverage of 24% and ₹11,600 crores debt headroom to finance growth

Growth Initiatives

- Delivered 1.1 msf JP Morgan campus at ETV within budget, commenced new growth cycle with 1.9 msf new office development
- Continued construction in full swing on 4.6 msf on-campus development projects, labor at sites at peak strength
- Received Right of First Offer ('ROFO') notice for 5 msf Embassy Splendid TechZone, Chennai from Embassy Sponsor
- Launched one of Asia's largest solar rooftop projects, with over 20 MW scale and over 30% projected IRR; committed to 75% renewable energy by FY2025

The Board of Directors of Embassy Office Parks Management Services Private Limited (**'EOPMSPL'**), Manager to Embassy REIT, at its Board Meeting held earlier today, declared a distribution of ₹493 crores or ₹5.20 per unit for Q3 FY2022. Of this, ₹4.32 per unit or 83% of distributions are tax-free for Unitholders. The record date for the Q3 FY2022 distribution is February 07, 2022 and the distribution will be paid on or before February 12, 2022.

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) reviewed condensed consolidated financial statements for the quarter and nine month period ended December 31, 2021, (ii) an earnings presentation covering Q3 FY2022 results, and (iii) supplemental operating and financial data book that is in-line with leading reporting practices across global REITs. All these materials are available in the Investors section of our website at www.embassyofficeparks.com.

Embassy REIT will host a conference call on January 28, 2022 at 18:00 hours Indian Standard Time to discuss the Q3 FY2022 results. A replay of the call will be available in the Investors section of our website at www.embassyofficeparks.com.

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited ("the Manager") in its capacity as the Manager of Embassy REIT, and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of Embassy REIT. Embassy REIT does not provide any guarantee or assurance with respect to any distribution or the trading price of its units.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Manager. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of COVID-19 on us, our occupiers and the Indian and global economies, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' or 'continue' and similar expressions identify forward-looking statements.

This press release also contains certain financial measures which are not measures determined based on GAAP, Ind-AS or any other internationally accepted accounting principles, and the recipient should not consider such items as an alternative to the historical financial results or other indicators of Embassy REIT's cash flow based on Ind-AS or IFRS. These non-GAAP financial measures, as defined by the Manager, may not be comparable to similarly titled measures as presented by other REITs due to differences in the way non-GAAP financial measures are calculated. Even though the non-GAAP financial measures are used by management to assess Embassy REIT's financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and the recipient should not consider them in isolation or as substitutes for analysis of Embassy REIT's financial position or results of operations as reported under Ind-AS or IFRS. Certain figures in this press release have been subject to rounding off adjustments. There can be no assurance that Embassy REIT will enter into any definitive arrangements for the acquisition of Embassy Splendid TechZone, Chennai from Embassy Sponsor.

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 42.6 million square feet ('msf') portfolio of eight infrastructure-like office parks and four city-centre office buildings in India's best-performing office markets of Bangalore, Mumbai, Pune, and the National Capital Region ('NCR'). Embassy REIT's portfolio comprises 33.6 msf completed operating area and is home to over 200 of the world's leading companies. The portfolio also comprises strategic amenities, including two operational business hotels, four under-construction hotels, and a 100 MW solar park supplying renewable energy to tenants.

For more information please contact:

Abhishek Agarwal

Head of Investor Relations and Communications

Email: ir@embassyofficeparks.com

Phone: +91 80 4722 2222

Sowmya Shenoy

PR and Media Relations

Email: sowmya.s@embassyofficeparks.com

Phone: +91 9663699991