

Embassy REIT Leases 1.9 Million Square Feet in Q1 FY2025, up 70% YoY, and Grows Distributions by 4% YoY

- Leases 1.9 msf across 22 deals with 70% of leasing by area driven by Global Capability Centres
- Redeveloping 0.9 msf at Embassy Manyata in Bengaluru; leasable area expands 3x with potential 20% yield on cost
- Actively developing 8.6 msf; ~70% of next 2 years' deliveries pre-leased to leading multinationals; potential increase in NOI by ~₹1,000 crores on stabilized basis
- Three office parks at 100% occupancy; Bengaluru, Mumbai, Chennai properties at ~90%, 99% and 95% occupancy, respectively; all three markets cumulatively represent 86% by value
- Distributes ₹531 crores or ₹5.6 per unit, up 4% YoY and 7% QoQ

Bengaluru, India, July 25, 2024

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 first quarter ended June 30, 2024.

Aravind Maiya, Chief Executive Officer of Embassy REIT, said,

"We are delighted to report another excellent quarter of strong leasing across our portfolio. We leased 1.9 msf this quarter, marking a 70% YoY increase, and we have a strong pipeline across Bangalore, Noida, and Chennai. We are excited to strengthen our partnership with one of our largest occupiers through a new redevelopment project at Embassy Manyata, a testament to our best-in-class office solutions. Our distributions have grown 4% YoY, and we crossed the 100k unitholder mark this quarter, a 25x increase since our listing. We're seeing a lot of tailwinds in our business, and we are focused on sustaining this momentum and delivering value to all our stakeholders."

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 ₹531 crores or ₹5.60 per unit for Q1 FY2025. The record date for the Q1 FY2025 distribution is August 02, 2024, and the distribution will be paid on or before August 09, 2024.

Business Highlights

- Leased 1.9 msf across 22 deals at 11% leasing spreads
- Global Capability Centres (GCCs) remain the primary drivers of demand and contributed 70% of the quarter's leasing activity
- Bengaluru Occupancy at ~90%, Mumbai at 99% and Chennai at 95%. 3 properties at 100% occupancy – Embassy GolfLinks in Bengaluru, Embassy 247 and FIFC in Mumbai. Embassy Galaxy in Noida at 99%.

Financial Highlights

- Grew Revenue from Operations and Net Operating Income (NOI) for commercial office segment by 4% YoY; on track to meet FY25 NOI guidance
- Distributed ₹531 crores or ₹5.60 per unit, up 4% YoY and 7% QoQ
- Raised debt of ₹1,450 crores at an average rate of 8.06%; c. ₹18,000 crore debt book remains highly competitive at 7.8% average cost

Operational & Growth Highlights

- Completed acquisition of Embassy Splendid TechZone, a ~5 msf premium business park in Chennai
- Launched 0.9 msf office block redevelopment at Embassy Manyata in Bengaluru with 3x increase in leasable area, at potential 20% yield on cost
- Strong development pipeline of 8.6 msf with total capital investment of ₹4,600 crores; expected to add approximately ₹1,000 crores to NOI upon stabilization
- SEZ strategy on-track: 3.4 msf denotified since April'23, 0.8 msf demarcated to non-processing areas, with 65% already leased

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) condensed standalone and condensed consolidated financial statements for the quarter ended June 30, 2024 (ii) an earnings presentation covering Q1 FY2025 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 July 25, 2024 at 18:00 hours Indian Standard Time to discuss the Q1 FY2025 results. A replay of the call will be available in the Investors section of our website at www.embassyofficeparks.com.

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust and the largest office REIT in Asia, by area. Embassy REIT owns and operates a 51 msf portfolio of 14 office parks in India's best-performing office markets of Bengaluru, Mumbai, Pune, the National Capital Region ('NCR') and Chennai. Embassy REIT's portfolio comprises 37.7 msf completed operating area and is home to 258 of the world's leading companies. The portfolio also comprises strategic amenities, including four operational business hotels, two under-construction hotels, and a 100 MW solar park supplying renewable energy to tenants. Embassy REIT's industry leading ESG program has received multiple accolades from renowned global institutions and was awarded a 5-star rating both from the British Safety Council and GRESB. Embassy REIT was included in the 2023 Dow Jones Sustainability Indices, making it the first REIT in India to be recognised for its sustainability initiatives by a leading global benchmark. For more information, please visit www.embassyofficeparks.com.

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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, 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. 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 (including guidance and proforma information) 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. Actual legal entity name of occupiers may differ.

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