

Embassy REIT Announces First Quarter FY2022 Results, Gears up for Demand Rebound

- Leases 545k sf across 9 deals, achieves 13% leasing spreads
- Grows Net Operating Income by 36% YoY, to distribute ₹5,346 million with 80% being tax-free
- Sees new growth opportunities given global technology mega trends, REIT's 'total business ecosystem' to cater to tech occupier demand

Bangalore, India, July 28, 2021

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) ('Embassy REIT'), India's first listed REIT and the largest in Asia by area, reported results today for the first quarter ended June 30, 2021.

Michael Holland, Chief Executive Officer of Embassy REIT said,

"Having delivered to guidance in FY21, Embassy REIT continued its strong performance through Q1 despite the challenges of the recent lockdown. Notwithstanding that, the global mega trends towards technology growth will benefit us as we see record hiring and investments in technology and captives housed in India. With effective vaccine rollouts and a clear desire from business leaders to get their employees back to our high quality workplaces, we are optimistic for the future. Our strong balance sheet allows us to pursue growth opportunities for our unitholders."

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 ₹5,346 million or ₹5.64 per unit for 1Q FY2022. Of this, ₹4.51 per unit or 80% of distributions is tax-free for Unitholders. The record date for the 1Q FY2022 distribution is August 5, 2021 and the distribution will be paid on or before August 12, 2021.

Business Highlights

- Total lease-up of 545k sf across 9 deals, achieved 13% leasing spreads
- Achieved stable portfolio occupancy of 89% with successful rent increases of 13% on 2.2 msf leases
- Ongoing construction on 5.7 msf development projects, with 1.1 msf JP Morgan campus targeted for handover by year-end

Financial Highlights

- Net Operating Income grew year-on-year by 36%, with operating margins of 84%
- Raised ₹12 billion debt at 7.4% interest cost, refinanced ₹5.2 billion leading to 80 bps savings
- Maintained fortress balance sheet with liquidity of ₹15 billion and low leverage of 23%; ₹121 billion debt headroom to finance growth opportunities

Operations Highlights

- Collected over 99% of office rents on 32.3 msf operating portfolio
- 23% increase in employees operating from our parks in Jul'21 (vs. Jun'21), labour at construction sites now back to full strength
- Vaccinated over 10,000 frontline workers and set-up 49 fully fitted ICU beds in collaboration with civic agencies and occupiers

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 ended June 30, 2021, (ii) an earnings presentation covering 1Q 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 on our website at www.embassyofficeparks.com under the "Investors" section.

Embassy REIT will host a conference call on July 28, 2021 at 18:30 hours Indian Standard Time to discuss the 1Q FY2022 results. A replay of the call will be available till August 11, 2021 on our website at www.embassyofficeparks.com under the "Investors" section.

Disclaimer

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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, 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.

About Embassy REIT

Embassy REIT is India’s first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 42.4 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 32.3 msf completed operating area and is home to 190 of the world’s leading companies. The portfolio also comprises strategic amenities, including two operational business hotels, four under-construction hotels, and a 100MW solar park supplying renewable energy to tenants.

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