

Embassy REIT Announces Full Year FY 2021 Results, Delivers a Resilient Performance

- Distributes ₹18,364 million and grows Net Operating Income YoY by 12%
- Leases 1.2 msf across 40+ deals, achieves 15% leasing spreads
- Pursues growth through 5.7 msf new development, 19% pre-committed to global banking major

Bangalore, India, April 29, 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 fourth quarter and full year ended March 31, 2021.

Michael Holland, Chief Executive Officer of Embassy REIT said,

“Despite the significant challenges caused by the Covid-19 pandemic, Embassy REIT has again performed strongly and delivered on its financial guidance. We continue to provide safe work environments for our occupiers and we are working with local authorities to support the response to the second wave of the pandemic, including initiating vaccination programmes at our parks. Despite second wave headwinds, our global occupiers continue to report strong earnings and hiring growth which we believe will translate into demand for quality offices in due course. With our leading presence in India’s highest absorption markets, our low leverage levels and our access to capital markets, we are well positioned to capitalize on the fundamental global demand for Indian office space that will long outlast this pandemic.”

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 ₹5,308 million or ₹5.6 per unit for 4Q FY2021. The cumulative distribution for FY2021 totals ₹18,364 million or ₹21.48 per unit, which is on target with the guidance issued earlier by management. The record date for the 4Q FY2021 distribution is May 7, 2021 and the distribution will be paid on or before May 14, 2021.

Financial Highlights – Full Year FY2021

- Net Operating Income (**‘NOI’**) grew year-on-year by 12%, with operating margins of 86%
- Simplified the holding structure of Embassy Manyata, thereby increasing the tax-free component of distributions to 78% for 4Q FY2021
- Raised ₹52 billion debt at attractive 6.9% coupon, refinanced ₹32.8 billion leading to 336 bps interest savings
- Fortress balance sheet with liquidity of ₹15.5 billion and low leverage of 22%; ample headroom to finance on-campus development and new acquisitions

Business Highlights – Full Year FY2021

- Stable occupancy of 88.9% with strong rent collections at 99.8% on 32.3 msf operating portfolio
- Achieved rent increases of 13% on 8.4 msf across 90+ leases
- Leased 1.2 msf across 40+ deals, achieved 15% re-leasing / renewal spread
- Achieved top-out of 1.1 msf JP Morgan campus in Mar’21, on track for Sep’21 delivery
- Continued construction on additional 4.6 msf new build, targeted completion in 2 to 3 years

Other Initiatives

- Our parks remain open with focus on ensuring safe workspaces and business continuity for our occupiers
- Set up vaccine centers at Embassy Manyata and Embassy TechVillage with vaccination roll out for 4,900 frontline staff underway
- Subscribed to WELL Portfolio™ program to create healthier office buildings and thriving business ecosystems
- Built a second government school in February 2021 in partnership with ANZ, school to benefit 1,200 students

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly and full year results and performance, that includes (i) audited standalone and audited consolidated financial statements for the year ended March 31, 2021, (ii) audited condensed standalone and audited condensed consolidated financial statements for the quarter and year ended March 31, 2021, (iii) an earnings presentation covering 4Q FY2021 and FY2021 results, and (iv) 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 April 29, 2021 at 18:30 hours Indian Standard Time to discuss the 4Q FY2021 and full year FY2021 results. A replay of the call will be available till May 14, 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 over 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.

For more information please contact:

Ritwik Bhattacharjee

Head of Capital Markets and Investor Relations

Email: ir@embassyofficeparks.com

Phone: +91 80 4722 2222