

Embassy REIT Delivers Record 4.4 Million Square Feet Leases YTD FY2023

- Leased 4.4 msf YTD FY2023 across 71 deals including 19 deals totaling 1 msf in Q3; Achieved around 90% of annual guidance
- Grew Net Operating Income by 13% YoY and distributed 100% of payouts for the 15th consecutive quarter
- Accelerated development on 6.6 msf of active growth pipeline, ₹30bn capital investment, expected to add ₹8bn to NOI and generate attractive 24% yield

Bangalore, India, January 25, 2023

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, 2022. 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 ₹5,033 million or ₹5.31 per unit for Q3 FY2023. The record date for the Q3 FY2023 distribution is 03 February, 2023, and the distribution will be paid on or before 09 February, 2023.

Vikaash Khdloya, Chief Executive Officer of Embassy REIT, said,

“Amidst a highly volatile global macro environment, Embassy REIT delivered yet another strong quarter of business performance. Our 4.4 msf year-to-date leasing remains robust, we’ve accelerated our highly accretive 6.6 msf development growth, and we’re on track to achieve our annual guidance, even as global earnings forecasts soften. The Indian office market continues to benefit from the offshoring megatrend and has outshined global office markets. Embassy REIT is ideally positioned to deliver value to unitholders given our scale, world-class properties, embedded growth potential and our fortress balance sheet.”

Business Highlights

- Leased 1 msf across 19 deals in Q3 at 13% leasing spreads, with YTD total leasing of 4.4 msf across 71 deals
- Increased same-store occupancy to 88% and expanded occupier base to 230
- Recognized as the world's largest 'USGBC LEED platinum certified office portfolio' ⁽¹⁾

Financial Highlights

- Grew Net Operating Income by 13% YoY to ₹7,049 million, with healthy operating margin of 81%
- Announced distributions of ₹5,033 million or ₹5.31 per unit, marking 15th consecutive quarter of 100% payouts
- Maintained strong balance sheet with low 27% leverage, attractive 7.2% debt cost, and a AAA/Stable credit rating

Growth Highlights

- Accelerated development on 6.6 msf active growth pipeline, ₹30 bn capital investment expected to add ₹8 billion to Net Operating Income upon stabilization
- Launched 0.4 msf new office block at Embassy TechVillage, Bangalore at highly accretive 24% yield
- Continued to evaluate the non-binding acquisition offers for 7.1 msf across Chennai and Bangalore

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 and reviewed condensed standalone financial statements for the quarter and nine months ended December 31, 2022 (ii) an earnings presentation covering Q3 FY2023 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 25 January, 2023 at 18:30 hours Indian Standard Time to discuss the Q3 FY2023 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. Embassy REIT owns and operates a 43.6 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 34.3 msf completed operating area and is home to around 230 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 also recognised as the world's largest 'USGBC LEED Platinum-Certified' office portfolio (v4.1 O+M) by Green Business Certification Inc. For more information, please visit www.embassyofficeparks.com.

(1) Certified by Green Business Certification Inc. under v4.1 O+M category for operational portfolio

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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, 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. Actual legal entity name of occupiers may differ. The non-binding offer letters are subject to diligence, entry into definitive agreements and obtain approvals, including from third parties, unitholders and regulatory authorities to the extent applicable. There is no assurance that any transactions will be entered pursuant to the offer letters or the terms and timing of any such transactions.

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