

Embassy REIT Reports Strong Operating and Financial Results for 2Q FY2024: Delivers Record 2 Million Square Feet of Total Leases and Raises Leasing Guidance for FY2024

- Highest ever quarterly leasing of 2 msf across 25 deals including 7 new deals over 100k sf
- Strengthens partnership with large global tech occupier for ~600k sf office space at Embassy GolfLinks, Bengaluru
- Raises leasing guidance for FY2024 from a record 6.0 msf to 6.5 msf; On-track with FY2024 NOI and distribution guidance
- 90%+ occupancy levels across 50% of the REIT's properties with Embassy 247 in Mumbai 100% occupied
- Delivers distributions of ₹524 crores or ₹5.53 per unit

Bengaluru, India, October 26, 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 second quarter ended September 30, 2023.

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

"We're delighted to report a record quarter of leasing of 2 msf. For the first half of FY2024, we have successfully leased 3.1 msf, and the outlook for the full year looks promising, bolstered by a record leasing pipeline of 2.5 msf. We're also very pleased to further strengthen our long-standing partnership with one of our largest clients at Embassy GolfLinks, a testament to our commitment to provide best-in-class workspaces to our occupiers. This coupled with the strong leasing momentum in the business, has resulted in a revised leasing guidance of 6.5 msf for FY2024 from the earlier announced 6 msf."

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 ₹524 crores or ₹5.53 per unit for Q2 FY2024. The record date for the Q2 FY2024 distribution is November 03, 2023, and the distribution will be paid on or before November 10, 2023.

Business Highlights

- Leased record 2 msf across 25 deals including 1.2 msf of new leases; Signed 7 new deals over 100k sf reflecting a return of large deal closures
- Significant demand from Global Captive Centres (GCCs) accounting for over 70% of total leasing activity
- Bengaluru and Mumbai led the demand, contributing 90% of the total leasing in the quarter; 90%+ occupancy levels across 50% of our properties with Embassy 247 in Mumbai 100% occupied

Financial Highlights

- Revenue from Operations grew by 4% YoY to ₹889 crores
- Delivered distributions of ₹524 crores or ₹5.53 per unit, marking the 18th consecutive quarter of 100% payout
- Achieved lowest 121 bps spread over G-Sec and secured first-time participation from pension funds in the ₹1,000 crores new NCD issuance; Strong balance sheet with lowest average cost of debt in the industry at 7.4% and dual AAA/Stable credit ratings

Operational & Development Highlights

- Delivered 1 msf new office tower in Bengaluru; 7.1 msf total development portfolio of which ~90% is in Bengaluru, expected to yield around 20% return on cost spends
- Hospitality business continued to perform strongly with 52% occupancy, 24% YoY ADR growth and an EBITDA of ₹37 crores; Robust NOI margins of close to 50% at the 3 Hilton hotels
- Ranked number one in India by GRESB for public disclosures, and awarded a 5-star rating for the entire 45 million square feet office portfolio for the second consecutive year

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 and half year ended September 30, 2023 (ii) an earnings presentation covering Q2 FY2024 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 October 26, 2023 at 18:30 hours Indian Standard Time to discuss the Q2 FY2024 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 45.3 msf portfolio of nine infrastructure-like office parks and four city-centre office buildings in India's best-performing office markets of Bengaluru, Mumbai, Pune, and the National Capital Region ('NCR'). Embassy REIT's portfolio comprises 35.3 msf completed operating area and is home to 240 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.

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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.

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