



Embassy REIT Announces Q1 FY2023 Results, Delivers Record 1.8 Million Square Feet of Total Leases

- Achieves highest quarterly deal activity since April 2019 listing; signs 25 deals totaling 1.8 msf
- Secures 550k sf pre-commitment from JP Morgan at Embassy TechVillage in Bengaluru
- Grows Net Operating Income by 9% YoY; ₹27 billion capex investment on development pipeline to drive growth

Bangalore, India, July 21, 2022

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, 2022.

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

"We are delighted that the first quarter of FY2023 is off to a solid start with a record 1.8 msf of total leasing. We are witnessing expansion across tech occupiers and global captives in India, with Bangalore continuing to lead India's office demand revival. We continue to invest for growth and the 550k sf pre-commitment at Embassy TechVillage underscores our strategy of accelerating development of our 4.6 msf ongoing projects. Our conservative balance sheet, with a significant portion of debt locked-in at fixed rates, positions us well to finance future growth."

Business Highlights

- Leased 1.8 million square feet ('msf') across 25 deals, including 550k sf pre-commitment from JP Morgan at Embassy TechVillage ('ETV')
- Added 15 new high-growth occupiers in sectors like cloud, cybersecurity, renewables, and healthcare tech; increased customer base to 214 blue-chip occupiers
- Achieved 16% positive leasing spreads on 1.3 msf and 15% rent escalations on 1.9 msf

Financial Highlights

- Grew Net Operating Income by 9% YoY to ₹6,773 million, with operating margin of 82%
- Maintained strong balance sheet with low leverage of 27%, over ₹108 billion debt headroom to finance future growth
- Locked-in additional 19% debt at fixed interest rate for FY2023, 64% of debt already at fixed interest rate for 3 years

Growth Highlights

- Accelerated development activity on 4.6 msf ongoing office projects, including 1.9 msf at ETV
- Ramped-up construction of 518 key Hilton Hotels at ETV, on the back of successful launch of 619 key Hilton Hotels at Embassy Manyata
- Evaluating Right of First Offer ('ROFO') invitation for 5 msf Embassy Splendid TechZone, Chennai from Embassy Sponsor; of this 1.4 msf is completed, and 1.6 msf is currently under development

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 ₹5,052 million or ₹5.33 per unit for Q1 FY2023. The record date for the Q1 FY2023 distribution is July 29, 2022 and the distribution will be paid on or before August 5, 2022.

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 ended June 30, 2022, (ii) an earnings presentation covering Q1 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 July 21, 2022, at 17:30 hours Indian Standard Time to discuss the Q1 FY2023 results. A replay of the call will be available in the Investors section of our website at www.embassyofficeparks.com.

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 or IFRS. Certain figures in this press release have been subject to rounding off adjustments. Actual legal entity name of occupiers may differ. There can be no assurance that Embassy REIT will enter into any definitive arrangements for the acquisition of Embassy Splendid TechZone, Chennai from Embassy Sponsor.

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 42.8 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 33.8 msf completed operating area and is home to over 200 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. For more information, please visit www.embassyofficeparks.com.

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