

Embassy REIT Announces Q2 FY2023 Results, Delivers Another Strong Quarter With 1.6 Million Square Feet Total Leases

- Leased 1.6 msf at 22% leasing spreads, including 0.6 msf new leases and 0.5 msf pre-commitment to ANZ⁽¹⁾
- Launched 2.5 msf new and redevelopment projects, highest ever active development pipeline of 7.1 msf
- Grew net operating income by 13% YoY; strong balance sheet with 66% of total debt at fixed rates

Bangalore, India, October 20, 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 second quarter ended September 30, 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 ₹5,175 million or ₹5.46 per unit for Q2 FY2023. The record date for the Q2 FY2023 distribution is November 1, 2022, and the distribution will be paid on or before November 4, 2022.

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

"We are pleased to deliver another excellent quarter of 1.6 msf of total leasing and remain on track to meet our FY2023 guidance. Despite recessionary concerns globally, the world's best companies continue to partner with institutional landlords like Embassy REIT to capitalize on India's structural advantages as a scalable and cost-efficient tech talent hub. With 7.1 msf of best-in-class development, a fortress balance sheet with low leverage, and debt at attractive 7.1% cost with majority at fixed rates, we are well positioned to deliver the next phase of growth."

Business Highlights

- Leased 1.6 msf across 27 deals, including 0.6 msf of new leasing and 0.5 msf pre-commitment by ANZ ⁽¹⁾ at Embassy Manyata
- Added 15 new high-growth occupiers; achieved 22% positive leasing spreads on 1.6 msf and 14% rent escalations on 2.7 msf
- Received 5-star ratings for entire portfolio fromGRESB and the British Safety Council, both globally renowned ESG and wellness certifications

Financial Highlights

- Grew Net Operating Income by 13% YoY to ₹7,038 million with operating margin of 82%
- Grew Net Asset Value by 3% YoY to ₹400.71 per unit; announced distributions of ₹5,175 million or ₹5.46 per unit
- Maintained strong balance sheet with low leverage of 26% and ₹112 billion proforma debt headroom
- Refinanced ₹7.5 billion debt resulting in 7.1% interest cost for ₹136 billion debt book, with 66% at fixed rate for 2.3 years

Growth Highlights

- Launched 1.2 msf office block redevelopment at Embassy Manyata, Bangalore, at attractive 22% yield on cost
- Kickstarted 1.3 msf new office developments at Embassy Manyata, taking our active development pipeline to 7.1 msf with total capital investments of ₹32 billion and over 80% in Bangalore, India's top-performing office market
- Signed non-binding offer letters for the potential acquisition of two high-quality office properties in Bangalore and Chennai from Embassy Sponsor and its affiliates; properties total 7.1 msf of leasable area, of which 3.7 msf is completed or nearing completion

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 half ended September 30, 2022, (ii) an earnings presentation covering Q2 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 October 21, 2022, at 11:30 hours Indian Standard Time to discuss the Q2 FY2023 results. A replay of the call will be available in the Investors section of our website at www.embassyofficeparks.com.

(1) Legal entity name is ANZ Support Services India Private Limited

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 43.2 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 33.4 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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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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