



Embassy REIT Announces Q2 FY2022 Results, Net Operating Income up 30% YoY

- Significant uptick in deal activity with 713k square feet total lease-up, delivering 20% leasing spreads
- Grows Net Operating Income by 30% YoY, to distribute ₹537 crores to Unitholders with 80% tax-free
- Raises ₹4,600 crores debt at 6.5% to refinance existing zero-coupon bond, c.300 bps interest savings

Bangalore, India, October 29, 2021

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 quarter and half-year ended September 30, 2021.

Michael Holland, Chief Executive Officer of Embassy REIT, said,

"We are delighted to announce yet another strong quarter of continued robust business performance. We delivered our strongest leasing activity since the start of the pandemic, we successfully completed a significant ₹4,600 crores debt raise at an impressive 6.5% interest rate and we received global recognition for our continuing commitment to sustainability. We have reconfirmed our full year guidance as we see multiple tailwinds for our business – India's stabilizing Covid situation, a reviving office leasing market especially in our core Bangalore market, and occupiers' business-expansion driven by global tech mega-trends. These positive trends are clear to our expanding investor base which has tripled in the last twelve months."

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 ₹537 crores or ₹5.66 per unit for Q2 FY2022. Of this, ₹4.52 per unit or 80% of distributions are tax-free for Unitholders. The record date for the Q2 FY2022 distribution is November 10, 2021 and the distribution will be paid on or before November 13, 2021.

Business Highlights

- Total lease-up of 713k square feet across 7 deals, achieved 20% leasing spreads
- Achieved stable portfolio occupancy of 89%, with 15% rent increases on 1.4 million square feet ('msf') across 22 leases
- Construction in full swing on 5.7 msf projects, with 1.1 msf JP Morgan campus on track for handover by year-end

Financial Highlights

- Net Operating Income ('NOI') for Q2 grew year-on-year by 30% to ₹624 crores, with 85% NOI margin
- Raised ₹4,600 crores debt at 6.5% to refinance existing zero-coupon bond, delivering significant c.300 bps interest savings
- Maintained fortress balance sheet with low leverage of 24% and ₹12,000 crores debt headroom to finance growth

Operations Highlights

- Collected over 99% of office rents on 32.3 msf operating portfolio
- Increased number of employees operating from our parks (21k in Sep'21); labor at construction sites now at peak strength
- Awarded 4-star and Green star ratings by GRESB, the global ESG benchmark

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 financial statements for the quarter and half-year ended September 30, 2021, (ii) an earnings presentation covering Q2 FY2022 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 29, 2021 at 17:30 hours Indian Standard Time to discuss the Q2 FY2022 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.

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.

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