



Embassy REIT Announces Third Quarter FY2020-21 Results and Quarterly Distribution of ₹4,313 million

Bengaluru, India, February 12, 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 third quarter ended December 31, 2020.

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 ₹4,313 million for 3Q FY2021. This translates to a Distribution per Unit ('DPU') of ₹4.55 for the third quarter on the expanded unit base of 947.89 million units, post the issuance of 176.23 million new units in December 2020 in connection with the acquisition of Embassy TechVillage ('ETV'). The record date for the distribution is February 22, 2021 and the distribution will be paid on or before February 27, 2021.

Michael Holland, Chief Executive Officer of Embassy REIT commented, "This quarter marked another resilient performance for Embassy REIT, as illustrated by our operating performance and distribution to Unitholders. As India's outlook steadily improves with a continued downward trend in active COVID-19 cases and the encouraging progress on vaccine roll-out, we remain optimistic that Indian office leasing demand will continue to increase as occupiers accelerate their return-to-work programs. Additionally, our recent successful ₹97.8 billion acquisition of Embassy TechVillage in India's best-performing office sub-market of ORR in Bengaluru cements our position as a landlord of choice for the world's top companies."

Financial Highlights

- Net Operating Income ('NOI') for 3Q FY2021 grew year-on-year by 3% to ₹4,780 million and cumulatively by 5% to ₹14,163 million for YTD FY2021, with operating margins of 85% for the quarter and 87% for YTD FY2021
- Distributed ₹4,313 million or ₹4.55 per unit for 3Q FY2021 and cumulatively ₹13,056 million or ₹15.88 per unit for YTD FY2021, representing a 100% payout ratio for both the periods
- Raised ₹7.5 billion of listed debentures during 3Q FY2021 at an attractive 6.70% coupon; raised further ₹26.0 billion of listed debentures in Jan'21 at 6.40% coupon primarily to refinance the ETV debt
- Balance sheet remains strong with low leverage of 23% Net Debt to TEV, liquidity of ₹9.4 billion and additional debt headroom of ₹120 billion

Business Highlights

- Lease deals signed for 3Q FY2021 stood at 311k sf, with 1.0 msf lease deals signed YTD
- Achieved 14% spreads on 206k sf re-leased area in 3Q FY2021, with 16% spreads on 450k sf re-leased YTD
- Achieved rental increases of 15% on 1.5 msf in 3Q FY2021, with YTD rental increases of 13% on 5.3 msf
- Rent collections for 3Q FY2021 from office occupiers remained strong at 99.5%, in-line with office rent collections of 100% for 1Q FY2021 and 99.9% for 2Q FY2021 (as of February 11, 2021)
- Portfolio occupancy stood at 90.6% on our enlarged 32.3 msf operating portfolio, with same-store occupancy of 90.5%
- Ongoing support to occupiers as they bring forward 'Back to Office' plans encouraged by vaccine roll-out; 97% of occupiers and daily average of ~20k employees operated from our properties in 3Q FY2021, up 27% since 2Q FY2021

Growth Initiatives

- Completed ₹97.8 billion ETV acquisition in December 2020 and successfully raised ₹36.8 billion through an Institutional Placement to fund the acquisition
- Post ETV acquisition, integrated on-ground teams and the 1.1 msf built-to-suit project, initiated restructuring of the 2-tier holdings at the ETV level and refinanced ₹26.4 billion of in-place ETV debt at 328 refinancing bps spread
- Launched 1.9 msf of new on-campus office development at ETV. Along with the existing 2.7 msf development, organic growth through 5.7 msf on-campus development across portfolio, with 19% area pre-committed to JP Morgan

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 standalone and reviewed condensed consolidated financial statements for the quarter and nine month period ended December 31, 2020, (ii) an earnings presentation covering 3Q FY2021 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 on our website at www.embassyofficeparks.com under the "Investors" section.

Embassy REIT will host a conference call on February 12, 2021 at 18:30 hours Indian Standard Time to discuss the 3Q FY2021 results. A replay of the call will be available till February 26, 2021 on our website at www.embassyofficeparks.com under the "Investors" section.

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.

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 Bengaluru, Mumbai, Pune, and the National Capital Region (“NCR”). Embassy REIT’s portfolio comprises 32.3 msf completed operating area and is home to over 200 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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