



Embassy REIT Announces Results for Second Quarter and Half Year Ended FY2020-21; Net Operating Income up 10% YoY, Declares Quarterly Distributions of ₹4,244 million

Bengaluru, India, November 2, 2020

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) (**'Embassy REIT'**), India's first listed REIT and the largest in Asia by area, reported results today for the second quarter and half year ended September 30, 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 ₹4,244 million or ₹5.50 per unit. The record date for the distribution is November 10, 2020 and will be paid on or before November 17, 2020.

Mike Holland, Chief Executive Officer of Embassy REIT commented, "*Embassy REIT continues to deliver amidst challenging conditions caused by the global pandemic. We have been successful in collecting rents, keeping expenses low, and maintaining a healthy balance sheet. Most notably, we are distributing cash flows to our Unitholders that compares to the payouts of the top yield-paying Indian corporates. Our multinational technology occupiers and global captive tenants continue to see strong demand for their services as global businesses bring forward spend on digital transformation, cloud solutions and cybersecurity. We also remain focused on growth through multiple channels including accretive acquisitions.*"

Financial Highlights

- Net Operating Income (**'NOI'**) for 2Q FY2021 grew year-on-year by 10% to ₹4,814 million and cumulatively by 5% to ₹9,383 for 1H FY2021, with operating margin of 89% for both periods
- Distributed ₹4,244 million or ₹5.50 per unit (Distribution Per Unit, **'DPU'**) for the quarter and cumulatively ₹8,743 million or ₹11.33 per unit for 1H FY2021, representing a 100% payout ratio for both the periods
- Balance sheet remains strong, with ample liquidity and low leverage of 16% Net Debt to TEV; existing cash and undrawn commitments total ₹12.2 billion and less than 1% of total debt maturing prior to FY2022
- Successfully raised listed debentures of ₹15 billion at an average 6.98% quarterly coupon; utilized towards financing recent acquisition of Embassy Manyata and Embassy TechZone property maintenance, refinancing existing debt, construction development and for general corporate purposes

Business Highlights

- Rental collections for 2Q FY2021 from office occupiers remained strong at 99.5%, in-line with office rental collections of 99.7% for 1Q FY2021 (as of October 30, 2020)
- Portfolio occupancy at 91.7% on our 26.2 msf operating portfolio, with same-store occupancy of 93.4%
- New leases and renewals signed for 2Q FY2021 stood at 210k sf, including 124k sf of new leases at 10% above market rents; YTD new leases and renewals stand at 735k sf, including 410k sf of renewals at 17% spread to existing rents
- Achieved rental increases of 11% on 1.9 msf in 2Q FY2021 across 18 office leases, with YTD rental increases of 12% on 3.7 msf across 40 office leases

Business Continuity Update

- All our properties across India continue to remain open and over 95% of our occupiers and over 16,600 employees operated from our properties in October 2020, compared to 8,500 employees during 1Q FY2021
- Continued support to our occupiers as they re-populate their offices; launched #OfficeAgain campaign to engage and update employees on various health and safety initiatives
- Purchased property maintenance operations for 20.3 msf existing REIT properties for ₹4.74 billion to further enhance service delivery to occupiers, with proforma accretion of 2.3% to NOI and 0.5% to DPU
- Construction work continues across 2.7 msf ongoing development within existing campuses; labour ramp-up at site now at 85% of peak capacity

Other Updates

- Received the British Safety Council's global benchmark certification for health and safety practices implemented in controlling the spread of COVID-19 across our pan India office portfolio
- Received the British Standards Institution's assurance certificate on our Environmental, Social & Governance (ESG) processes for FY2019-20 per Global Reporting Initiative (GRI) framework
- Included in FTSE EPRA NAREIT Global Emerging Index and in the S&P Global Property Index and S&P Global REIT Index effective September 21, 2020 and November 2, 2020 respectively

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 the Embassy REIT's financial position or results of operations as reported under Ind-AS.

About Embassy REIT

Embassy Office Parks is India's first publicly listed Real Estate Investment Trust (REIT). Listed in April 2019, Embassy REIT owns and operates a 33.3 million square feet (msf) portfolio of seven 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 26.2 msf completed operating area, has an occupancy of 91.7% as of September 30, 2020, and is home to many of the world's leading companies as occupiers. The portfolio also comprises strategic amenities, including two operational business hotels, two under-construction hotels, and a 100MW solar park supplying renewable energy to park occupiers.

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