

Embassy Office Parks REIT Announces Results for Fourth Quarter and Fiscal Year FY2019-20 Distributes ₹18,821 million in first full year since listing

Bengaluru, India, May 19, 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 fourth quarter and full year ended March 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 ₹5,317 million or ₹6.89 per unit for 4Q FY2020. The cumulative distribution for FY2020 totals ₹18,821 million or ₹24.39 per unit. The record date for the 4Q FY2020 distribution is May 28, 2020 and the distribution will be paid on or before June 3, 2020.

Michael Holland, Chief Executive Officer, said, "We are very pleased with our strong business performance in fiscal 2019-20. Since Embassy REIT listed in April 2019, we have delivered a total return of c.25%. Our fourth quarter income and distribution payout once again illustrate the stability and resilience of Embassy REIT delivering cash flows that are backed by the covenants of our 160+ largely multinational occupier base.

While the COVID-19 pandemic has resulted in an uncertain near-term outlook for many businesses worldwide, we are uniquely positioned to weather this pandemic-induced storm with our best-in-class office portfolio and strong balance sheet. While demand is likely to moderate considerably through 2020, we believe that in this environment, Grade-A supply will reduce considerably over the medium term, consolidation in the office market will continue and high-quality institutional landlords, such as Embassy REIT, will gain market share."

Financial Highlights for the Fourth Quarter and Fiscal Year

- Revenue from Operations for 4Q FY2020 grew year-on-year by c.8% to ₹5,434 million and cumulatively grew year-on-year by c.14% for FY2020
- Net Operating Income for 4Q FY2020 grew year-on-year by c.10% to ₹4,618 million and cumulatively grew year-on-year by c.15% for FY2020
- Distribution for 4Q FY2020 of ₹5,317 million or ₹6.89 per unit, representing c.100% payout ratio and full year cumulative distribution totals ₹18,821 million or ₹24.39 per unit representing c.99.8% payout ratio
- Strong balance sheet with ample liquidity and low leverage of c.15% Net Debt to TEV as of March 31, 2020, existing cash and undrawn committed facilities totals ₹13.5 billion and only c.1.3% of total debt matures in the next two years

Business Highlights for the Fourth Quarter and Fiscal Year

- Achieved overall occupancy of c.92.8% on c.26.2 msf operating office portfolio, with same-store occupancy of c.94.5% considering March 2019 as base year
- Leased c.389k sf new area during the fourth quarter, with full year lease-up of c.2.4 msf being the highest absorption in previous 5 years
- Re-leased c.1.1 msf during the year at c.53% releasing spread, renewed an additional c.600k sf at c.19% renewal spread, illustrating the embedded growth in our portfolio
- Delivered c.1.4 msf new office buildings within existing campuses during the year, c.62% of these new completions already committed

COVID-19 Update

- Activated our business continuity plan on March 4, 2020, and our centralized taskforce focused on ensuring safe workspaces, on-premise health screenings, and business continuity for occupiers
- Our properties remained open to support core business functions of our occupiers throughout the national lockdown within the parameters laid out by the government
- Rent collections from office occupiers remained strong at c.92% for the month of April 2020
- Halted all construction activity and hotel operations to comply with government directives during the lockdown. We will resume these activities once the government eases lockdown restrictions

Vikaash Khdloya, Deputy CEO and COO, said, "Our fourth quarter operating performance was resilient, led by business continuity support for our occupiers and employee wellness support. We would like to thank all our employees, the civic authorities, and healthcare professionals who continue to work tirelessly during this challenging period. Our immediate focus remains ensuring the health and safety of all our stakeholders as they return to work in our parks."

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the fourth quarter and annual results and performance, that includes (i) audited condensed standalone and audited condensed consolidated financial statements for the quarter and financial year ended March 31, 2020, (ii) an earnings presentation covering 4Q FY2020 and full year FY2020 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 Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Embassy REIT will host a conference call on May 19, 2020 at 18:30 hours Indian Standard Time to discuss the 4Q FY2020 results. A replay of the call will be available till June 2, 2020 on the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited ("the **Manager**") in its capacity as the Manager of the Embassy Office Parks REIT ("**Embassy REIT**"), and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own assessment of the market and the market position of Embassy REIT.

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 the 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 the 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 you 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.

Investors should also take note that Embassy REIT was listed on April 1, 2019 and the Embassy REIT assets were acquired between March 22, 2019 to March 25, 2019. Accordingly, the comparative quarterly and financial year financial information has been prepared by comparing unaudited combined financial statements for the quarter ended March 31 2019 and audited combined financial statements for the financial year ended March 31, 2019 (assuming that the Embassy REIT held the REIT assets in its present form as of April 1, 2018) as against audited condensed consolidated financial statements for the quarter and financial year ended March 31, 2020.

About Embassy REIT

Embassy Office Parks is India's first and only listed REIT. Embassy REIT comprises c.26.2 msf of completed and operational commercial properties across India. With approximately 7.1 msf of on-campus development in the pipeline, the total portfolio spans c.33.3 msf across seven Grade A office parks and four city-center office buildings in India's best performing office markets of Bengaluru, Mumbai, Pune and the National Capital Region (NCR). The portfolio is home to over 160 blue chip corporate occupiers, and comprises 78 buildings with strategic amenities, including two completed hotels, two under-construction hotels, and a 100MW(AC) solar park that supplies renewable energy to park occupiers.

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