

Embassy Office Parks REIT Announces Third Quarter FY 2019-20 Results and Quarterly Distributions of Rs. 4,707 million

Quarter marked by strong leasing, delivery of under-construction blocks ahead of schedule and completion of first acquisition since listing

Bengaluru, India, February 14, 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 fiscal third quarter ended December 31, 2019.

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 Rs. 4,707 million or Rs. 6.1 per unit for 3Q FY2020. The cumulative distribution for YTD FY2020 totals Rs.13,504 million or Rs.17.5 per unit. The record date for the 3Q FY2020 distribution is February 24, 2020 and the distribution will be paid on or before February 29, 2020.

Commenting on the quarterly results, Michael Holland, Chief Executive Officer of Embassy REIT said, "Our office portfolio continues to deliver. In 2019, leasing across the Indian markets crossed a record 60 million square feet ("msf"), again underlining the strength of India's office sector as the leading office absorption market globally. We continue to capitalize on this occupier demand, driven by international corporations, through consistent leasing, early delivery of our accretive development pipeline, commencement of additional on-campus office developments and the acquisition of additional area to support further growth at our largest business park."

Financial Highlights

- Revenue from Operations for 3Q FY2020 grew year-on-year by 14% to Rs. 5,459 million and cumulatively grew year-on-year by 16% for YTD FY2020
- Net Operating Income for 3Q FY2020 grew year-on-year by 16% to Rs. 4,639 million and cumulatively grew year-on-year by 17% for YTD FY2020
- Net Operating Income margin for 3Q FY2020 and YTD FY2020 was 85% reflecting scale efficiencies and low manager fees
- Raised Rs.16,400 million debt at 9.03%; balance sheet continues to be conservatively levered with Net Debt to TEV (Total Enterprise Value) at 12% as of December 31, 2019

Business Highlights

- Portfolio occupancy increased to 95.1% as on December 31, 2019, an increase of 220 bps year-on-year and 40 bps quarter-on-quarter
- New leasing for 3Q FY2020 was c.527k sf with a strong forward pipeline of c.500k sf
- Cumulative new leasing for YTD FY2020 stood at record c.1.7 msf delivering on embedded growth with a 56% mark-to-market spread on c.1.1 msf of re-leasing

Growth Initiatives

- Delivered c.1.4 msf of office space ahead of schedule with 44% pre-committed to occupiers
- Launched next phase of growth with an additional c.2.6 msf of on-campus projects
- Acquired 0.6 msf leasable area within the overall Embassy Manyata business park in Bengaluru, at 9.25% initial yield on development completion in 4Q FY2023

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly results and performance, that includes (i) unaudited condensed standalone and condensed consolidated financial statements for the quarter and nine months ended December 31, 2019, (ii) an investor presentation covering 3Q 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 February 14, 2020 at 18:30 hours Indian Standard Time to discuss the 3Q FY2020 results. A replay of the call will be available till February 29, 2020 on the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Disclaimer

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This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements or industry results, to differ materially from those expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager assumes no responsibility to amend or update any forward-looking statements.

This press release 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 financial information has been prepared by comparing unaudited combined financial statements for the quarter ended December 31, 2018 and audited combined financial statements for the nine months ended December 31, 2018 (assuming that the Embassy REIT held the REIT assets in its present form during quarter and nine months ended December 31, 2018) as against unaudited condensed consolidated financial statements for the quarter and nine months ended December 31, 2019.

About Embassy REIT

Embassy Office Parks is India's first and only listed REIT. Embassy REIT comprises 24.8 msf of completed and operational commercial properties across India. With approximately 8.5 msf of on-campus development in the pipeline, the total portfolio spans 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 75 buildings with strategic amenities, including two completed hotels, two under-construction hotels, and a 100MW(AC) solar park that supplies renewable energy to park tenants.

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