

Embassy REIT Announces First Quarter FY2020-21 Results and Quarterly Distributions of ₹4,499 million

Bengaluru, India, August 6, 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 first quarter ended June 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 ₹4,499 million or ₹5.83 per unit. The record date for the distribution is August 14, 2020, and the distribution will be paid on or before August 21, 2020.

Mike Holland, Chief Executive Officer, said, "Amidst challenging market conditions, we are pleased to report a resilient set of results this quarter, marked by robust office rental collections, a healthy distribution payout, and our strong financial position. Embassy REIT continues to enable our occupiers to operate while keeping their employees safe. We remain well positioned to meet the anticipated increase in demand over the coming quarters for institutional grade office space, and to capitalize on the continued consolidation in office market given considerable future supply shrinkage."

Business Highlights

- Rental collections from office occupiers remained robust at 98.9%, with office rental collections at 99.2% for April 2020, 99.3% for May 2020 and 98.2% for June 2020 (as of August 5, 2020)
- Portfolio occupancy remained healthy at 92.2% on our 26.2 msf operating office portfolio, with same-store occupancy of 94.1%
- Leases signed for the quarter stood at 526k sf, including 201k sf of new leases at market rents, and 325k sf of renewals at 20% spreads to existing rentals
- Achieved rental increases of 14% on 1.8 msf from 22 office leases across portfolio

Financial Highlights

- Net Operating Income was ₹4,569 million, up 1% year-on-year mainly due to resilient commercial office revenues despite adverse impact of COVID-19 pandemic on the hospitality business
- Net Operating Income margin stood at 88%, up 400 bps year-on-year reflecting efficiencies of scale and rigorous expense management
- Distributions stood at ₹4,499 million or ₹5.83 per unit, representing a 100% payout ratio
- Balance sheet remains strong, with ample liquidity and low leverage of 16% Net Debt to TEV; existing cash and undrawn committed facilities totals ₹12.6 billion, and only 1.3% of total debt maturities till FY2022

Business Continuity Update

- Our priority remains delivering a safe workplace and business ecosystem for our occupiers and their employees; a daily average of 13,000 employees are operating from our properties across India
- Our properties remained open and complied with all government regulations to support the business continuity of our occupiers; over 90% of our 160+ corporate occupiers continue to operate their core business functions from our properties across India
- Our operations team continues to actively engage with occupiers to support their 'Return to Workplace' strategies
- Resumed construction activity on our 2.7 msf of ongoing on-campus development as well as operations on our 477 key operating hotels in June 2020 post lifting of lockdown restrictions

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 ended June 30, 2020, (ii) an earnings presentation covering 1Q 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 in the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

Embassy REIT will host a conference call on August 6, 2020 at 18:30 hours Indian Standard Time to discuss the 1Q FY2021 results. A replay of the call will be available till August 21, 2020 on the Investor Relations section of the REIT's website at ir.embassyofficeparks.com

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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). We own and operate 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 Office Parks' portfolio comprises 26.2 msf completed operating area, has an occupancy of 92.2% as of June 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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