

Embassy REIT Announces ₹3,348 million Acquisition of Embassy Business Hub in Bangalore

- Expands presence in North Bangalore with a 1.4 msf campus-style Grade A office property
- NOI and NAV accretive transaction at an attractive 4.5% discount to average of two independent valuations
- Stable cash flow visibility from 0.4 msf area nearing completion, with further growth upside from 1 msf development

Bangalore, India, March 28, 2023

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) (**Embassy REIT**), India's first listed REIT and the largest office REIT in Asia by area, announced today that it has agreed to acquire Embassy Business Hub, a 1.4 million square feet ('msf') office property in Bangalore, for a total enterprise value of ₹3,348 million (\$41 million). Embassy REIT plans to primarily fund the acquisition through debt at 8.1% interest cost per annum, for which it has secured binding commitments from leading financial institutions.

Embassy Business Hub, a 59-acre campus-style business park, is situated in the high visibility growth corridor of North Bangalore, and is close to both the airport and Embassy REIT's 15.2 msf flagship property Embassy Manyata. Embassy REIT is acquiring Embassy Sponsor's affiliates' share of 1.4 msf total leasable area, of which 0.4 msf is nearing completion and 93% pre-committed to Philips, a global electronics major and member of the Fortune Global 500 and the balance 1 msf is in early stages of development.

Vikaash Khdloya, Chief Executive Officer of Embassy REIT, said,

"Embassy REIT's acquisition of this high-quality, well-connected, wellness-oriented business park expands our dominant presence and office offerings in Bangalore, which undisputedly remains the most sought-after office market in India. This tuck-in acquisition is priced attractively, embeds further growth in the REIT portfolio, and creates long-term value for our Unitholders."

Transaction Highlights

- Total enterprise valuation of ₹3,348 million (\$41 million) at a 4.5% discount to the average of two independent valuations
- Fully financed acquisition with binding commitments from leading financial institutions at 8.1% interest cost per annum
- Attractive acquisition with expected Net Operating Income ('NOI') yield of 8.25%, proforma NOI accretion of 104 bps and proforma Net Asset Value ('NAV') accretion of 2 bps, all on a stabilized basis
- Secured a Right of First Offer ('ROFO') for future phases of Embassy Business Hub, totaling 46 acres, further extending REIT's growth options

Embassy REIT followed stringent related party safeguards, including securing approval by independent directors of the Board of the REIT Manager and a fairness opinion from Axis Capital Limited to the Board of the REIT Manager. Additionally, REIT Manager will not receive any fees linked to the acquisition. The acquisition is expected to be completed on or before April 30, 2023, subject to completion of customary conditions precedent.

Ernst and Young LLP provided financial and tax due diligence services and S&R Associates served as the legal advisor to Embassy REIT. Axis Capital Limited provided a fairness opinion to the independent directors of the Manager to Embassy REIT for the proposed acquisition and opined that, subject to assumptions and limitations of the scope, the acquisition value is fair, from a financial point of view, to the public Unitholders of Embassy REIT.

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust ('REIT'). Embassy REIT owns and operates a 43.6 msf portfolio of eight infrastructure-like office parks and four city-centre office buildings in India's best-performing office markets of Bangalore, Mumbai, Pune, and the National Capital Region ('NCR'). Embassy REIT's portfolio comprises 34.3 msf completed operating area and is home to around 230 of the world's leading companies. The portfolio also comprises strategic amenities, including four operational business hotels, two under-construction hotels, and a 100 MW solar park supplying renewable energy to tenants. Embassy REIT's industry leading ESG program has received multiple accolades from renowned global institutions and was awarded a 5-star rating both from the British Safety Council and GRESB. Embassy REIT was also recognized as the world's largest 'USGBC LEED Platinum-Certified' office portfolio (v4.1 O+M) by Green Business Certification Inc. For more information, please visit www.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 Embassy REIT, and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any

Notes:

1. Out of 1.4 msf of Embassy Sponsor affiliate's area share entitlement in Embassy Business Hub, 0.4 msf is currently nearing completion with the balance 1.0 msf in early stages of development. Building occupancy certificate for 0.4 msf is expected by October 2023
2. Total Enterprise Value of ₹3,348 million shall be subject to adjustments in relation to net debt, working capital and other customary adjustments, as agreed among the parties. Net consideration towards equity shares of target SPV (up to ₹ 15 million) to be funded entirely through internal accruals of Embassy REIT

responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of Embassy REIT. Embassy REIT does not provide any guarantee or assurance with respect to any distribution or the trading price of its units.

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 or IFRS.

The proposed acquisition may be completed depending upon applicable law, applicable regulatory approvals, satisfaction or waiver of identified conditions precedent, raising of adequate funds through any modes as may be permitted in order to finance the proposed acquisition, and other related actions, including assumption of liabilities, and on such other terms as may be mutually agreed among the parties to the proposed acquisition.

It may be noted that Axis Capital Limited is an affiliate of Axis Trustee Services Limited (the Trustee to Embassy REIT). Axis Capital Limited may have in the past provided, and may currently or in the future provide, investment banking services to Embassy REIT and/or its portfolio companies or respective affiliates that are unrelated to the proposed acquisition of Embassy Business Hub, for which services Axis Capital Limited has received or may receive customary fees. Further, the actual legal entity names of the occupiers may differ from the names referred in the press release above. Some of the figures used in this Press Release are approximations and/or have been rounded-off to the nearest decimal for ease of presentation. For convenience purposes only, exchange rate used in this press release is \$1 = ₹82.

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