

Embassy REIT Completes ₹97.8 billion (\$1.3 billion) Acquisition of Embassy TechVillage

- Embassy TechVillage is a 9.2 msf integrated office park located on Outer Ring Road Bengaluru, India's best-performing office sub-market
- NOI, DPU and NAV accretive transaction further strengthens Embassy REIT's position as one of Asia's largest office REITs by area
- Successful unit capital raise by Embassy REIT through an Institutional Placement of ₹36.8 billion (\$501 million) and through a Preferential Allotment of 64,893,000 units totaling ₹23.1 billion (\$313 million)

Bengaluru, India, December 24, 2020

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) ("**Embassy REIT**"), India's first listed REIT and one of the largest comparable office REITs in Asia by area, announced today that it has successfully completed the acquisition of Embassy TechVillage assets ("**ETV**") from the Embassy Sponsor, members of the Blackstone group and other selling shareholders for an enterprise value of ₹97,824 million (\$1.3 billion). Embassy REIT had previously announced this proposed acquisition on November 17, 2020.

The ETV acquisition comprises c.6.1 million square feet ("msf") of completed area, c.3.1 msf of under-construction area, of which 36% is pre-leased to JP Morgan, and two proposed 518-keys Hilton hotels within the overall ETV campus.

This transaction marks the first large-scale acquisition by a REIT in India and solidifies the REIT's position in India's best performing office sub-markets. With this acquisition, Embassy REIT's leasable area grows 28% to 42.4 msf.

Mike Holland, Chief Executive Officer of Embassy REIT said, "*We are delighted to announce the completion of the Embassy TechVillage acquisition. ETV is a unique large-scale business park with a marquee multinational occupier base that is located in one of India's best-performing office sub-markets. Our ability to raise the unit capital required to fund the acquisition amidst market uncertainties and the ongoing pandemic is a testament to the confidence that investors place in our business model and our team's execution capabilities. This acquisition is consistent with our growth strategy of driving incremental value to Unitholders by integrating high-quality assets which are complementary to our existing portfolio. We expect to continue pursuing strategic and accretive growth opportunities in the market.*"

On December 22, 2020, Embassy REIT announced that it had raised ₹36.8 billion (\$501 million) through an Institutional Placement of units. The Institutional Placement witnessed strong demand from both existing as well as new institutional investors, including global and domestic investors, pension funds, insurers, and alternative asset managers. These units commenced trading on December 23, 2020.

On December 24, 2020, the Securities Committee of the Board of Directors of Embassy Office Parks Management Services Private Limited ("EOPMSPL"), Manager to Embassy REIT, approved the allotment of 64,893,000 units to third-party selling shareholders at a price of ₹356.70 per unit through a Preferential Allotment as consideration for transfer of their shareholding. These allotted units are expected to list on NSE and BSE exchanges on or around December 30, 2020.

Transaction Highlights

- ETV Acquisition enhances Embassy REIT's commercial office portfolio by 28% to 42.4 msf, facilitates the REIT's entry into Bengaluru's best-performing sub-market, and further diversifies the REIT's occupier base
- Stable cash flows with strong embedded growth through 33.7% MTM upside on 97.3% leased area and 3.1 msf of on-campus development, of which 36% is pre-leased to JP Morgan
- Attractive acquisition with proforma accretion of 28% to Net Operating Income, 4.2% to Distribution Per Unit and 3.0% to Net Asset Value per unit, based on the 6-month period ended September 2020
- Recent unit capital issuance to fund the acquisition has significantly increased Embassy REIT's public float from 38.4% to 43.0%, excluding units issued to the third-party selling shareholders in the preferential allotment, thereby enhancing liquidity and potentially facilitating inclusion into select benchmark global equity indices

Kotak Investment Banking and Morgan Stanley served as joint financial advisors to Embassy REIT. S&R Associates and Clifford Chance acted as legal advisors to Embassy REIT.

Morgan Stanley India Company Private Limited, Kotak Mahindra Capital Company Limited, BofA Securities India Limited, J.P. Morgan India Private Limited, Axis Capital Limited, HSBC Securities and Capital Markets (India) Private Limited and IIFL Securities Limited served as Joint Bookrunning Lead Managers to Embassy REIT for the Institutional Placement.

About Embassy TechVillage

Embassy TechVillage is a large-scale, award-winning and best-in-class integrated office park situated on the Outer Ring Road ("ORR") in Bengaluru. Home to over 45,000 employees of 40+ corporate occupiers, ETV is an infrastructure-like asset that serves as a complete business ecosystem for its occupiers and their employees.

Located in Bengaluru's best-performing commercial office sub-market, ETV spans over 84 acres and derives 88% of its rents from multinational occupiers, is 97.3% occupied, and has a 9.7 year Weighted Average Lease Expiry ("WALE") with a 33.7% mark-to-market ("MTM") potential.

About Embassy REIT

Embassy REIT is India's first publicly listed Real Estate Investment Trust, listed in April 2019. Post Embassy TechVillage acquisition completion, Embassy REIT now owns and operates a 42.4 million square feet ("msf") portfolio of eight 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 enlarged portfolio comprises 32.3 msf completed operating area, has a proforma occupancy of 92.7% as of September 30, 2020, and is home to over 200 occupiers, many of which are world's leading companies. The portfolio also comprises strategic amenities, including two operational business hotels, four under-construction hotels, and a 100MW solar park supplying renewable energy to park occupiers.

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