

Embassy TechVillage Acquisition

Key Transaction Parameters

Particulars	Details
Asset Overview	Embassy TechVillage, located at Outer Ring Road, Bengaluru
Proposed Acquisition Area	84.05 acres
Leasable Area	9.2 msf
Completed Area	6.1 msf
Under Construction Area	3.1 msf (36% pre-leased)
Proposed Hotel	518 keys (dual-branded Hilton hotels)
Occupancy	97.3% on 6.1 msf completed area
Number of Occupiers	40+ (88% of Gross Rentals from multinational occupiers)
WALE	9.7 years
Avg. in-place rentals	₹68 psf
Market Rentals	₹91 psf
MTM Potential	33.7% mark-to-market rental opportunity
Independent Valuer 1	₹102,292 million (\$1.38 billion)
Independent Valuer 2	₹102,817 million (\$1.39 billion)
Average Valuation	₹102,555 million (\$1.39 billion)
Agreed Enterprise Value	₹97,824 million (\$1.32 billion) (4.6% discount to the average of the two independent valuations)
Pro Forma Impact & Financing	
Pro-forma Impact	<p>Impact on Embassy REIT's scale:</p> <ul style="list-style-type: none"> Leasable Area: 28% increase (from 33.3 msf to 42.4 msf) Development Area: 43% increase (from 7.1 msf to 10.2 msf), with 1.1 msf already pre-leased Gross Asset Value: 30% increase Public Float: Increase from 38% to 43%¹ <p>Impact on Embassy REIT's 6-months FY2020-21 Proforma financials:</p> <ul style="list-style-type: none"> NOI: 28% increase Trailing NOI Yield: 7.5% on completed portion DPU: 4.2% accretive NAV per unit: 3.0% accretive <p>Impact on Embassy REIT's Proforma leverage:</p> <ul style="list-style-type: none"> Gross Debt to GAV: 22%
Financing	<p>Equity issue of c.₹60 billion (\$812 million)</p> <ul style="list-style-type: none"> Proposed Institutional Placement of c.₹37 billion (\$500 million) Proposed Preferential Issue of up to 65,579,400 units, approximating to ₹23 billion (\$312 million) <p>Debt issue of up to ₹36 billion (\$492 million)</p> <ul style="list-style-type: none"> Combination of bonds / loans at the REIT level and / or SPVs To be utilized to repay existing ETV debt and for general corporate purposes
Extraordinary Meeting Particulars	
Date and Time	December 10, 2020
Venue	Virtual Meeting
Summary of Proposed Resolutions	
Ordinary Business	<ul style="list-style-type: none"> Resolution 1: To consider and approve the ETV acquisition for an enterprise value of ₹97,824 million The Embassy Sponsor, the Blackstone Sponsor Group and their respective associates will abstain from voting on the above acquisition transaction related resolution Resolution 2: To consider and grant authority to borrow up to 35% of the Gross Asset Value of the Embassy REIT and matters related thereto
Special Business	<ul style="list-style-type: none"> Resolution 3: To consider and approve raising of funds through an institutional placement(s) of units of Embassy REIT not exceeding ₹80,000 million to Institutional Investors in one or more placements Resolution 4: To consider and approve a preferential issue of up to 65,579,400 units of the Embassy REIT at a price of ₹356.70 per unit

¹ Assumes c.₹37 billion Institutional Placement and c.₹23 billion Preferential Allotment to third-party selling shareholders. Market Capitalization computed as Units Outstanding as of September 30, 2020 multiplied by VWAP of ₹349.32. VWAP computed basis BSE (exchange with highest trading volume for last 26 weeks) data for last 30 trading days up to November 11, 2020 (which is the date of intimation to Stock Exchanges for the meeting scheduled for November 17, 2020). The public float of the units of the Embassy REIT may fluctuate due to multiple reasons and the price of Units indicated above may not be indicative of any future trading price. Pre-Acquisition public float is based on unitholding pattern as of September 30, 2020. Post-Acquisition public float excludes the preferential allotment units issued to third-party selling shareholders.