

Cube Highways closes on 30-year concession of 9 operating roads with \$684 million payment

SINGAPORE, OCTOBER 19, 2020 Cube Mobility Investments Pte. Ltd. (Cube Highways), a portfolio company of I Squared Capital through its ISQ Global Infrastructure Fund II, has today closed the acquisition of nine operating highway projects from the National Highways Authority of India (NHAI) for \$684 million.¹ The Cube Highways portfolio has 27 highways with nearly 8,400 lane-kilometers across India, including assets under various stages of closing.

The roads operate under the Toll-Operate-Transfer (TOT) Model, which grants the right to collect tolls for 30 years on payment of an upfront consideration. Cube Highways was awarded the project for a consideration of INR 50,110 million, or approximately \$684 million¹ after emerging as the highest bidder in a public tender process. In addition, Cube Highways will invest more than INR 7,000 million, or \$95 million¹, for various improvements and capital expenditures, making it one of the largest foreign direct investments in Indian roads sector.

The nine projects have an aggregate of 566 kilometers in a four-lane configuration across Tamil Nadu, Jharkhand, Uttar Pradesh, and Bihar. The roads increase the geographical diversity and average concession length of the Cube Highways portfolio. The toll roads have seen a healthy recovery in traffic following the Covid-19 lockdowns, highlighting the vital role the portfolio roads offer in transportation of essential goods. In September 2020, Cube Highways signed the financing agreements with SBI for a term loan facility of INR 35,000 million for partly financing the upfront consideration. India Ratings has assigned a AA rating for this project.

“We are pleased to complete this landmark transaction, which comes close on the heels of the acquisitions of Farakka-Raiganj Highway and KNR Walayar Tollways, reinforcing our position as the leading owner-operator of toll-roads in the Indian Highways sector. Completing the financial closure during the Covid-19 pandemic is a testament to the capabilities of the Cube Highways team and the strength of the Cube Highways platform. This is a defining transaction for transportation Public Private Partnerships globally and highlights the leadership that NHAI has demonstrated in implementing innovative frameworks for private sector participation through the BOT, HAM and now the TOT models” said Gautam Bhandari, Director of Cube Highways and Managing Partner of I Squared Capital.

About Cube Highways: Cube Mobility Investments Pte. Ltd. Pte. Ltd. (Cube Highways) is a Singapore-based company investing in road and highway projects, along with other select infrastructure sectors in India. Cube Highways is an independent, professionally managed platform leveraging the extensive transportation experience of its management and execution advisory teams. Shareholders of Cube Highways are leading international investors including I Squared Capital and a wholly owned subsidiary of the Abu Dhabi Investment Authority.

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¹ Using an approximate USDINR exchange rate of 73.3