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CPI PROPERTY GROUP – Acquisition of Additional Stake in Globalworth

CPI Property Group (“**CPIPG**” or the “**Group**”) has prepared the following update regarding the Group’s investment in Globalworth Real Estate Investments Limited (“**Globalworth**”).

On 31 January 2020, CPIPG acquired Zakiono Enterprises Limited (“**Zakiono**”) from Mr. Ioannis Papalekas, the founder and CEO of Globalworth. Zakiono owns 23,734,670 shares of Globalworth, representing 10.7% of voting rights. As a result of this acquisition and other recent purchases, CPIPG now owns 37,311,098 shares of Globalworth, representing 16.8% of voting rights. Zakiono also owns warrants which are exercisable into an additional 2,830,020 Globalworth shares.

Going forward, CPIPG expects that Zakiono will hold all of the Group’s shares in Globalworth. Under Globalworth’s articles of incorporation, Zakiono has embedded rights as a major shareholder which, among other rights, allow CPIPG to appoint members of Globalworth’s board.

“We are pleased to have acquired Zakiono from Mr. Papalekas, which enabled CPIPG to build a more meaningful stake in Globalworth,” said Martin Nemecek, CEO of CPIPG. “As a major shareholder CPIPG intends to collaboratively support Globalworth’s future growth and operations.”

As a result of recent sales of Globalworth shares and the sale of Zakiono, Mr. Papalekas has now entirely sold his investments in Globalworth, a company he founded in 2013 and successfully built into one of the best owners and operators of office properties in Central and Eastern Europe. Mr. Papalekas is expected to continue serving in a senior leadership and advisory role for Globalworth in the near-to-medium term.

“CPIPG believes in the Globalworth team and sees many similarities in our operating strategies,” said David Greenbaum, CFO of CPIPG. “Our investment in Globalworth enhances CPIPG’s exposure to top-quality office assets in the CEE region and supports CPIPG’s strategic and capital structure objectives.”

Considering CPIPG’s financial policy, commitment to credit ratings and current capital structure, the Group does not intend to make a takeover offer for Globalworth in the near-term. CPIPG expects Globalworth to continue operating and thriving as an independent investment grade company benefiting from the support of shareholders, management, bondholders, banks and other stakeholders.



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