



CPI PROPERTY GROUP
(société anonyme)
40, rue de la Vallée
L-2661 Luxembourg
R.C.S. Luxembourg: B 102 254

PRESS RELEASE
Luxembourg, 4 February 2020

CPI PROPERTY GROUP – Globalworth Investment and Strategy Update

On 4 February 2020, CPI PROPERTY GROUP (“CPIPG” or the “Group”) purchased 3,680,494 shares in Globalworth Real Estate Investments Limited (“Globalworth”) through a broker.

As a result of these and earlier purchases, CPIPG now owns a total of 65,250,000 Globalworth shares (29.4% of voting rights) making CPIPG the largest shareholder in Globalworth by a small margin, but still below the mandatory takeover threshold of 30%.

CPIPG does not intend to purchase more shares of Globalworth at this time, considering our existing capital structure and financial policy commitments.

“Globalworth is a superb company and CPIPG is proud to be a major shareholder and strategic investor,” said Martin Nemecek, CEO of CPIPG. “We share the strong belief that high-quality offices in major cities of the CEE region will continue to perform well.”

Rationale for CPIPG’s Investment in Globalworth

CPIPG believes that Globalworth has one of the best office portfolios in Poland and Romania. CPIPG is well-established as a leading owner of offices in Berlin, Prague and Warsaw, with an objective to grow the share of offices in the Group’s overall portfolio.

Globalworth and CPIPG have much in common in terms of operations and strategy, and CPIPG has been following the progress of Globalworth for several years. Similar to CPIPG, Globalworth has pursued a conservative investment grade capital structure.

Shares in Globalworth were primarily purchased through a broker on the open market. Following the acquisition of Zakiono Enterprises Limited (“Zakiono”) from Ioannis Papalekas on 31 January 2020, CPIPG also gained rights which allow CPIPG to appoint representatives to Globalworth’s board and board committees.

CPIPG is supportive of Globalworth’s management team and operating strategy. CPIPG understands that Globalworth’s successful track record of accessing equity, bond and loan markets is a reflection of the quality of Globalworth’s portfolio, people and governance practices.



Impact on CPIPG's Financial Policy

CPIPG's financial policy includes an LTV limit of 40%, or up to 45% in the case of acquisitions with "high strategic merit." The Group's LTV was 32.9% at the end of Q3 2019. Pro-forma for the acquisition of a 29.4% stake in Globalworth and considering CPIPG's acquisition pipeline for H1 2020, the Group's LTV might peak slightly above 40% but well below 45% for a short period of time.

CPIPG believes that the acquisition of our stake in Globalworth meets the definition of "high strategic merit," and brings to CPIPG the kind of enhancements in scale, sector exposure and rental income that our key credit-focused stakeholders should view favourably.

Going forward, CPIPG will consider tools to proactively manage the Group's leverage profile in order to maintain our commitment to financial policies and rating objectives. CPIPG has significant cash available from recent green bond and hybrid financings, plus an undrawn EUR 510m revolving credit facility maturing in 2022.

CPIPG's 2019 Financial Calendar

CPIPG expects to release preliminary 2019 financial results on 17 February, followed by the full publication of 2019 annual results on 31 March. An investor webcast will be scheduled for early April.

Financial calendar – Key Dates for 2020

Publication of 2019 annual results – 31 March 2020

Annual general meeting – 28 May 2020

Publication of 2020 first quarter results – 29 May 2020

Publication of 2020 half year results – 31 August 2020

Publication of 2020 third quarter results – 30 November 2020

Publication of 2020 annual results – 31 March 2021

DISCLAIMER: THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR FORM A PART OF ANY OFFER OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION. THE SECURITIES TO WHICH THIS ANNOUNCEMENT RELATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS SUCH TERM IS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFER OF SECURITIES IN THE UNITED STATES. THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR FORM PART OF AN OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR, ANY SECURITIES, IN THE UNITED STATES OR ANY OTHER JURISDICTION NOR SHALL IT (OR ANY PART OF THIS ANNOUNCEMENT) OR THE FACT OF ITS DISTRIBUTION FORM THE BASIS OF, OR BE RELIED UPON IN CONNECTION



WITH, OR ACT AS ANY INDUCEMENT TO ENTER INTO, ANY CONTRACT OR COMMITMENT OR INVESTMENT DECISION WHATSOEVER. THE DISTRIBUTION OF THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION ANY DOCUMENT OR OTHER INFORMATION REFERRED TO HEREIN COMES SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTIONS. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF ANY SUCH JURISDICTION. RECIPIENTS OF THIS ANNOUNCEMENT WHO INTEND TO PURCHASE ANY SECURITIES IN THE FUTURE ARE REMINDED THAT ANY SUCH PURCHASE OR SUBSCRIPTION MUST BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN ANY FINAL FORM PROSPECTUS PUBLISHED IN CONNECTION WITH ANY SUCH SECURITIES. THIS ANNOUNCEMENT IS NOT BEING MADE, AND THIS ANNOUNCEMENT HAS NOT BEEN APPROVED, BY AN AUTHORISED PERSON FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "FSMA")(UNITED KINGDOM). THIS ANNOUNCEMENT IS NOT 2 BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM OR TO PERSONS IN THE UNITED KINGDOM SAVE IN THE CIRCUMSTANCES WHERE SECTION 21(1) OF THE FSMA DOES NOT APPLY. THIS ANNOUNCEMENT IS DIRECTED ONLY AT PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM OR (II) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC") OF THE ORDER OR (IV) TO WHOM THIS ANNOUNCEMENT MAY OTHERWISE BE DIRECTED WITHOUT CONTRAVENTION OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS COMMUNICATION IS NOT INTENDED FOR DISTRIBUTION TO AND MUST NOT BE PASSED ON TO ANY RETAIL CLIENT. IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA, THIS ANNOUNCEMENT IS DIRECTED ONLY AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE") ("QUALIFIED INVESTORS"). THIS ANNOUNCEMENT IS AN ADVERTISEMENT FOR THE PURPOSES OF APPLICABLE MEASURES IMPLEMENTING THE PROSPECTUS DIRECTIVE. A PROSPECTUS PREPARED PURSUANT TO THE PROSPECTUS DIRECTIVE WILL BE PUBLISHED, WHICH, WHEN PUBLISHED, CAN BE OBTAINED FROM THE TRUSTEE. A RATING IS NOT A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE SUBJECT TO REVISION, SUSPENSION OR WITHDRAWAL AT ANY TIME BY THE ASSIGNING RATING ORGANISATION. SIMILAR RATINGS FOR DIFFERENT TYPES OF ISSUERS AND ON DIFFERENT TYPES OF SECURITIES DO NOT NECESSARILY MEAN THE SAME THING. THE SIGNIFICANCE OF EACH RATING SHOULD BE ANALYSED INDEPENDENTLY FROM ANY OTHER RATING.



For more on CPI PROPERTY GROUP, visit our website: www.cpihg.com

For further information please contact:

INVESTORS

CPI PROPERTY GROUP
David Greenbaum
Chief Financial Officer
d.greenbaum@cpihg.com

CPI PROPERTY GROUP
Joe Weaver
Director of Capital Markets
j.weaver@cpihg.com

MEDIA/PR

Kirchhoff Consult AG

Andreas Friedemann
Borselstraße 20
22765 Hamburg
T +49 40 60 91 86 50
F +49 40 60 91 86 60
E andreas.friedemann@kirchhoff.de