



CPI PROPERTY GROUP

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Press Release - Corporate News

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CPI PROPERTY GROUP – Globalworth Joint Venture and Strategy Update

CPI PROPERTY GROUP (“CPIPG” or the “Group”) is pleased to update our stakeholders regarding recent events and other strategic matters.

CPIPG plans to undertake a series of steps during 2021 which will strengthen the Group’s property portfolio while bolstering our capital structure and supporting our credit ratings. The first step, announced today, relates to CPIPG’s investment in Globalworth Real Estate Investments Limited (“**Globalworth**”).

Globalworth Joint Venture with Aroundtown

On 14 April 2021, CPIPG formed a joint venture with Aroundtown SA (“**Aroundtown**”) (and, together with CPIPG, the “**Consortium**”) and announced a cash offer for the entire issued share capital of Globalworth that the Consortium did not already hold. The Consortium currently owns more than 50% of Globalworth’s issued share capital.

“CPIPG and Aroundtown are both highly experienced, strong and stable owners of European real estate,” said David Greenbaum, CFO of CPIPG. “Working together as partners will allow us to maximize long-term value while maintaining Globalworth’s investment grade capital structure and excellent teams in Romania and Poland.”

CPIPG sees Aroundtown as an ideal partner, with solid credit ratings and a superb reputation as Germany’s largest listed real estate company. CPIPG and Aroundtown agree that Globalworth has excellent assets and a strong track record of successful asset management, including during the challenging COVID-19 period.

The Group will fund its proportion of the offer in cash. The impact on CPIPG will be positive as any shares purchased will represent an attractive price relative to Globalworth’s EPRA NAV per share. The final cash requirement for CPIPG will depend on the number of shares acquired, but under all scenarios the Group expects to remain within its financial policy limits. Aroundtown will purchase shares first in Globalworth to equalize ownership with CPIPG in the Consortium, with further share purchases split equally.

More information will be provided as the offer proceeds in the coming months. The Offer documentation can be obtained on the website of CPIPG: <https://cpipg.com/shareholder-corner-en#tab-item-4>

Financial Policy Commitment, Capital Structure and Growth Objectives

CPIPG continues to affirm our commitment to financial policy and credit ratings.

At year-end 2020, CPIPG’s Net LTV was 40.7%, down from 42.5% at H1 2020. The Group’s target Net LTV remains below 40%, or up to 45% in the case of acquisitions with high strategic merit.



CPIPG has worked closely with our advisors to develop access to a range of strategies that will ensure the Group's financial policy and credit ratings can be maintained even as CPIPG pursues selective growth. Strategies under active consideration include third-party equity investments or equity partnerships at the level of CPIPG and/or our subsidiary Nova RE, organic equity generation through acquisitions at sharp discounts to fair value and FFO retention, sales of landbank and noncore assets, and capital recycling. CPIPG continues to target high-BBB ratings in the future.

More information will be made available over time, as appropriate. Based on the current status of our initiatives, CPIPG anticipates that Net LTV at the end of 2021 will be below 40%, with meaningful headroom inside our Baa2/BBB rating thresholds, barring any unknown external factors.

"CPIPG is optimistic about the future and believes our strategy has been well-tested by COVID-19," said Martin Nemecek, CEO of CPIPG. "We believe these steps will be positive for the Group as we continue to pursue long-term investment opportunities."

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