



CPI Property Group

(société anonyme)

40, rue de la Vallée

L-2661 Luxembourg

R.C.S. Luxembourg: B 102 254

Press Release - Corporate News

Luxembourg, 29 December 2023

CPI PROPERTY GROUP – End of Year Message

CPI PROPERTY GROUP (“CPIPG” or the “Group”) has prepared an update for our stakeholders regarding the Group’s financing, disposals, and capital structure initiatives.

Financing

On 28 December 2023, CPIPG’s subsidiary in Berlin signed an agreement with BerlinHyp regarding a €404 million, 7-year prolongation of a loan that was scheduled to mature in October 2024. The attractive margin on the loan remains unchanged from previous financings. The replacement of the existing loan will take place in October 2024, with the new maturity in October 2031.

Earlier in December, IMMOFINANZ AG completed a €17.5 million increase of an existing loan secured against STOP SHOP retail park assets in Poland. The loan matures in 2027.

A revised table of Group debt maturities for 2024 and 2025 is included below. CPIPG has €354 million of debt maturing in 2024 and €408 million in 2025, for a total of €762 million. The Group’s total liquidity at Q3 2023 was €1.7 billion.

CPIPG Consolidated Debt Maturity Profile, 2024 to 2025

Month-Year	Bonds	Bank Loans / Other	Month-Year	Bonds	Bank Loans / Other
Jan-24	--	--	Jan-25	--	200
Feb-24	156	--	Feb-25	19	--
Mar-24	--	--	Mar-25	--	75
Apr-24	--	--	Apr-25	33	--
May-24	--	--	May-25	--	--
Jun-24	--	14	Jun-25	--	76
Jul-24	--	--	Jul-25	--	--
Aug-24	--	--	Aug-25	--	--
Sep-24	--	72	Sep-25	--	--
Oct-24	--	74	Oct-25	--	--
Nov-24	--	38	Nov-25	--	--
Dec-24	--	--	Dec-25	--	5
Total	156	198	Total	52	356



Interest rate hedging

As of Q3 2023, 80% of the Group's debt was fixed and 20% was floating. About half of the floating-rate debt related to the Group's bridge loan maturing in October 2026, which is intended for early repayment in the short-term. The remaining floating rate debt was connected to bonds and schuldscheins. Considering the recent sharp decrease in Euro interest rates, on 28 and 29 December, CPIPG executed swaps on bonds and schuldscheins which increased the proportion of fixed rate debt to about 84%.

Disposals

On 20 December 2023, CPIPG signed the disposal of Olympic Garden, an office complex located in the centre of Prague. Net proceeds from the sale will be €38 million; the transaction is expected to close early in January.

On 21 December 2023, CPIPG and Best Hotel Properties ("BHP"), a well-respected investor in hospitality properties across the CEE region, agreed to create a joint venture ("JV") consisting of eight Czech hotel properties owned by CPIPG plus CPI Hotels, which operates the Group's hotel portfolio. Early in 2024, BHP will subscribe for 50% of shares in the new JV, which has a total portfolio value of €350 million. More details on the JV will be provided soon.

On 22 December 2023, CPIPG agreed to sell 2,575,000 shares of IMMOFINANZ AG (about 1.86% of the total outstanding) to Petrus Advisers Investments Fund L.P. ("PAIF"), a London-based investment manager and shareholder of IMMOFINANZ. Notably, CPIPG's shareholding in IMMOFINANZ remains above the strategically important threshold of 75%. The transaction value was about €51.9 million, equivalent to €20.15 per share. Concurrently, PAIF has granted CPIPG call options which are exercisable for up to 2 years. The sale provides CPIPG with additional liquidity, while the call option gives the Group flexibility on future strategic plans. CPIPG sees PAIF as a thought leader in the Austrian market, and both parties intend to engage regarding IMMOFINANZ's governance, strategy, and shareholder value.

Proceeds from disposals received by CPIPG will be primarily used to repay debt.

Shareholder Contributions

On 30 November 2023, CPIPG announced that our primary shareholder was considering a meaningful contribution to the company in order to reduce leverage. We are pleased to announce that one contribution has been completed, with additional steps to follow in 2024.

Today, CPIPG's subsidiary Endurance Hospitality Finance S.a.r.l. ("EHF") agreed to acquire all the issued share capital of Rising Falcon Holding Limited ("Rising Falcon"), an Abu Dhabi Global Market free zone company. Rising Falcon owns 20 luxury residential properties in Dubai, United Arab Emirates. Mr. Vítek originally began acquiring properties in Dubai in 2021 to diversify his personal wealth. The properties were recently valued by a leading RICS valuer in the Middle East. The valuations were further independently reviewed and confirmed at €349 million. The acquisition price for CPIPG will be €273 million, or a discount of about 22%, effectively increasing the Group's equity by €76 million.

The Group expects to benefit from the strong residential real estate market in Dubai and will gradually dispose of these assets. CPIPG has already received signed LOIs for two of the properties at prices above the valuation.

No cash consideration will be paid by CPIPG for the acquisition. Instead, the purchase price will be offset against shareholder loans previously provided to Mr. Vítek. As a result, the year-end shareholder loan balance for 2023 will show a meaningful reduction versus past reporting periods.

CPIPG was advised by PwC and Dentons on the transaction.



Subject to further careful analysis and agreement on pricing, Mr. Vitek is also considering further contributions of European real estate assets to the Group in early 2024.

Additional

As described in our Q3 results, CPIPG has many projects underway which are designed to support liquidity, increase capital/equity and reduce leverage. We will keep our stakeholders well-informed about progress on all these important initiatives along with the continued strong performance of our property portfolio.

For further information, please contact:

Investor Relations

Moritz Mayer

m.mayer@cpipg.com

For more on CPI Property Group, visit our website: www.cpipg.com

Follow us on X (CPIPG_SA) and LinkedIn

