



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, 24 June 2024

CPI PROPERTY GROUP – Update on Poland Equity Investment

CPI PROPERTY GROUP (“**CPIPG**” or the “**Group**”) is pleased to announce further progress in the Group’s strategy to reduce leverage.

Today, CPIPG and our subsidiaries, CPI FIM SA and Czech Property Investments, a.s., signed a partnership agreement through which the Group will sell a 49% common equity stake in Vulcanion, a.s. (“Vulcanion”) for €250 million to funds managed by Sona Asset Management (UK) LLP, a leading institutional alternative asset manager. Vulcanion is a holding company owning eleven office properties in Warsaw and two retail assets in Elbląg and Lublin, Poland. The portfolio’s gross asset value is about €1 billion; three of the office properties will remain encumbered by a green loan from Aareal Bank which matures in 2028.

Following the equity stake sale, CPIPG will retain full operational control and will continue to consolidate Vulcanion. On a pro-forma basis, the transaction will reduce the Group’s Net LTV by about 1.3%. Funding and closing are expected by the end of June.

Since CPIPG initiated our asset disposal pipeline in 2022, the Group has signed more than €2.3 billion of sales at average prices close to book value. CPIPG sees this minority stake sale as a strategic step which benefits the Group’s capital structure going forward. Therefore, this equity investment is priced at levels consistent with comparable office and diversified real estate companies trading on the public market. Notably, CPIPG also retains the ability to repurchase the minority equity stake from Sona.

“CPIPG is excited about our partnership with Sona,” said David Greenbaum, CEO. “This investment demonstrates the quality of our operations and assets in Poland and the Group’s ability to attract strong capital partners.”

CPIPG was advised on structuring and ratings matters by Barclays, Société Générale and KingsRock Advisors. Dentons served as CPIPG’s legal advisor.

For further information, please contact:

Investor Relations

Moritz Mayer

Manager, Capital Markets

m.mayer@cpipg.com

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

Follow us on X (CPIPG_SA) and LinkedIn

