



## **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, 3 December 2021

#### **CPI PROPERTY GROUP – Cash Offer for IMMOFINANZ**

CPI PROPERTY GROUP (“CPIPG” or the “Group”) is pleased to announce strategic actions that will increase the Group’s exposure and commitment to high-quality Central European real estate.

##### Cash offer for IMMOFINANZ

On 3 December, CPIPG announced an anticipatory mandatory takeover offer for all outstanding shares of IMMOFINANZ AG. Shareholders are to be offered €21.20 in cash per IMMOFINANZ share. The offer document will be published in due course in accordance with the Austrian Takeover Act (*Übernahmegesetz*).

IMMOFINANZ is a large and well-regarded owner of Central European commercial real estate, with a primary listing on the Vienna Stock Exchange and a property portfolio of €5 billion in key Central European countries where CPIPG has a strong presence (such as Germany, Czech Republic, Poland, and Hungary). IMMOFINANZ is also a significant owner of commercial real estate in Austria.

In connection with the takeover offer, CPIPG announced that the Group is the largest shareholder in IMMOFINANZ with a stake of about 21.4%. The Group’s stake was recently purchased from the market and from Mountfort Investments S.à r.l. (“Mountfort”). CPIPG has also agreed to purchase 10.6% of IMMOFINANZ from RPPK Immo GmbH (“RPPK”), conditional on receipt of antitrust approvals. In total, CPIPG expects to own a minimum stake of about 32.0% upon antitrust clearance.

CPIPG believes IMMOFINANZ is an optimal strategic fit for our business. “IMMOFINANZ has an excellent property portfolio in the Central European region where CPIPG is an expert,” said Martin Němeček, CEO of CPIPG. “However, despite the best efforts of a high-quality management team, strategic decision-making at IMMOFINANZ has been nearly paralyzed by lack of shareholder leadership and mixed messaging about the future. With CPIPG’s active involvement, we know that IMMOFINANZ can achieve much more as a company.”

CPIPG is confident that a minimum stake of 32% brings substantial control over IMMOFINANZ on day one following regulatory clearance, with the attractive possibility to increase our shareholding through the cash offer. The offer is expected to close in the second quarter of 2022. UniCredit Bank, Goldman Sachs Bank, and HSBC are acting as joint M&A advisors to CPIPG; Wolf Theiss is acting as legal counsel to CPIPG.

##### *Purchase of shares from Mountfort and RPPK Immo*

On 1 December 2021, CPIPG and Mountfort entered into a share purchase agreement on the acquisition by CPIPG of all outstanding shares of WXZ1 a.s. which in turn owns 14,071,483 shares corresponding to a participation of approx. 11.4% of the registered nominal share capital of IMMOFINANZ. Mountfort is an investment vehicle owned by Patrick Vitek, an independent investor and eldest son of CPIPG founder Radovan Vitek. Mountfort purchased IMMOFINANZ shares on the market earlier in 2021 primarily as a value investment, and with the secondary objective of supporting



diversity on the IMMOFINANZ supervisory board. In June 2021, IMMOFINANZ and S-Immo, another large owner of Central European real estate with a portfolio valued at nearly €3 billion, failed to agree on steps to a potential merger. Three new members were subsequently appointed to IMMOFINANZ's supervisory board. These developments inspired CPIPG to consider a possible investment.

Also, on 3 December 2021, CPIPG and RPPK Immo signed a conditional share purchase agreement on the acquisition by CPIPG of 13,029,155 IMMOFINANZ shares, corresponding to a participation of 10.6% of the registered nominal share capital of IMMOFINANZ.

Shares from Mountfort and RPPK Immo were purchased at or below the share offer price.

#### Purchase of a stake in S-IMMO

For historical reasons, S-IMMO owns 14.2% of IMMOFINANZ while IMMOFINANZ owns 26.5% and is the largest single shareholder of S-IMMO. CPIPG sees this crossholding as inefficient and inconsistent with the activities of a real estate owner. Management of both companies have tried to find a solution to the crossholding through a merger or sale but have been unable to reach an agreement.

On 3 December 2021, CPIPG announced the purchase of a 10.8% stake in S-IMMO. The shares were purchased in a block from the market. In total, CPIPG currently owns about 11.6% of S-IMMO. As the second-largest shareholder, CPIPG believes we can positively influence the company's strategic actions including disposals, deleveraging, and a potential merger with IMMOFINANZ if and when the time is right.

#### Strategic Implications for CPIPG

CPIPG is proud to be a leading owner of Central European real estate, with deep local knowledge to match our local roots. The Group's objective is to continue growing while maintaining a conservative capital structure and strong BBB credit ratings.

The Group generally prioritizes direct ownership of real estate assets through our wholly owned subsidiaries. On the other hand, strong investor demand for Central European real estate makes well-priced acquisitions especially difficult to source. Therefore, CPIPG is also willing to selectively own stakes in companies which own top-quality Central European real estate (such as Globalworth and IMMOFINANZ) so long as CPIPG has a high level of control and the ability to strongly influence future strategic actions.

#### Financing and Capital Structure Considerations for CPIPG

CPIPG will finance the share purchases primarily through equity raised in H2 2021 (€550 million in total), proceeds from our disposal pipeline exceeding €1 billion, and a €2.5 billion bridge loan facility signed on 30 November.

Lenders in the bridge loan facility comprise major Austrian and international banks including Banco Santander, Credit Suisse, Erste Group Bank, Goldman Sachs Bank, HSBC, Raiffeisen Bank International, Societe Generale / Komerční Banka, and UniCredit Bank.

Under all potential offer outcomes, CPIPG expects to maintain headroom versus our financial policy. The Group's LTV is expected to be well below 40% at year-end. CPIPG's financial policy guidelines and credit rating targets are unchanged.



For further information please contact:

**Investor Relations**

**David Greenbaum**

Chief Financial Officer

[d.greenbaum@cpipg.com](mailto:d.greenbaum@cpipg.com)

For more on CPI Property Group, visit our website: [www.cpipg.com](http://www.cpipg.com)

Follow us on [Twitter \(CPIPG\\_SA\)](#) and [LinkedIn](#)

