

## SUPPLEMENT DATED 3 SEPTEMBER 2021 TO THE BASE PROSPECTUS DATED 12 MAY 2021



### CPI PROPERTY GROUP

a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B102254

### Euro Medium Term Note Programme

This Supplement (the **Supplement**) to the Base Prospectus dated 12 May 2021 (the **Base Prospectus**) constitutes a prospectus supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and is prepared in connection with the Euro Medium Term Note Programme established by CPI Property Group (the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer, the information contained in this Supplement is in accordance with the facts and makes no omission likely to affect the import of such information.

#### Purpose of the Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference the Issuer's unaudited condensed consolidated interim financial statements as at and for the six month period ended 30 June 2021;
- (b) update the section of the Base Prospectus entitled "*Description of the Issuer – Recent Developments*"; and
- (c) include a new "*Significant or Material Change*" statement.

#### Interim Financial Statements for the six month period ended 30 June 2021

On 31 August 2021, the Issuer published its unaudited management report (the **Interim Management Report**), which contains the Issuer's unaudited condensed consolidated interim financial statements as at and for the six month period ended 30 June 2021 (the **H1 Interim Financial Statements**). A copy of the Interim Management Report has been filed with the Central Bank and, by virtue of this Supplement, the H1 Interim Financial Statements, as set out on the following pages of the Interim Management Report, are incorporated in, and form part of, the Base Prospectus:

Condensed Consolidated Interim Statement of Comprehensive Income.....Page 99

Condensed Consolidated Interim Statement of Financial Position .....	Page 99
Condensed Consolidated Interim Statement of Changes in Equity.....	Page 100
Consolidated Cash Flow Statement.....	Page 101
Notes to the Consolidated Financial Statements .....	Pages 101 – 114

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Commission Delegated Regulation (EU) No. 2019/980.

Copies of the H1 Interim Financial Statements will be available for viewing on the website of the Issuer at <https://www.cpihg.com/reports-presentations-en#tab-item-1>.

## **Description of the Issuer**

### *Recent Developments*

In the section of the Base Prospectus entitled "*Description of the Issuer – Recent Developments*" on page 209 of the Base Prospectus, the following paragraphs shall be inserted at the end of such section:

#### ***"Acquisitions in Berlin and Italy***

On 28 June 2021, the Issuer announced the completion of certain acquisitions in Berlin and Italy.

On 25 June 2021, GSG Berlin acquired (i) a land plot with an area of 81,500 sqm in Schönefeld, directly adjacent to the new airport in Berlin, and (ii) a 50 per cent. stake in three future developments in central Berlin locations for an aggregate amount of EUR 15.3 million.

On 25 June 2021, the Issuer acquired a portfolio of assets in Italy which originated from the restructuring of loans from UniCredit S.p.A. to an Italian family company. The portfolio primarily consists of Maximo, which opened in October 2020 as the first new shopping centre in Rome for more than 15 years. Maximo, which has approximately 100 per cent. occupancy, has a 59,514 sqm location along Via Laurentina in Rome and includes the first Primark in Rome. Through the restructuring, the Issuer also acquired 404,400 sqm of land for development in the Tor di Valle area of Rome, along with other smaller assets in Italy.

The total consideration paid by the Issuer represented a significant discount on the expected market value, and consisted of EUR 318 million, including a EUR 114.5 million reduction in shareholder loans.

#### ***Strategic Partnership with DeA Capital in Italy***

On 5 August 2021, a framework agreement was signed between the Issuer, certain companies of the DeA Capital Group (**DeA Capital**) and Nova RE.

The Issuer is the majority owner of Nova RE, one of only five Italian companies to hold Società di Investimento Immobiliare Quotata (SIIQ) status, which is similar to the REIT regime, and is listed on the Milan Stock Exchange. DeA Capital is the leading independent platform for alternative asset management in Italy, with combined assets under management of nearly USD 25 billion, including more than USD 10 billion invested in real estate. Pursuant to the framework agreement, DeA Capital Real Estate SGR S.p.A. will become Nova RE's exclusive external asset management advisor and will provide a broad range of services to enhance the investment, financial and operational capabilities of Nova RE.

In connection with the framework agreement, DeA Capital has agreed to purchase approximately 1.1 million shares (about 5 per cent.) of Nova RE from the Issuer and intends to remain a long-term shareholder for the future growth and capital raising of Nova RE.

#### ***Actions to support the Issuer's financial policy***

On 31 August 2021, the Issuer announced the following proposed steps in support of its financial policy:

- Mr Radovan Vitek, the Group's majority shareholder, agreed to participate in an intended issuance of new ordinary shares by the Issuer for up to EUR 500 million. See "*Issuance of New Ordinary Shares*" below;
- the Group received offers above book value for certain high-quality properties. Considering the Issuer's strategic objectives and long-term priorities, the Board approved a proposed disposal by the Issuer to complete up to EUR 1 billion of assets in the next six to 12 months, subject to pricing. Sale proceeds would be redeployed via new strategic acquisitions and debt repayment; and
- in the fourth quarter of 2021, or early 2022, the Issuer intends to complete a primary offering of EUR 1 billion by Nova RE, in partnership with DeA Capital, a leading Italian asset manager.

#### ***Disposal of a property in Ettlingen, Germany***

On 31 August 2021, the Issuer's subsidiary GSG Berlin successfully completed the sale of a non-core asset in Ettlingen, Germany for approximately EUR 32 million. The property is an industrial production unit in the wider Stuttgart area, and the sale price was approximately 10 per cent. above its book value.

#### ***Issuance of New Ordinary Shares***

On 1 September 2021, the Issuer announced the issuance of 162,337,662 new ordinary shares for EUR 100 million.

The new ordinary shares, having a par value of EUR 0.10, were issued at a subscription price of EUR 0.616 per share in a reserved capital increase under the Issuer's authorised share capital.

All of the shares were subscribed by entities closely associated with Mr. Radovan Vitek, being the beneficial owner of the Issuer. The new shares were fully paid up by a cash contribution, further strengthening the Issuer's equity. Following the capital increase, Mr. Vitek owns 7,659,340,486 shares in the Issuer, representing 93.72 per cent. of the share capital and 94.5 per cent. of the voting rights.

The corporate share capital of the Issuer was increased from EUR 801,005,815.50 represented by 8,010,058,155 ordinary shares to EUR 817,239,581.70 represented by 8,172,395,817 ordinary shares.

As of 1 September 2021, the total number of shares comprising the share capital of the Issuer is 8,172,395,817. The total number of voting rights attached to the shares comprising the share capital of the Issuer is 8,172,395,817. Voting rights attached to 67,000,000 shares held by the Issuer's subsidiary are suspended."

#### **Significant/Material Change**

The paragraph "*Significant or Material Change*" on page 224 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

**"Significant or Material Change**

There has been no significant change in the financial performance or financial position of the Group since 30 June 2021 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2020."

**General**

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus.