



CPI Property Group

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Press Release - Corporate News

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CPI PROPERTY GROUP – Significant Progress on Disposals

CPI PROPERTY GROUP (“CPIPG” or the “Group”) has prepared an update for our investors and other stakeholders regarding the Group’s property disposal pipeline.

Background

In August 2021, CPIPG’s board of directors approved a plan to complete up to €1 billion of disposals over the following six to twelve months, with proceeds intended to reduce leverage and recharge CPIPG’s financial profile for future growth. The Group’s management curated a pipeline across our geographies focusing on assets that were generally considered non-core, and which could be sold at highly attractive prices.

Today, CPIPG is pleased to announce that the Group has already signed disposals that will raise gross proceeds of about €700 million and net proceeds of about €550 million following repayment of associated asset-level debt.

Disposals of Prague Office Properties

The Prague office market continues to be characterised by relatively low vacancy, stable rents, strong foreign and local investor demand and limited new construction. CPIPG sees ample long-term opportunity in Prague, but recently received two offers which were sufficiently attractive to consider a sale.

In December 2021, the Group completed the sale of an office property in Prague to Generali Ceska Pojistovna, a division of global insurer Generali. The property serves as Generali’s headquarters in the Czech Republic.

In Q3 2021, CPIPG reached an agreement to sell BB Centrum E, the Prague headquarters of CEZ, one of Europe’s largest energy companies. The purchaser is a real estate fund in the Czech Republic. The sale is expected to close in February 2022, with the sole condition being the demerger of BB Centrum E from a CPIPG subsidiary which also owns another high-quality office property that is not currently planned for disposal.

Disposals of Czech Retail Properties

Retail properties in the Czech Republic have performed well throughout COVID-19, with high rent collection rates, resilient footfall, and strong post-lockdown sales performance. While CPIPG is fully committed to our Czech Retail portfolio, the Group has concluded that selected disposals are wise, based on the strength of investor demand.

In December 2021, CPIPG completed the sale of Gecko Shopping Centre in Ceske Budejovice to a fund based in Slovakia; the Group expects to complete the sale of two more Czech retail properties in the next few weeks.



Disposal of assets in Berlin

Berlin is Germany's most international city and is a European hub for IT and creative companies. Office vacancy is among the lowest in Europe, and CPIPG's Berlin office portfolio has delivered consistently high annual rental growth.

The Group owned 46 properties in Berlin as of H1 2021 covering 896,000 square metres of GLA. In December 2021, CPIPG signed a sale of six properties covering about 33,000 square metres of GLA to a global real estate investor, following a competitive bid process involving more than 30 potential buyers. Closing is expected in Q1 2022.

Disposals in Hungary

In December 2021, CPIPG signed the sale of our Airport City logistics property in Budapest to a well-known Hungarian real estate investor. While the property is an excellent performer (and logistics is among the most popular global real estate investment themes), the Group does not have a large footprint in logistics and decided to proceed with the sale at an excellent price. In addition, CPIPG expects to shortly sign the sale of a small office property in Budapest. Both transactions are expected to close in Q1 2022.

Sale of Land in Italy

The Group recently signed an agreement to sell a land plot of about 44,000 square metres in Lambrate, near Milan, to a prominent international real estate investor. The sale occurred at a meaningful premium to the acquisition price paid by the Group earlier in 2021; the sale is expected to close in H1 2022.

CPIPG will continue to update our investors as the disposal pipeline progresses.

Investor Relations

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