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PRESS RELEASE
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CPI PROPERTY GROUP – Successful Issuance of Undated Subordinated (“Hybrid”) Notes

CPI PROPERTY GROUP (hereinafter “**CPIPG**” or the “**Company**”), the largest owner of income-generating real estate in Czechia, Berlin and the CEE region, announces the placement of EUR550 million of undated 4.375% fixed rate resettable subordinated notes (the “**Notes**”). The Notes have no fixed maturity date and are callable by CPIPG from 11 August 2023.

The Notes are commonly known as “hybrids,” and contain features of both debt and equity. The Notes were issued today under CPIPG’s EUR 3 billion Euro Medium Term Note programme (the “**Issue**”). The Notes are listed on the regulated market of Euronext Dublin and are accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Notes is XS1819537132 and the Common Code is 181953713. The base prospectus and the final terms for the Notes are available at the website of the Company (www.cpipg.com)

“CPIPG was the first issuer from the CEE region to execute this kind of hybrid security, which has been a popular and effective source of funding for European and global real estate companies” said Martin Nemecek, CEO of the Company. “Proceeds will primarily be used for general corporate purposes including acquisitions in our core markets and sectors. Funding with a hybrid enhances our capital structure, is consistent with CPIPG’s conservative financial policy and supports our investment grade credit ratings.”

The Notes will be accounted as equity under IFRS. Moody’s Investors Service Limited, which recently raised the outlook on CPIPG’s Baa3 issuer rating from stable to positive, has assigned 50% equity credit to the Notes and has rated the Notes Ba2. S&P Global Ratings, which recently awarded a first-time BBB issuer rating to CPIPG, has also assigned 50% equity credit and has rated the Notes BB+.

The Issue was 1.5 times oversubscribed, and received orders from 76 investors. The largest demand came from the UK and Ireland (54%), followed by Benelux (17%), Switzerland (8%), France (8%), Italy (6%) and others (7%). Asset managers accounted for 82% of the final allocations, followed by banks (7%), pension funds (6%) and others (5%). Orders came from existing holders of CPIPG’s senior notes, and first-time buyers of CPIPG’s credit.

Barclays Bank PLC, Deutsche Bank AG, London Branch, J.P. Morgan Securities plc and UniCredit Bank AG served as joint lead managers and joint bookrunners on the Issue, with Credit Suisse Securities (Europe) plc and Société Générale as co-managers. J.P. Morgan Securities also served as sole structuring agent to CPIPG. The Company was advised by Baker & McKenzie and the banks were advised by Allen & Overy LLP.

“The success of the hybrid offering demonstrates that international investors support CPIPG’s continued growth and are confident in our strategy and management team” said David Greenbaum, CFO of the Company. “We look forward to maintaining close relationships and open communication with our investors as CPIPG continues to consider opportunities in the market.”

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