



CPI Property Group

(société anonyme)

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Press Release - Corporate News

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CPI PROPERTY GROUP – Litigation Update

CPI PROPERTY GROUP (“**CPIPG**”), one of Europe’s largest owners of income-generating real estate, has prepared the following update for our stakeholders regarding a lawsuit recently filed in Cyprus.

CPIPG has received information about the filing of a lawsuit in the District Court of Nicosia, Republic of Cyprus, by Mr. Marek Čmejla, Mr. Jiří Diviš and entities controlled by them. CPIPG has not been served with the lawsuit.

“The Cyprus lawsuit seems to have been filed by the same disreputable parties who unsuccessfully pursued CPIPG and our shareholder in New York and other venues,” said Martin Matula, general counsel of CPIPG. “We are confident that these ridiculous and unfounded claims will continue to fail.”

CPIPG expects that the lawsuit simply recycles old allegations and claims pursued in previous lawsuits, which have been consistently and categorically denied. Furthermore, CPIPG does not believe that Cyprus is an appropriate forum. The alleged claim is for €535 million, a figure without any factual basis. As always, CPIPG will take all appropriate action to defend our company and our stakeholders.

Additional Background

Investhold Limited and Verali Limited are offshore vehicles of Mr. Marek Čmejla, a Czech citizen, and Mr. Jiří Diviš, a Swiss citizen of Czech origin. In connection with the privatization of Mostecká uhelná (a Czech coal mining company) Mr. Čmejla and Mr. Diviš were convicted of fraud and money laundering in Switzerland.

In 2019, the above offshore vehicles and their principals, together with Kingstown, filed a lawsuit against the CPIPG and Mr. Radovan Vitek and other parties (the “**US Lawsuit**”) alleging violations of the Racketeer Influenced and Corrupt Organizations Act (“**RICO**”) in the United States. In September 2020, the Southern District of New York (the “**SDNY Court**”) dismissed the US Lawsuit against all defendants and directed the clerk of court to close the case. In dismissing the US Lawsuit, the SDNY Court ruled that Luxembourg was a suitable forum for resolution of the relevant issues and referenced the substantial similarities of the US Lawsuit to the claim filed in Luxembourg in 2015, which was dismissed against CPIPG in June 2019. The SDNY Court also indicated that the US Lawsuit “bears indicia of forum shopping,” and that “the salient difference between the two suits is the potential for treble damages under the RICO statute” which “is not a legitimate reason for choosing this particular venue.” In September 2022, the Court of Appeals issued a summary order affirming the judgement of the SDNY Court to dismiss the US Lawsuit.

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