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Press Release – Corporate News

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CPI Property Group – Moody's rating action

CPI PROPERTY GROUP ("**CPIPG**" or the "**Group**") has prepared an update for our stakeholders following the decision by Moody's Investors Service ("**Moody's**") to cut the Group's rating from Baa3 to Ba1 with a negative outlook. Moody's decision followed a similar action by S&P Global Ratings ("**S&P**") in May.

CPIPG's strategy is unaffected by the downgrades. Our Group owns the largest real estate platform in the CEE region, with rental income continuing to rise and occupancy at high levels. CPIPG is focused on maintaining liquidity, reducing leverage and streamlining the Group's corporate structure. CPIPG will keep progressing on all fronts to return our ratings to investment grade and will continue behaving like an investment grade company.

Included below are some updates on key topics for our stakeholders; more information can be expected in the coming weeks and in connection with our H1 results publication on 30 August 2024.

<u>Recent and Upcoming Events</u>

Recently, CPIPG and our subsidiary IMMOFINANZ AG ("IMMOFINANZ") signed a framework agreement to review further strategies to integrate and optimise the group's structure to capture both operating and cost efficiencies. This follows the announcement in May that IMMOFINANZ had commenced preparations for the potential squeeze-out of S IMMO AG.

In August, CPIPG expects to receive final results from White & Case following a forensic review of our governance practices stemming from allegations raised by a short seller. CPIPG expects to make a summary of the results available to our stakeholders upon request and will comment further on any decisions or actions resulting from the review.

<u>Liquidity is a Top Priority</u>

The Group's liquidity position has solidified during 2024 because of strong operational cash generation, disposals, refinancing, and the sale of a minority equity stake in part of our Polish portfolio. This year, CPIPG has closed about €900 million in disposals. More than €300 million of disposals are expected to close in the coming months, including the sale of our portfolio in Hvar, which has been progressing through the competition approval process and is expected to close before year-end. The Group's disposal pipeline is updated regularly, and CPIPG continues to work on a pipeline exceeding €2 billion.

Group liquidity as of 30 June was about €1.6 billion. CPIPG is in advanced discussions to refinance over €500 million of secured loans maturing in the next two years. In addition, around €350 million in fresh secured financing is in advanced stages. CPIPG's €700 million revolving credit facility maturing in January 2026 has been repaid to €250 million, versus €410 million at Q1 2024. CPIPG expects to address hybrid and senior unsecured debt maturities proactively.

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