



CPI PROPERTY GROUP

(société anonyme)

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Press Release

Corporate News

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CPI PROPERTY GROUP – Acquisitions in Berlin and Italy

CPI PROPERTY GROUP (hereinafter “**CPIPG**”, the “**Company**” or together with its subsidiaries the “**Group**”), the leading owner of income-generating real estate in Berlin, Prague, Warsaw and the CEE region, has prepared the following update for our stakeholders regarding recent acquisitions by the Group.

Acquisitions in Berlin

In recent years, CPIPG’s subsidiary GSG has completed several office developments in Berlin. Each of these developments has proven highly successful in terms of occupancy, rent, and value growth.

Building on this success, GSG intends to continue pursuing development on a modest scale. On 25 June 2021, the Group acquired a land plot with an area of 81,500 sqm in Schönefeld directly adjacent to the new airport in Berlin. Also on 25 June 2021, the Group acquired a 50% stake in three future developments in central Berlin locations for an aggregate amount of €15.3 million.

“These acquisitions demonstrate that GSG will pursue the right opportunities to strengthen our leading market position in Berlin,” said Oliver Schlink, Managing Director and CFO of GSG Berlin. “Investor competition for assets is extremely strong, but GSG is highly selective.”

“GSG’s office platform is unique in Berlin, because of the historical nature of many of GSG’s properties,” said Sebastian Blecke, Managing Director and COO of GSG Berlin. “Continuing to deliver on well-planned, sustainable developments will further enhance our portfolio.”

Acquisitions in Italy

CPIPG sees Italy as a potential area for expansion. In 2020, the Group acquired majority ownership of Nova RE SIIQ, a listed REIT with a property portfolio valued at more than €120 million. CPIPG intends to continue investing in Nova RE over time along with potential long-term partners.

For several years, the Group has engaged in discussions with Italian banks and entrepreneurs about bespoke restructuring transactions involving the purchase of loans from banks at steep discounts, combined with agreements to purchase equity from a founder or entrepreneur.



On 25 June 2021 the Group acquired a portfolio of assets which originated from the restructuring of loans from UniCredit 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 boasts nearly 100% occupancy, a 59,514 sqm location along Via Laurentina in the South of Rome and includes the first Primark in Rome. Through the restructuring, the Group also acquired 404,400 sqm of land for development in the Tor di Valle area of Rome, along with other small assets in Italy.

The transaction was structured with the help of the Group's majority shareholder, Radovan Vitek, who purchased the equity first in order to enable CPIP's engagement in the restructuring while ring-fencing the Group's exposure to unstructured loans. Now that the restructuring has been completed, and the loans purchased from the bank with a steep discount, the Group finished the transaction by purchasing the equity from our majority shareholder. The total consideration paid by CPIP represented a meaningful discount to the expected market value, and consisted of €318 million including a €114.5 million reduction in shareholder loans.

"CPIP's expansion into Italy will be driven by careful asset selection and discipline on price," said Martin Nemecek, CEO of CPIP. "We see a clear opportunity to use our skills and expertise to gradually build a platform."

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