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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**  
**FOR IMMEDIATE RELEASE**

26 May 2021

**Globalworth Real Estate Investments Limited ("Globalworth" or the "Company")**  
**Publication of Response Circular**

The Independent Committee of the Globalworth Board announces today that it is publishing its response circular (the "**Response Circular**") in connection with the unsolicited cash offer by CPI Property Group S.A. and Aroundtown SA at €7.00 per Globalworth Share (the "**Offer**").

The Independent Committee continues to believe that the Offer significantly undervalues Globalworth, its assets and its prospects. A letter from the Chairman of the Board, and on behalf of the Independent Committee, as set out in the Response Circular has been extracted in full below.

The full Response Circular is available to view at <https://www.globalworth.com/investor-relations/offer-for-globalworth>.

Terms used but not otherwise defined in this announcement shall have the meanings given to them in the Response Circular.

**Letter from the Chairman of Globalworth Real Estate Investments Limited**

Dear Globalworth Shareholder,

**RESPONSE TO THE UNILATERAL OFFER BY CPI PROPERTY GROUP S.A. AND AROUNDTOWN SA, THROUGH ZAKIONO ENTERPRISES LIMITED, FOR GLOBALWORTH REAL ESTATE INVESTMENTS LIMITED**

**1. Introduction**

On 14 April 2021, CPI Property Group S.A ("**CPI**") and Aroundtown SA ("**Aroundtown**" and, together with CPI, the "**Consortium**") announced a firm intention to make a cash offer for Globalworth pursuant to which Zakiono Enterprises Limited ("**Zakiono**"), an entity indirectly wholly owned by CPI, would acquire the entire issued and to be issued share capital not already owned by Zakiono or the Consortium at a price of €7.00 in cash per Globalworth Share (the "**Offer**").

On 19 April 2021, Globalworth announced the formation of a committee comprising three independent directors, Geoff Miller, John Whittle and Andreea Petreanu (the "**Independent Committee**"), to evaluate the terms of the Offer. The other Globalworth Directors were not considered independent for the purposes of evaluating the Offer due to their connections to the members of the Consortium (in respect of Martin Bartyzal, having been appointed by CPI pursuant to rights enshrined in Globalworth's articles of association, and David Maimon, having been nominated by Aroundtown and appointed by the Globalworth Board) or to Growthpoint as a significant Globalworth shareholder (in respect of Norbert Sasse as Growthpoint CEO having been appointed by Growthpoint pursuant to rights enshrined in Globalworth's articles of association and Richard van Vliet, having been nominated by Growthpoint and appointed by the Globalworth Board) or by reason of their executive management position (Dimitris Raptis as CEO).

**The Independent Committee believes that the Offer significantly undervalues Globalworth, its assets and its prospects.** This document sets out the valuation and other considerations taken into account by the Independent Committee in reaching its conclusion that Globalworth Shareholders should reject the Offer.

**TO REJECT THE OFFER YOU NEED TO TAKE NO ACTION**

Details of the Offer were set out in the offer document sent to Globalworth Shareholders on 12 May 2021 (the "**Offer Document**").

**2. The Independent Committee's views on the Offer Price**

The Independent Committee believes that the Offer, which values the entire issued and to be issued ordinary share capital of Globalworth at approximately €1,571 million<sup>[1]</sup> (or €774 million in respect of the entire issued and to be issued ordinary share capital of Globalworth not held by the Consortium), significantly undervalues Globalworth, its assets and its prospects.

The Offer Price of €7.00 per Globalworth Share represents a discount of approximately 27% to Globalworth's six-month volume weighted average price<sup>[2]</sup> as at 21 February 2020, being the last date prior to the start of the COVID-19 pandemic.

The Offer Price represents a significant discount to Globalworth's EPRA NAV (EPRA NR<sup>[3]</sup>), which was €8.68<sup>[4]</sup> per Globalworth Share as at 31 December 2020 and €8.59<sup>[5]</sup> as at 31 March 2021, representing a discount of 19.4% and 18.5%, respectively. Taking into account the cash and cash equivalents at 31 December 2020 of €527.8 million and at 31 March 2021 of €469.7 million, the Offer Price represents a discount of 26.7% and 24.6% to Globalworth's EPRA NAV adjusted for cash and cash equivalents at 31 December 2020 and 31 March 2021, respectively.

*Offer Price in Relation to Historical Share Price*

On the last trading day prior to the announcement of the intention to launch the Offer (13 April 2021), Globalworth Shares were listed at a closing price of €5.86 on the London Stock Exchange. The Offer price therefore exceeds the closing price by €1.14, which corresponds to a premium of just 19.5%.

The following table shows the volume-weighted average exchange price ("**VWAP**") per Globalworth Share for the past one, three and six calendar months, as well as the spot price at the time of the announcement of the intention to launch the Offer.

	Spot price 13 April 2021 (closing price)	1 month (15 March 2021 to 13 April 2021)	3 months (14 January 2021 to 13 April 2021)	6 months (14 October 2020 to 13 April 2021)
VWAP (€)	5.86	5.85	6.83	6.66
Premium (Offer Price)	1.14	1.15	0.17	0.34

minus VWAP) (€)				
Premium (Offer Price to VWAP)	19.5%	19.6%	2.5%	5.1%

Source: Factset, based on Offer Price of €7.00 per Share (without factoring in a dividend).

The following table shows the VWAP per Globalworth Share for the past one, three and six calendar months as at 21 February 2020, being the last date prior to the start of the COVID-19 pandemic, demonstrating a discount of the Offer of approximately 27% to Globalworth's Share across each period.

	1 month (22 January 2020 to 21 February 2020)	3 months (22 November 2019 to 21 February 2020)	6 months (22 August 2019 to 21 February 2020)
VWAP (€)	9.65	9.65	9.63
Premium (Offer Price minus VWAP) (€)	(2.65)	(2.65)	(2.63)
Premium (Offer Price to VWAP)	(27.5%)	(27.4%)	(27.3%)

Source: Factset, based on Offer Price of €7.00 per Share (without factoring in a dividend).

By any of these metrics the Independent Committee considers the premia implied by the Offer to be wholly inadequate in the context of a change of control transaction.

#### Performance Indicators

The following table shows selected financial indicators in € for Globalworth since 2018 that have been taken from the consolidated annual financial statements prepared in accordance with IFRS, and an unaudited consolidated statement of financial position as at 31 March 2021.

Indicator	2018	2019	2020	Unaudited consolidated Mar-21
Diluted NAV per Globalworth Share in EUR	8.18	8.61	7.93	7.82
EPRA NAV (EPRA NRV) per Globalworth Share in EUR <sup>[6]</sup>	9.04	9.30	8.68	8.59

The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.<sup>[7]</sup>

Based on these industry standard financial indicators it is clear that the Offer very significantly undervalues the Company.

### 3 . The Independent Committee's views on the effect of the implementation of the Offer and the Consortium's future intentions on Globalworth's interests, employees and locations

The Code requires the Independent Committee to express its views on the effect of the Offer on all the Company's interests, including, specifically, employees. It also requires the Independent Committee to express its views on the Consortium's strategic plans for the Company and the likely repercussions of those plans on employment and the locations of Globalworth's places of business, to the extent those plans are set out in the Consortium's Offer Document.

Globalworth Shareholders' attention is drawn to paragraph 8 of Part 1 of the Offer Document in relation to the proposals to be made in respect of the Globalworth's interests, employees and locations of business, wherein the Consortium stated that it had not had access to Globalworth's non-public information and as a result had been unable to formulate detailed plans regarding the impact of the Offer on Globalworth and its employees, management or operations. The Independent Committee refutes the assertion that the Consortium did not have access to such information as would have allowed it to formulate detailed plans and notes that, notwithstanding the fact that the Consortium did not request such information, the Independent Committee proactively offered to provide it. That offer was not taken up by the Consortium.

Following the publication of the Offer Document, the Independent Committee and its advisers were concerned about the lack of clarity provided by the Consortium in the Offer Document, particularly regarding their intentions as to the consolidation of their holdings of Globalworth Shares, the future composition of the board and what the Consortium referred to as their "anticipated plans" for the Company. This concern was shared by Globalworth's largest independent Shareholder, Growthpoint.

As a result, on 21 May 2021, the Independent Committee sent a letter to the Consortium, which is set out in Part III of this document, seeking certain clarifications in relation to the Consortium's intentions for Globalworth (the "Clarification Letter").

In particular, the Independent Committee considers that it is of material significance for Globalworth Shareholders when deciding on the merits of the Offer, to understand what the Consortium's intentions are regarding the proposed consolidation of their holdings of Globalworth Shares in the event the Offer lapses or is otherwise withdrawn. This is on the basis that if their shareholdings are consolidated, certain existing corporate governance protections terminate, the most important of which is the requirement for the Globalworth Board to maintain a majority of independent directors. As such, the Clarification Letter sought further clarification on the Consortium's intentions regarding independent directors and the composition of the board.

In the Clarification Letter, the Independent Committee also offered to discuss alternative transactions to the Offer that may deliver greater value to all Globalworth Shareholders.

Within the Consortium's limited existing disclosure the Independent Committee notes that the Consortium states that it:

- does not currently intend to make any changes to existing employment rights, including pension rights, of the management and employees of Globalworth and its subsidiaries;
- does not currently intend to change the places of Globalworth's business, including the location of its headquarters and the headquarters' functions;
- does not intend to redeploy any of Globalworth's fixed assets; and
- intends to maintain Globalworth's AIM listing.

However the Consortium has stated its intention, following the Offer becoming or being declared unconditional in all respects, to:

- within six months of the Offer completing, undertake a strategic review of Globalworth's business;
- make changes to the Globalworth Board in order to reflect the Consortium's majority shareholding in Globalworth, with the effect that the Consortium intends to take control of the Board and cause Globalworth to implement the Consortium's (unstated) strategy going forward; and
- consider proposals regarding the incentivisation of management and employees that may include arrangements to secure the ongoing participation of Globalworth's senior management.

In light of this the Independent Committee notes the following:

- there is a material risk that in the event that the Offer goes unconditional in all respects or the Consortium consolidates its shareholding in Zakiono (which may happen even if the Offer does not go unconditional in all respects) the Consortium may seek to materially weaken or remove current governance protections that benefit Globalworth's minority shareholders;
- the Consortium has provided no description of its anticipated plans for Globalworth or the basis for its assertion that those plans will improve Globalworth's business performance;
- a combination of weakened governance protections and the Consortium's anticipated plans for Globalworth could, among other things, result in Globalworth generating reduced profits available for the purpose of paying dividends, reducing income for shareholders and depressing the value of Globalworth's shares;
- as set out in the Independent Committee's letter to the Consortium dated 21 May 2021, the Independent Committee has offered to explore all avenues that may result in delivering greater value to all Globalworth Shareholders; and
- should the Offer go unconditional in all respects or, should the Offer lapse but the Consortium consolidate their holdings in Zakiono, and the Consortium maintains the AIM listing, there would be a material risk that the reduced liquidity of remaining listed shares would severely impact their trading value.

In the absence of more detailed information regarding the Consortium's plans for the Company, the Independent Committee cannot be certain as to the full repercussions of the Offer on the Company's interests and is unable to comment further at this stage. The Independent Committee remains hopeful that the Consortium will clarify its intentions so that Globalworth Shareholders are able to reach a properly informed view on the merits of the Offer.

On 24 May 2021, the Independent Committee received a response to the Clarification Letter from the Consortium. The response provided very limited detail in addition to that included in the Offer Document. The Consortium confirmed that the reference to its "anticipated plans" for Globalworth referred solely to the statement that it "anticipates making changes to Globalworth's board in order to reflect the Consortium's majority shareholding in Globalworth". The Consortium also reiterated its statement in the Offer Document that it has not made any further plans as regards Globalworth other than that it intends to carry out a strategic review of Globalworth's business.

Additionally, the Consortium confirmed in its response that its members intend to consolidate their shareholdings in Globalworth upon the terms set out in the Consortium Bid Agreement and the Subscription Agreement, following the receipt of the antitrust clearances that are conditions to the Offer. The Consortium also stated it intends to jointly manage Globalworth pursuant to the Shareholders' Agreement following such consolidation.

No further detail was provided on any other clarifications requested by the Independent Committee in the Clarification Letter.

#### 4. **The Independent Committee's views on the Consortium's proposals for the Globalworth Share Schemes**

Your attention is drawn to paragraph 12 of Part 1 of the Offer Document in relation to proposals to participants in the Globalworth Share Schemes. Zakiono recently issued its proposals to participants in the Globalworth Share Schemes as required under Rule 15 of the Code.

The Independent Committee will communicate separately with participants in the Globalworth Share Schemes to confirm the impact of the Offer on awards held under the Globalworth Share Schemes.

#### 5. **Current trading of Globalworth**

The Independent Committee is not aware of any significant change in the financial or trading position of Globalworth since 31 December 2020, being the latest date at which historical financial information for the Globalworth Group has been published.

#### 6. **Financing Arrangements**

Globalworth is party to a number of existing financing arrangements which are subject to change of control provisions that would be triggered if the Offer: (i) becomes wholly unconditional; or (ii) if the members of the Consortium consolidate their shareholdings in Zakiono as described at paragraph 5, page 12 of the Offer Document (each, a "**Change of Control**").

##### *Loans*

The amounts outstanding under Globalworth's existing loan documents correspond to approximately €227,260,000 in aggregate, which would entitle each of the relevant lenders to demand repayment of each of the outstanding loans if a Change of Control occurs. Whilst no amounts are currently drawn under Globalworth's €215,000,000 existing revolving credit facility, the relevant lenders will also be entitled to cancel their respective commitments if a Change of Control occurs - thereby risking Globalworth's ability to draw on this significant line of credit if / when required. The Independent Committee notes that the Consortium has not confirmed how it would refinance Globalworth's outstanding loans, nor whether it would intend to seek any waivers of the relevant contractual provisions or put in place a new revolving credit facility.

##### *Bonds*

Additionally, Globalworth has approximately €1,273 million of bonds outstanding, comprising approximately €323 million of its 2.875% Notes due 2022, €550 million in aggregate principal amount of its 3% Notes due 2025 and €400 million in aggregate principal amount of its 2.950% Notes due 2026 (the "**Bonds**").

If (1) a Change of Control occurs, and (2) certain rating downgrades of the Bonds occur within a certain period following the announcement of the intention to effect such Change of Control, the holders of the Bonds will have the option to require Globalworth to redeem the Bonds at 100% of their principal amount together with accrued and unpaid interest on the Bonds to the redemption date. The Independent Committee notes that the Consortium has not confirmed how it would finance any redemption of the Bonds in such circumstances.

#### 7. **Take No Action**

Your decision as to whether you accept the Offer will depend upon your individual circumstances. If you are in any doubt as to what action you should take, you should seek your own independent professional advice. However, the Independent Committee, which has been so advised by J.P. Morgan and Panmure Gordon as to the financial terms of the Offer, consider that the Offer significantly undervalues Globalworth, its assets and its prospects and, in light of this and notwithstanding the other considerations outlined above, unanimously recommend that Globalworth Shareholders reject the Offer. In providing its financial advice to the Independent Committee, each of J.P. Morgan and Panmure Gordon have taken into account the commercial assessment of the Independent Committee. Panmure Gordon is providing independent financial advice to the Independent Committee for the purposes of Rule 3 of the Code and, in doing so, has taken into account the commercial assessments of the Independent Committee.

Accordingly, the Independent Committee unanimously recommend that **YOU SHOULD TAKE NO ACTION in relation to the Offer and that YOU SHOULD NOT SIGN ANY DOCUMENT THAT THE CONSORTIUM OR ITS ADVISERS SEND TO YOU**. If you have already

accepted the Offer, there are certain circumstances in which you can withdraw your acceptance of the Offer and a summary of the rights of withdrawal is set out in paragraph 5 of Part 2 of the Offer Document.

The members of the Independent Committee and the other Globalworth Directors who hold Globalworth Shares (other than the Globalworth CEO) do not intend to accept the Offer in respect of their own beneficial interests in Globalworth Shares.

Whilst the Globalworth CEO believes that the Offer Price does not reflect the fundamental value of the Company, in light of his personal circumstances and concern as to the future liquidity and trading value of the Globalworth Shares, the Globalworth CEO has indicated that he intends to accept the Offer.

The Independent Committee notes that a change in any one of a number of factors could result in it changing its recommendation to shareholders, including an increase in the Offer Price or a decision by Growthpoint, EBRD or Oak Hill Advisors to accept the Offer. If any material new facts arise in relation to the Offer following the publication of this document, the Independent Committee will consider such material new facts in light of its recommendation to Globalworth Shareholders. The Independent Committee will provide updates to the Globalworth Shareholders as appropriate.

Yours faithfully,

**Geoff Miller**

Independent Non-Executive Director, Chairman of the Board and the Nomination Committee  
for and on behalf of the Independent Committee

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The person responsible for arranging for the release of this announcement on behalf of the Company is Nicola Marrin, Company Secretary.

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**Rule 26.1 Disclosure**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at [www.globalworth.com](http://www.globalworth.com), by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

[1] Value of the Offer as disclosed in the Rule 2.7 announcement on 14 April 2021, based on a fully diluted number of 224.4 million Globalworth Shares.

[2] 6M VWAP pre-COVID of €9.63 per share.

[3] From 2021 onwards, Globalworth reports EPRA NRV as the equivalent metric to the previous EPRA NAV.

[4] Based on a fully diluted number of 221.5 million Globalworth Shares.

[5] Based on a fully diluted number of 221.2 million Globalworth Shares.

[6] From 2021 onwards, Globalworth reports EPRA NRV as the equivalent metric to the previous EPRA NAV.

[7] Source: EPRA Best Practices Recommendation Guidelines as of October 2019.

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