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CTP Germany launches with €1.0 bn in ‘last mile’ logistics development targets, Deutsche Industrie REIT takeover finalised, Udo Stöckl appointed German COO

- CTP Germany launches with plans for €1.0 billion in targeted developments and redevelopment in mainly urban logistics ‘last mile’ assets as former Deutsche Industrie REIT portfolio is integrated into CTP’s pan-European platform.
- Udo Stöckl appointed German COO to support CTP Group CEO and CTP Germany CEO, Remon Vos.
- CTP completes public takeover and delisting offer for Deutsche Industrie REIT-AG and as part of settlement issued 32,421,325 new CTP shares, increasing the total number of issued shares to 432,814,135 and free float to approximately 23%.

Frankfurt, 3 February 2022 – CTP N.V., (“CTP” or the “Company”) the EU’s largest listed owner, developer, and operator of logistics and industrial real estate by gross lettable area (“GLA”) today completes the takeover and delisting offer for (the “Offer”) Deutsche Industrie REIT-AG (now named Deutsche Industrie Grundbesitz AG, “DIR”), which provides immediate scale in Europe’s largest economy. CTP Germany now represents about 15% of CTP’s portfolio and becomes its third largest market by gross asset value after the Czech Republic (42%) and Romania (21%).

The current portfolio is well positioned to satisfy demand for highly sought after smaller urban logistic assets, which are integral to occupiers’ abilities to respond swiftly to consumers fast growing ecommerce demands and form the bedrock of CTP Germany’s future strategy. The portfolio offers significant growth potential through increasing occupancy levels, rental increases, and development opportunities.

CTP Germany plans to invest an additional €1.0 billion in development projects over the next five years. It will leverage its ‘park-making’ capabilities to comprehensively upgrade and drive the sustainability credentials of the previously undermanaged DIR assets and implement a disciplined development strategy to double CTP Germany’s current GLA to 3.2 million sqm by 2026.

Udo Stöckl, formerly principle and managing partner at advisor Avison Young in Germany, has been appointed Chief Operating Officer at CTP Germany reporting to CTP and Germany CEO Remon Vos. Mr Stöckl has an extensive track record in real estate management in Western Europe and North America. Most recently, he led the successful entry of Avison Young in Germany.

Remon Vos, CTP and CTP Germany CEO, said: “The German market is a compelling investment opportunity as it allows us to expand CTP’s network to meet growing occupier demand for urban logistics in one of Europe’s strongest economies. We will now be able to offer existing and new customers access via CTP’s platform to the trans-European supply chain network across markets from the Black Sea to the North Sea. We have identified multiple opportunities to significantly enhance CTP Germany’s

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portfolio by applying the same disciplined development and operational skills that have perfected in Central and Eastern European markets over the past 23 years. We will bring the portfolio up to our demanding ESG standards over time, maintaining our lead as the only major pan-European industrial and logistics real estate company with a 100 percent BREEAM-certified portfolio of ‘very good’ and above.”

CTP Germany’s five-year (2022-2026) business plan will involve two strategies intended to create optimal value for stakeholders. To deliver this focused strategy, the Company will recruit dedicated regional teams in four locations comprising some 50 people, including the current DIR employees.

1. **Applying CTP’s ‘park-making’ expertise to unlock and create value across the former DIR portfolio** of 90 assets¹, representing some 1.7 million sqm of GLA and producing c. €60m of gross rental income per year, is to be split into four components: ‘hold and maintain’; ‘hold and invest’; ‘hold and convert’ and ‘sell.’ The vast majority will be held for the long term with the sale of eight assets expected to be carried out within the first two years:

Strategy	No of Assets ¹	% of Total	GLA m sqm ¹	% of Total
Hold & maintain	60	67%	1,062	64%
Hold & invest	12	13%	373	22%
Hold & convert	10	11%	152	9%
Sell	8	9%	74	5%
Total	90	100%	1,662	100%

- The largest proportion of the portfolio is ‘hold and maintain’, representing quality sites generating stable income from financially sound tenants with longer lease terms. These properties also offer potential for asset management activities to increase rents and improve operating margins with a target 10% leveraged total return.
- ‘Hold and invest’ assets offer opportunities for modernisation to raise ESG standards, grow rents and improve margins. These assets are generally older with shorter lease terms, some vacancy and a higher rent potential and CTP has already identified some 100,000 sqm of land available for development. The Company is aiming for a leveraged total return of c. 10% for standing investments in this category and a yield on cost of c. 8% for development.

¹ As per 31 December 2021.





- The 'hold and convert' properties, a minor portion of the total, are suitable for highly profitable repositioning into other asset classes, especially residential within the medium term. These assets will generate c. 8-10% leveraged total return prior to repurposing.

Central to the Company's plans for the above is to increase average occupancy levels to c. 95% from 88% and increase rental levels nearer to prevailing market rates of c. €76 per sqm from c. €38 per sqm.

2. **CTP aims to double its GLA in Germany in five years through disciplined development in response to demand** and has identified ten strategic zones around which this growth will be centred: Bremen/Hamburg, Berlin, Hannover, Dusseldorf/Cologne/Dortmund, Leipzig/Dresden, Frankfurt, Nuremberg, Karlsruhe/Mannheim, Stuttgart and Munich. The connection between these clusters and neighbouring countries is formed by eight key transport corridors, which present attractive locations for logistics. It estimates €1.0 billion will be deployed to develop and acquire sites, particularly infill and conversion opportunities in and around major urban centres and science and technology parks.

CTP is already developing a c. 30,000 sqm, logistics facility which will be completed later this year, at a major intersection of the A1 and A27 highways just south-east of Bremen.

Udo Stöckl, COO CTP Germany, said: "We have strategically entered this market at scale, buying significantly below replacement cost and acquiring a major platform in one of the most attractive logistics markets in Europe. The portfolio offers many opportunities to add substantial value through upgrades and active asset management. We envisage growth coming from last mile and infill development opportunities around major urban centres, as well as from science and technology parks. This will enable us to expand our existing German customer base and meet the new requirements of corporate clients with whom we already have relationships across the CEE platform."

Completion DIR public takeover and delisting offer

Today, CTP completes the Offer. As part of the settlement of the Offer, CTP issued 32,421,325 new CTP shares (the "New CTP Shares") to the former shareholders of DIR which opted for the share consideration in the Offer. The New CTP Shares are listed and admitted to trading at Euronext Amsterdam as per market open at 09:00 CET this morning. As a result of the issue of the New CTP Shares, the total number of issued CTP Shares increased to 432,814,135 and free float to approximately 23%. As set out in more detail in section 8.7 of the offer document published in connection with the Offer, in order to complete the integration of DIR, CTP intends for DIR to be merged with CTP by way of an upstream cross-border merger with CTP being the surviving entity and as a result of which DIR will cease to exist (the "Merger"). CTP and DIR are taking the necessary steps required to prepare and to convene shareholders' meetings of CTP and DIR to resolve on the Merger.





Further details about the offer and the offer document can be found on CTP's website, at <https://ctp.eu/investors/takeover-offers/DIR-takeover>.

Kempen & Co is acting as sole financial advisor, Sullivan & Cromwell and De Brauw Blackstone Westbroek are acting as legal advisors and Flick Gocke Schaumburg is acting as tax advisor to CTP.

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CTP Group

CTP is Continental Europe's largest owner, developer and manager of logistics and industrial real estate by gross lettable area, owning over 7.1 million m² of space in nine countries per September 30, 2021. The Company expects to expand its portfolio to 10 million m² GLA by year-end 2022, a year earlier than the target set out at its Euronext IPO at the end of March 2021. CTP is the only developer in the region with its entire portfolio BREEAM certified and on track to reach carbon neutral operations this year, underlying its commitment to being a sustainable business. For more information visit www.ctp.eu

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