

International developer UDI Group has worth 165 million euros ready for new acquisitions, mainly Europe is in its search engine

Prague, September 19, 2022 – The international development group UDI Group refinanced a series of projects with its own resources tied up in land and buildings. This year alone it released more than 80 million euros. Along with funds from other sources, it is ready for new acquisitions of about 165 millions, which it intends to invest mainly in its existing markets, precisely the Czech Republic and Poland. The group is currently working on 19 projects, their current value after revaluation as a result of exchange rate changes, affecting mainly preliminary projects documentation and construction, is estimated at 416 million euros. In the following years, UDI Group expects from them at the level of 1.95 billion euros.



„We release our own reserve funds into the acquisition of lands. In total by this refinancing this year we will earn over 80 million euros, which we will use for acquisitions. We are therefore very well prepared for the period when the market as a result of crises will discover lucrative new offers. And that time will come very soon. Already next year we expect that the prices of land will fall and it will be an ideal time to go shopping,” explained the strategy director of an international developer Marcela Fialková.

The largest credit line, for more than 40 million euros, has been negotiated by the group this year with FIO bank. This will enable the release of funds into the projects connected with the plots of land

near the D5 highway on the project in Přešyšov and in plots in Prague in Žižkov and Smíchov, both in the Czech Republic. Komerční banka further took over the financing of the ongoing construction of the site on D1 with a credit line of 23.67 million euros. The group will also use so-called mezzanine financing in volume for this project 6,5 million euros from Upvest, a company linked to Komerční banka. Raiffeisenbank will start to finance the construction of the Serbian project Lastavice with a loan in the total volume of 25.3 million euros.

For more information, you can contact us fialkova@urban-developers.com. Detailed information about the company can be found www.urban-developers.com/cs

About us

UDI Group is an international developer originally from the Czech Republic, which implements residential, office and industrial projects in Central and Eastern Europe and Latin America. It focuses on complex construction that combines functions. It is currently preparing 19 projects, of which sales in the next five years will reach 1,9 billion euros.



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„Revenues from the sale of the Sázava Logistics Park, in which we invested 40 million euros, will also go back to the business, i.e. primarily to new acquisitions. The layout is fully occupied by tenants. The building will be completed at the beginning of the year. Then the complex will be ready for possible sale,” explained Fialková. The group is already in talks with interested parties, however, according to Fialková, sale is not compulsory and there are no issues under commitment. *“If the offers do not meet our expectations, we will keep the site,”* she added.

One of the sources of financing for two selected projects (Sázava Logistics Park in the Czech Republic and Starry Hill in Serbia) was in the past the issue of shares of the subsidiary UDI CEE on the START market of the Prague Stock Exchange. *„During this year, we withdrew our shares from the market in accordance with the standard life cycle development projects. We bought them from investors for a price of 560 crowns, which made it possible for shareholders to realize the profit in the originally intended amount and date,”* explained Fialková. Trade shares started in 2018 at 440 crowns. Their price gradually increased to 560 crowns. Yield per trading time reached 27 percent. A total of 602 million crowns (24,5 million euros) worth of shares were traded.

The fund will enable large institutional investors to participate in UDI Group projects

In the future, the group is preparing to establish a fund for qualified investors. Consulting at creation of the fund structure from a legal and tax point of view is ensured by Ernst & Young. *„This platform will allow access to the financing of our projects in addition to the existing bond holders as well as larger institutional investors from the Czech Republic and abroad. The fund structure will be very flexible and will be linked to selected projects of the group, it will allow investors a fixed percentage return, but in some cases, even a profit share,”* said the group's director of strategy. The fund structure will be established and ready for implementation by the end of this year.

This year, UDI Group focused primarily on purchases in Latin America, where it diversified its operations territorially. *„Given the current situation in Europe, it was clearly a very positive step. These are the fast-moving money markets that we focus on for housing construction,”* explained Fialková. In the spring, the group acquired land for the construction of up to of a 25storey apartment building in the Costa Rican capital of San Jose, and two months later plots for a 25 and 15storey apartment building in the capital of neighboring Panama.

More new acquisitions are being explored in most existing markets, mainly in Poland, where it focuses on Warsaw and other large cities, Hungary, and the domestic Czech market. The group is also interested in acquisitions in new markets, for example in Western Europe – Germany, Spain or Portugal, but due to the current situation, it is more cautious about the venture. In the coming months, it will prioritize ready acquisitions for existing markets.

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