

PRESS RELEASE

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Paris, 20 May 2021



Covivio Hotels launches a capital increase of approximately €250 million

Key terms and objectives of the transaction

- **Capital increase with shareholders' preferential subscription rights**
- **Subscription price: €16 per share**
- **Subscription ratio: 2 new shares for 17 existing shares**
- **Trading period for preferential subscription rights : from 21 May 2021 to 3 June 2021 inclusive**
- **Subscription period: from 25 May 2021 to 7 June 2021 included**
- **Share capital entirely guaranteed by the irrevocable subscription commitment of the existing shareholders**

Covivio Hotels (the “**Company**”) announces today the launch of a capital increase in cash with preferential subscription rights in the amount of approximately €250 million (the “**Capital Increase**”).

All the main shareholders of Covivio Hotels, members of the Supervisory Board and representing approximately 97% of the company's share capital, have already irrevocably undertaken to subscribe on an irreducible basis (*à titre irréductible*) for shares in the Capital Increase in proportion to their respective shareholding. Covivio has also undertaken to subscribe for shares on a reducible basis (*à titre réductible*) to cover the residual part, i.e. approximately 3% of the Capital Increase. The subscription commitments represent 100% of the Capital Increase.

Convinced of the strong foundations of the European hotel market, Covivio Hotels is preparing the resumption of the activity with this capital increase. While strengthening and optimizing its balance sheet, Covivio Hotels is giving itself additional investment capacities. The proceeds of the Capital Increase will be used to reimburse corporate debts contracted in 2020 for €250 million with maturities in 2022 and 2023 respectively. The funds raised will also enable the Company to preserve all of its cash available and its authorized credit lines to possibly seize investment opportunities.

Main terms of the Capital Increase

The Capital Increase will be completed with shareholders' preferential subscription rights (the “**Rights**”), pursuant to the 21th resolution of the combined general meeting of 8 April 2021 and the decision of the Managing Partner (*Gérant*) dated 18 May 2021, and will result in the issue of 15,593,836 new shares (the “**New Shares**”), at a subscription price of €16 per share (i.e. €4 in nominal value and €12 in issue premium), to be fully paid upon subscription by payment in cash, representing gross proceeds, including the issue premium, of up to €249,501,376.



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On 21 May 2021, each of the Company's shareholders will receive seventeen one (1) Right for one share recorded at the end of the accounting day on 20 May 2021. Seventeen (17) Rights will entitle their holders to subscribe for 2 (2) New Shares on an irreducible basis (*à titre irréductible*).

Subscriptions on a reducible basis (*à titre réductible*) will be accepted but will be subject to reduction in the event of oversubscription. Any New Shares not covered by subscriptions on an irreducible basis (*à titre irréductible*) will be distributed and allocated to the holders of Rights having submitted subscription orders on a reducible basis (*à titre réductible*), subject to reduction.

On the basis of the closing price of the Covivio Hotels share on the regulated market of Euronext Paris on 18 May 2021, i.e. €17.40, the theoretical value of one (1) Right is €0.147 and the theoretical value of the share ex-rights is €17.25.

For illustrative purposes, the issue price represents a discount of 7.26% to the theoretical value of the Covivio Hotels share ex-rights, based on the share price of the Covivio Hotels share at the close of trading as of 18 May 2021, i.e. €17.40.

These values do not necessarily reflect the value of the Rights during their trading period, the value of Covivio Hotels share ex-rights or the discounts, as determined in the market.

The Capital Increase will be open to the public in France only.

BNP Paribas, Crédit Agricole Corporate and Investment Bank and Natixis are acting as Joint Global Coordinators and Joint Bookrunners.

Indicative timetable for the Capital Increase

The Rights will be listed and traded on the regulated market of Euronext Paris under the ISIN code FR0014003N77 from 21 May 2021 to 3 June 2021 included. The subscription period for the New Shares will run from 25 May 2021 to 7 June 2021 included. During this subscription period, the holders of Rights will be entitled to exercise their Rights in order to subscribe to New Shares:

- on an irreducible basis (*à titre irréductible*), 2 New Shares for 17 existing shares they hold. 17 Rights will enable to subscribe 2 New Shares at a price of €16 per New Share; and
- on a reducible basis (*à titre réductible*), the number of New Shares they want in addition to the ones they are entitled to through the exercise of their Rights on an irreducible basis.

The Rights not exercised before the end of the subscription period, i.e. before the close of trading on 7 June 2021, shall then become null and void.

The issue, settlement-delivery and admission of the New Shares to trading on the regulated market of Euronext Paris are expected to take place on 14 June 2021. The New Shares will carry dividend rights and will confer on their holders, upon delivery, all the rights attached to the shares and will give the right to any dividends distributed by the Company from the date of issuance.

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They will be immediately fungible with existing shares of the Company and will be traded on the same line under the ISIN code FR0000060303.

Lock-up commitment of the Company

From the date of approval by the *Autorité des marchés financiers* (“**AMF**”) of the prospectus relating to the Capital Increase and for a period expiring 90 calendar days following the settlement-delivery date of the New Shares, subject to certain customary exceptions.

Dilution

For illustrative purposes only, a shareholder holding 1% of the Company’s share capital as of 19 May 2021, and who does not participate in the Capital Increase, would hold 0.89% following the issue of the New Shares.

Liquidity Agreement

The liquidity agreement entered into with Natixis and Oddo BHF on 27 June 2018 will be suspended as of 19 May 2021 until the end of the subscription period of the New Shares, i.e. 7 June 2021.

Availability of the Prospectus

The prospectus (the “**Prospectus**”) was approved by the AMF under number 21-162 on 19 May 2021 and includes (i) the universal registration document (*document d’enregistrement universel*) of Covivio Hotels filed with the AMF on 15 March 2021 under number D.21-0122 (the “**URD**”), (ii) an amendment to the URD filed with the AMF on 18 May 2021 under number D.21-0122-A01, (iii) the securities note dated 19 May 2021 (*note d’opération*) (the “**Securities Note**”) and (iv) the summary of the prospectus (included in the Securities Note).

The Prospectus is available on the website of the AMF (www.amf-france.org) and the Company (www.covivio-hotels.fr). Copies of the Prospectus are available free of charge at the Company’s registered office (30 avenue Kléber, 75116 Paris).

Risk factors

Investors’ attention is drawn to the risk factors detailed in section 1.6.1 “*Risk Factors*” of the URD and in chapter 2 “*Facteurs de risques*” of the Securities Note (*note d’opération*).



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 **ABOUT COVIVIO HOTELS**

Covivio Hotels specializes in owning business premises in the hotel sector. A listed real estate investment company (SIIC), a real estate partner of the major players in the hotel industry, Covivio Hotels holds assets worth € 6.5 billion (at the end of 2020).

Covivio Hotels is graded BBB+ / Stable outlook by Standard and Poor's.

 **ABOUT COVIVIO**

Thanks to its partnering history, its real estate expertise and its European culture, Covivio is inventing today's user experience and designing tomorrow's city.

As a preferred real estate player at the European level, Covivio is close to its end users, capturing their aspirations, combining work, travel, living, and co-inventing vibrant spaces.

As a benchmark in the European real estate market with 26 Bn€ in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.

Build sustainable relationships and well-being, is the Covivio's Purpose who expresses its role as a responsible real estate operator to all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities but also to future generations. Furthermore, its living approach opens up exciting project and career prospects for its teams.

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