



Paris, 19<sup>th</sup> April 2024

## A major step towards strengthening exposure to the hotel business

*Covivio today finalized the transaction, announced on 22<sup>nd</sup> February 2024, related to the acquisition of the 8.3% stake held by Generali in its subsidiary Covivio Hotels, in exchange for new Covivio shares. By increasing its exposure to the hotel sector to 20% (from 17% by the end of 2023), this transaction marks a major step in Covivio's reinforcement in this growing asset class. This reinforcement may continue via the launch of a public exchange offer for the remaining 47.8% of Covivio Hotels' capital.*

### Increased exposure to hotels and improved financial indicators

On April 19<sup>th</sup>, Covivio and Generali finalized the contribution of 8.3% of the capital of Covivio Hotels held by Generali in exchange for new Covivio shares. The exchange ratio for this transaction is 31 Covivio shares for 100 Covivio Hotels shares, ex-dividends (2023). Generali has undertaken not to transfer the Covivio shares it has received in exchange for its Covivio Hotels shares until July 31<sup>st</sup>, 2024. Covivio now holds 52.2% of the capital and voting rights of Covivio Hotels.

This transaction is part of a strategic move to rebalance the Group's portfolio, thereby increasing exposure to the hotel sector, which has demonstrated its ability to outperform inflation and GDP growth over a long period and offers promising growth prospects. Growth in overnight stays is expected to reach +5%/year by 2030<sup>1</sup>, while future supply represents only 2% of existing hotel stock on average in Europe.

With this contribution<sup>2</sup>, equivalent to the acquisition of €500 million in assets, Covivio is strengthening its position in one of the highest-quality portfolio on the market, comprising 313 prime hotels, 89% of which are in major European tourist cities such as Paris, Berlin, Rome, London, Barcelona, and Madrid.

The share of hotels in Covivio's portfolio now stands at 20%, compared with 17% at the end of 2023, accelerating the balancing between hotels, offices, and residential units.

This reinforcement will have a positive impact on recurring net income (adjusted EPRA Earnings) per share of around +1% (quasi-neutral for NAV, at -0.3%). The 2024 recurring net income guidance communicated in mid-February 2023 (of around €440 million) does not take into account this transaction, the impact of which will be clarified at the time of the 2024 half-year results. Covivio's debt indicators will also be improved, with Covivio Hotels posting an LTV ratio of 34% and a Net Debt/EBITDA ratio of 8.5x.

### Launch of a public exchange offer for the remaining share capital of Covivio Hotels

In the coming weeks, Covivio will launch a mandatory public exchange offer (the "Offer"), in the form of a simplified offer, for the remaining share capital of Covivio Hotels, on the same terms as the contribution by Generali (31 Covivio

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<sup>1</sup> Source : Oxford Economics

<sup>2</sup> The contribution transaction was the subject of reports on the remuneration and value of the contributions drawn up by a contribution appraiser and was concluded on the basis of a parity of 31 Covivio shares for 100 Covivio Hotels shares, ex-dividends (2023).

## COVIVIO

shares for 100 Covivio Hotels shares, ex-dividends 2023). Covivio does not intend to implement a squeeze-out at the end of the Offer, nor to carry out a merger within 12 months of the closing of the Offer.

In this context, Covivio Hotels' Supervisory Board set up on February 22<sup>nd</sup>, 2024, an ad hoc committee comprising Adriana Saitta, Caisse des Dépôts et Consignations and SOGECAP. On March 5<sup>th</sup>, 2024, the Supervisory Board appointed the firm Abergel, represented by Mr. Jean-Noël Munoz, as independent appraiser, in accordance with the ad hoc committee's proposal, to give an opinion on the financial terms of the Offer, and whose report will be reproduced in Covivio Hotels' response memorandum.

The Offer, which is subject to a compliance decision by Autorité des Marchés Financiers (the AMF), was the subject of a resolution approved by Covivio's Annual General Meeting on April 17<sup>th</sup>, 2024.

The draft offer document relating to the Offer was filed today. More detailed information on the Offer will be available in Covivio's press release on the Offer that will be published today pursuant to article 231-16, II of the AMF's general regulations, as well as in the draft offer document available on Covivio's website (<https://www.covivio.eu/fr/>) and on the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

## AGENDA

▶ Q1 2024 activity:

April 23, 2024



## CONTACTS

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## 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.

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.

A benchmark in the European real estate market with €23.1 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 and the planet. Furthermore, its living, dynamic approach opens up exciting project and career prospects for its teams.

Covivio's shares are listed in the Euronext Paris A compartment (FR0000064578 - COV), are admitted to trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, and in the ESG FTSE4 Good, CAC SBT 1.5°C, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, ISS ESG, Ethibel and Gaïa ethical indices and also holds the following awards and ratings: CDP (A), GRESB (90/100, 5-Star, 100% public disclosure), ISS-ESG (B-) and MSCI (AAA).

### Notations solicited:

Financial part: BBB+ / Stable outlook by Standard and Poor's