SOCIETE DE LA TOUR EIFFEL

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PROPOSED CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS OF €600M
GENERAL MEETING CONVENED ON 16 DECEMBER 2024

Société de la Tour Eiffel (the "Company") today announces that its Board of Directors has decided, by a majority vote, to call for an Extraordinary Shareholders General Meeting with a view to carrying out a capital increase with shareholders' preferential subscription rights of €600m, in order to strengthen its financial structure and return to sustainable growth.

The proposed transaction aims at enabling the Company to cover short-term refinancing maturities[1], reducing the use of its credit facilities and continuing its operations while being in position to seize market opportunities in the medium term. The transaction takes place in a context where the Company will risk failing to comply with one or more of its banking covenants within the next twelve months[2], which could lead to the early repayment of its full financial debt. In the absence of completion of the capital increase within the envisaged timeframe, the Company would not have sufficient consolidated net working capital to ensure the repayment of its debt resulting from these covenant breaches for the next twelve months.

The SMABTP Group, the main shareholder, has confirmed that it will subscribe to the deal, so that 75% of the targeted €600m will be subscribed.

Shareholders will be asked to approve the principle of the transaction at the Extraordinary General Meeting to be held on 16 December 2024, (which will be dedicated exclusively to this transaction). The issue price per new share will be determined by the Board of Directors after the General Meeting, but may not be less than par value, i.e. €5 per new share. Given the targeted amount of €600m and an issue price per share that will depend on market conditions, the Company could issue up to a maximum of 120,000,000 ordinary shares.

Settlement and delivery of the capital increase is expected to take place in the first quarter of 2025.

"The proposed capital increase announced today reflects the Company's determination to strengthen its equity and secure its financial health in order to pursue the rollout of its roadmap in partnership with all its shareholders. The transaction should enable us to take advantage of any opportunities for sustainable growth that may arise in a property market that, while still uncertain, is now showing the first signs of recovery." said Christel Zordan, Chief Executive Officer of Société de la Tour Eiffel.

Adjusted roadmap preserving the Company's key goals

Since the beginning of 2022, and the unveiling of its new roadmap, Société de la Tour Eiffel has embarked on a far-reaching transformation of its real estate portfolio to meet today's societal and property challenges.

Ahead of an expected upturn in the property cycle, and with the support of its Board of Directors, the Company is keen to continue adapting its portfolio to new uses. In addition to offices, it is pursuing its diversification by

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[1] As a reminder, the Company's consolidated net debt at 30 June 2024 was €742.2m, including €300m maturing in July 2025.
[2] In particular the ICR ratio (*i.e.* EBITDA / Financial Expenses), which was 3.4x at 30 June 2024 and which must be at least equal to 2x under the terms of the financial documentation, and the LTV ratio (*i.e.* Net Debt / Asset Value), which was 44.5% at 30 June 2024 and which must be at most equal to 50% under the terms of this documentation. For more information, see sections 2 and 6 of the 2024 half-year financial report available on the Company's website.

strengthening its position in urban logistics hubs, business parks, managed residential property and mixed-use assets, which account for a third of its portfolio. It also aims to consolidate its regional coverage by locating a third of its assets in major regional cities. Finally, our teams are committed to achieving the highest standards of environmental performance and responsibility across the board, notably through the certification of at least 80% of our assets.

In a persistently constrained market, the Company firmly believes that this capital increase will give it the means to strengthen its financial structure and rebalance its portfolio around assets in line with its roadmap, enabling to restore sustainable dividend distribution capacity for shareholders.

The proposal, which will support the next major stages in the Company's transformation, takes place after the first steps taken by the Company over the last two years:

- Sale of nearly €200m in properties no longer meeting the Group's needs (representing 11% of the portfolio, i.e. a dozen assets sold at prices on average in line with market valuations);
- Nearly €200m invested in assets in tune with their markets, including Paris Provence, Paris Bellefond, the turnkey projects (VEFA) Lyon-Manufacture and Issy-Millésime;
- €134m committed to property developments, of which €60m had already been spent by the end of June, including the ongoing redevelopment of Rivage (Puteaux), Evasyon (Lyon), Syrah (Bobigny), Nanturra (Nanterre) and Jade (Aix-en-Provence),
- €330m in controlled and identified endogenous developments, including redevelopments under consideration in Aubervilliers, Paris Traversière, Bagneux, Massy, Saint-Cloud, Aix-en-Provence, Montigny and Orsay,

Financial structure requiring significant strengthening

The Company has carried out a specific review of its liquidity risk over the coming 12 months. The breach of one of its banking covenants would entitle creditors to demand early repayment of their debt in full.

Given the Company's level of indebtedness and the fall in property market valuations over the last two years[3], the LTV (net debt to asset value) covenant is expected to be close to its limit as of 31 December 2024.

On the basis of this financial situation, the yield curve and related hedging instruments (going from -0.5% over the 2020-2024 period with a nominal value of €480m to 2.50% over the 2025-2026 period with a nominal value of €405m), as well as the Group's ability to reduce its assets vacancy rate or accelerate its disposal plan in this uncertain environment, the Company anticipates that the ICR (EBITDA/Financial Expense) covenant may no longer be met from 30 June 2025.

In consultation with its partners, the Company has explored all possible solutions to rebalance its now inadequate financial structure, restore its ability to execute its roadmap and return to sustainable growth. Among the alternatives considered, a capital increase with preferential subscription rights is the only one that grants shareholders the opportunity to support the Company's activities while preserving its ability to continue as a going concern and to implement its roadmap.

Use of the proceeds of the contemplated rights issue

In order to strengthen its financial structure, meet its forthcoming maturities and restore its financial flexibility, the Company will use the proceeds to be raised through the rights issue:

- In priority, to redeem the €200m EURO PP (maturing in July 2025);
- To reduce the drawdown on the €100m RCF Pool CADIF 2018 facility (to be renewed by July 2025) and the €90m SLL CADIF 2024 facility, of which €160m has been drawn down to date;
- In case of sufficient liquidity and after securing the ICR, to redeem the €180m 2020 perpetual subordinated loan (coupon step-up from 4.5% to 9.5% in June 2025);
- And for the remainder, to take advantage of market opportunities in the medium term, while maintaining its banking covenants at market levels over the long term, and to repay €14m in secured financing.

The Company will invest the proceeds between the settlement-delivery of the capital increase and the date of use (contractual maturities), thereby reducing net financial expense over the period in order to meet the June 2025 ICR.

By way of illustration, based on the figures for the first half of 2024, excluding the impact of interest rate hedging and assuming the completion of a €600m capital increase as soon as 1st January 2024 and the repayment of the various facilities described above, the ICR would have been 2.4x as at 30 June 2024. Similarly, the LTV and EPRA LTV ratios would have been 19.3% and 27.0% respectively.

[3] Prior to the Extraordinary General Meeting convened on 16 December 2024, the Company plans to publish an estimate of the change of its assets value at 31 December 2024.

Extraordinary General Meeting

The capital increase is subject to approval by the Extraordinary Shareholders General Meeting to be held on 16 December 2024. The Board of Directors, acting by delegation, will set the final terms and conditions and will sub-delegate all powers to the Chief Executive Officer to complete the transaction.

Intentions and undertakings of the main shareholders

The SMABTP Group, which through various entities holds 52.3% of the Company's capital and voting rights, has already indicated that it will subscribe to the capital increase in such a way that at least 75% of the amount is subscribed (the terms of this subscription commitment will be disclosed at the launch of the transaction).

Potential impact on SIIC status

The SMABTP Group has indicated that it will subscribe to the capital increase in such a way it is subscribed to at least 75% of the targeted amount, as set out above, the level of participation in the capital increase could lead the SMABTP Group to exceed the 60% ownership or voting rights thresholds[4], resulting in the suspension or exit from SIIC (*Sociétés d'Investissement Immobilier Cotées* for Listed Real Estate Investment Companies) status (French REIT) if this threshold is not met again at the end of the financial year within which the capital increase is carried out (i.e. 31 December 2025), in accordance with the provisions of Article 208 C I and IV of the General Tax Code. Based on the analysis carried out by the Company's tax advisors, the financial impact of a change of status should be limited (contained cost with regards to the expected unrealised capital gains and taxation that should be minimal in subsequent years- the Company does not anticipate any tax expense in excess of €2m), and more particularly in comparison to the issues related to the need to strengthen the Company's equity.

In addition to the impact on the Company, an exit from SIIC status would also have consequences for its shareholders. As a reminder, the SIIC status requires the payout of 95% of the profits deriving from the rental of properties and 70% of capital gains on the disposal of properties. If the Company exits the SIIC status, it will no longer be subject to these obligations. However, the Company has not generated any distributable profits since 2021, so it is not required to make any distribution and the amount paid to shareholders comes entirely from the share premium account. In these circumstances, the SIIC status is not currently a determining factor in our shareholder return policy.

Although this proposed capital increase is likely to jeopardise the Company's SIIC status, it is part of the process of rebuilding cash flow generation and restoring the property company's ability to pay dividends. Even though the Company does not intend to pay a dividend in the short term, the Board of Directors will examine the possibility of returning, in the long term, to a distribution policy in line with peers', based on its payout capacity.

Finally, should an exit from SIIC status occur, the Company's shares would be eligible again to the PEA (the French tax-advantaged Plan d'Epargne en Actions).

The Company could opt again for SIIC status after its exit, if it once again meets the conditions for access to the regime.

The Company wishes to maintain its listing on the regulated market of Euronext Paris.

Prospectus

The final terms of the capital increase, which will be determined by the Company's Board of Directors under the authority granted by the Extraordinary General Meeting, will be set out in detail in a prospectus to be submitted to the AMF for approval prior to the launch of the transaction. This prospectus will be available on the Company's website (www.societetoureiffel.com) and on the AMF website (www.amf-france.org).

Risk factors

Shareholders will be able to exercise their preferential subscription rights to subscribe to this capital increase in order to maintain their level of ownership. Otherwise, the shareholders will be subject to massive dilution in relation to the planned size of the transaction, which will be offset in whole or in part by the value of their preferential subscription rights, depending on market conditions.

[4] An actual subscription by the SMABTP Group to the capital increase in excess of its irreducible rights is likely to result in the above-mentioned 60% thresholds being exceeded.

Indicative timetable

- 7 November 2024: Analysts' conference (SFAF)
- 16 December 2024: Extraordinary General Meeting of Shareholders
- March 2025: 2024 Full-year results
- 15 May 2025: Annual General Meeting
- July 2025: 2025 Half-year results

A presentation on the proposed capital increase will be available on the Group's website on Thursday morning 7 November: Financial information – Société Tour Eiffel (societetoureiffel.com).

contacts

Media relations
Laetitia Baudon
+33 (0)6 16 39 76 88
laetitia.baudon@shan.fr

Investor relations
Aliénor Kuentz
+33 (0)6 28 81 30 83
alienor.kuentz@shan.fr

About Société de la Tour Eiffel

With a property portfolio amounting to €1.7bn, Société de la Tour Eiffel is an integrated property company with a strong culture of services. This agile company operates in various asset classes, including offices, urban logistics, managed residential and retail, in Greater Paris and other major French metropolitan areas. An active player throughout the property cycle, it assists its tenants – companies of all sizes and sectors – through high-standard direct management of its properties. Société de la Tour Eiffel conducts a pro-active and transversal CSR policy that is an integral part of its strategic orientations.

Société de la Tour Eiffel is listed on Euronext Paris (B board) – ISIN code: FR0000036816 – Reuters: TEIF.PA – Bloomberg: EIFF.FP

www.societetoureiffel.com

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A prospectus relating to the capital increase will be submitted to the Autorité des Marchés Financiers for approval prior to the effective launch of the capital increase.

Any forward-looking statements contained in this document speak only as of the date of this press release. Société de la Tour Eiffel does not assume any obligation or responsibility to update the information contained in this press release beyond what is required by applicable regulations.