

Material change of the Financial State/ Capital Structure /Co-operations/ Acquisitions/
Mergers (Buy/ Sell of Major Assets/ Borrowing burdens etc)

LOUIS PLC

LUI

Announcement: Louis plc

Please find below related announcement

Attachment:

1. **Louis Announcement**

Regulated

Publication Date: 24/01/2020



ANNOUNCEMENT

LOUIS PLC – SALE OF 5 GREEK HOTEL BUSINESSES TO REAL ESTATE FUNDS MANAGED BY BLACKSTONE

Nicosia, 24 January 2020

Further to its previous announcements, dated September 20 and October 9, 2019, in relation to the above matter, Louis plc announces that all provisions of the agreement have been fulfilled and the Hellenic Competition Commission has approved the transaction. Therefore, the sale and transfer of the shares of the companies that resulted from the demerger of its five Greek hotel activities to the real estate funds managed by Blackstone, has been completed.

The net consideration resulting from the interim accounts submitted under the terms of the agreement, amounts to about €151,3 million. The buyers have additionally taken over bank liabilities of €27,2 million as well as other net liabilities of € 0,1 million (€151,3 million + €27,2 million + € 0,1 million = €178,6 million in total). The amount of €143,3 million has already been received, whereas the remaining amount of € 8,0 million will be paid by the buyers during 2020, upon the satisfaction of certain terms.

Based on these, the profit which on the basis of the last announcement dated 9 October 2019 was anticipated to be in the region of €75 million, finally came to €76,5 million. In addition there is an accounting profit of € 3,7 million due to (i) the reversal of deferred tax provision resulting from the early redemption of sale and lease back agreements relating to two hotels, as subsequently agreed with the buyers and (ii) lower net book value resulting from depreciation.



Furthermore, the final accounting profit has been positively affected by relevant expenses of €2,4 million which shall be included in the results of 2019. The total accounting profit is therefore expected to be about € 82,6 million and will be included in the consolidated results of Louis plc for 2020. The non-completion of the sale and transfer of the five hotel businesses before the end of 2019 is due to time consuming procedures for the final approval of the demerger, required by the agreement. It is noted that the two parties maintain the right to submit comments on the interim accounts which may result in some variations as to the amounts abovementioned. However, these are not expected to be substantial or material.

Louis Hotels will continue to operate the 5 hotels in 2020 on the basis of a management agreement. Furthermore, it is in discussions with the buyers for the possible cooperation in the following years.

Proceeds of the sale of about € 104,0 million have been applied in prepaying loans and other bank facilities. Louis plc will later consider the utilization of the remaining funds received.