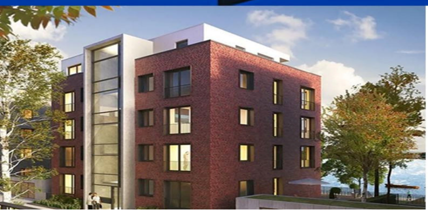
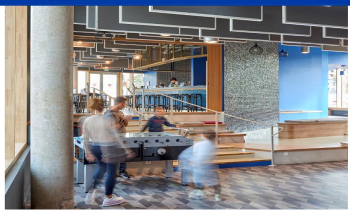

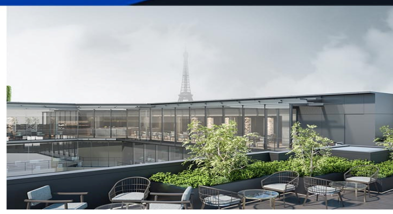

Paris, 17 February 2021, 6.0 p.m.

Solid performance 2020 thanks to a prime and diversified portfolio

"2020 was marked by our significant expansion in Germany, the success of our disposal plan and the achievements on our ESG strategy. Our portfolio has shown its resilience thanks to its diversification and quality, despite an unprecedented crisis. The centrality of our assets, the potential of our developments, the flexibility of our offer and the recognised expertise of our teams, working closely with our clients, are the foundations of sustainable performance."
Christophe Kullmann, Covivio Chief Executive Officer

2020: numerous successes in a context of crisis

- Reinforcement in Germany: +6 points of exposure in the Covivio portfolio (to 37%);
- Success of the disposal plan: €871 million Group Share (vs > the €600 million target) with an 8% margin;
- Offices: 72,500 m² of new rental commitments in a wait-and-see rental market;
- German Residential: continued growth both in rents (+2.3% on a like-for-like basis) and in value (+8.2%).

Financial results for 2020: solid fundamentals

- Good performance in offices and residential (85% of the portfolio): revenue up +1% on a like-for-like basis; very high rent collection at 98%
- Hotel revenues (15% of the portfolio) impacted by the crisis: -55% on a like-for-like basis;
- EPRA Earnings: €385 million (€4.21/share), compared to the guidance published in July of €380 million;
- Portfolio values: +1.3% on a like-for-like basis, driven by residential and development projects;
- LTV of 40.9%, close to the policy of <40%;
- EPRA NTA per share of €100.1, increasing by 2% in the second semester;
- Dividend proposal: €3.60 per share[1].

New progress in the ESG strategy

- 88% of "green" assets[2] at the end of 2020, +10 points on a like-for-like basis, on track to reach the target of 100% by 2025;
- Client culture: Covivio received the "Fairest Landlord" award in Germany at the Focus Money survey in 2020, with the highest score of "Very Good" for all criteria.

2021 Outlook

- The diversification of the portfolio and its centrality are key strengths for taking advantage of the coming recovery;
- Development pipeline: new projects in the CBDs of Paris, Berlin and Milan and acceleration of the transformation of offices into residential;
- Adaptation of real estate solutions with more services and flexibility for customers;
- Continuation of disposals, with a target of more than €600 million;
- EPRA Earnings 2021 target of €380 million to €395 million depending on the profile of the hotel recovery.

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[1] Subject to the approval of the General Assembly to be held on April 20th, 2021
[2] Properties benefiting from an environmental certification/label (BREEAM, HQE or LEED) for their operations and/or the building
EPRA earnings and EPRA NTA are Alternative Performance Indicators as defined by the AMF; these are outlined in section 3. Financial information, 5. EPRA reporting and 7. Glossary of terms in this document. The financial statements were approved by the Board of Directors on 17 February 2021. The audit procedures on the consolidated financial statements have been completed. The certification report will be issued after the specific verifications.

Covivio: a diversified business model and a high-quality portfolio

With a portfolio worth €25.7 billion (€17.1 billion Group Share) in Europe, up by €1.4 billion (+9%), Covivio has built its development on diversification in activities in which it plays a leading role:

- **60% of the portfolio consists of offices** in France, Italy and Germany, mainly in central locations in Paris, Milan and Berlin;
- **Residential in Germany represents 25% of the portfolio**. It is located in the city centres of Berlin, Dresden, Leipzig and Hamburg and in major cities in North Rhine-Westphalia;
- **Hotels (15% of the portfolio)**, located in major European tourist cities (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.) and are leased or managed directly by major operators, such as AccorInvest, IHG, B&B and NH Hotels.

This portfolio is managed according to **three strategic pillars**:

1. **Location in the heart of major European cities**, particularly in Paris, Berlin and Milan. Thus, 96% of assets are located less than five minutes on foot from public transport;
2. **Development**, in order to offer new buildings, combining energy performance, well-being and adaptation to changing uses, Covivio is currently developing €1.2 billion Group share of office projects and €200 million of residential projects in Europe;
3. **Client centricity,** which puts the user at the centre of the strategy. Covivio supports its tenants in their real estate strategies over the long term by forging strong partnership-based relationships (with an average firm lease maturity of seven years). This is reflected in an ambitious service approach and ever more flexibility, in particular with the Wellio flexible office offer.

A differentiating environmental strategy initiated more than ten years ago

Faced with climate challenges, **Covivio continues its efforts to reduce the carbon footprint of its portfolio**. For this, it relies on the tools and partnerships forged over many years with its clients and stakeholders. In particular, the Group defined an ambitious and differentiating carbon trajectory:

- **A 34% reduction in greenhouse gas emissions between 2010 and 2030**[3], approved in 2018 by the initiative Science Based Targets (SBT), integrating the entire life cycle of buildings (including scopes 1, 2 and 3) and without taking into account carbon offsetting initiatives;

- To achieve this goal, **Covivio aims, among other things, to have 100% of its buildings certified as "green" by 2025.** At the end of 2020, the portfolio was already certified at 88%[4], up by ten points on a like-for-like basis. Almost 100% of the France offices portfolio is already certified, and 89% of the offices in Italy are as well. The green portfolio in hotels was up by 15 points year on year, to 72%, thanks to the portfolio's certification in the United Kingdom, while in the residential activity in Germany, Covivio is the first real estate company to have obtained HQE operating certification for its entire portfolio.

This carbon trajectory is one of the major axes of Covivio's ESG strategy based on four pillars: sustainable building, communities, social and governance, which are more fully detailed in the dedicated presentation. This strategy is regularly rewarded and ranks Covivio among the European and world leaders in the GRESB (Global

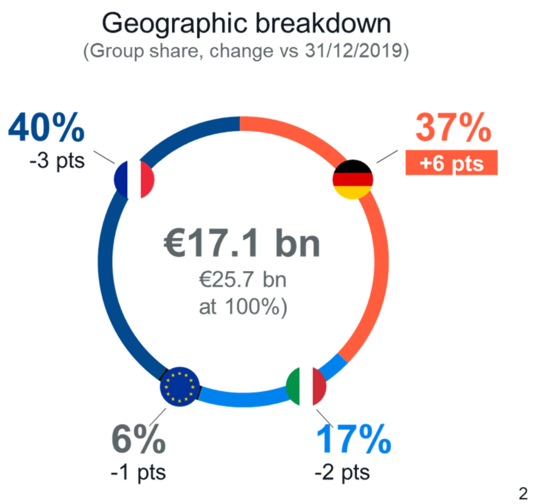
[3] Targets in line with the global warming trajectory of two degrees as mentioned in the Paris Agreement of December 2015.
[4] Excluding non-core assets in France Offices, which account for <1% of the portfolio.

Sector Leader status in its category with a score of 85/100, up five points), MSCI (AA), Sustainalytics (link to their website), Vigeo-Eiris (A1+, sector leader), ISS-ESG (B-, top 3% worldwide), CDP (A-), etc.

2020: numerous successes in a context of crisis

Expansion in Germany: +6 points of exposure

In 2020, Covivio increased its exposure to Germany by six points, via the acceleration in Germany offices (with the acquisition of the company Godewind for €1.1 billion Group share) and the continued expansion in residential.



Success of the disposal plan: €871 million of new disposal agreements, with an 8% margin

Covivio signed new disposal agreements worth €871 million, with an average margin of 8% on appraised values at the end of 2019. A significant portion of these transactions took place in the fourth quarter of 2020 (€372 million).

Most agreements concern **office assets** (81% of sales) in the Western Crescent of Greater Paris, in Milan, Lyon, Marseille and Nancy, where all of the value creation work (asset management and development) was carried out. They illustrate the effectiveness of Covivio's strategy and know-how.

This is the case, for example, for the EDO building in Issy-les-Moulineaux, purchased in 2011 when it was occupied by Yves Rocher. Released in 2015, the 10,900 m² office building was redeveloped with a 45% increase in surface area, and pre-let to Transdev before delivery in 2017. A disposal agreement was signed in December 2020.

At the end of the year, Covivio also signed a disposal agreement for a portfolio of 44,000 m² of non-core offices in French regions based on a price higher than the appraisal value at the end of 2019. This transaction was the result of asset management work, which made it possible to extend some of the leases with the tenant Orange.

Rental successes in Offices in a wait-and-see letting market

In 2020, **new lease commitments representing 72,500 m²** were signed, including 42,000 m² in the second half of the year. These new agreements, with an average firm duration of eight years, were concluded in all of Covivio's markets, both on central buildings in Paris, Milan and Berlin, but also in the markets of Greater Paris and Turin. In Milan in particular, re-lettings (4,500 m²) were carried out on average +8% above the previous rent.

Lease transactions continued, particularly for new developments. The Gobelins building (4,360 m² in Paris 5th) will be fully occupied as soon as it is delivered in March 2021 by a public body via a firm five-year contract signed with our flexible Wellio offer. Several new signings for long firm durations were made on other developments, such as IRO in Chatillon (3,800 m² with MAIF), Cité Numérique in Bordeaux (2,800 m²), Symbiosis D in Milan (2,500 m² with an American leader in the food industry) and Ferrucci in Turin (9,300 m², of which 98% is now let).

In 2020, Covivio also renewed, for an average three-year period, the leases of 182,000 m² of office space, with an IFRS rent increase of 1% on average.

Continued growth momentum in German Residential

The population growth in German cities, combined with the lack of new housing, continues, contributing to the **pressure on rents and values**. In Berlin in particular, the new regulation implemented in early 2020, on the freezing and capping of rents, has only increased the shortage of housing: the number of apartments offered for rent has fallen by two-thirds in one year and the prices of apartments for sale have increased by 7%, now exceeding an average of €5,000/m². The outcome of the procedure to challenge this regulation before the Federal Court in Karlsruhe is expected at the end of the first half of the year.

The Group continued its growth in residential with **€119 million (€79 million Group share) of new acquisitions**, both in the centre of Berlin (534 housing units at a price of €2,750/m²), and in North Rhine-Westphalia, in Essen and Dortmund (195 units at a price of €1,900/m²). These acquisitions show an average yield of 3.7% and a significant growth potential, through rental reversion (28%) and the possibility of future privatisations.

This year, Covivio also delivered **the first residential development projects** in Berlin: 123 housing units, representing a development cost of €29 million, which were sold individually with a margin of 46%.

In this context, **rent growth** in the Covivio portfolio continued in North Rhine-Westphalia, Hamburg, Dresden and Leipzig, with increases of 15% on average at re-letting, more than offsetting the impact of regulations on re-letting in Berlin.

In addition, bolstered by its client culture and initiatives in this area, Covivio was once again rewarded in Germany by the Focus Money Survey[5], appointed **"Fairest Landlord"** and obtaining the highest score of "Very Good" for all criteria.

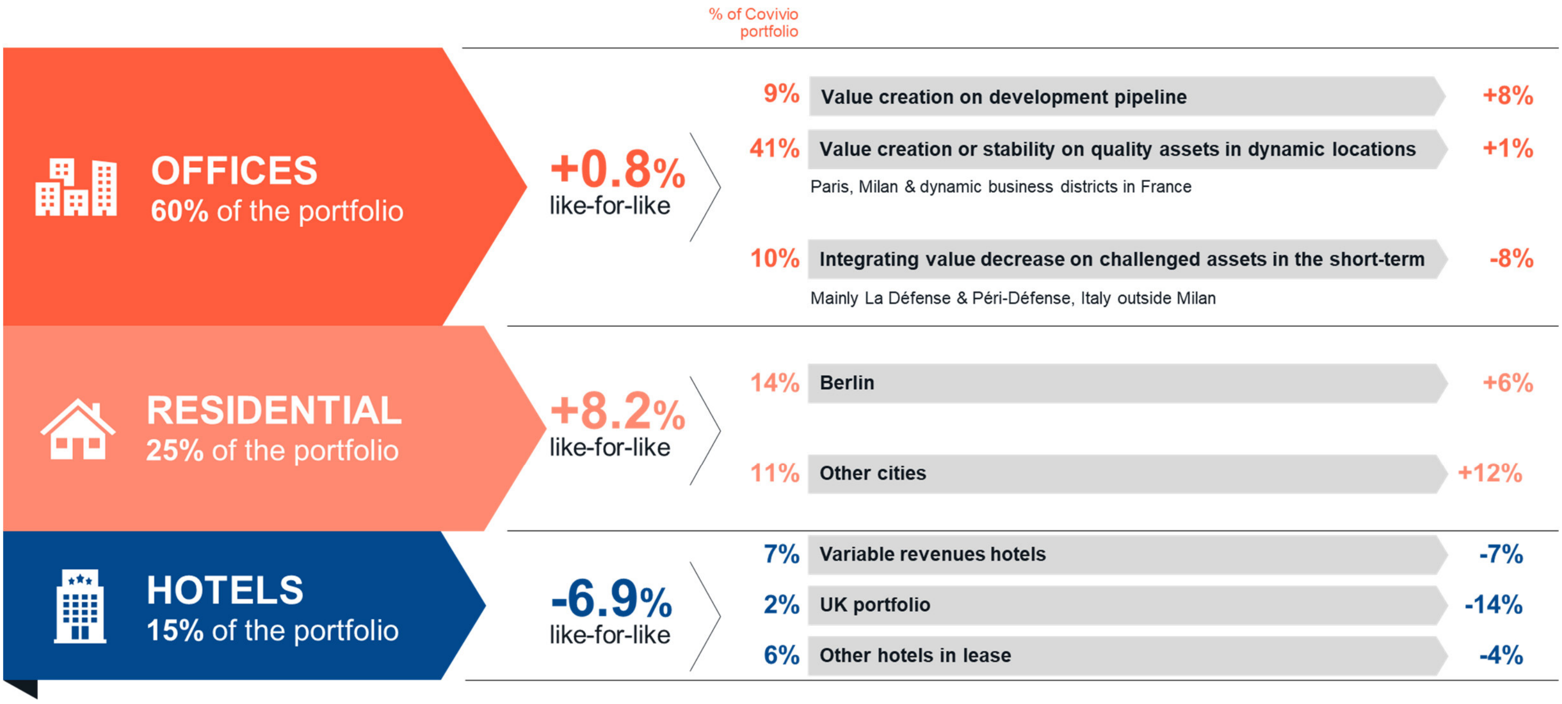
Hotels: numerous agreements signed with operators

Faced with an unprecedented economic crisis, Covivio continued to **support its major hotel operator partners** in order to put in place solutions enabling them to get through the crisis. The agreements signed with almost all fixed-lease hotel operators have made it possible to preserve their cash flow through rent-free periods or deferred payments, while extending the firm term of their commitments by an average of three years.

[5] Link to the study

Increase in asset values: +1.3% on a like-for-like basis

€25.7 billion of the portfolio at 100% and €17.1 billion Group Share



The portfolio grew by +1.3% on a like-for-like basis, driven by **good performance in residential and offices:**

- **In German residential** (25% of the portfolio), appraisal values gained +8.2% thanks to very good momentum in all cities, particularly in North Rhine-Westphalia (+12.0%), but also in Berlin (+5.7%).

- **In offices** (60% of the portfolio), values rose by +0.8% on average, due to several effects:
  - Value creation momentum on assets under development (9% of the portfolio): +8%;
  - Growth or good performance in asset values in the vast majority of offices in operation (41% of the portfolio), thanks to their real-estate quality and their location: +1%;
  - Value adjustments on assets in markets more affected by the economic climate or with a risky rental situation, mainly in La Défense, péri-Défense and in Italy outside Milan (10% of the portfolio): -8%.

- **In hotels**, against the backdrop of the health crisis, the value of the portfolio was adjusted downwards by an average of 6.9%, with mixed impacts depending on the type of revenue:
  - For hotels with variable revenues (7% of the portfolio), the appraisals reflect forecasts of a return to normal by 2023/2024: -7% value adjustment;
  - In the UK portfolio (2% of the portfolio), the value includes hotel closures that are longer than initially planned: -14%;
  - For the other leased hotels (6% of the portfolio), Covivio benefits from the agreements signed with operators: -4%.

Financial results 2020: balance sheet under control despite the challenge of the crisis

A very high level of rent collection

Covivio relies on its solid rental base, consisting mainly of large groups and residential tenants. Thus, in 2020, **97% of rents invoiced were collected** (94% including rent-free periods and deferred payments). In offices and residential, the collection rate was 98%. In hotels, 92% of rents invoiced were paid (73% including rent-free periods and deferred payments granted).

Revenue of €609 million

Revenue in 2020 amounted to €609 million (€875 million at 100%), compared with €679 million in 2019. **Like-for-like performance in offices and residential (85% of the portfolio) continues to be dynamic**, up +1% on a like-for-like basis year on year, whereas **the crisis reduced hotel revenues** (15% of the portfolio) by 55% on a like-for-like basis.

2020, €million	**Revenues 2019** Group share	**Revenues 2020** 100%	**Revenues 2020** Group share	**% change like-for-like** Group share	**Occupancy rate** %	**Average lease term** firm, in years
France Offices	226.4	237.3	207.1	+0.7%	93.1%	4.6
Italy Offices	147.0	166.6	126.8	-0.3%	96.8%	7.4
Germany Offices	7.6	60.3	49.3	+2.9%	76.7%	4.9
Germany Residential	154.3	245.6	157.7	+2.3%	98.7%	n.a.
SUB-TOTAL OFFICES & RESIDENTIAL	**535.4**	**709.8**	**540.9**	**+1.0%**	**93.8%**	**5.5**
Hotels in Europe	121.2	147.2	57.6	-54.8%	100%[6]	14.2
TOTAL STRATEGIC ACTIVITIES	**656.6**	**857.1**	**598.5**	**-9.4%**	**94.7%**	**7.3**
Non-strategic (retail)	21.9	17.7	11.0	-10.1%	99.4%	9.8
TOTAL	**678.6**	**874.7**	**609.5**	**-9.4%**	**94.8%**	**7.3**

In offices (60% of the portfolio), rental income increased by +0.4% on a like-for-like basis, mainly due to the effect of indexation. The occupancy rate stood at 92% at the end of 2020. In France Offices, the occupancy rate reached 95.5% excluding the impact of deliveries during the year, which were not fully let. The vacancy in Germany Offices takes into account the withdrawal of Wework from its rental commitment on *Herzogterrassen* (building located in the heart of Düsseldorf), following the signature of a financial agreement (impact of -12 points of occupancy on the German scope).

In German Residential (25% of the portfolio), rents continued to grow well, rising by +2.3% on a like-for-like basis, while the occupancy rate remained at a very high level of 99%. This is notably the result of work to improve the quality of the portfolio, which makes it possible to achieve re-let rents +15% higher on average outside Berlin. In Berlin, rents increased by +1.2% on a like-for-like basis despite the first effects of the new regulations.

In the hotel sector (15% of the portfolio), revenue from Covivio is directly affected by the exceptional closure of establishments. Variable revenue (variable rents and EBITDA from management contracts; 7% of the portfolio) decreased by -81% on a like-for-like basis. Hotels in the United Kingdom (2% of the portfolio) were directly impacted by the administrative closures, so that the major underperformance clause included in the lease was triggered and no rent was recognised for 2020. For the other leased hotels (6% of the portfolio), the agreements obtained with tenants limited the drop in revenue (-3%).

[6] On hotels in lease

EPRA Earnings of €385 million (€4.21 per share)

Penalised by the drop in hotel revenues, EPRA Earnings decreased by -€67 million over one year (-15%) to €385 million at the end of 2020 (vs €452 million in 2019). This result is higher than the guidance published in July (€380 million), despite the second lockdown, in particular thanks to the rapid upturn in hotel activity this summer, as soon as the restrictions were lifted.

Per share, EPRA Earnings amounted to €4.21 (vs. €5.31 in 2019). Net profit came out at €360 million.

A controlled balance sheet despite the challenge of the health crisis

During the year, **Covivio consolidated its financial profile** thanks to the success of the sale plan, the capital increase of €343 million resulting from the dividend payment option in shares (chosen by 82.3% of the share capital) and the bond issue of €500 million to 10 years and 1.625% issued in May 2020.

Thus, the LTV at the end of December was **40.9%,** close to the leverage policy below 40%. The ICR was 6.1x for an average rate of the debt of 1.29%. Covivio can also rely on abundant liquidity, with cash and cash equivalents of €2.5 billion at the end of December. All of these factors contributed to the confirmation of Covivio's credit rating by S&P last May **of BBB+ with a stable outlook.**

EPRA NTA of €9.5 billion, *i.e.*, €100.1 per share

The EPRA Net Tangible Assets (EPRA NTA) indicator increased by €360 million and 4% year on year, to €9.5 billion. Per share, the EPRA NTA reached €100.1, which is stable excluding the effect of the dividend payment in shares (-4% including the impact of the payment in shares) and increasing by 2% over the second half.

The liquidation NAV (EPRA NDV - Net Disposal Value) amounted to €8.5 billion and €89.3/share, and the EPRA NRV (Net Reinstatement Value) reached €10.5 billion and €110.3/share.

Dividend

Covivio will propose to the General Meeting of 20 April 2021 the distribution of a dividend of €3.60 per share in cash, corresponding to a payout ratio of 86% of EPRA Earnings.

Outlook: a high-quality portfolio and an adapted profile to take advantage of the coming recovery

Offices: expansion in city centres, adaptation of the pipeline and differentiation through the client approach

Office property is facing a rapid acceleration of trends, both under the conjunctural effect of the economic crisis and structural changes linked to the development of remote working. In a more competitive environment, where the performance gaps between the various players and the various locations will be all the more marked, Covivio has key assets to continue outperforming and to continue improving the quality of its portfolio:

1- Reinforcement in the city centres of European capitals

Building on the sustained rotation of the portfolio in favour of strategic locations for many years, Covivio's office portfolio has been transformed and refocused to now stand at:

- **63% Paris, Milan and the five main German cities**[7], compared with 42% five years ago;
- **28% in the best locations in Greater Paris** (Issy-les-Moulineaux, Boulogne, La Défense, Chatillon/Montrouge, Vélizy/Meudon) **and major French cities**[8].

The balance of the portfolio (9%) consists mainly of the portfolio leased to Telecom Italia for a firm 11-year period.

Exposure to these key locations will increase in the coming years, in particular thanks to the numerous redevelopment opportunities within the existing portfolio, located in prime districts, which will feed the development pipeline.

2- Adaptation of the pipeline to the new environment: more central projects and residential conversions

Covivio's second strategic pillar, the development pipeline is a key element in transforming obsolete buildings into attractive workspaces adapted to new customer demands, while generating significant financial and non-financial value creation. In a new market environment, Covivio is continuously adapting its development pipeline:

- **More prime projects**: in 2021, five projects will be committed in Paris CBD (Anjou, Carnot and Laborde), Milan CBD (Corso Italia) and Berlin CBD (Alexanderplatz), representing around €900 million of development costs (including around €400 million in capex to be invested). The pipeline at the end of 2021 will consist almost entirely of assets located within Paris, Milan and Berlin, of which 70% in the CBDs alone;

At the end of 2020, more than €500 million remains to be captured on the projects under development and to be committed in 2021.

- **More conversions of obsolete offices into residential**: Covivio has identified nearly 150,000 m² of potential on obsolete offices in France. Four projects are already underway, representing a development cost of €44 million, to which will be added new programmes in the Paris region and in regional cities. In particular, Covivio plans to launch an iconic project in the north of Bordeaux to accommodate 46,500 m² of new housing, replacing an old building purchased in 2004 and leased to IBM until 2018.

3- Services and flexibility: a differentiating offer to continue attracting new clients

The quality of services and the need for flexibility have been identified as two key elements for office users since 2017. Since then, Covivio has developed and enhanced its office strategy with:

- The development of a **service offer**, already in place in more than 80% of multi-tenant buildings in France;

- The launch of a **flexible offer**, Wellio, which has accelerated since 2019, offering a full range of real estate solutions to users: traditional lease with services, mixed offering with traditional lease and flexible spaces, and an offering that is 100% flexible;

- **Comprehensive accompanying** of clients on a project (all-in-one offer), seen recently at the Paris Gobelins building, pre-let for five years to an existing Covivio client under a Plug & Play offer. In this building, Covivio supported its client in defining and designing the workspaces and will operate all aspects of the building for them (IT, meeting rooms, reception, security, services, etc.).

[7] Berlin, Frankfurt, Hamburg, Düsseldorf, Munich
[8] Mainly Lyon, Bordeaux, Lille, Marseille, Toulouse

German Residential: significant growth reserves, notably through development

Covivio continued **to increase the size of its portfolio** in German Residential in 2020, with assets of €4.3 billion Group share at end-December (compared with €4.0 billion at end-2019), representing 25% of the Group's total portfolio. Development pipeline of €520 million Group share, located mainly in Berlin, is a **significant growth reserve** in a context of housing shortage. €157 million Group share of projects are already committed and deliveries will accelerate in 2021, with 430 housing units planned. Covivio is targeting more than 40% value creation in this pipeline.

Covivio will continue to extract the reversion potential in its portfolio outside Berlin, estimated at between 10% and 20%, thanks in particular to programmes to improve the quality of housing (€60 million Group share of capex spent in 2020 on the operating portfolio).

Hotels: a portfolio focused on domestic and leisure customers, well positioned for the coming recovery

The exceptional crisis facing the hotel industry does not call into question the solid fundamentals of the European hotel market (90% of overnight stays are made by Europeans), nor the attractiveness of the major tourist destinations in which Covivio holds its portfolio (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.).

The forthcoming recovery in the hotel industry in Europe will initially be driven by three main drivers:

1- Markets with **predominantly domestic customers** and/or regional customers (via land transport), such as France (70% of domestic customers), Germany (85%) and the United Kingdom (85%);
2- Markets with **predominately leisure customers**, where we find again France (80%), Germany (80%), Italy (80%) and the United Kingdom (70%)[9];
3- **Individual customers**, who will be the first to benefit from the lifting of government restrictions.

Considering these elements, Covivio's hotel portfolio is **well positioned to benefit from the recovery** to come: variable revenues, concentrated in France and Germany, as well as revenues from the UK portfolio, are generated **mainly by domestic or regional customers, who travel individually for leisure[10]**. The good momentum of these markets, particularly France and Germany, was confirmed this summer in 2020 with the temporary recovery following the lifting of government restrictions: between April and August, RevPar performance in France and Germany **outperformed the rest of Europe** by respectively 31 and 17 points[11].

EPRA Earnings guidance for 2021: between €380 million and €395 million

Given the uncertainty over the timing of the hotel recovery, with a first quarter penalised by restrictions and lockdowns in Europe, Covivio has set an EPRA Earnings guidance of between €380 million and €395 million (€4.0 and €4.2/share) depending on the profile of the hotel recovery.

[9] Source: World Travel & Tourism Council
[10] In detail: domestic or regional share = 80%; leisure share: 55%-60%; share of individual customers: 75%
[11] Source: MKG

AGENDA

- General Meeting: April 20, 2021;
- First-quarter 2021 activity: 20 April 2021 (after market close);
- Ex-dividend date: 26 April 2021;
- Dividend payment: 28 April 2021;
- First-half 2021 results: 21 July 2021 (after market close).

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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 a portfolio of 25 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) and on the MTA market (*Mercato Telematico Azionario*) of the Milan stock exchange, 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, EPRA BPRs Gold Awards (financial + Sustainability), CDP (A-), Green Star GRESB and in the ESG FTSE4 Good, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, Oekom, Ethibel and Gaïa ethical indices.

Notations solicited:

Financial part:	BBB+/Stable outlook by Standard & Poor's
Non-financial part:	A1+ by Vigeo-Eiris

1. BUSINESS ANALYSIS

Changes in scope:
The main change is the acquisition of the Germany Offices company Godewind, in early 2020, owned at 94%.

A. REVENUES: €609 MILLION IN 2020

(€ million)	100% 2019	100% 2020	100% Change (%)	Group share 2019	Group share 2020	Group share Change (%)	Group share Change (%) LfL [1]	% of revenue
France Offices	**257.3**	**237.3**	**-7.8%**	**226.4**	**207.1**	**-8.5%**	**+0.7%**	**34%**
Paris	86.1	87.8	+2.0%	80.6	82.3	+2.0%	+2.9%	13%
Greater Paris (excl. Paris)	128.3	103.8	-19.1%	104.4	85.4	-18.2%	-0.7%	14%
Major regional cities	27.6	35.9	+30.0%	26.1	29.6	+13.4%	+2.8%	5%
Other French Regions	15.3	9.8	-35.5%	15.3	9.8	-35.5%	-9.0%	2%
Italy Offices	**190.3**	**166.6**	**-12.5%**	**147.0**	**126.8**	**-13.8%**	**-0.3%**	**21%**
Offices - excl. Telecom Italia	102.0	85.4	-16.3%	102.0	85.4	-16.3%	-0.6%	14%
Offices - Telecom Italia	88.2	81.2	-8.0%	45.0	41.4	-8.0%	+0.2%	7%
German Offices	**11.3**	**60.3**	**n.a.**	**7.6**	**49.3**	**n.a.**	**+2.9%**	**8%**
Berlin	9.4	10.2	n.a.	6.4	7.2	n.a.	+2.3%	1%
Other cities	1.9	50.1	n.a.	1.2	42.1	n.a.	+2.9%	7%
German Residential	**240.5**	**245.6**	**+2.1%**	**154.3**	**157.7**	**+2.2%**	**+2.3%**	**26%**
Berlin	117.7	118.5	+0.7%	76.1	76.7	+0.7%	+1.2%	13%
Dresden & Leipzig	24.3	24.6	+1.2%	15.5	15.7	+1.4%	+3.2%	3%
Hamburg	15.9	16.3	+2.6%	10.4	10.7	+2.6%	+2.8%	2%
North Rhine-Westphalia	82.6	86.2	+4.3%	52.3	54.6	+4.4%	+3.6%	9%
Hotels in Europe	**302.8**	**147.2**	**-51.4%**	**121.2**	**57.6**	**-52.5%**	**-54.8%**	**9%**
Hotels - Lease Properties	**233.0**	**139.3**	**-40.2%**	**92.0**	**54.3**	**-41.0%**	**-44.0%**	**9%**
France	93.3	50.9	-45.5%	32.0	16.1	-49.8%	-51.4%	3%
Germany	34.1	30.7	-10.0%	14.4	13.1	-9.0%	-1.8%	2%
UK	42.8	0.0	n.a.	18.5	0.0	n.a.	-100.0%	0%
Spain	34.5	29.6	-14.2%	14.9	12.9	-13.7%	-14.2%	2%
Belgium	15.3	8.9	-41.7%	6.6	3.9	-41.4%	-41.4%	1%
Others	12.9	19.2	+48.5%	5.6	8.3	+49.3%	-3.6%	1%
Hotels - Operating Properties (EBITDA)	**69.8**	**7.9**	**-88.7%**	**29.1**	**3.3**	**-88.7%**	**-88.4%**	**1%**
Total strategic activities	**1,002.1**	**857.0**	**-14.5%**	**656.7**	**598.5**	**-8.9%**	**-9.4%**	**98%**
Non-strategic	**29.0**	**17.7**	**-38.9%**	**21.9**	**11.0**	**-49.9%**	**-10.1%**	**2%**
Retail Italy	11.5	5.4	-53.0%	11.5	5.4	-53.0%	-14.8%	1%
Retail France	12.5	11.9	-4.6%	5.4	5.2	-4.0%	-3.3%	1%
Other (France Residential)	5.0	0.4	-92.3%	5.0	0.4	-92.3%	n.a.	0%
Total revenues	**1,031.2**	**874.7**	**-15.2%**	**678.6**	**609.5**	**-10.2%**	**-9.4%**	**100%**

[1] LfL: Like-for-Like

Group share revenues decreased by 10% (-9% like-for-like) year-on-year (-€69 million) primarily under the following effects:

- **Solid results on Offices and Residential** activities, with like-for-like revenues increasing by +1.0% (+€4.8 m):
  - +0.7% in France Offices, thanks to indexation.
  - -0.3% in Italy Offices driven by Offices in Milan (+0.8%) when the lockdowns and the crisis impacted the ground floor retail in Milan.
  - +2.9% in German Offices (excluding the newly acquired Godewind portfolio).
  - +2.3% in German Residential, driven by North Rhine-Westphalia (+3.6%).

- **On Hotels activity**, the like-for-like revenues decreased by 54.8% (-€65.4 million) due to:
  - Significant decrease in variable revenues, both on variables leases (-73%) and EBITDA from management contracts (-88%).
  - Hotels located in the UK leased to IHG, especially impacted by the strict lockdown in the country and the late lifting of restrictions. This triggered a major underperformance clause (MAC clause) included in this contract. No rent has been accounted on this portfolio as of end 2020.
  - On other leases, agreements reached with 95% of fixed lease operators limited the decrease to -3%.
- **Acquisitions** (+€47.9 million) especially in German offices (+€42.1 million), with a portfolio of 10 assets through the Godewind acquisition in 2020.
- **Deliveries of new assets** (+€9.8 million), mainly in Italy (+€5.0 million) with 5 projects fully let delivered in 2020 in Milan and Turin and in France (+€3.3 million) with the full effect of 2019 deliveries.
- **Asset disposals**: (-€48.6 million), especially:
  - In France Offices (-€13.5 million), most from mature assets disposals in Greater Paris in 2019.
  - In Italy (-€18.9 million), mostly through the disposal of two portfolios of mature and non-core assets in 2019.
  - In German Residential (-€2.3 million).
  - In Hotels (-€3.9 million) with the disposal of non-core assets in 2019 and 2020 (mostly B&B hotels).
  - Non-strategic assets (-€10.0 million) mainly retail in Italy.
- **Vacating for redevelopment** (-€7.6 million), in Paris and Milan on committed projects in the CBDs.
- Other effects (-€10.0 million) mainly early release compensations received in 2019.

B. LEASE EXPIRIES AND OCCUPANCY RATES

1. Annualized lease expires: 7.3 years average lease term

Average firm lease duration by activity

(Years)	By lease end date (1st break)		By lease end date	
Group share	**2019**	**2020**	**2019**	**2020**
France Offices	4.6	4.6	5.4	5.5
Italy Offices	7.2	7.4	7.8	7.9
Germany Offices	n.a.	4.9	n.a.	7.9
Hotels in Europe	13.7	14.2	14.9	15.7
Total strategic activities	**7.1**	**7.3**	**8.0**	**8.4**
Non-strategic	5.2	9.8	6.7	7.9
Total	**7.1**	**7.3**	**7.9**	**8.4**

The average firm residual duration of leases increased to 7.3 years at end 2020. The main changes are:

- The integration of the German office portfolio with a 4.9 firm lease duration at end-2020,
- In Hotels, the agreements reached with 95% of fixed-lease tenants, extending the firm duration of their commitments and of the overall Hotels portfolio by +1.5 years.

Lease expiries schedule

(€ million ; Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2021	61.7	9%	49.5	7%
2022	61.3	9%	47.2	7%
2023	47.2	7%	30.1	4%
2024	26.0	4%	18.7	3%
2025	39.9	6%	39.4	6%
2026	17.5	2%	18.5	3%
2027	33.3	5%	29.4	4%
2028	22.5	3%	38.2	5%
2029	26.8	4%	46.8	7%
2030	52.0	7%	49.8	7%
Beyond	128.7	18%	149.1	21%
Total Offices and Hotels leases	516.8	73%	516.8	73%
German Residential	156.4	22%	156.4	22%
Hotel operating properties	31.2	4%	31.2	4%
Other (Incl. French Residential)	0.4	0%	0.4	0%
Total	**704.9**	**100%**	**704.9**	**100%**

Out of the €61.7 million of lease expiries remaining scheduled for 2021, representing 9% of Covivio annualized revenues:

- 2% relate to tenants with no intent to vacate the property.
- 3% relate to assets to be redeveloped after the tenant departure, including 3 mature assets in Paris CBD occupied by Orange.
- 1% relate to non-core assets in attractive locations:
- 3% to be managed, relating to assets in strategic locations, in Paris inner-city, Milan inner-city and Berlin, as well as top business districts in the 1st ring.

2. Occupancy rate: 95%

(%)	Occupancy rate	
Group share	**2019**	**2020**
France Offices	97.1%	93.1%
Italy Offices	98.7%	96.8%
German Offices	n.a.	76.7%
German Residential	98.6%	98.7%
Hotels in Europe	100.0%	100.0%
Total strategic activities	**98.3%**	**94.7%**
Non-strategic	96.8%	99.4%
Total	**98.3%**	**94.8%**

The occupancy rate stands at 94.7% for strategic activities, accounting for the impact of lockdowns on the commercialization of recently developed assets:

- **On offices**, the occupancy rate stands at 92.0%. Only 6 assets represent 5 pts of vacancies. All these assets are being actively managed and subject to recent renovations and/or service upgrades.
  - 93% in France Offices, down 4 pts due to delays in the commercialization of assets delivered during 2020. Excluding those assets, the occupancy rate of operating offices stands at 95.4%.
  - in Italy Offices the very high level of 97% attests to the attractiveness and resilience of the market and the quality of Covivio's portfolio.
  - 77% in Germany Offices due to the financial agreement reached with WeWork for the termination on their lease in Düsseldorf, which had an impact of -12 pts on the occupancy rate of the portfolio.
- **On Germany Residential** assets, the positive trends continued despite the lockdown and current crisis to drive the occupancy rate, which improved by 0.1 point compared to 2019 and stands at 98.7%

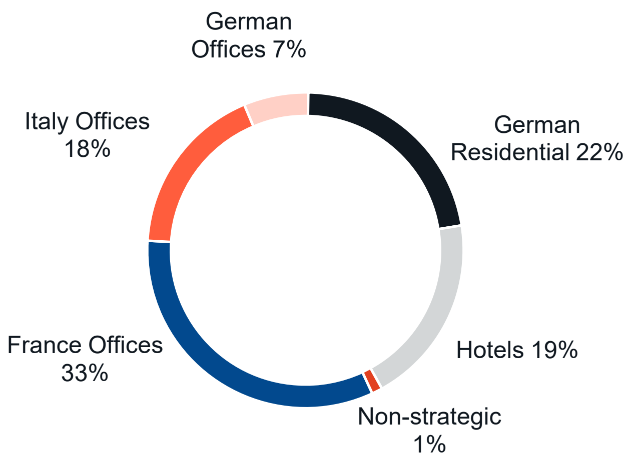
C. BREAKDOWN OF REVENUES

By major tenants

(€ million, Group share)	Annualized revenues [1] 2020	%
Orange	51.0	7%
Telecom Italia	40.8	6%
Accor	33.8	5%
IHG	21.3	3%
Suez	21.0	3%
NH	20.0	3%
B&B	13.8	2%
Tecnimont	13.5	2%
Dassault	12.7	2%
Thalès	11.4	2%
EDF / Enedis	11.2	2%
Vinci	10.4	1%
Natixis	7.6	1%
Creval	6.4	1%
Fastweb	6.2	1%
Eiffage	5.9	1%
Intesa San Paolo	5.4	1%
Cisco	5.2	1%
Hotels lease properties	20.6	3%
Other tenants <€5M	230.4	33%
German Residential	156.4	22%
Total	**704.9**	**100%**

[1] : The hotels annualized revenues are based on the 2019 revenues

By activity



Covivio can rely on a strong tenant base, with 91% of large corporates in offices, resilient revenues in German residential and partnerships with major hotel operators in Hotels.

In 2020, Covivio continued its strategy of diversifying its tenant base, with the integration of the newly acquired Germany offices portfolio that enjoys a tenant base composed of 87% of large corporations. As a result, exposure to the three largest tenants decreased to 18% against 21% at end-2019.

D. COST TO REVENUE RATIO BY BUSINESS

(€ million, Group share)	France Offices	Italy Offices (incl. retail)	Germany Offices	German Residential	Hotels in Europe (incl. retail)	Other (Mainly France Residential)	Total	
	2020	2020	2020	2020	2020	2020	2019	2020
Rental Income	207.1	132.2	42.5	164.5	59.5	0.4	649.5	**606.2**
Unrecovered property operating costs	-9.8	-14.1	-4.2	-1.3	-0.7	-0.2	-30.9	**-30.3**
Expenses on properties	-2.5	-4.7	-1.5	-12.4	-0.2	-0.0	-23.3	**-21.5**
Net losses on unrecoverable receivable	-1.2	-4.4	-1.3	-2.2	-6.2	0.0	-3.8	**-15.4**
Net rental income	**193.5**	**109.1**	**35.4**	**148.5**	**52.3**	**0.2**	**591.5**	**539.0**
Cost to revenue ratio	**6.6%**	**17.5%**	**16.6%**	**9.7%**	**12.0%**	**n.a**	**8.9%**	**11.1%**

The cost to revenue ratio (11.1%) increased by 2.2 pts compared to 2019, mainly due to:

- The integration of the Germany offices portfolio which has a cost to revenue ratio of 16%, due to current vacancy rate at end-2020.
- The increase in unpaid rent coming from retail in Italy and France and from hotels.

E. RESERVES FOR UNPAID RENT

Collection rate: was as high as 95% on strategic activities, and of 73% on hotels. Excluding rent-free periods and deferred payments granted, the collection rate was of 97%, with 98% on offices and residential and 92% on hotels.

All unpaid rents in 2020 have been provisioned

Provisions: At end-2020, a €15 million provision has been accounted for.

F. DISPOSALS: €871 m OF NEW DISPOSALS AGREEMENTS IN 2020 WITH 8% MARGIN

(€ million)		Disposals (agreements as of end of 2019 closed)	Agreements as of end of 2019 to close	New disposals 2020	New agreements 2020	Total 2020	Margin vs 2019 value	Yield	Total Realised Disposals
		1		2	3	= 2 + 3			= 1 + 2
France Offices	100 %	1	29	170	298	468	8.2%	5.2%	171
	Group share	1	29	170	254	424	7.2%	5.3%	171
Italy Offices	100 %	73	-	266	31	297	6.2%	4.8%	338
	Group share	71	-	254	26	280	6.7%	4.7%	325
Germany Residential	100%	12	-	186	13	199	20.2%	2.9%	197
	Group share	8	-	121	8	129	19.9%	3.0%	129
Hotels in Europe	100 %	120	13	-	19	19	0.0%	7.5%	120
	Group share	48	5	-	8	8	0.0%	7.5%	48
Non-strategic (France Resi., Retail in France and Italy)	100 %	18	23	40	21	61	-2.5%	6.9%	57
	Group share	17	23	21	10	30	-4.7%	7.1%	38
Total	**100 %**	**223**	**65**	**661**	**382**	**1,043**	**8.8%**	**4.8%**	**884**
	Group share	**144**	**57**	**565**	**306**	**871**	**8.2%**	**4.8%**	**710**

New disposals and agreements were signed for €871 million Group share (€1,043 million at 100%) with 8.2% average margin on last appraisal values. Covivio notably accelerated the pace of mature office disposal agreements on which the value creation potential has been fully extracted.

In details, the disposals agreements include:

- **Mature assets**: €723 million Group share (€848 million at 100%):
  - 9 offices in Greater Paris (Issy-les-Moulineaux, Nanterre), major French cities (Lyon and Marseille) and Milan: €585 million Group share.
  - Some privatization and bloc sales in German residential: €130 million Group share.
  - Mainly one hotel in Spain: €8 million Group share.
- **Non-core assets**: €117 million Group share (€135 million at 100%) in secondary locations in France and in Italy outside Milan.
- **Non-strategic assets**: €30 million Group share (€61 million at 100%), mainly Jardiland stores in France.

G. INVESTMENTS: €1.4 BN REALISED IN 2020 GROUP SHARE

€1.9 billion (€1.4 billion Group share) of investments were realized in 2020:

- The acquisition of a **German office** portfolio for €1.2 bn (€1.1 billion Group Share): 10 core office buildings through the takeover of Godewind. The portfolio totals 290,000 m² located in the largest German cities: Frankfurt, Düsseldorf, Hamburg, and Munich. The acquisition was completed through the public offer and delisting of Godewind Immobilien AG (renamed Covivio Office AG). The target yield is 4.7%.
- The acquisition of 8 hotels located in Rome, Venice, Florence, Prague, and Budapest for €573 million (€248 million Group share). This 1,115 room-portfolio of high-end hotels, the majority of which hold 5-star-ratings in prime locations, include several iconic hotels such as the Palazzo Naiadi in Rome, the Carlo IV in Prague, the Plaza in Nice and the NY Palace in Budapest. In parallel, Covivio and NH Hotel Group signed a long-term triple net lease of 15 years firm. The portfolio has a 4.7% minimum guaranteed yield.
- Covivio closed several residential deals for €119 million (€79 million Group Share) mainly in Berlin and North Rhine-Westphalia. These assets offer an attractive potential yield of 3.7%.
- CAPEX in the **development pipeline** total €403 million (€345 million Group share), mostly related to:
  - development projects in Paris (€178 million)
  - development projects in Milan (€73 million)
  - acquisitions of land banks mainly in Berlin to fuel future Residential and Office developments (€94 million)

H. DEVELOPMENT PROJECTS:

1- Committed Office Pipeline
2- Committed France Residential Pipeline
3- Committed Germany Residential Pipeline
4- Managed Pipeline

1. Committed Office Pipeline

Covivio has a pipeline of office buildings in France, Germany and Italy:

Committed projects	Surface[1] (m²)	Total Budget[2] (€m, 100%)	Total Budget [2] (€m, Group share)	Pre-let (%)	Target yield [3] (%)
France offices	184,460 m²	1,342	986	41%	5.4%
Italy offices	49,900 m²	252	252	52%	6.5%
Total offices	**234,360 m²**	**1,594**	**1,238**	**43%**	**5.6%**

Deliveries: 91 460 m² of offices and 108 hotel rooms delivered in 2020

Thirteen projects were delivered in 2020 totaling 91,460 m² of office spaces in France and Italy and 108 hotel rooms in France with an average occupancy rate of 62%. These were:

- IRO in Chatillon (25,600 m²), 37% let.
- Ducasse in Meudon (5,060 m²), 100% let.
- Belaîa in Orly (22,600 m²), 53% let.
- Four offices in Milan: The Sign A (9,260 m²) / 100% let, Dante (4,700 m²) / 100% Wellio space, Duca d'Aosta (2,560 m²) / 100% let, Symbiosis School (7,940 m²) / 99% let.
- Ferrucci in Turin (13,750 m²), 98% let.
- B&B in Paris Region (108 rooms), 100% let.

The yield achieved upon delivery of these projects was about 6.4% at full occupancy.

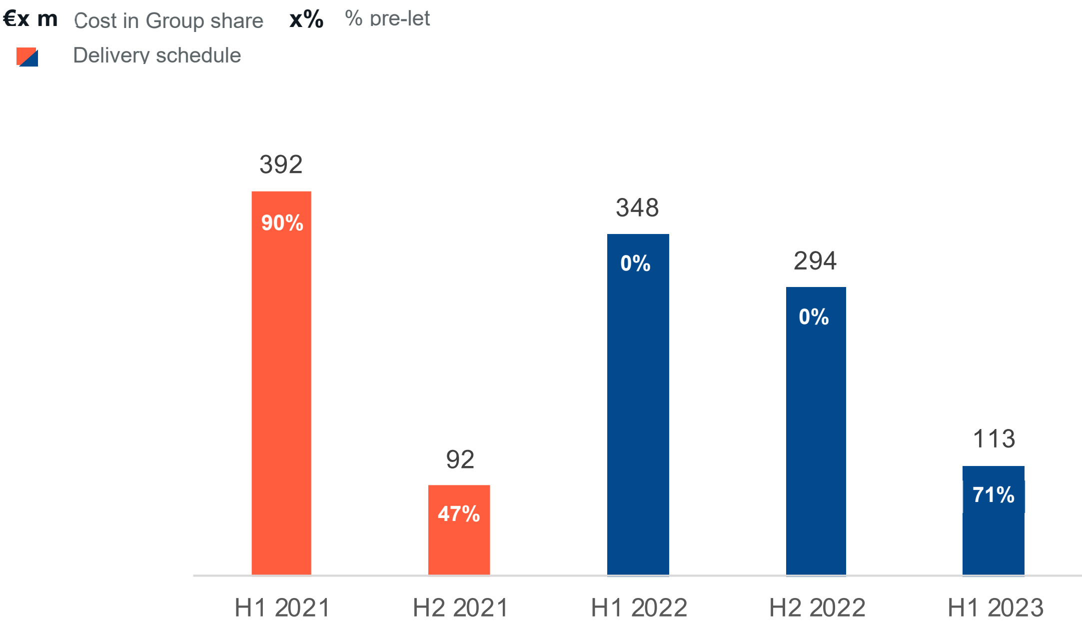
Committed projects: €1.2 Bn Group share pre-let at 81% for the next 12 months

- There were no commitments in 2020.
- The current pipeline is composed of 14 projects representing 234,360 m², a total cost of €1.6 billion (€1.2 billion Group Share) with an average occupancy rate of 43% and a 5.6% yield. As of 2020, it remains €0.4 billion Group Share of capex to invest.
- Five projects (Laborde, Carnot, Anjou, Corso Italia and Alexanderplatz) will be committed next year representing 98,900 m² and an estimated total cost of €900 million.

For detailed figures on the committed projects, see page 22 of this document.

Pipeline at end 2020:

€1.2 bn	5.6%	43%	>30%
cost Group share	yield on cost	pre-let	Target margin



Next 12 months
81% pre-let
8 office projects in **Greater Paris, Montpellier & Milan**

Beyond 12 months
Deliveries essentially in 2022 and 2023
6 prime buildings in high-quality locations (European CBDs, Paris 17 and Levallois)

Committed projects	Location	Project	Surface[1] (m²)	Delivery	Target rent (€/m²/year)	Pre-leased (%)	Total Budget[2] (€M, 100%)	Total Budget [2] (€M, Group share)	Target Yield[3]	Capex Remaining to be spent
Flow	Montrouge Greater Paris	Construction	23,600 m²	2021	327	100%	115	115	6.6%	
Gobelins	Paris 5th	Regeneration	4,360 m²	2021	510	100%	50	50	5.0%	
Silex II (50% share)	Lyon	Regeneration	30,900 m²	2021	312	53%	169	85	5.8%	
Montpellier Bâtiment de services	Montpellier	Construction	6,300 m²	2021	224	n.a	21	21	6.7%	
Montpellier Orange	Montpellier	Construction	16,500 m²	2021	165	100%	49	49	6.7%	
Total deliveries 2021			**81,660 m²**			**87%**	**404**	**320**	**6.2%**	**66**
Jean Goujon	Paris 8th	Regeneration	8,600 m²	2022	>900	0%	189	189	4.0%	
Paris So Pop (50% Share)	Paris 17th	Regeneration	31,300 m²	2022	>400	0%	230	112	6.1%	
N2 (50% share)	Paris 17th	Construction	15,600 m²	2022	575	0%	168	84	4.2%	
Levallois Alis	Levallois - Greater Paris	Regeneration	19,800 m²	2022	>500	0%	210	210	5.0%	
DS Extension 2 (50% share)	Vélizy - Greater Paris	Regeneration	27,500 m²	2023	325	100%	141	71	7.2%	
Total deliveries 2022 and beyond			**102,800 m²**			**15%**	**938**	**666**	**5.0%**	**214**
Total France Offices			**184,460 m²**			**41%**	**1342**	**986**	**5.4%**	**280**
The Sign B+C	Milan	Construction	16,900 m²	2021	299	97%	72	72	7.3%	
Symbiosis D	Milan	Construction	18,500 m²	2021	315	47%	91	91	6.8%	
Total deliveries 2021			**35,400 m²**			**70%**	**163**	**163**	**7.0%**	**39**
Unione	Milan	Regeneration	4,500 m²	2022	480	0%	47	47	4.6%	
Vitae	Milan	Construction	10,000 m²	2023	315	18%	42	42	6.5%	
Total 2022 deliveries and beyond			**14,500 m²**			**10%**	**89**	**89**	**5.5%**	**43**
Total Italy Offices			**49,900 m²**			**52%**	**252**	**252**	**6.5%**	**82**
Total Offices			**234,360 m²**			**43%**	**1594**	**1238**	**5.6%**	**362**

[1] Surface at 100%
[2] Including land and financial costs
[3] Yield on total rents including car parks, restaurants, etc

2. Committed Pipeline France Residential

Covivio transforms obsolete office buildings into housing. 150,000 m² has been identified, mainly in Greater Paris, Bordeaux, Nantes & Nice representing around €430 million of development.

- The current pipeline is composed of three projects located in the Greater Paris, representing 12 260 m², a total cost of €44 million Group Share and are fully pre-sold with approximately 10% margin.
- One project valued at €11 million will be delivered this year.

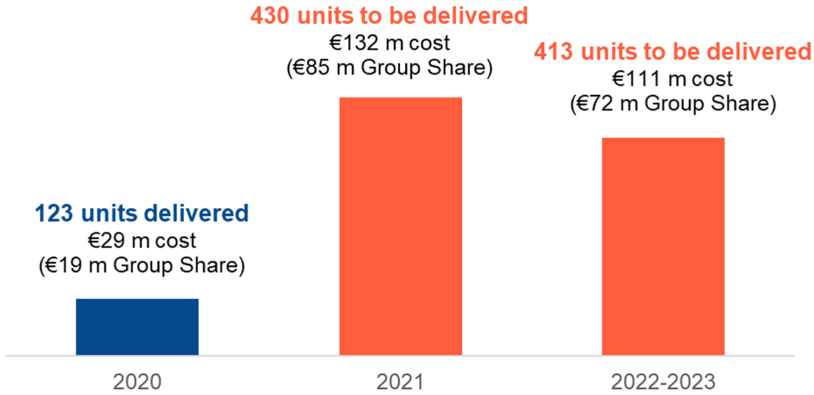
Committed projects	Units	Total Budget[2] (€M, 100%)	Total Budget [2] (€M, Group share)	Target Yield
Meudon, Observatoire	26	11	11	n.a
To be sold in 2021	**26**	**11**	**11**	**n.a**
Le Raincy	97	20	20	n.a
Saint-Germain-Les-Corbeil	82	13	13	n.a
To be sold in 2022 and beyond	**179**	**33**	**33**	**n.a**
Total France Resi	**205 units**	**44**	**44**	**n.a**

[2] Including land and financial costs

3. Committed pipeline Germany Residential

- Four residential projects in Berlin were delivered totaling 123 residential units and a total cost of €19 million Group share sold with a 47% margin.
- Four residential projects were committed totaling 116 residential units and a total costs of €21 million group share.
- At end 2020, the pipeline is composed of fourteen projects mainly located in Berlin, totaling 843 residential units and a total cost of €157m Group share with a value creation or magin of sales target of 40%.

Delivery timeline for committed projects



Committed projects	Units	Total Budget[2] (€M, 100%)	Total Budget [2] (€M, Group share)	Target Yield
To be sold in 2021	**197**	**57**	**37**	**n.a**
To be sold in 2022 and beyond	**265**	**97**	**64**	**n.a**
Total Germany Resi Sales	**462 units**	**154**	**100**	**n.a**
To be let in 2021	**129**	**22**	**14**	**5.3%**
To be let in 2022 and beyond	**252**	**67**	**44**	**4.7%**
Total Germany Resi Letting	**381 units**	**89**	**57**	**4.9%**

[2] Including land and financial costs

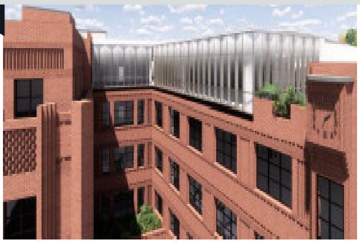
4. Managed Pipeline
Offices to be committed in 2021: 100% CBD

- Covivio will launch 5 projects all located in European CBDs with an estimated total cost including land at €0.9 billion, of which €0.4 billion of remaining CAPEX to spend.

The next office projects are expected to be committed in 2021 in central locations:

Paris CBD

Laborde – Paris CBD
6,200 m² - **100% prelet**



Anjou – Paris CBD
9,300 m²

Carnot – Paris CBD
10,800 m²

Milan

Corso Italia- Milan CBD
11,600 m²

Berlin

Alexanderplatz
60,000 m²

Projected office pipeline at end 2021:

The projected pipeline at en 2021 is estimated at €1.7 billion Group Share total cost including land:

- 70% in European CBDs.
- 26% in Paris 17 and Levallois.
- 4% in Velizy.

Germany residential managed projects:

Covivio continues to strengthen its medium term pipeline thanks to existing landbanks and acquisition of new lands. This is 175,000 m² of residential areas that could be progressively launched in 2022 and beyond, most of it in Berlin and represent a total cost of ~€600 million (€390 million Group share).

Potential medium term projects in the office portfolio:

In 2022-2023, most of the assets to be potentially vacated considering the lease breaks and be redevelopped in office or residential properties are located in Paris (4 building currently let to Orange; 22,000 m²), with two others in Greater Paris (46,000 m²).

Landbanks:

Covivio owns landbanks :

- in Greater Paris (60,000 m²) and Major French Cities (70,000 m² mainly for turnkey developments);
- in Milan with Symbiosis (77,000 m²), The Sign (11,500 m²) and Porta Romana (70,000 m²);
- in Berlin with the potential for a second tower of 70,000 m² in Alexanderplatz.

I. PORTFOLIO

Portfolio value: +1.3% like-for-like growth

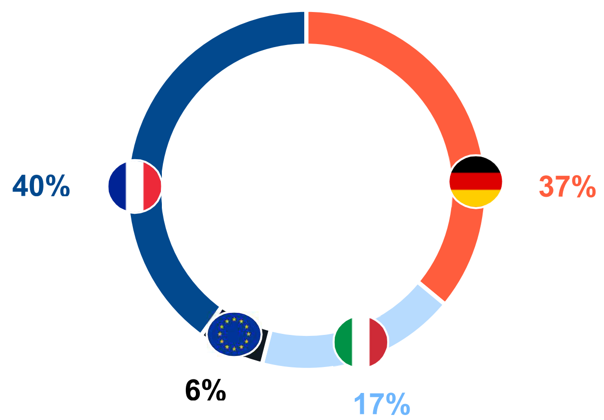
(€ million, Excluding Duties)	Value 2019 Group Share	Value 2020 100%	Value 2020 Group share	LfL [1] 12 months change	Yield [2] 2019	Yield [2] 2020	% of portfolio
France Offices	**5,759**	7,249	5,933	+1.7%	5.1%	4.8%	35%
Italy Offices	**2,976**	3,396	2,719	-1.4%	5.4%	5.2%	16%
German Offices	**267**	1,722	1,541	+4.8%	4.3%	3.4%	9%
Residential Germany	**3,962**	6,619	4,257	+8.2%	4.0%	3.7%	25%
Hotels in Europe	**2,513**	6,501	2,532	-6.9%	5.2%	5.5%	15%
Total strategic activities	**15,477**	**25,487**	**16,982**	**+1.5%**	**4.9%**	**4.4%**	**99%**
Non-strategic	**211**	191	123	-11.6%	9.1%	9.4%	1%
Total	**15,688**	**25,677**	**17,105**	**+1.3%**	**4.9%**	**4.5%**	**100%**

[1] LfL: Like-for-Like
[2] Yield excluding development projects. Yield on hotels based on 2020 fixed revenues and 2019 variable revenues

The portfolio grew by €1.4 billion to €17.1 billion Group share (€25.7 billion in 100%) mostly with the acquisition of the German Offices portfolio. At constant scope, Covivio proved its solidity with a +1.3% increase despite the difficult environment explained by:

- +8% driven by the development pipeline, as an acknowledgement for Covivio's development strategy for high quality assets in attractive locations.
- +8% like-for-like growth on German residential. All German cities where Covivio's residential portfolio is located showed like-for-like growth: in Berlin (+5.7%) despite the regulatory environment, in North Rhine-Westphalia, the second largest exposure (+11.9%), Dresden & Leipzig (+10.3%) and Hamburg (+11.6%).
- -6.9% on Hotels, holding up reasonably well thanks to the rental agreements that have been secured with 8 operators and despite uncertainty on future cash-flows.

Geographical breakdown of the portfolio at 2020
94% in major European cities and +6 pts in Germany vs 2019



J. LIST OF MAIN ASSETS

The value of the ten main assets represents almost 15% of the portfolio Group share stable vs end 2019.

Top 10 Assets	Location	Tenants	Surface (m²)	Covivio share
CB 21 Tower	La Défense (Greater Paris)	Suez, Verizon, BRS	68,400	75%
Garibaldi Towers	Milan	Maire Tecnimont, LinkedIn, etc.	44,700	100%
Herzogterrassen	Düsseldorf	NRW Bank, Deutsche Bank, Mitsui	55,700	93%
Frankfurt Airport Center	Frankfurt	Lufthansa, Fraport, Operational Services	48,100	93%
Dassault Campus	Vélizy (Greater Paris)	Dassault Systèmes	97,000	50%
Carré Suffren	Paris 15th	AON, Institut Français, OCDE	25,200	60%
Art&Co	Paris 12th	Wellio, Adova, Bentley, AFD	13,500	100%
Zeughaus	Hamburg	Universitätsklinikum Hamburg-Eppendorf	43,500	93%
Flow	Montrouge (Greater Paris)	Edvance (EDF)	23,600	100%
Alis	Levallois (Greater Paris)	In development	19,800	100%

2. BUSINESS ANALYSIS BY SEGMENT

A. OFFICES: 60% COVIVIO'S PORTFOLIO

The offices' market is facing a rapid acceleration of trends, both under the cyclical effect of the economic crisis and the structural changes linked to the development of teleworking. In a more competitive environment, where the differences in performance between the different players and locations will be all the more marked, Covivio is continuing to improve the quality of its portfolio and has key assets to continue to outperform.

Covivio owns offices in France, Italy and Germany with a portfolio **of €12.4 billion (€10.2 billion Group share)** at end-2020. For several years now, the Group has implemented an active asset rotation policy, reinforcing its footprint on inner-city locations. Thus, Covivio's portfolio has been refocused to now be located:

- **63% in Paris, Milan and the 5 main German cities**, compared to 42% 5 years ago;
- **28% in the best locations in Greater Paris** (Issy-les-Moulineaux, Boulogne, La Défense, Chatillon/Montrouge, Vélizy/Meudon) and the **major French cities**.
- The remaining 9% are mainly attributable to the portfolio leased to Telecom Italia for a 11-year term.

Exposure to these key locations will increase over the next few years, in particular due to the many redevelopment opportunities within the existing portfolio, located in prime areas, which will feed the development pipeline.

TOP EUROPEAN CITIES

63% [a]

€6.3 bn / c.100 assets

Paris inner-city / Milan / Top 5 German cities

& Neuilly/Levallois

+21 pts
in 5 years

✓ **Mix of attractive new buildings**
✓ **& prime redevelopment opportunities**

TOP BUSINESS DISTRICTS

28% [a]

€2.8 bn / c.50 assets

GREATER PARIS BEST DISTRICTS (€2.1 bn)

Issy-Boulogne; Montrouge-Chatillon;
La Défense; Rueil; Vélizy

TOP 5 FRENCH CITIES (€0.7 bn)

Lyon, Bordeaux, Marseille, Lille, Toulouse

✓ **Centrality:** in the best micro-location of major transports hubs
✓ **High-quality** of real estate
✓ Attractive **risk/return** profile

NON-CORE ASSETS

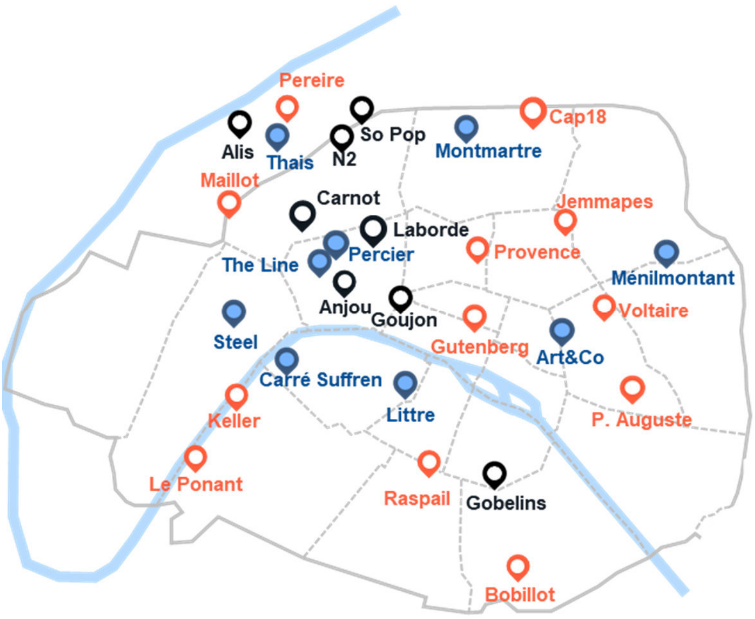
9% [a] / €0.9 bn

MOSTLY TELECOM ITALIA

WITH 100% OCC.
& 11Y WALT

(a) Excluding assets under disposals agreements in France from office portfolio (0.26 bn Group Share)

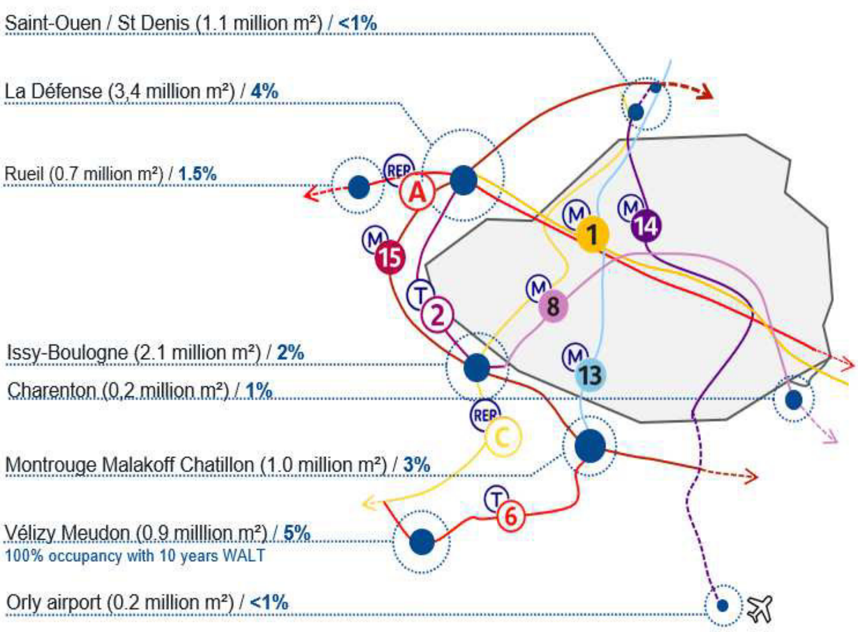
Paris & Neuilly / Levallois Offices portfolio (28%[a] ; €2.8 billion)



- New / renovated assets €1.0 billion
- Committed & to be committed development projects €0.9 billion
- Occupied assets with development potential €0.8 billion

Greater Paris Offices portfolio (21%[a] ; €2.1 billion)

Business districts (size of office area in m²) /
% of Covivio office portfolio



UNCOMPROMISING QUALITY OF REAL ESTATE

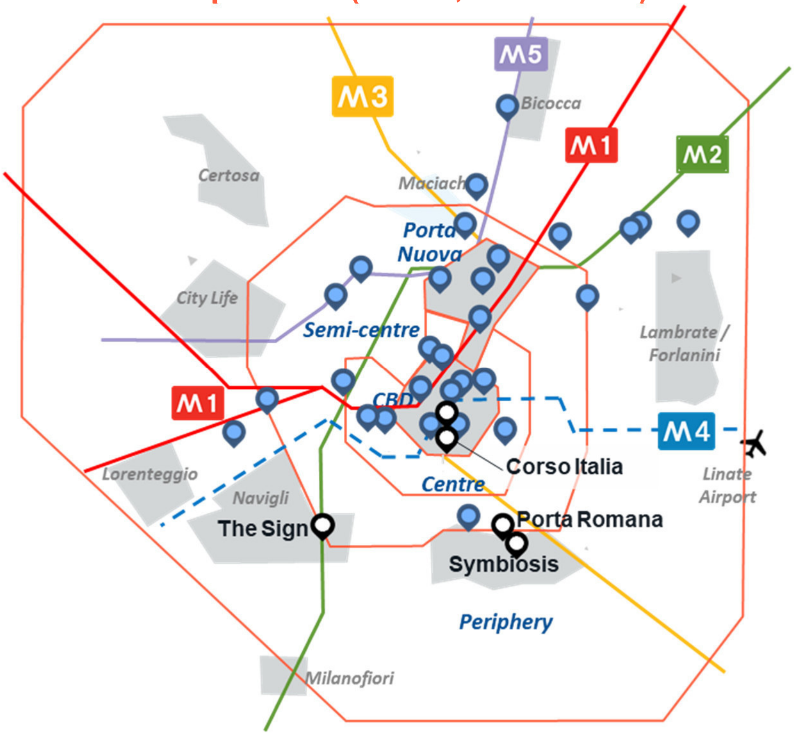
<5 min walk from rail transport	**86%**	of portfolio + **10%** within 10 min *walk*
Certified green assets	**99%**	
Services operated by Covivio	**60%**	Target 100% by 2025

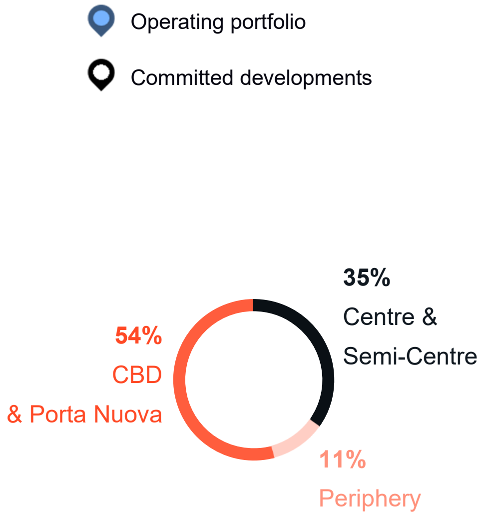
AND OTHER COMPETITIVE ELEMENTS

Size of the buildings & floors	**14,000 m²** median size of buildings
Lower cost	**€280 to €400/m²** on new space

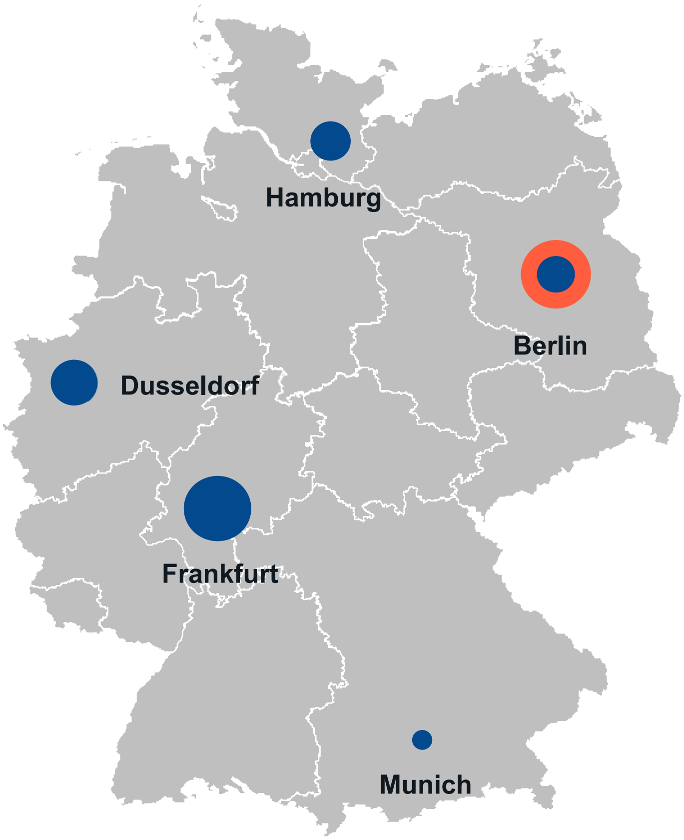
a) *Excluding assets under disposals agreements in France from office portfolio (0.26 bn Group Share)*

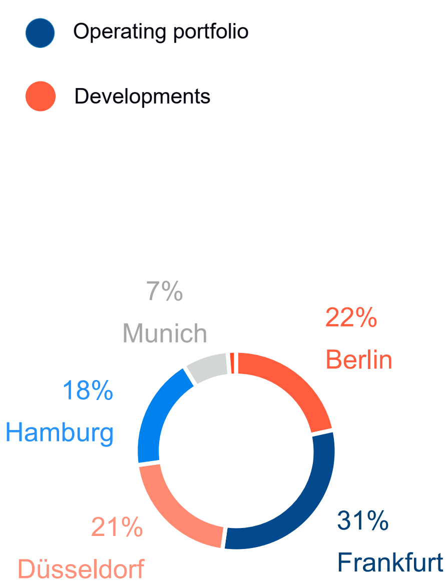
Milan Offices portfolio (20%[a] ; €2.0 billion)





Germany Offices portfolio (15%[a] ; €1.5 billion)





a) *Excluding assets under disposals agreements in France from office portfolio (0.26 bn Group Share)*

B. FRANCE OFFICES: 35% OF COVIVIO'S PORTFOLIO

Covivio owns an office portfolio in France of €7.2 billion (€5.9 billion Group share) located:

- 50% in Paris & Neuilly / Levallois
- 37% in top business districts of Greater Paris
- 13% in the centre of major regional cities.

1. Challenging letting market, supportive investment dynamic

The year 2020 was marked by the pandemic causing two lockdowns, weighing on the office letting market, while the investment market for offices remained very dynamic.

- **Take-up** in Paris region was low at 1.3 million m² (-46% vs 2019), although with a brief recovery in the third quarter when restrictions were eased (+23% take-up vs second quarter)
  - **In Paris**, take up decreased by 48% to 0.5 million m², particularly on new spaces (-58%), still in scare supply
  - **In Greater Paris** (excl. 2nd ring), the take-up also decreased by 44% to 0.7 million m², but the take-up on new and refurbished segment performed better (-31%)

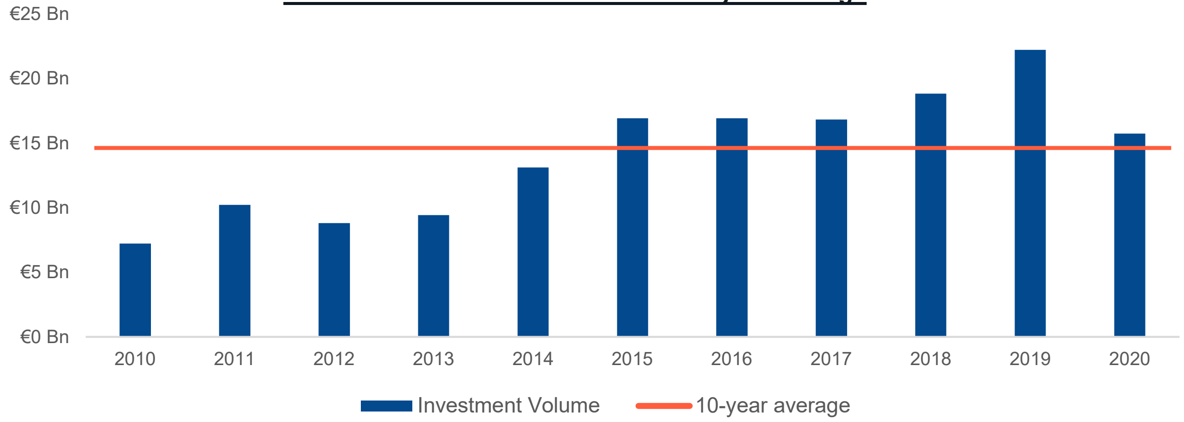
- **Vacancy rate** increased to 6.8% from the historic low in 2019 at 4.9%, in line with the 10-year vacancy rate at 6.7%. The **immediate supply** now represents 3.7 million m², of which 23% of new space.
  - **In Paris**, where Covivio will launch development projects in 2021, **the vacancy rate remains low (3.2%)**
  - **In Greater Paris** top business districts, where Covivio is developing new buildings, the immediate supply of new space remains healthy: ~2.5% of the existing stock in Montrouge/Malakoff/Chatillon and in Levallois, ~3.8% in Paris 17th/St Ouen/Clichy

- **Future available supply** at end-2020 is stable with 2.4 million m² stock under construction, with 30% pre-let
  - **Excluding La Défense**, where several speculative projects are under way, the pre-let ratio reached 38%
  - In the markets of Covivio's development projects, **future available supply is limited** compared to the total stock: 2% in Paris, 5% in Levallois, 3% in Montrouge/Malakoff/Chatillon

- Average **headline rents on new or restructured space** rose by 2% on average year-on-year in Greater Paris while second-hand space remains stable.
  - Prime rents increased by 7% year-on-year in Paris reaching a record of €930 m²/year
  - Incentives in the Paris region remained stable over the year to 20.8%, in line with the 5-year average (21%)

- **Investments** in 2020 in Greater Paris offices totalled €15.7 billion, above the 10y average (€14.9 billion) despite the crisis. The €100-300 million segment has been the most dynamic with €8.6 billion in 49 deals. There is still a significant gap between prime yields (decreasing to 2.6% in Paris) and the 10-year OAT (-0.3% end-2020).

Investment volume since 2010 and 10-year average



[1] Sources: Immostat, CBRE, Crane Survey

In 2020, the France Offices activity was marked by:

- Acceleration of **mature asset disposals** with €424 million secured in Greater Paris and major regional cities:
    - Assets developed by Covivio between 2013 and 2019 where the **value has been fully extracted**
    - +7% margin vs end-2019 value
- **+1.7% like-for-like value growth** over one year, thanks mainly to value creation on our development projects offsetting decreases on temporary challenging assets
- **Occupancy rate** staying above 95% at constant scope (excl. deliveries where commercialization is taking longer with the two lockdowns)

2. Accounted rental income: +0.7% at a like-for-like scope

(€ million)	Rental income 2019 100%	Rental income 2019 Group share	Rental income 2020 100%	Rental income 2020 Group share	Change (%) Group share	Change (%) LfL [1] Group share
Paris Centre West	34.1	34.1	35.5	35.5	+4%	+5.5%
Paris South	31.5	26.0	31.7	26.2	+1%	+1.7%
Paris North- East	20.6	20.6	20.6	20.6	-0%	+0.9%
Total Paris	**86.1**	**80.6**	**87.8**	**82.3**	**+2%**	**+2.9%**
Western Crescent and La Défense	70.4	62.6	51.0	48.7	-22%	-2.2%
First ring	52.7	36.6	49.5	33.4	-9%	+1.5%
Second ring	5.2	5.2	3.3	3.3	-37%	+2.2%
Total Paris Region	**214.4**	**185.1**	**191.6**	**167.7**	**-9%**	**+0.8%**
Major regional cities	27.6	26.1	35.9	29.6	+13%	+2.8%
Other French Regions	15.3	15.3	9.8	9.8	-36%	-9.0%
Total	**257.3**	**226.4**	**237.3**	**207.1**	**-9%**	**+0.7%**

[1] LfL: Like-for-Like

Overall, rental income decreased by 8.5% to €207 million Group share (-€19.3 million) as a result of:

- **improved rental performance** (+€1.4 million) with +0.7% on a like-for-like basis, mostly driven by indexation;
- **deliveries** (+€3.3 million) in 2019 in major regional cities and in 2020 in the 1st ring;
- **releases of assets, essentially for residential redevelopment** in the second half of 2020 (-€5.2 million), especially in the Western Crescent;
- **disposals** (-€13.5 million), in 2019 and 2020 of mature assets in the 1st ring and French regions;
- -€1.8 million due to a **one-shot indemnity** mainly received in H1 2019;
- -€3.5 million related to other effects.

3. Annualized rents: €232 million Group share

(€ million)	Surface (m²)	Number of assets	Annualized rents 2019 Group share	Annualized rents 2020 100%	Annualized rents 2020 Group share	Change (%)	% of rental income
Paris Centre West	90 904	11	35.2	33.4	33.4	-5%	14%
Paris South	72 276	8	27.3	30.6	25.7	-6%	11%
Paris North- East	140 053	7	20.9	20.8	20.8	0%	9%
Total Paris	**303 232**	**26**	**83.4**	**84.8**	**79.8**	**-4%**	**34%**
Western Crescent and La Défense	195 384	12	68.1	68.9	61.3	-10%	26%
First ring	483 748	18	43.0	75.3	46.3	8%	20%
Second ring	47 303	20	5.2	3.1	3.1	-41%	1%
Total Paris Region	**1 029 667**	**76**	**199.7**	**232.0**	**190.5**	**-5%**	**82%**
Major regional cities	386 911	34	36.4	43.6	33.2	-9%	14%
Other French Regions	148 618	54	12.9	8.3	8.3	-36%	4%
Total	**1 565 196**	**164**	**249.0**	**283.9**	**232.0**	**-7%**	**100%**

Thanks to the restructuring of the asset portfolio in the past years, the portfolio is now focused on:

- 26 assets in Paris with high potential for redevelopment;
- 64 assets of high quality in Greater Paris and Major Regional Cities;
- 65 non-core assets, 37 which are under disposal agreements.

The 7% decrease of annualized rents is due to the combination of disposals realised in the second semester while the delivery of development projects initially expected for 2020 has been postponed to the first semester of 2021 due to the lockdown.

In the Western Crescent including La Défense, the 10% decrease is mainly explained by the activation of a clause in the Suez' contract signed in 2013, reviewing the rent by -10%. Suez is still engaged on CB21 for 4.4 years, for 66% of the surfaces of the tower.

4. Indexation

The indexation effect is +€1.4 million (Group share). For current leases:

- 88% of rental income is indexed to the ILAT (Service Sector rental index);
- 10% to the ICC (French construction cost index);
- The balance is indexed to the ILC or the IRL (rental reference index)

5. Rental activity: more than 166,000 m² renewed or let during 2020

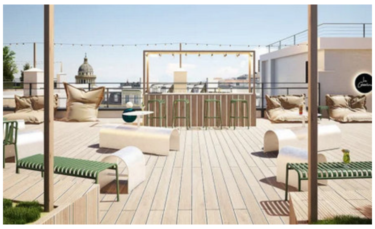
	Surface (m²)	Annualised rents 2020 (€m, Group share)
Vacating	48 040	11.6
Letting	10 262	2.6
Pre-letting	12 731	4.2
Renewals	99 280	24.2

Despite the 2 lockdowns, Covivio proved its ability to sign contracts in a challenging environment :

- **Close to 100,000 m²** were **renegotiated or renewed** in 2020 with an upside of 3.1% on IFRS rents and +3.3 years lease extension. Covivio has been very active with its largest tenant Orange, with several asset management actions, including:
  - A 6-year extension on 23 non-core assets in the third quarter, which were sold in the fourth quarter at a price above the 2019 appraisal value;
  - A 6-year extension accompanied with a rent increase on the Paris/Maillot asset (10,000 m²) in exchange for a departure 2 years earlier on the Levallois/Pereire building in 2023 (8,000 m²) with potential for residential conversion.

- **48,000 m² were vacated**, mostly in French regions (29,000 m²) and La Défense (8,000 m²), including:
  - 21,200 m² for redevelopment, including Laborde in Paris CBD;
  - 17,700 m² on well positioned assets in central locations (mainly in Paris 15 & La Défense), or well connected to public transports (in front of underground stations).

- **23,000 m² were let** in 2020, mainly in the following assets:
  - **3,300 m² in Paris-Carré Suffren:** 3 new leases for 9 years;
  - **3,800 m² in Chatillon-IRO**, where a new lease was signed with MAIF in September for 3,800 m² under similar conditions compared to the previous deal signed end-2019 (Siemens, 5,000m²);
  - **2,800 m²** in Bordeaux-Cité Numérique;
  - **2,800 m² in St-Ouen / St-Denis** on two value-add assets with development potential in the long-term.



In addition, Covivio pre-commercialized 100% of its development project in **Paris 5th Gobelins** (4,500 m² to be delivered in March 2021) with a **full Plug & Play contract** for the next 5 years.

This transaction illustrates Covivio's teams' ability to provide attractive workplaces with relevant services, and thus attract new clients in a challenging environment.

6. Lease expiries and occupancy rate

6.1. Lease expiries: firm residual lease term of 4.6 years

(€ million)	By lease end date (1st break)	% of total	By lease end date	% of total
2021	38	16%	35	15%
2022	38	16%	27	11%
2023	32	14%	20	9%
2024	11	5%	7	3%
2025	31	13%	29	12%
2026	9	4%	8	3%
2027	23	10%	20	9%
2028	8	3%	21	9%
2029	7	3%	22	9%
2030	20	9%	17	7%
Beyond	17	7%	27	12%
Total	**232**	**100%**	**232**	**100%**

The firm residual duration of leases was stable vs year-end-2019.

€38 million of expiries are coming in 2021, representing 5% of Covivio annualised revenues. They include:

- 2% of Covivio annualised revenues (€13 million) to be managed, half of it in Paris and Levallois (€6 m).
- 4% of Covivio annualised revenues (€25 million) under full control, mainly on assets to be vacated for redevelopment in Paris CBD (Anjou, Carnot, Laborde) and some where the break option will not be exercised.

6.2. Occupancy rate: 93% at end-2020

(%)	2019	2020
Paris	**98.9%**	**97.1%**
Western Crescent and La Défense	96.6%	92.9%
Inner ring	98.2%	87.3%
Outer ring	91.6%	86.8%
Total Paris Region	**97.8%**	**92.9%**
Major regional cities	96.2%	96.8%
Other French Regions	89.2%	84.1%
Total	**97.1%**	**93.1%**

Following deliveries in the second half of 2020 of assets not yet fully let, the occupancy rate stands at 93%.

Excluding those assets, **the occupancy rate reached 95.5%,** reflecting the Group's good rental risk profile over the long term. This level is in slight decline vs end-2019 (-1.6 pts) is due to some releases in Paris and La Défense, where space has already been partially re-let despite the slowdown in the letting market.

7. Disposals: €424 M secured in 2020

(€ million)	Disposals (agreements as of end of 2019 closed) 1	Agreements as of end of 2019 to close	New disposals 2020 2	New agreements 2020 3	Total 2020 = 2 + 3	Margin vs 2019 value	Yield	Total Realised Disposals = 1 + 2
Total Paris	-	19	-	-	-	-	-	-
Total Paris Region	-	25	81	147	228	0%	4,6%	81
Major regional cities	-	1	55	110	165	21%	3,5%	55
Other French Regions	1	3	35	41	75	12%	8,0%	36
Total 100%	**1**	**29**	**170**	**298**	**468**	**8%**	**5,2%**	**171**
Total Group share	**1**	**29**	**170**	**254**	**424**	**7%**	**5,3%**	**171**

Half Covivio's disposals this year were realized in France offices, with €424 million of new disposals secured with +7% margin vs end-2019 appraisal:

- **€336 million of mature assets**, on which Covivio extracted the full potential of value creation through the entire real estate cycle: development, full letting at delivery achieving top rent, asset management and disposal, capturing a 65% of value creation since delivery:
    - Two assets in Greater Paris: 11,177 m² in Nanterre delivered in 2015 and 10,889 m² in Issy-les-Moulineaux delivered in 2018.

- In Major Regional Cities: 12,755 m² office building in Lyon-Villeurbanne delivered in 2013 and an 14,446 m² office building in Marseille delivered in 2015.

- **€88 million of non-core assets** in the first ring and French regions. The high margin achieved (+24%) reflects the active asset management work.

Now only 28 of non-core assets remain, equivalent to 1% of the France Offices' portfolio.

8. Portfolio values

8.1. Change in portfolio values: +€180 million in Group Share since 2019

(M€, Including Duties Group share)	Value 2019	Acquis.	Invest.	Disp.	Value creation on acquis./disp.	Change in value	Franchise	Transfer	Change in scope	Value 2020
Assets in operation	4 855	2	88	-171	8	14	3	20		4 819
Assets under development	904	-	143	-	-0	88	-	-20		1 115
Total	**5 759**	**2**	**231**	**-171**	**7**	**102**	**3**	**-**	**-**	**5 933**

The portfolio value has grown by €180 million since year-end-2019 mainly driven by:

- + €102 million from **like-for-like** value growth.
- + €231 million invested in **development projects** (+€143 million) and in **upgrading work** on assets in operations (+€88 million).
- - €171 million from **disposals** that allowed Covivio to crystallize the value of mature assets and to finance investments in the development pipeline.

8.2. Like-for-like portfolio evolution: +1.7%

(€ million, Excluding Duties)	Value 2019 Group share	Value 2020 100%	Value 2020 Group share	LfL (%) change [1] 12 months	Yield [2] 2019	Yield [2] 2020	% of SubTotal
Paris Centre West	1,197	1,287	1,233	7.8%	3.8%	3.4%	22%
Paris South	690	861	711	0.3%	4.2%	3.9%	13%
Paris North- East	412	617	515	1.9%	5.1%	5.0%	9%
Total Paris	**2,298**	**2,764**	**2,459**	**4.3%**	**4.2%**	**3.9%**	**44%**
Western Crescent	1,254	1,299	1,148	-4.0%	5.5%	5.5%	**21%**
Neuilly / Levallois							*5%*
La Défense / Péri Défense / Rueil							*12%*
Issy-les-Moulineaux / Boulogne							*4%*
Inner ring	1,122	1,778	1,251	2.2%	5.7%	5.1%	22%
Montrouge / Malakoff / Châtillon							*6%*
Vélizy / Meudon							*10%*
Other							*5%*
Total Paris Region	**4,674**	**5,841**	**4,858**	**1.7%**	**4.9%**	**4.6%**	**87%**
Major regional cities	**688**	**997**	**708**	**1.4%**	**5.7%**	**5.6%**	**13%**
Lyon / Marseille / Bordeaux							*6%*
Other							*7%*
SubTotal	**5,363**	**6,838**	**5,566**				**100%**
Other French Regions and Outer ring	147	104	104	-5.4%	9.3%	7.3%	-
Assets under disposals agreement	249	306	262	5.2%	5,6%	4,6%	-
Total	**5,759**	**7,249**	**5,933**	**1.7%**	**5.1%**	**4.8%**	**-**

[1] LfL: Like-for-Like

[2] Yield excluding assets under development

Covivio's France Office portfolio locations breaks down as follows:

- 50% in Paris/Levallois
- 37% in top business districts in Greater Paris
- 13% in top locations in major regional cities (Lyon, Marseille, Bordeaux)

The high quality of the portfolio explains the increase in values by 1.7% in 2020 on a like-for-like basis, further illustrating Covivio's secured profile in France Offices made up of:

- A dynamic **development portfolio** with significant value increase (+9.2%) explained by its strong and attractive locations. These locations resulted in strong catch-up in terms of capital value, confirming the potential of some of the most promising Greater Paris locations (Levallois, Châtillon, Montrouge, Paris 17th / Saint-Ouen).
- Slight increase on asset values (+1.7%) for **dynamic locations and top business districts** in major cities in tough economic times, thanks to the good asset profile (~5 years WALL and high occupancy).
- Decreases on the temporarily **challenged assets** mainly in La Défense/Peri-Defense/Rueil (-8.2%)

9. Assets partially owned

Partially owned assets are the following:

- CB 21 Tower (75% owned) in La Défense.
- Carré Suffren (60% owned) in Paris.
- The Silex 1 and 2 assets in Lyon (50.1% owned and fully consolidated).
- So Pop project in Paris 17th (50% owned and fully consolidated).
- N2 Batignolles project in Paris 17th (50% owned and fully consolidated).
- The Eiffage and Dassault campuses in Vélizy (50.1% owned and fully consolidated).
- The New Vélizy campus for Thales (50.1% owned and accounted for under the equity method).
- Euromed Centre in Marseille (50% owned and accounted for under the equity method).
- Bordeaux Armagnac (34.7% owned and accounted for under the equity method).
- Cœur d'Orly in Greater Paris (50% owned and accounted for under the equity method).

C. ITALY OFFICES: 16% OF COVIVIO'S PORTFOLIO

Covivio's Italy strategy is focused on Milan, where the Group's acquisitions and developments are concentrated. At end-2020, the Group owned offices worth €3.4 billion (€2.7 billion Group share) composed of:

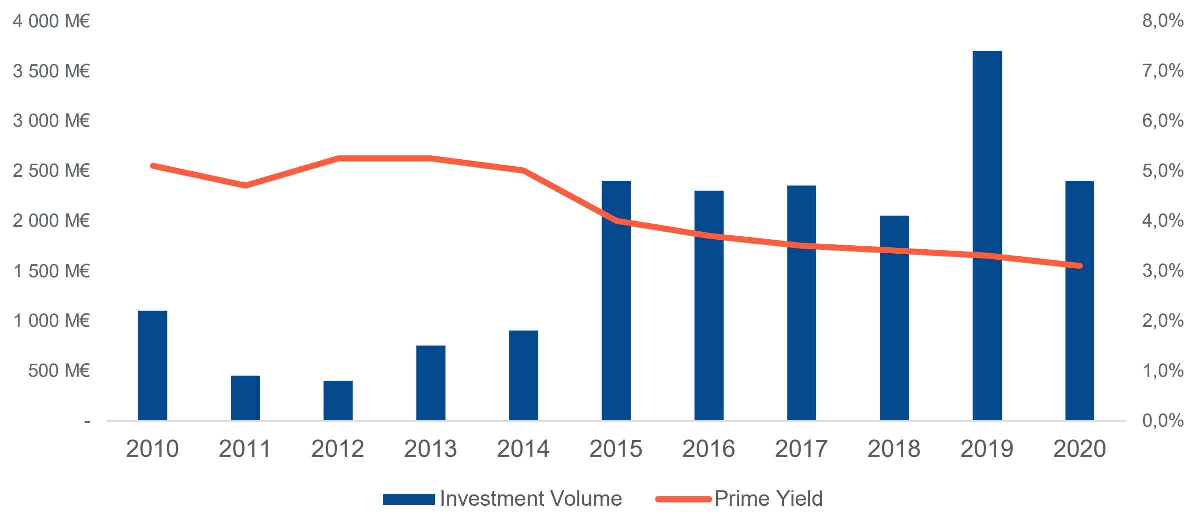
- 73% (€2.0 billion) of offices in Milan, mostly in the CBD and centre of the city;
- 20% (€0.5 billion Group share) Telecom Italia assets outside Milan, 100% occupied with 11 years firm lease.
- 7% (€0.2 billion) non-core assets outside Milan;

1. Milan office market demonstrates strong resilience

Despite a performance below the record year of 2019, Milan's office market showed its solid fundamentals in 2020, resisting very well in spite of the economic context and outperforming the 10-year average on major indicators:

- Milan office **take-up** stood at 278,000 m² end-2020, only 12% below the 10-year average despite the pandemic. Grade A building were the most in demand (66% of the take-up).
- The **vacancy rate** slightly increased to 5.3% in the inner-city, where Covivio's portfolio is located, representing only 300,000 m² of immediate supply.
- **Prime rents** remained stable in the CBD at €600/m² but increased in the semi-centre at €370/m² (vs €350/m² end-2019).
- Total **investment volumes** in Milan reached €2.3 billion, 50% above the 10-year average. Prime yields in Milan slightly decreased to 3.1% (3.3% at end-2019) as investors have been focusing on core assets.

Investment volume since 2010 and prime yield



Sources: CW, CBRE, JLL

Covivio's activities in Italy in 2020 were marked by:

- A resilient **occupancy rate of 97%**
- Acceleration of **mature office disposals**, with €250 million in Milan with a 9% margin
- **Solid values in Milan** with +0.4% like-for-like value growth

2. Accounted rental income: -0.3% like-for-like

(€ million)	Rental income 2019 100%	Rental income 2019 Group share	Rental income 2020 100%	Rental income 2020 Group share	Change (%)	Change (%) LfL [1]	% of total
Offices - excl. Telecom Italia	100.3	100.3	85.4	85.4	-14.8%	-0.6%	51%
of which Milan	*81.6*	*81.6*	*68.9*	*68.9*	*-15.5%*	*-0.7%*	*41%*
Offices - Telecom Italia	88.2	45.0	81.2	41.4	-8.0%	0.2%	49%
Development portfolio	1.7	1.7	0.0	0.0	-99.9%	0.0%	0%
Total	**190.3**	**147.0**	**166.6**	**126.8**	**-13.8%**	**-0.3%**	**100%**

[1] LfL: Like-for-Like

Overall, rental income decreased by €20.2 million compared to the full year 2019 due to:

- **disposals** of non-core and core-mature assets (-€18.9 million)
- **like-for-like rental decrease** of -0.3% (-€0.4 million) mainly due to the impact of Covid incentives granted to ground floor retailers. **In office only in Milan, LFL rent increases (+0.8%)**
- **deliveries** (+€5.0 million) including 5 new buildings in 2020
- **releases for redevelopment** (-€4.8 m), essentially in Milan CBD
- other effects (-€1.1 m).

3. Annualised rental income: €125 million Group share

(€ million)	Surface (m²)	Number of assets	Annualised rents 2019 Group share	Annualised rents 2020 100%	Annualised rents 2020 Group share	Change (%)	% of total
Offices - excl. Telecom Italia	375 904	43	91.6	83.9	83.9	-8.4%	67%
Offices - Telecom Italia	882 322	122	45.1	80.1	40.9	-9.3%	33%
Development portfolio	116 824	7	2.9	0.0	0.0	n.a	n.a
Total	**1 375 051**	**172**	**139.6**	**164.0**	**124.7**	**-10.6%**	**100%**

(€ million)	Surface (m²)	Number of assets	Annualised rents 2019 Group share	Annualised rents 2020 100%	Annualised rents 2020 Group share	Change (%)	% of total
Milan	456 126	41	83.2	82.3	75.3	-9.6%	60%
Rome	66 510	11	4.7	8.1	4.2	-11.2%	3%
Turin	102 796	9	6.3	8.7	6.9	9.4%	6%
North of Italy (other cities)	433 039	61	29.9	38.7	24.3	-18.5%	20%
Others	316 579	50	15.5	26.1	14.1	-9.0%	11%
Total	**1 375 051**	**172**	**139.6**	**164.0**	**124.7**	**-10.6%**	**100%**

Annualized rental income decreased by 10.6% mainly due to disposals combined with delay in deliveries (postponed to 2021).

4. Indexation

The annual indexation of rental income is usually calculated by applying the increase in the Consumer Price Index (CPI) on each anniversary of the signing of the agreement.

In 2020, the average monthly change in the CPI was +0.2%.

5. Rental activity

(€ million)	Surface (m²)	Annualized rents 2020 Group share	Annualized rents 2020 (100%, €/m²)
Vacating	24 716	6.9	279
Lettings on operating portfolio	12 854	3.3	254
Lettings on development portfolio	12 184	2.4	200
Renewals	55 232	14.5	262

In 2020, around **80,300 m² of new leases or renewals** were signed, including:

- 12,900 m² of new contracts. including 4,500 m² in Milan and 7.900 m² in Rozzano
- 55,200 m² of renewals, including 32,600 m² in the context of the Covid pandemic (10,000 m² concern ground floor retails) with an average lease duration extension of ~2 years

In total in Milan, 27,000 m² of offices have been commercialized or renewed with a +3.5 years lease increase at a +2% LFL rent and even +8% LFL increase on new contracts.

- 12,200 m² on development projects:
  - 9,300 m² Turin – Ferrucci fully delivered in 2020 and now 98% occupied.
  - 2,500 m² pre-let to a US leader in the food industry in Milan – Symbiosis D.

24,700 m² were vacated in 2020 in Milan:

- 12,084 m² vacated for development (mainly Milan, Corso italia);
- 6,137 m² has already been re-let or sold;
- 2,514 m² under negotiation for potential disposal;
- 3,981 m² still to be managed.

6. Lease expiries and occupancy rates

6.1. Lease expiries: 7.4 years of average firm lease term

(€ million Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2021	15	12%	8	6%
2022	14	11%	15	12%
2023	4	3%	3	2%
2024	5	4%	4	3%
2025	3	2%	4	3%
2026	6	5%	8	7%
2027	5	4%	5	4%
2028	14	11%	14	11%
2029	5	4%	5	4%
2030	22	17%	22	17%
Beyond	34	27%	37	29%
Total	**125**	**100%**	**125**	**100%**

The firm residual lease term increased thanks to new deliveries at 7.4 years. In 2021, the €15 million of lease expiries representing 2% of Covivio annualized revenues are split as follow:

- 0.4% of Covivio annualised revenues (€3 million) to be managed on assets located in Milan
- 2% of Covivio annualised revenues (€12 million) already managed due to
  - Break option not exercised (€8 million)
  - Partial re-let of an asset with redevelopment potential (€4 million)

6.2. Occupancy rate: a high-level of 97%

(%)	2019	2020
Offices - excl. Telecom Italia	98.1%	95.4%
Offices - Telecom Italia	100.0%	100.0%
Total	**98.7%**	**96.8%**

The occupancy rate remained at a high level of 97%, proving the attractiveness and resilience of Covivio's portfolio in a challenging year.

The decrease in Offices excluding Telecom Italia mainly concerns assets located in Milan.

7. Disposal agreements: €280 M secured during 2020

(€ million. 100%)	Disposals (agreements as of end of 2019 closed)	Agreements as of end of 2019 to close	New disposals 2020	New agreements 2020	Total 2020	Margin vs 2019 value	Yield	Total Realised Disposals
	1		2	3	= 2 + 3			= 1 + 2
Milan	39	-	231	19	**250**	**9.4%**	**4.6%**	270
Rome	-	-	8	-	**8**	**-4.8%**	**6.7%**	8
Other	34	-	26	12	**39**	**-8.7%**	**5.6%**	61
Total 100%	**73**	**-**	**266**	**31**	**297**	**6.2%**	**4.8%**	**338**
Total Group share	**71**	**-**	**254**	**26**	**280**	**6.7%**	**4.7%**	**325**

In 2020, Covivio signed new agreements for €280 million of disposals of core mature assets in Milan and non-core assets outside Milan at a 7% margin.

Over the year Covivio made the most of the asset rotation potential offered by the dynamic Milan market with the disposal of mature assets:

- €250 million of mature disposals with a 9% margin on 4 assets in Milan

The disposals of non-core assets outside Milan are in line with Covivio's strategy to focus on the city.

- Disposal of non-core assets, 11 small assets located outside Milan, including a bank branch, 1 vacant asset located in Gorizia, 1 in Padova and 1 in Cinisello Balsamo.

8. Portfolio values

8.1. Change in portfolio values

(€ million, Group share Excluding Duties)	Value 2019	Invest.	Disposals	Change in value	Transfer	Value 2020
Offices - excl. Telecom Italia	**1,823**	10	-286	-46	178	**1,678**
Offices - Telecom Italia	**721**	-	-14	-3	-	**704**
Development portfolio	**432**	71	-	11	-178	**337**
Total strategic activities	**2,976**	**82**	**-301**	**-38**	**-**	**2,719**

The portfolio value decreased by 8.6% to €2.7 billion (Group share) at year-end-2020 under the effect of disposals (€301 million) partially offset by investments (€82 million) concentrated on the development pipeline in Milan.

8.2. Portfolio in Milan: 91% of the portfolio excluding Telecom Italia

(€ million, Excluding Duties)	Value 2019 Group share	Value 2020 100%	Value 2020 Group share	LfL [1] change	Yield [2] 2019	Yield [2] 2020	% of total
Offices - excl. Telecom Italia	1,823	1,678	1,678	-2.7%	5.0%	5.0%	61.7%
Offices - Telecom Italia	721	1,381	704	-0.4%	6.2%	5.8%	25.9%
Development portfolio	432	337	337	3.1%	n.a.	n.a.	12.4%
Total	**2,976**	**3,396**	**2,719**	**-1.4%**	**5.4%**	**5.2%**	**100%**

[1] LfL: Like-for-Like

[2] Yield excluding development projects

(€ million, Excluding Duties)	Value 2019 Group share	Value 2020 100%	Value 2020 Group share	LfL [1] change	Yield [2] 2019	Yield [2] 2020	% of total
Milan	2,140	2,135	1,983	0.4%	4.6%	4.6%	73%
Turin	125	149	123	-4.3%	8.5%	5.6%	5%
Rome	96	172	88	0.7%	4.9%	4.7%	3%
North of Italy	410	538	309	-10.5%	7.4%	7.6%	11%
Others	205	402	216	-2.3%	7.3%	6.8%	8%
Total	**2,976**	**3,396**	**2,719**	**-1.4%**	**5.4%**	**5.2%**	**100%**

[1] LfL: Like-for-Like

[2] Yield excluding development projects

The weight of Milan Offices now represents 73% of the portfolio (+1 pt vs end-2019) and **91% excluding Telecom Italia** assets. Milan's large share is in line with Covivio strategy to focus on this major European city.

- Milan is the city least affected by the crisis, showing great stability and resilience to turbulences. Milan portfolio values grew slightly (+0.4%), sustained by development portfolio's good performance (+3.1%) despite some value adjustments on high street retail surfaces (-3.7%).
- Telecom Italia showed stability again (-0.4%), relying on its strong fundamentals:
  - 100% occupancy
  - 11 years average lease term
- Non-core offices (outside Milan) continue to show a decrease (-18%) due to the general market situation. Covivio has greatly reduced its exposure in the last few years to these assets, which now represent only 7% of the portfolio

D. GERMANY OFFICES: 9% OF COVIVIO'S PORTFOLIO

Since 2019. Covivio has reinforced its presence in Germany Offices. capitalising on its existing platform with local teams, €200 million of existing assets in Berlin and a flagship development project in Berlin-Alexanderplatz.

Three acquisitions were made in Berlin in late 2019, and Covivio accelerated its strategy in early 2020 by acquiring 10 office assets located in Frankfurt, Düsseldorf, Hamburg and Munich through the public offer and delisting of Godewind Immobilien AG (renamed Covivio Office AG). The acquisition, announced on February 13th, was closed on May 14th with the company's delisting.
Covivio owns close to 100% of share capital and the rental income deriving from this portfolio was consolidated at 44.9% in the first quarter, at 89.3% in the second quarter and 99.8% in the second half of 2020 following the completion of the public offer.

Today Covivio boasts a strong Germany Office platform of 29 assets worth €1.7 billion (€1.5 billion Group share), located in the top 5 German cities (Berlin, Frankfurt, Düsseldorf, Hamburg and Munich).

1. German offices market: sound fundamentals in the top 7 cities[1]

- Take-up in German's top six markets fell by 34% in 2020 year-on-year to 2.5 million m². The Berlin market showed a little more resilience with its take-up decreasing by 26% compared to last year.

- Immediate supply remains scarce with a vacancy rate at 3.5%, having increased slightly vs 2019 (+0.2 pt), with Berlin displaying the tightest vacancy level at 2.0%, Hamburg (3.4%), Cologne (3.3%), Düsseldorf (6.3%) and Munich (2.9%).

- Future supply is also limited, with around 4.5 million m² under construction until 2022:
  - Pre-let ratio remains high at 50%.
  - Consequently, future available space until 2022 represents 4% of the current existing stock.

- Despite the environment and falling demand, prime rents have continued growing at an overall 3.6% rate with +2.7% in Berlin and +6.9% Hamburg

- Investments in Germany Offices were at €18.9 billion, 16% above the 10-year average, 51% of the investment are concentrated in Berlin (€~5 billion) and Frankfurt (€4.7 billion). The office prime yield of 2.8% offers a strong premium compared to the Germany 10-year yield of -0.5%

- The Germany Office market is supported by strong fundamentals and is unlikely to suffer from office space demand losses resulting from the growing trend of working-from-home. According to a study from the German Economic Institute (IW – february 2021) only 6.4% of companies plan to reduce their space over the next 12 months.

Sources: Colliers, JLL, JPMorgan Markets. Top 7 cities include Berlin, Düsseldorf, Frankfurt, Cologne, Munich, Hamburg and Stuttgart

In 2020, Covivio's activities were marked by:

- The acquisition and integration of Godewind, its portfolio and teams.
- Strong value growth: +5.8% increase on a like-for-like basis, including +5.4% in Berlin.

2. Accounted rental income: €49 million Group share in 2020

(€ million)	Rental income 2019 100%	Rental income 2019 Group share	Rental income 2020 100%	Rental income 2020 Group share	Change (%) LfL [1] Group share	% of rental income
Berlin	9.4	6.4	10.2	7.2	2.3%	15%
Frankfurt	0.0	0.0	19.7	16.0	n.a	32%
Düsseldorf	0.0	0.0	15.5	14.1	n/a	29%
Hamburg	0.2	0.1	10.5	8.7	1.1%	18%
Munich	0.0	0.0	2.6	2.2	n.a	4%
Other	1.7	1.1	1.8	1.2	5.2%	2%
Total	**11.3**	**7.6**	**60.3**	**49.3**	**2.9%**	**100%**

[1] LfL: Like-for-Like

The Germany Offices rental income grew by €41.6 million in Group share compared to 2019, thanks to the acquisition of the 10 offices portfolio.

With a like-for-like scope, excluding Godewind, the performance of +2.9% shows the positive trend of the Germany Office market supported by a low vacancy rate and increasing rents.

3. Annualised rents: €47 million Group share

Geographic breakdown

(€ million)	Surface (m²)	Number of assets	Annualised rents 2019 Group share	Annualised rents 2020 100%	Annualised rents 2020 Group share	Change Group share (%)	% of rental income
Berlin	78,747	15	7.4	10.4	7.2	-3.7%	15%
Frankfurt	118,649	4	0.0	20.5	19.1	n.a	41%
Düsseldorf	68,882	2	0.0	8.9	8.3	n.a	18%
Hamburg	70,746	2	0.1	8.8	8.2	n.a	18%
Munich	37,104	2	0.0	2.8	2.7	n.a	6%
Other	21,765	2	1.2	1.9	1.2	1.6%	3%
Total	**395,893**	**27**	**8.7**	**53.4**	**46.6**	**n.a**	**100%**

4. Indexation

Rents are indexed on the German consumer price index. At end 2020, it showed an increase of +0.2% year-one-year.

5. Rental activity

	Surface (m²)	Annualised rents 2020 (€m, Group share)
Vacating	30,556	5.9
Letting	24,422	4.2
Renewals	27,033	4.7

The rental activity in 2020 was marked by:

- About 27,000 m² were renewed with +6 years maturity, of which around 18,300 m² in Frankfurt, 5,500 m² in Hamburg and 1,700 m² in Düsseldorf.
- 24,422 m² were let during 2020, including an asset of about 5,000 m² in Munich and 3,800 m² in Frankfurt.
- 30,556 m² of vacated space, including about 4,000 m² in Munich previously occupied by Wirecard, 8,000 m² in Hamburg and about 2,000 m² vacated space for development.

6. Lease expiries and occupancy rate

6.1. Lease expiries: firm residual lease term of 4.9 years

(€ million)	By lease end date (1st break)	% of total	By lease end date	% of total
2021	7.1	15%	6.5	14%
2022	6.2	13%	5.0	11%
2023	6.1	13%	4.3	9%
2024	9.0	19%	6.5	14%
2025	3.8	8%	4.1	9%
2026	2.8	6%	2.8	6%
2027	4.5	10%	2.8	6%
2028	0.7	2%	3.0	6%
2029	1.7	4%	5.2	11%
2030	0.4	1%	0.6	1%
2031 beyond	4.2	9%	5.8	13%
Total	**46.6**	**100%**	**46.6**	**100%**

The firm residual duration of leases stands at 4.9 years

Most of the €7.14 million of expiries in 2021 (1% of Covivio's rents), are rental agreements on small office spaces, renewed automatically once a year and made with liberal companies (e.g. Medical doctors' offices).

6.2. Occupancy rate of 77%

(%)	2020
Berlin	96.8%
Frankfurt	86.2%
Düsseldorf	58.3%
Hamburg	77.4%
Munich	51.4%
Other	98.2%
Total	**76.7%**

The occupancy rate stands at 77% at end 2020. The main components of the vacancy on the portfolio are:

- 12 pts due to the financial agreement reached with WeWork for the termination their firm lease contract in Düsseldorf (21.600 m² on Herzog-Terrassen).
- The vacated space on Eight Dornach in Munich, previously occupied by Wirecard.
- The vacated space on Zeughauss in Hamburg, located in the inner city, previously occupied by GMG.

7. Acquisition

Early 2020, Covivio consolidated its strategic position on the dynamic Germany Office market by acquiring 10 office assets valued at €1.2 billion (€1.1 billion in Group share). The portfolio is made up of 10 assets totalling 290,000 m² and are located in Frankfurt, Düsseldorf, Hamburg, and Munich. The acquisition was completed through the public offer and delisting of Godewind Immobilien AG (renamed Covivio Office AG). The appraisal value at end 2020 is in line with the acquisition price including duties.

In addition to this acquisition, Covivio closed the acquisition of two assets in Berlin, secured in 2019.

8. Portfolio values

8.1. Change in portfolio values

(€ million, Group share, Excluding Duties)	Value 2019	Acqu.	Invest.	Disposals	Value creation on Acquis./Disposals	Change in value	Other	Value 2020
Berlin	244	31	52	-	-	5.9	-	333
Frankfurt	-	446	13	-	-	-	13	471
Düsseldorf	0	319	5	-	-	0.0	-7	317
Hamburg	4	274	1	-	-	0.3	6	285
Munich	-	93	3	-	-	-	17	114
Other	19	-	1	-	-	1.1	-	21
Total	**267**	**1,163**	**75**	**-**	**-**	**7**	29	**1,541**

The portfolio value grew by €1,274 million since year-end 2019. The growth was fuelled by the acquisition of the 10 office assets portfolio from Godewind in February 2020.

8.2. Like-for-like portfolio evolution: +4.8% of growth

(€ million. Excluding Duties)	Value 2019 100%	Value 2019 Group share	Value 2020 100%	Value 2020 Group share	LfL [1] change	Yield 2019	Yield 2020	% of total value
Berlin	320	244	413	333	4.3%	n.a.	4.1%	22%
Frankfurt	0	0	513	471	n.a.	n.a.	4.0%	31%
Düsseldorf	0	0	337	317	5.8%	n.a.	2.7%	21%
Hamburg	6	4	305	285	9.1%	3.2%	2.9%	18%
Munich	0	0	121	114	n.a.	n.a.	2.3%	7%
Other	30	19	33	21	8.8%	6.0%	5.6%	1%
Total	**356**	**267**	**1,722**	**1,541**	**4.8%**	**n.a.**	**3.4%**	**100%**

[1] LfL: Like-for-Like

Covivio Germany Office portfolio reached a critical size with €1.7 billion of assets and boasts strong fundamentals:

- Strategic locations in the center of Germany's top 5 cities.
- A balanced portfolio of existing assets and development projects in Berlin, especially Alexanderplatz at yield-on-cost of more than 5%.
- A current valuation standing at 4,350 €/m² on existing assets, still below most European office hubs.
- The like-for-like performance (+4.8%) excludes the recently acquired portfolio but does give however a good insight into the dynamism of the office platform. As for acquired assets, the portfolio value is in line with the acquisition price and still holds potential via the expected vacancy reduction.

E. GERMANY RESIDENTIAL

Covivio operates in the German Residential segment through its 61.7% held subsidiary Covivio Immobilien. The figures presented are expressed as 100% and as Covivio Group share.

Covivio owns around ~40,300 apartments in Berlin, Hamburg, Dresden, Leipzig and North Rhine-Westphalia, representing €6.6 billion (€4.3 billion Group share) of assets.

1. Widening housing shortage and resilient market

- **The housing shortage** continues to widen in Germany: ~400,000 new units are needed each year against 293,000 new deliveries in 2019. The situation is especially dire in Berlin, where the existing housing shortage, compounded by the effect of the rent freeze law, is estimated at around 200,000 units. The supply of apartments to rent in the city has fallen by almost 2/3 in 2020.

- This shortage continues to drive an important **increase in rents & values** in Germany. In the top 8 cities:
    - Rents rose by an average of 3.5% in 2020, to an average of €8.3 /m²
    - Asking prices for apartments increased by 11% in 2020, bringing the cumulated 5-year growth to 56%

- **In Berlin**, in February 2020, the city implemented the Mietendeckel law to freeze housing rents for five years and in November 2020 it set rent caps on most residential units. This law is being challenged in court: on May 6, 2020, CDU/CSU and FDP members of the Federal Parliament brought legal action before the Federal Constitutional Court against this new Berlin regulation to determine the extent to which the federal states have the right to independently set the caps on residential rents or whether this is the sole responsibility of the federal government. The judicial review in ongoing with a ruling expected in 2021.

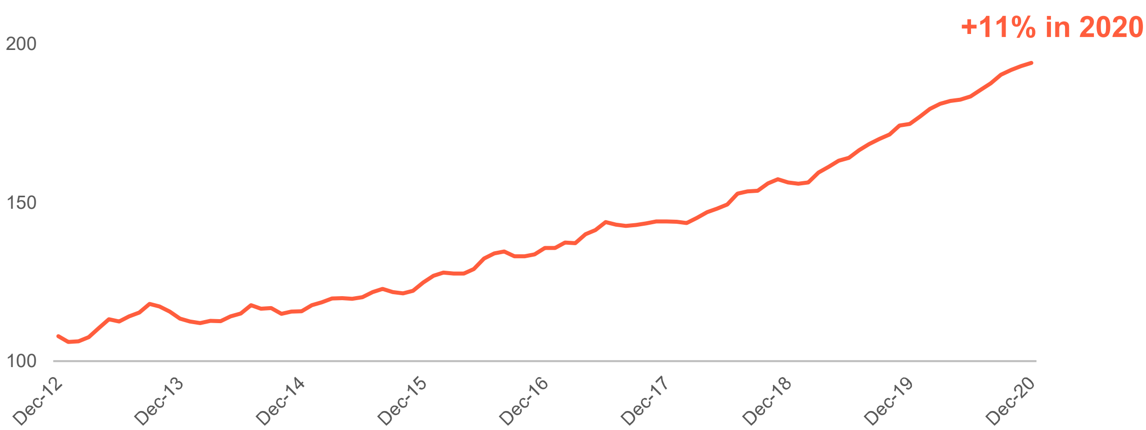
  For additional details on the application of this law and its impacts on Covivio's residential activity refer to section 2.4 of this chapter.

  In line with the overall market, the same trends can be observed despite the rent freeze in Berlin:
    - The average **asking rent** on new buildings increased by 6.8% to €18.0 /m² in 2020 and by 46% within the last 5 years. On existing building, rent grew again despite the regulation (+3.5% to €11.6 /m²).
    - The average **asking price grew by 7%** and now stands above 5,000 €/m², well above the current valuation of Covivio's residential portfolio (€2,970 /m² in Berlin). Price for **new buildings also reached a new high** of €6,800 /m² (+7.5%).

- Despite a decline in overall German real-estate investments by 11%, the residential market registered its highest transaction volume and grew by +15% compared to 2019 to reach €25 billion (including the acquisition of Adler Real Estate which was the largest single-asset transaction of the year).

Prices for apartments continue to rise in Germany

Housing price index for apartments in Germany (basis of 100 in 2005)



Sources: JLL, Guthmann real estate, CBRE

In 2020, Covivio's activities were marked by:

- The pursuit of rental growth: +2.3% on a like-for-life basis, driven by NRW, Hamburg, Dresden & Leipzig (+3.4% on average).
- Strong value growth: +8.2% increase on a like-for-like basis, including +5.7% in Berlin despite the Mietendeckel law.

2. Accounted rental income: +2.3% at a like-for like scope

Rental income amounted to €158 million Group share in 2020, up 2.3% (+€3.4 million) due to:

(In € million)	Rental income 2019 100%	Rental income 2019 Group share	Rental income 2020 100%	Rental income 2020 Group share	Change Group share (%)	Change Group share (%) LfL [1]	% of rental income
Berlin	117.7	76.1	118.5	76.7	0.7%	1.2%	49%
of which Residential	96.1	62.1	96.4	62.3	0.3%	n.a	39%
of which Other commercial [2]	21.6	14.0	22.2	14.4	2.6%	n.a	9%
Dresden & Leipzig	24.3	15.4	24.6	15.7	2.0%	3.2%	10%
Hamburg	15.9	10.3	16.3	10.7	3.3%	2.8%	7%
North Rhine-Westphalia	82.6	52.5	86.2	54.6	4.1%	3.6%	35%
Essen	*29.3*	*18.2*	*30.8*	*19.1*	*5.4%*	*3.1%*	*12%*
Duisburg	*14.9*	*9.3*	*15.4*	*9.6*	*3.3%*	*4.0%*	*6%*
Mulheim	*10.0*	*6.4*	*10.2*	*6.5*	*2.2%*	*2.9%*	*4%*
Oberhausen	*9.3*	*5.9*	*9.7*	*6.5*	*10.6%*	*3.8%*	*4%*
Other	*19.1*	*12.7*	*20.2*	*12.8*	*0.7%*	*4.3%*	*8%*
Total	**240.5**	**154.3**	**245.6**	**157.7**	**2.2%**	**2.3%**	**100%**
of which Residential	211.7	135.7	216.0	138.5	2.1%	n/a	88%
of which Other commercial [2]	28.8	18.6	29.6	19.2	3.0%	n/a	12%

[1] LfL: Like-for-Like
[2] Ground-floor retail, car parks, etc

- In Berlin, the like-for-like rental growth continues to be positive at +1.2% at end-2020 despite the start of the implementation of the new regulation (the Mietendeckel law); rent freeze since February and the rent cap since November 2020.
- Outside Berlin, like-for-like rental growth was strong in all areas (+3.4% on average) mainly due to the reletting impact.
- Acquisitions in 2019 and 2020 (+€2.5 million).
- Disposals (-€2.3 million) mainly involving a portfolio of mature assets in Berlin and Leipzig in 2020 as well as some privatisations in Berlin.

3. Annualised rental income: €156 million Group share

(In € million)	Surface (m²)	Number of units	Annualised rents 2019 Group share	Annualised rents 2020 100%	Annualised rents 2020 Group share	Change Group share (%)	Average rent €/m²/month	% of rental income
Berlin	1,229,731	16,727	78.2	113.4	73.4	-6.2%	€7.7 /m²	47%
of which Residential	1,070,113	15,843	63.8	90.6	58.6	-8.1%	€7.1 /m²	37%
of which Other commercial [1]	159,618	884	14.4	22.8	14.8	2.5%	€11.9 /m²	9%
Dresden & Leipzig	270,084	4,374	15.8	22.5	14.4	-8.8%	€6.9 /m²	9%
Hamburg	141,820	2,340	10.7	17.0	11.1	3.8%	€10.0 /m²	7%
North Rhine-Westphalia	1,122,412	16,847	54.6	90.8	57.5	5.4%	€6.7 /m²	37%
Essen	*397,264*	*5,807*	*19.1*	*33.1*	*20.6*	*8.0%*	*€6.9 /m²*	*13%*
Duisburg	*205,532*	*3,164*	*9.6*	*15.9*	*9.9*	*3.5%*	*€6.5 /m²*	*6%*
Mulheim	*129,057*	*2,160*	*6.5*	*10.5*	*6.7*	*2.3%*	*€6.8 /m²*	*4%*
Oberhausen	*133,389*	*1,953*	*6.5*	*9.9*	*6.7*	*2.7%*	*€6.2 /m²*	*4%*
Others	*257,170*	*3,763*	*12.8*	*21.3*	*13.6*	*5.9%*	*€6.9 /m²*	*9%*
Total	**2,764,046**	**40,288**	**159.3**	**243.7**	**156.4**	**-1.8%**	**€7.3 /m²**	**100%**
of which Residential	2,551,134	39,055	140.1	212.9	136.5	-2.6%	€7.0 /m²	87%
of which Other commercial [1]	212,912	1,233	19.2	30.8	20.0	3.7%	€12.0 /m²	13%

[1] Ground-floor retail, car parks, etc

The portfolio breakdown has been relatively stable since end-2019, with Berlin generating around half of the rental income, through residential units and some commercial units (mainly Ground-floor retail). Due to recent acquisitions and continued growth in North Rhine-Westphalia, exposure increased by 3%.

Rental income per m² (€7.3 /m²/month on average) offers solid growth potential through reversion, especially in Hamburg (20-25%), in Dresden and Leipzig (10-15%) and in North Rhine-Westphalia (15-20%).

4. Indexation

Rental income from residential property in Germany changes according to multiple mechanisms:

- **Rents for re-leased properties**:

In principle, rents may be increased freely, provided the property is not financed through governmental subsidies.

As an exception to the unrestricted rent setting principle, cities like Hamburg, Cologne and Düsseldorf have introduced rent caps (*Mietpreisbremse*) for re-leased properties. In these cities, rents for re-leased properties cannot exceed the public rent reference (*Mietspiegel*) by more than 10%, except in the following conditions:

If the property has been modernised in the past three years, the rent for the re-let property may exceed the +10% limit by a maximum of 8% of the costs to modernise it.

In the event the property is completely modernised (work amounting to more than one-third of new construction costs), the rent may be increased freely.

If the rent received from the previous tenant is higher than the +10% limit, then the previous rent will be the limit in the case of re-letting.

Properties built after 1 October 2014 do not adhere to the rent cap.

- **For current leases**:

The current rent may be increased by 15% to 20% depending on the region, however without exceeding the *Mietspiegel* or another rent benchmark. This increase may only be applied every three years and after at least 12 months of fixed rent. The rent can be adjusted through the three methods stated below:

Rent increase through an agreement of both parties, usually in the case of work to modernise the property on the tenant's request.

Rent increase in accordance with the *Indexmiete*, which is determined by the German statistical office.

Rent increase through a contract agreement with fixed dates for the rent increase. In case of such an agreement, rent increases according to the *Mietspiegel* or through work to modernise the property are not applicable.

- **For current leases with work carried out:**

If work has been carried out, rent may be increased by up to 8% of the cost of work, in addition to the possible increase according to the rent index. This increase is subject to three conditions:

- The work aims to save energy, increase the utility value, or improve the living conditions in the long run.
- The tenant must be notified of this rent increase within three months.
- The rent may not increase by more than €3/m² for work to modernise the property within a six-year period (€2/m² if the initial rent is below €7/m²).

In February, the city of **Berlin implemented a new law** to freeze & cap the rents of most residential units:

- Freeze on existing rents for five years (i.e., until February 2025). An increase may be possible from 2022, up to the level of inflation (of about 1.3%) without exceeding rent ceilings. Rent ceilings can be increased by the Berlin Senate in line with increases in real wages two years after the law is enacted.

- Reversal of rent increases since 18 June 2019 back to the rent levels agreed as of that date, except for new leases signed after that date.

- Application of a rent cap, for re-letting and current leases, defined according to the year of construction of the building and the equipment in the dwelling.

- Excessive rents that are 120% above the rent ceiling to be reduced to the 120% level, adjusted for the quality of the location, applicable from the last quarter of 2020.

- Increase in rents for work to modernise a property's energy consumption or to upgrade the property to meet accessibility standards for people with reduced mobility: +€1/m².

- Housing built after 2014, public housing and subsidised housing are excluded.

The law is being challenged in court: on 6 May 2020, CDU/CSU and FDP members of the Federal Parliament brought legal action before the Federal Constitutional Court against this new Berlin law, considering that this law is not compatible with the German constitution. More information about the development of the case will be provided by the court in the second quarter of 2021.

The **estimated impacts** for Covivio on rental income will be limited, as Berlin residential rents account for only 9% of Covivio's total annualised revenue in Group share:

- Freeze of existing rents.
- Impact of rent decrease:
  - in 2020: -€1.7 million Group share.
  - in 2021: -€5.5 million vs 2020.
  - ➔ Cumulative impact representing **around 1% of Covivio's annualised rent** at end-2020.

5. Occupancy rate: a high level of 98.7%

(%)	2019	2020
Berlin	98.1%	98.3%
Dresden & Leipzig	99.0%	99.3%
Hamburg	99.8%	100.0%
North Rhine-Westphalia	99.0%	98.9%
Total	**98.6%**	**98.7%**

The occupancy rate remains high, at 98.7%. It has remained above 98% since the end of 2015 and reflects the Group's very high portfolio quality and low rental risk.

6. Disposals and disposals agreements: €129 M with a 20% margin on appraisal value

(In € million)	Disposals 2019 (agreements as of end-2019 closed)	Agreements as of end-2019 to close	New disposals 2020	New agreements 2020	Total 2020	Margin vs end-2019 value	Yield	Total Realised Disposals
	1	-	**2**	**3**	**= 2 + 3**			**= 1 + 2**
Berlin	9	-	104	13	117	24%	2.3%	114
Dresden & Leipzig	-	-	78	0	78	14%	4.0%	78
Hamburg	-	-	-	0	-	-	-	-
North Rhine-Westphalia	3	-	3	0	4	77%	2.5%	6
Total 100%	**12**	-	**186**	**13**	**199**	**20%**	**2.9%**	**197**
Total Group share	**8**	-	**121**	**8**	**129**	**20%**	**3.0%**	**129**

In 2020, Covivio secured disposals for about €120 million of mature assets, both through bloc sales and some privatisations in Berlin.

- Privatisations: 106 units almost entirely in Berlin for €34 million (€23 million Group share) for a 55% margin. These privatisations at around €4,150 /m² reflect the highly unbalanced momentum in Berlin (demand vs supply and new construction).

7. Acquisitions: €119 M realized in 2020

(In € million, Including Duties)	Surface (m²)	Number of units	Acquisitions 2020 realised		
			Acq. price 100%	Acq. price Group share	Gross yield
Berlin	31,315	534	86	58	3.3%
Dresden & Leipzig	3,174	31	7	5	4.5%
Hamburg	-	-	-	-	-
North Rhine-Westphalia	13,061	195	25	17	5.2%
Total	**47,549**	**760**	**119**	**79**	**3.7%**

During 2020, Covivio closed several residential deals for €119 million (€79 million Group Share), mainly in Berlin and North Rhine-Westphalia:

- Acquisition of 534 existing units in Berlin at an average of €2,750 /m² and 195 units in NRW at an average of €1,900/m². Average rent reversion reached 28%.
- Additionally, with these transactions 13,750 m² of land bank were acquired for €8 million on which about 370 units could be developed.

8. Portfolio: €6.6 billion (€4.3 billion Group share)

8.1. Change in portfolio: +€294 million Group share in 2020

(In € million, Group share, Excluding Duties)	Value 2019	Acqu.	Invest.	Disposals	Value creation on Acquis./Disposals	Change in value	Change of scope	Value 2020
Berlin	2,261	61	20	-62	5	100	1	2,387
Dresden & Leipzig	377	5	4	-45	0	30	-	371
Hamburg	293	-	6	-	-	28	-	327
North Rhine-Westphalia	1,031	16	31	-2	0	92	3	1,171
Total	**3,962**	**83**	**61**	**-109**	**6**	**250**	**4**	**4,256**

In 2020, the portfolio's value increased by 7.4% to stand at €4.3 billion Group share. This growth was first driven by the like-for-like increase in value (€250 million or 85% of the growth) and second, by the contribution of acquisitions and investments net of disposals (12% of the growth).

8.2. Change on a like-for-like basis: +8.2% growth

(In € million, Excluding Duties)	Value 2019 Group share	Surface 100% in m²	Value 2020 100%	Value 2020 in €/m²	Value 2020 Group share	LfL [1] change	Yield 2019	Yield 2020	% of total value
Berlin	2,261	1,229,731	3,689	2,999	2,387	5.7%	3.5%	3.1%	56%
of which Residential	1,934	1,067,874	3,176	2,974	2,054	6.3%	3.3%	2.9%	48%
of which Other commercial [2]	327	161,857	513	3,168	333	2.2%	4.4%	4.4%	8%
Dresden & Leipzig	377	270,084	581	2,151	371	10.4%	4.2%	3.9%	9%
Hamburg	293	141,820	500	3,524	327	11.6%	3.7%	3.4%	8%
North Rhine-Westphalia	1,031	1,122,412	1,850	1,648	1,171	12.0%	5.3%	4.9%	28%
Essen	381	397,264	714	1,797	445	12.1%	5.0%	4.6%	10%
Duisburg	167	205,532	301	1,465	188	13.2%	5.8%	5.3%	4%
Mulheim	118	129,057	207	1,606	132	12.0%	5.5%	5.1%	3%
Oberhausen	103	133,389	170	1,273	115	12.0%	6.4%	5.8%	3%
Other	263	257,170	458	1,780	292	10.9%	4.9%	4.7%	7%
Total	**3,962**	**2,764,046**	**6,619**	**2,395**	**4,256**	**8.2%**	**4.0%**	**3.7%**	**100%**
of which Residential	3,552	2,587,469	5,923	2,289	3,805	8.1%	4.0%	3.6%	89%
of which Other commercial [2]	410	176,577	696	3,940	451	9.6%	4.6%	4.4%	11%

[1] LfL: Like-for-Like

[2] Ground-floor retail, car parks, etc

Covivio's residential portfolio in Germany is valued at €2,289 /m² on average, offering a significant growth potential, especially in Berlin where the current valuation of residential units stands at €2,974 /m², significantly below the average asking price of condominiums (€5,070 /m² at end-2020).

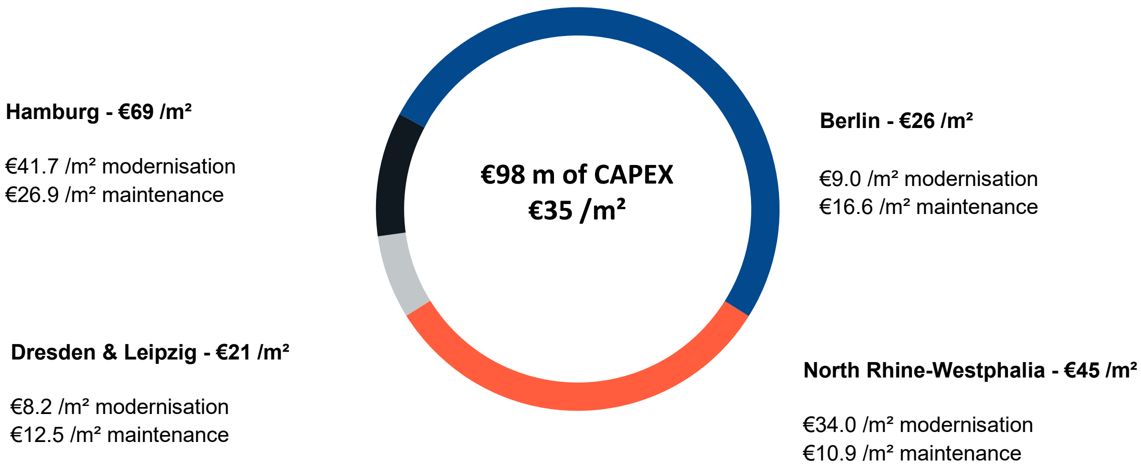
In 2020, values increased by +8.2% on a like-for-like basis since end-2019 which represents yet another dynamic period of growth:

- +5.7% in Berlin mainly due to the increase in values in highly sought-after locations despite the impacts of Covid-19 and the Mietendeckel.
- Strong increase in NRW (+12%), Hamburg (+11.6%) and Dresden and Leipzig (10.4%) thanks to the continued dynamic of rental growth and the increase in value in large German cities.

9. Maintenance and modernisation CAPEX

In 2020, CAPEX totalled €98 million, (€35 /m²; €64 million in Group share) and OPEX came to €18 million (€6.4 /m² ; €12 million in Group share), in line with the CAPEX spent in 2019.

Modernisation CAPEX, used to improve asset quality and increase rental income, accounts for 60% of the total. In Berlin, the amount invested was reduced by 62% compared to 2019, due to the new regulation limiting modernisation. Elsewhere, efforts to improve the portfolio continued with an increase of +20% on average.



F. HOTELS IN EUROPE

Covivio Hotels, a subsidiary of Covivio held at 43.5% at end- 2020, is a listed property investment company (SIIC) and leading hotel real-estate player in Europe. It invests both in hotels under lease and hotel operating properties.

The figures presented are expressed at 100% and in Covivio Group share (GS).

Covivio owns a high-quality hotel portfolio worth €6.5 billion (€2.5 billion in Group share), focused on major European cities and let or operated by 16 major hotel operators such as AccorInvest, B&B, IHG, NH Hotels, etc. This portfolio offers geographic and tenant diversification (across 12 European countries) and asset management possibilities via different ownership methods (hotel lease and hotel operating properties).

1. Market: an unprecedented crisis

After a positive year in 2019 (+2.7% in RevPar) for the European hotel market, the outbreak of the Covid-19 deeply impacted 2020. The different lockdown measures and travel restrictions forced many European hotels to close causing RevPar performance in Europe to fall by -67%[1], driven by a decline in occupancy rates (-43.5 pts) and a 18.2% drop in ADR.

- The lifting of restrictions last June testifies to the conjunctural feature of the current crisis and demonstrates the resilience of the market's fundamentals.

- Following the partial lifting of restrictions in June, France and Germany (which account for about 60% of the portfolio) outperformed Europe by +54 pts and +30 pts, mainly thanks to:
  - A larger exposure to leisure and domestic travel (90% and 80% respectively).
  - A qualitative land-based transportation network subject to less scrutiny and heavy movement constrains.

In 2020, Covivio Hotels' activity was strongly impacted by the Covid-19 pandemic:

- At the peak of the crisis, only 22% of the hotel portfolio was open[2]. But as soon as the lockdown measures eased, the activity quickly started to recover, before being hurt again by the second lockdown.

- Like-for-like values decreased by only -6.9%, thanks to the quality of the portfolio, 88% of which is located in major regional cities, and to the agreements secured with the hotel operators. The rebound of the activity should come firstly from leisure clientele (vs business), individuals (vs groups) and domestic customers (vs international). With more than 70% of individual, about 80% of domestic and European and 55% to 60% of leisure customers, variable income hotels (in France, Germany and the UK) are particularly well positioned to take advantage of the recovery.

Assets not wholly owned by Covivio Hotels include:

- 8 operating properties in Germany (94.9% owned)
- 90 B&B assets in France (50.2%)
- 11 B&B assets in Germany (93.0%)
- 8 B&B assets in Germany, 5 of them held at 84.6% and the other 3 at 90.0%
- 2 Motel One assets in Germany (94.0%)
- Club Med Samoëns (50.1%)
- 32 AccorInvest assets in France (30 assets) and Belgium (2 assets), owned at respectively 31.2% (26 assets) and 33.3% (6 assets)

[1] MKG Data as of the end of December 2020
[2] Based on the number of rooms

2. Recognised revenues: -55 % on a like-for-like basis

(In € million)	Revenues 2019 100%	Revenues 2019 Group share	Revenues 2020 100%	Revenues 2020 Group share	Change Group share (%) LfL [1]
Hotel Lease properties - Variable	59.9	25.9	16.2	7.0	-73%
Hotel Lease properties - UK	42.7	18.5	0.0	0.0	-100%
Hotel Lease properties - Fixed	130.3	47.5	123.1	47.1	-3%
Operating properties - EBITDA	69.8	29.1	7.9	3.3	-88%
Total revenues Hotels	**302.8**	**121.0**	**147.2**	**57.4**	**-55%**

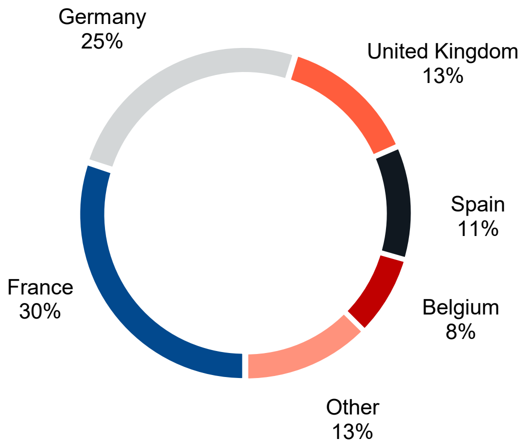
[1] LfL: Like-for-Like

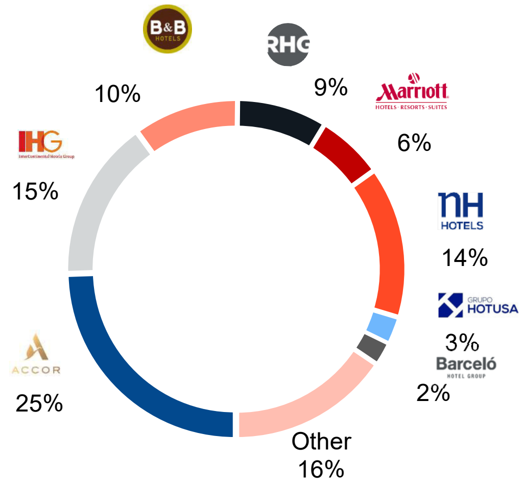
Hotel revenue decreased by €63.6 million Group share compared to 2019, due to:

- **Leased hotels:**
  - The **AccorInvest hotel portfolio** (22% of the hotel portfolio), which is indexed on hotel turnover, degraded by 73% compared to 2019 due to the complete shutdown of a large part of the hotel properties from mid-March until the end of May and the following renewed restrictions. These midscale and economy hotels are located in France and Belgium.
  - **Hotels located in the UK** (13% of the hotel portfolio), leased to IHG were directly impacted by the administrative closure of hotels from the end of March to July and from November in Great Britain and in Scotland. These exceptional events and the major loss in turnover for hotels should trigger an underperformance (MAC) clause included in this contract. This clause reduces the rent when the loss of the NOI of the hotels is higher than one-third of the annual rent. As a result of the application of the underperformance clause, no rent was recognised in this scope for 2020.
  - **Other leases:** agreements with operators helped limit the decrease to -3%, of which -€0.5 million was due to Covid negotiations and -€0.9 million was due to the temporary impact of a tenant change in a hotel in Spain.
- **Operating hotels**: mainly located in Germany and in the north of France. The majority of the hotels were closed during the lockdowns and lost consequently 88% of EBITDA compared to 2019. In 2020 there was also a €7.5 million reversal of provisions made on past accounting periods given the signature of an amendment to the management contract of the Pullman Roissy Airport hotel.

3. Annualised revenue:

Breakdown by operators and by country (based on 2020 fixed revenues and 2019 variable revenues) which amounted to €137 million in Group share.





4. Indexation

Fixed-indexed leases are indexed to benchmark indices (ICC and ILC in France and the consumer price index for foreign assets).

5. Lease expiries: 14.2 years of firm residual lease term

(In € million, Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2021	1.3	1%	0.0	0%
2022	2.4	2%	0.0	0%
2023	4.8	4%	2.2	2%
2024	1.0	1%	0.6	1%
2025	2.0	2%	2.2	2%
2026	0.0	0%	0.0	0%
2027	0.9	1%	0.9	1%
2028	0.0	0%	0.0	0%
2029	13.8	13%	14.8	14%
2030	10.2	10%	10.2	10%
Beyond	69.8	66%	75.2	71%
Total Hotels in lease	**106**	**100%**	**106**	**100%**

The firm lease duration reached a record high of 14.2 years (+0.5 year vs end-2019), thanks to agreements reached with 95% of fixed-lease tenants (B&B, NH Hotels, Barcelo, Motel One, Meininger, Melia Hotels International, HCI, Club Med, Groupe Pierre & Vacances, Hotusa), which have helped to alleviate difficulties and preserve the cash flow of operators, via franchises or payment facilities, while extending the firm duration of their commitments and of the overall portfolio by +1.5 years.
The occupancy rate remained at 100% on hotels in leases.

6. Disposals and disposal agreements: €19 M of new commitments

(In € million)	Disposals (agreements as of end of 2019 closed) 1	Agreements as of end of 2019 to close	New disposals 2020 2	New agreements 2020 3	Total 2020 = 2 + 3	Margin vs 2019 value	Yield	Total realised Disposals = 1 + 2
Hotel Lease properties	120	13	0	19	**19**	0.0%	7.5%	120
Hotel Operating properties	-	-	-	-	-	-	-	-
Total Hotels - 100%	**120**	**13**	**0**	**19**	**19**	**0.0%**	**7.5%**	**120**
Total Hotels - Group share	**48**	**5**	**0**	**8**	**8**	**0.0%**	**7.5%**	**48**

Covivio continued its policy of rotating assets with €19 million (€8 million Group share) of new commitments in 2020 in line with the 2019 appraisal value. In addition, €120 million (€47 million Group share) of B&B hotels disposals signed in 2019 were realised in April 2020. The latter mainly consists of 11 B&B hotels in Germany, sold at a yield of 4.2% and with a 39% margin.

7. Acquisitions

In January 2020, Covivio signed the acquisition of 8 hotels located in Rome, Venice, Florence, Prague, Nice and Budapest for €573 million (€248 million Group Share), of which €86 million of CAPEX, which has been completed in September 2020. This 1,115 room-portfolio of high-end hotels, the majority of which hold 5 stars in prime locations, include several iconic hotels such as the Palazzo Naiadi in Rome, the Carlo IV in Prague, the Plaza in Nice and the New York Palace in Budapest.

At the same time, Covivio and NH Hotel Group signed a long-term triple net lease of 15 years firm.

8. Portfolio values

8.1. Change in portfolio values

(In € million, Excluding Duties, Group share)	Value 2019	Acquis.	Invest.	Disposals	Change in value	Others	Value 2020
Hotels - Lease properties	1,977	223[1]	2.8	-47	-131	-2.7	**2,022**
Hotels - Operating properties	536	-	7	-	-40	6	**510**
Total Hotels	**2,513**	**223**	**10**	**-47**	**-171**	**4**	**2,532**

[1]: Including the acquisition of NH Hotel portfolio and excluding CAPEX to be disbursed in 2021

At year-end 2020, the portfolio reached €2.5 billion Group share, up €19 million compared to year-end 2019, mainly due to the acquisition of the European portfolio of 8 assets (€223 million) and despite the like-for-like value impact (-€171 million).

8.2. Change on a like-for-like basis: -6.9%

(In € million, Excluding Duties)	Value 2019 Group share	Value 2020 100%	Value 2020 Group share	LfL [1] change	Yield [2] 2019	Yield [3] 2020	% of total value
France	**724**	**2,245**	**716**	**-5.4%**	**4.9%**	**5.0%**	**28%**
Paris	318	832	304				12%
Greater Paris (excl. Paris)	139	492	132				5%
Major regional cities	171	573	187				7%
Other cities	96	348	93				4%
Germany	**319**	**627**	**269**	**-3.0%**	**4.7%**	**4.9%**	**11%**
Franckfurt	31	73	31				1%
Munich	31	47	21				1%
Berlin	31	71	30				1%
Other cities	226	435	187				7%
Belgium	**116**	**285**	**112**	**-4.6%**	**5.8%**	**6.2%**	**4%**
Brussels	36	100	35				1%
Other cities	80	185	77				3%
Spain	**289**	**634**	**276**	**-5.9%**	**5.1%**	**5.5%**	**11%**
Madrid	123	273	119				5%
Barcelona	103	227	98				4%
Other cities	62	135	59				2%
UK	**417**	**783**	**340**	**-14.3%**	**4.9%**	**5.5%**	**13%**
Italy	**0**	**260**	**113**	**n.a.**	**n.a.**	**5.2%**	**4%**
Other countries	**111**	**451**	**196**	**-3.2%**	**5.3%**	**5.2%**	**8%**
Total Hotel lease properties	**1,977**	**5,284**	**2,021**	**-6.8%**	**5.0%**	**5.3%**	**80%**
France	**118**	**254**	**111**	**-10.2%**	**5.3%**	**5.5%**	**4%**
Lille	50	109	47				2%
Other cities	68	146	63				3%
Germany	**362**	**841**	**347**	**-6.2%**	**6.5%**	**6.8%**	**14%**
Berlin	251	587	242				10%
Dresden & Leipzig	89	199	82				3%
Other cities	22	55	23				1%
Other countries	**56**	**121**	**52**	**-7.6%**	**6.8%**	**7.3%**	**2%**
Total Hotel Operating properties	**536**	**1,217**	**510**	**-7.3%**	**6.1%**	**6.4%**	**20%**
Total Hotels	**2,513**	**6,501**	**2,532**	**-6.9%**	**5.2%**	**5.5%**	**100%**
Non-strategic (Retail)	72	120	52	-9.8%	7.3%	7.9%	-

[1] LfL : Like-for-Like

[2] Yield excluding assets under development; EBIDTA yield for hotel operating properties

[3] Yields calculated on the basis of 2020 fixed revenues and 2019 variable revenues

At the end of 2020, Covivio held a unique hotel portfolio of €2,5 billion (€6.5 billion at 100%) in Europe. This strategic portfolio is characterised by:

- **High-quality locations**: 88% in the centre of major European cities.
- **Major hotel operators** with long-term leases: 16 hotel operators with an average lease duration of 14.2 years
- **Hotels with a good profitability profile** before the crisis: 1.8x rent coverage in 2019

The portfolio value decreased by -6.9% LfL, a mix of:

1- Value adjustments on assets with challenged revenues:

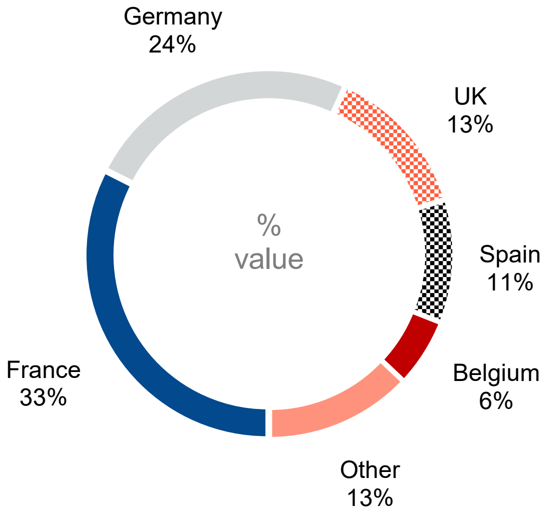
- **Variable income assets (42% of Hotels)** which fell by 6.7% due to rents fully based on hotel turnover and hence strongly impacted for the next three to four years:
  - -6.3% on the AccorInvest portfolio located in France and Belgium,
  - -7.3% on operating assets mainly in Germany.

- **The UK portfolio (13% of Hotels)**, -14.3% on these 12 assets leased to IHG, due to the longer lockdown period and MAC clause and their impact on the rent forecasts.

2- Relatively resilient fixed leased assets:

- **Fixed leased hotels (44% of Hotels)** value decreased by only -4.0%, mainly thanks to the negotiated extension of the leases' duration which supports the value of the assets for a longer period.

Portfolio breakdown by value and geography



88% in major European cities

3. FINANCIAL INFORMATION AND COMMENTS

Covivio's activity involves the acquisition or development, ownership, administration, and leasing of properties, particularly Offices in France, Italy and Germany, Residential in Germany, and Hotels in Europe.

Registered in France, Covivio is a public limited company with a Board of Directors.

The German Residential information in the following sections include some Office assets owned by the subsidiary (Covivio Immobilien).

CONSOLIDATED ACCOUNTS

3.1. Scope of consolidation

On 31 December 2020, Covivio's scope of consolidation included companies located in France and several European countries. The main equity interests in the fully consolidated but not wholly owned companies are as follows:

Subsidiaries	31-Dec-2020
Covivio Hotels	43.5%
Covivio Immobilien	61.7%
Covivio Office 6 GmbH	89.7%
Covivio Office GmbH (Godewind)	94.0%
Sicaf (Telecom Italia portfolio)	51.0%
OPCI CB 21 (CB 21 Tower)	75.0%
Fédérimmo (Carré Suffren)	60.0%
SCI Latécoëre (DS Campus)	50.1%
SCI Latécoëre 2 (DS Campus extension)	50.1%
SCI 15 rue des Cuirassiers (Silex 1)	50.1%
SCI 9 rue des Cuirassiers (Silex 2)	50.1%
Sas 6 Rue Fructidor (So Pop)	50.1%
SCI 11, Place de l'Europe (Campus Eiffage)	50.1%
SCI N2 Batignolles (Paris N2)	50.0%

3.2. Accounting principles

The consolidated financial statements have been prepared in accordance with the international accounting standards issued by the IASB (International Accounting Standards Board) and adopted by the European Union on the date of preparation. These standards include the IFRS (International Financial Reporting Standards), as well as their interpretations. The financial statements were approved by the Board of Directors on 17 February 2021.

3.3. Simplified income statement - Group share

(In € million, Group share)	2019	2020	var.	%
Net rental income	591.5	539.0	-52.5	-9%
EBITDA from hotel operating activity & flex-office	34.3	9.0	-25.3	-74%
Income from other activities (incl. Property development)	25.0	31.5	+6.5	+26%
Net revenue	**650.8**	**579.5**	**-71.3**	**-11%**
Net operating costs	-77.8	-83.2	-5.4	+7%
Amortisations of operating assets	-39.5	-41.5	-2.0	+5%
Net change in provisions and other	6.3	1.7	-4.6	-73%
Current operating income	**539.7**	**456.5**	**-83.2**	**-15%**
Net income from inventory properties	-5.1	-3.8	+1.3	-25%
Income from value adjustments	613.5	148.3	-465.2	-76%
Income from asset disposals	-12.4	-1.1	+11.3	-91%
Income from disposal of securities	4.2	8.1	+3.9	+93%
Income from changes in scope & other	-10.9	-13.8	-2.9	+27%
Operating income	**1,129.0**	**594.2**	**-534.8**	**-47%**
Cost of net financial debt	-137.2	-101.0	+36.2	-26%
Interest charges linked to financial lease liability	-6.2	-6.6	-0.4	+6%
Value adjustment on derivatives	-156.3	-79.5	+76.8	-49%
Discounting of liabilities-receivables, and Result of change	-0.4	-0.2	+0.2	-50%
Early amortisation of borrowings' cost	-7.8	-0.7	+7.1	-91%
Share in earnings of affiliates	17.7	7.8	-9.9	-56%
Income before tax	**838.8**	**413.9**	**-424.9**	**-51%**
Deferred tax	-78.9	-34.8	+44.1	-56%
Corporate income tax	-13.0	-19.3	-6.3	+48%
Net income for the period	**747.0**	**359.8**	**-387.2**	**-52%**

▶ 11% decrease in net revenue

Net rental income in Group share decreased mainly due to the Hotels activities.

(In € million, Group share)	2019	2020	var.	%
France Offices	213.2	193.5	-19.7	-9.2%
Italy Offices (incl. retail)	133.4	109.1	-24.3	-18.2%
German Residential	144.7	148.5	+3.8	+2.6%
Hotels in Europe (incl. retail)	96.2	52.3	-43.9	-45.6%
German Offices	1.0	35.4	+34.4	n.a.
Other (incl. France Residential)	3.0	0.3	-2.7	-91.4%
Total Net rental income	**591.5**	**539.0**	**-52.5**	**-8.9%**
EBITDA from hotel operating activity & flex-office	34.3	9.0	-25.3	-73.8%
Income from other activities	24.9	31.5	+6.6	n.a.
Net revenue	**650.7**	**579.5**	**-71.2**	**-10.9%**

France Offices: decrease mainly due to the sale of assets in 2019 (-€14 million), to releases for redevelopment (-€3 million) and a one-shot indemnity received in 2019 (-€2.2 million).

Italy Offices: decrease due to the disposals in secondary locations outside Milan and non-strategic retail assets (-€25 million), to space for redevelopment (-€4.8 million) offset by the delivery of developed assets (+€6 million).

Germany Offices: increase of additional net rental income on the Germany Offices' activity, driven mainly by the acquired portfolio.

German Residential: the rent income grew by +€3.8 million.

Hotels in Europe: activity significantly hit by the coronavirus crisis, with a €44 million drop in revenues.

- **EBITDA from the hotel operating activity and flex-office:** €5.7 million of EBITDA on the flex-office activity that increased slightly thanks to the ramp-up of this activity and the opening of new spaces in Milan. The hotel operating activity (€3.3 million) declined significantly (-89%) because of the closure of hotels during general lockdowns.

- **Income from other activities:** net income from other activities comes from the income generated by car park companies (€7 million) and the property development activity (€25 million).
The car park activity decreased by -€2.8 million mainly due to the lockdown, while the property development activity increased by +€9 million due to the increase in the number of projects (notably in German Residential) and due to the increase in the percentage of completion.

- **Net operating costs:** -€83.2 million including +€21.8 million in property management fees.
Net operating costs increased by €5.4 million (+6.9%) under the effect of:
  - A decrease in property fees for the hotel activity, following the disposal of the B&B assets in 2019 (+€8 million).
  - Partly balanced by a significant savings on staff costs and travel expenses (-€2.5 million) despite the integration of the former Godewind teams in Germany Offices.

- **Amortisation of operating assets:**
Note that this item includes the amortisation linked to the right of use according to IFRS 16. This amortisation of right of use is mainly related to owner-occupied buildings and headquarters. The increase for the year is mainly due to the integration of the Germany Offices activity.

- **Net change in provision and other:**
Before the application of IFRS 16, ground lease expenses and ground lease recharge were reported within net rental income. Because of the application of IFRS16 “Leases”, there is no longer a ground lease expense (this expense is replaced by an interest charge), therefore the ground lease recharge is reported under “Net change in provision and other” so as to not artificially increase Net rental income. During 2020 there was no ground lease recharge in UK companies; however, the amount was €2.7 million in 2019.

- **Net income from inventory properties:**
This item refers to the trading activity, mainly in Italy.

- **Income from asset disposals & disposal of securities:**
Income from asset disposals (in assets or share transactions) contributed +€7 million during the year. This gain is mainly in German Residential.

- **Change in the fair value of assets:**

  The income statement recognises changes in the fair value (+€148.3 million) of assets based on appraisals carried out on the portfolio.

  This line item does not include the change in fair value of assets recognised at amortised cost under IFRS but are taken into account in the EPRA NAV calculation (hotel operating properties, flex-office assets and other own-occupied buildings).

  For more details on changes in the portfolio by activity, see section 1 of this document.

- **Income from changes in scope and other:**

  This item negatively impacted the income statement by around -€14 million. It includes costs linked to the acquisition of a Germany Offices listed company, and goodwill depreciation tied to the hotel operating activity (-€3 million).

- **Cost of net financial debt:**
  The cost of net financial debt decreased thanks to continuous debt restructuring efforts. This line item was impacted last year by an early reimbursement of €27.8 million, while this year these costs are equal to €8 million.

- **Interest charges linked to finance lease liability:**
  The Group rents some land. According to IFRS 16, such rental costs are stated as interest charges. The interest charges refer to the hotel activity for an amount equal to -€5 million.

- **Value adjustment on derivatives:**

  The fair value of financial instruments (hedging instruments and ORNANE) was negatively impacted by decreasing interest rates. For the year, the P&L impact is a charge of -€79.5 million, while for 2019 it was -€156.3 million.

Share of income of equity affiliates

Group share	% interest	Contribution to earnings (€million)	Value 2020	Change in equity value (%)
OPCI Covivio Hotels	8.6%	-2.8	36.3	-9.1%
Lénovilla (New Vélizy)	50.1%	4.6	62.4	3.5%
Euromed	50.0%	9.7	56.2	12.6%
Cœur d'Orly	50.0%	-2.9	25.8	-13.4%
Bordeaux Armagnac (Orianz / Factor E)	34.7%	1.8	15.7	12.9%
Phoenix (Hotels)	14.4%	-7.1	45.2	-8.5%
Other equity interests		0.5	13.3	-4.3%
Total		**3.8**	**254.8**	-0.9%

The equity affiliates include Hotels in Europe and the France Offices sectors:

- OPCI Covivio Hotels: two hotel portfolios, Campanile (32 hotels) and AccorHotels (39 hotels) 80%-owned by Crédit Agricole Assurances.
- Lénovilla: the New Vélizy campus (47,000 m²), let to Thalès and co-owned with Crédit Agricole Assurances.
- Euromed in Marseille: two office buildings (Astrolabe and Calypso) and a hotel (Golden Tulip) in partnership with Crédit Agricole Assurances.
- Coeur d'Orly in Greater Paris: two buildings in the Orly airport business district in partnership with ADP.
- Bordeaux Armagnac: development project, delivered in 2019 in partnership with Icade, of three buildings near the new high-speed train station.
- Phoenix hotel portfolio: 32% stake held by Covivio Hotels in a portfolio of 32 Accor Invest hotels in France & Belgium.

- **Taxes**

The corporate income tax corresponds to the tax on:

- Foreign companies that are not or are only partially subject to a tax transparency regime (Italy, Germany, Belgium, the Netherlands, United Kingdom and Portugal).

- French subsidiaries with a taxable activity.

The corporate income tax amounted to -€19.3 million, including taxes on sales (-€14.1 million).

EPRA Earnings decreased by -15% to €385 million (-€67 million vs 2019)

	Net income Group share	Restatements	EPRA E. 2020	EPRA E. 2019
Net rental income	**539.0**	**-**	**539.0**	**591.5**
EBITDA from the hotel operating activity & flex-office	9.0	-	9.0	34.3
Income from other activities (incl. Property development)	31.5	-	31.5	25.0
Net revenue	**579.5**	**-**	**579.5**	**650.7**
Net operating costs	-83.2	-	-83.2	-76.6
Management & administration income	*21.8*	-	*21.8*	*29.8*
Operating costs	*-105.1*	-	*-105.4*	*-106.4*
Amortisations of operating assets	-41.5	18.9	-22.6	-20.4
Net change in provisions and other	1.7	-2.8	-1.1	3.6
Operating income	**456.5**	**16.1**	**472.6**	**557.3**
Net income from inventory properties	-3.8	3.8	0.0	-
Income from value adjustments	148.3	-148.3	0.0	-
Income from asset disposals	-1.1	1.1	0.0	-
Income from disposal of securities	8.1	-8.1	0.0	-
Income from changes in scope & other	-13.8	13.8	0.0	-
Operating result	**594.2**	**-121.6**	**472.6**	**557.3**
Cost of net financial debt	**-101.0**	**8.1**	**-92.9**	**-109.5**
Interest charges linked to finance lease liability	-6.6	4.0	-2.6	-2.3
Value adjustment on derivatives	-79.5	79.5	0.0	-
Discounting of liabilities-receivables and Foreign Exchange Result	-0.2	-	-0.2	-0.4
Early amortisation of borrowings' costs	-0.7	0.6	-0.1	-0.1
Share in earnings of affiliates	7.8	5.7	13.5	14.9
Pre-tax net income	**413.9**	**-23.7**	**390.2**	**460.0**
Deferred tax	-34.8	34.8	0	0.0
Corporate income tax	-19.3	14.1	-5.2	-7.8
Net income for the period	**359.8**	**25.2**	**385.0**	**452.2**
Average number of shares			*91,383,658*	*85,236,197*
Net income per share	**5.31**		**4.21**	**5.31**

- The restatement of the amortisation of operating assets (+€18.9 million) offsets the real estate amortisation of the flex-office and hotel operating activities.
- The restatement of the net change in provisions (-€2.8 million) consists of the ground lease expenses linked to the UK leasehold.
- There was an €8.1 million impact on the cost of debt due to early debt restructuring costs.
- The interest charges linked to finance lease liabilities relating to the UK leasehold, as per IAS 40 §25, €4 million was cancelled and replaced by the lease expenses paid (see the amount of -€2.8 million under the line item "Net change in provisions and other").
- The restatement of the share in earnings of affiliates allows for the EPRA earnings contribution to be displayed.
- The restatement of the corporate income tax (+€14.1 million) is linked to the tax on disposals.

EPRA Earnings by activity

(In € million, Group share)	France Offices	Italy Offices 1	Germany Residential	Germany Offices	Hotels in lease 1	Hotel operating properties	Corporate or non-attributable sector	2020
Net rental income	193.5	109.1	148.5	35.4	52.2	0.0	0.2	539.0
EBITDA from Hotel operating activity & flex-office	5.4	0.3	0.0	0.0	0.0	3.3	0.0	9.0
Income from other activities (incl. Property development)	13.1	0.7	11.8	0.3	0.0	0.0	5.7	31.5
Net revenue	**212.0**	**110.1**	**160.3**	**35.7**	**52.2**	**3.3**	**5.9**	**579.5**
Net operating costs	-34.1	-12.0	-24.2	-4.4	-3.7	-1.0	-3.9	-83.2
amortisation of operating assets	-6.3	-2.3	-2.0	-0.9	0.0	-2.9	-8.3	-22.6
Net change in provisions and other	7.6	-2.0	-1.0	-1.1	-5.3	0.1	0.6	-1.1
Operating result	**179.2**	**93.8**	**133.0**	**29.3**	**43.2**	**-0.5**	**-5.6**	**472.6**
Cost of net financial debt	-20.8	-17.9	-24.3	-5.6	-19.3	-4.9	0.0	-92.9
Other financial charges	-0.5	-0.2	0.1	-0.5	-1.0	-0.6	-0.4	-2.9
Share in earnings of affiliates	12.0	0.0	0.0	0.0	1.5	0.0	0.0	13.5
Corporate income tax	0.1	-0.1	-3.0	-0.2	-1.2	-0.4	-0.3	-5.2
EPRA Earnings	**170.0**	**75.7**	**105.7**	**23.0**	**23.2**	**-6.3**	**-6.3**	**385.0**

1: Including non-strategic retail in the subsidiary scope

EPRA Earnings of affiliates

EPRA Earnings of affiliates consolidated under the equity method

(In € million, Group share)	France Offices	Hotels (in lease)	2020
Net rental income	14.0	2.9	16.9
Net operating costs	-0.6	-0.5	-1.1
amortisation of operating properties	-	0.1	0.1
Cost of net financial debt	-1.4	-1.0	-2.4
Corporate income tax	-	-	-
Share in EPRA Earnings of affiliates	**12.0**	**1.5**	**13.5**

3.4. Simplified consolidated income statement (at 100%)

(In € million, 100%)	2019	2020	var.	%
Net rental income	888.8	776.10	-112.7	-12.7%
EBITDA from hotel operating activity & flex-office	75.1	13.6	-61.5	-81.9%
Income from other activities (incl. Property development)	16.8	26.4	+9.6	+57.1%
Net revenue	**980.7**	**816.1**	**-164.6**	**-16.8%**
Net operating costs	-111.9	-116.5	-4.6	+4.1%
amortisation of operating assets	-65.0	-67.3	-2.3	+3.5%
Net change in provisions and other	12.8	4.4	-8.4	-65.6%
Current operating income	**816.7**	**636.7**	**-180.0**	**-22.0%**
Net income from inventory properties	-5.8	-3.4	+2.4	-41.4%
Income from asset disposals	1.1	-1.2	-2.3	-209.1%
Income from value adjustments	1,003.6	128.2	-875.4	-87.2%
Income from disposal of securities	7.7	12.1	+4.4	+57.1%
Income from changes in scope	-22.3	-16.1	+6.2	-27.8%
Operating income	**1,801.0**	**756.3**	**-1,044.7**	**-58.0%**
Cost of net financial debt	-210.2	-172.4	+37.8	-18.0%
Interest charge related to finance lease liability	-13.5	-14.0	-0.5	+3.7%
Value adjustment on derivatives	-196.4	-115.5	+80.9	-41.2%
Discounting of liabilities and receivables	-0.2	-0.1	+0.1	-50.0%
Early amortisation of borrowings' costs	-10.6	-1.2	+9.4	-88.7%
Share in earnings of affiliates	29.3	0.2	-29.1	-99.3%
Income before tax	**1,399.5**	**453.3**	**-946.2**	**-67.6%**
Deferred tax	-113.6	-25.8	+87.8	-77.3%
Corporate income tax	-24.0	-35.3	-11.3	+47.1%
Net income for the period	**1,261.9**	**392.3**	**-869.6**	**-68.9%**
Non-controlling interests	-514.8	-32.5	+482.3	-93.7%
Net income for the period - Group share	**747.0**	**359.8**	**-387.2**	**-51.8%**

The -€387.2 million (-51.8%) decrease in net income for the period is related to the increase in value of the properties of +€1 billion last year vs +€128 million this year.

Net revenue decreased by ca.€165 million, mainly due to the decrease in the Hotels activity (-€169 million).

(In € million, 100%)	2019	2020	var.	%
France Offices	243.8	222.9	-20.9	-8.6%
Italy Offices (incl. Retail)	172.8	145.3	-27.5	-15.9%
German Residential	225.9	231.5	+5.6	+2.5%
German Offices	1.0	41.4	+40.4	n.a.
Hotels in Europe (incl. Retail)	242.4	134.8	-107.6	-44.4%
Other (mainly France Residential)	3.0	0.2	-2.8	-92.4%
Total Net rental income	**888.9**	**776.0**	**-112.9**	**-12.7%**
EBITDA from the hotel operating activity & flex-office	75.1	13.6	-61.5	-81.9%
Income from other activities	16.8	26.4	+9.6	+57.1%
Net revenue	**980.7**	**816.1**	**-164.6**	**-16.8%**

3.5. Simplified consolidated balance sheet (Group share)

(In € million, Group share) Assets	2019	2020	Liabilities	2019	2020
Investment properties	12,973	14,127			
Investment properties under development	1,131	1,411			
Other fixed assets	949	903			
Equity affiliates	257	255			
Financial assets	322	408			
Deferred tax assets	57	83			
Financial instruments	65	77	**Shareholders' equity**	**8,298**	**8,582**
Assets held for sale	239	296	Borrowings	7,842	8,995
Cash	1,155	1,134	Financial instruments	277	312
Inventory (Trading & Construction activities)	184	190	Deferred tax liabilities	594	684
Other	514	395	Other liabilities	835	705
Total	**17,847**	**19,279**	**Total**	**17,847**	**19,279**

Investment properties, Properties under development and Other fixed assets

The portfolio (including assets held for sale) at the end of December by operating segment is as follows:

(In € million, Group share)	2019	2020	var.
France Offices	5,376	5,523	147
Italy Offices (incl. Retail)	3,041	2,749	-292
German Offices	108	1,393	n.a.
German Residential	4,134	4,440	307
Hotels in Europe (incl. Retail)	2,568	2,587	20
Car parks (and other)	66	45	-21
Total Fixed Assets	**15,293**	**16,737**	**1,444**

The increase in **France Offices** (+€147 million) was mainly due to the investment in development CAPEX (+€226 million) and the change in fair value (+€73.7 million), partly offset by -€163 million in disposals for the year, including mature assets like Nanterre Respiro, Villeurbanne Le Patio and Nancy origin.

In Italy Offices, the change (-€292 million) was mainly due to disposals for the year (-€337 million), the decrease in fair value (-€43 million) due to the negative performance on assets outside Milan and non-strategic retail assets, offset by the CAPEX & acquisition of the year (+€88 million).

The increase in **German Residential** (+€307 million) was mainly due to the change in fair value (+€265.7 million), acquisitions, CAPEX and acquisitions (+€83 million), offset by the disposal for the year (-€19 million) and the change in scope (sale and acquisition via a share deal for -€24 million).

The increase in the **Hotels in Europe portfolio** (+€20 million) was mainly driven by the acquisition of a Hotels portfolio located in Italy, the Czech Republic, Hungary and France (+€234 million) and CAPEX (+€17 million), offset by the decrease in fair value (-€140 million), the disposal (-€64 million) and the change in foreign currency mainly in the UK portfolio (-€27 million).

- **Assets held for sale (included in the total fixed assets above), €296 million at the end of December 2020**

Assets held for sale consists of assets for which a preliminary sales agreement has been signed. The breakdown by segment is as follow:

- 80% of offices in France.
- 9% of offices in Italy.
- 7.5% of hotels in Europe.

- **Total Group shareholders' equity**

Shareholders' equity increased from €8,298 million at the end of 2019 to €8,582 million at 31 December 2020, i.e., an increase of €285 million, mainly due to:

- Income for the period: +€360 million.
- The dividend distribution: -€417 million.
- Capital increase through the scrip dividend option chosen by 82% of shareholders: +€343 million.

The issuance of 7,324,326 new shares was related to the payment of the dividend payment option in shares, chosen by 82% of shareholders (7,185,223), and the free share plan (139,103).

- **Deferred tax liabilities**

Net deferred taxes represent €601 million in liabilities versus €537 million on 31 December 2019. This €64 million increase is mainly due to the acquisition of new entities in Germany Offices (+€47 million), the growth of appraisal values in Germany (+€34 million), the increase of the deferred tax liability in Italy Offices tied to fiscal amortisation (+€9 million), partly offset by the change in fair value in the Hotels activity and the deferred tax asset tied to a tax loss carry forward in the Hotels operating activity (both equal to -€27 million).

3.6. Simplified consolidated balance sheet (at 100%)

(In € million, 100%) **Assets**	**2019**	**2020**	**Liabilities**	**2019**	**2020**
Investment properties	19,504	20,912			
Investment properties under development	1,334	1,713			
Other fixed assets	1,656	1,602			
Equity affiliates	374	361			
Financial assets	259	282	Shareholders' equity	8,298	8,582
Deferred tax assets	62	104	Non-controlling interests	4,061	3,986
Financial instruments	78	99	**Shareholders' equity**	**12,358**	**12,568**
Assets held for sale	324	335	Borrowings	10,891	12,296
Cash	1,302	1,246	Financial instruments	362	429
Inventory (Trading & Construction activity)	233	249	Deferred tax liabilities	984	1,077
Other	594	475	Other liabilities	1,124	1,009
Total	**25,720**	**27,380**	**Total**	**25,720**	**27,380**

4. FINANCIAL RESOURCES

Summary of the financial activity

Covivio is rated BBB+ with a stable outlook by S&P.

At end-2020, Covivio's Loan-to-Value (LTV) ratio stood at 40.9% close to its 40% policy, thanks to active asset rotation and financial discipline with a capital increase (scrip dividend). The main effects on LTV where:

- The acquisition made in Germany Offices this year (€1.1 billion Group share) and continued investment in the development pipeline (€328 million)
- €871 million of disposals signed this year with an 8% margin above appraisal values.
- The success of the dividend payment in shares, chosen by 82% of shareholders (+€343 million capital increase)

The liquidity position is also strong, with €2.5 billion available at end-2020 on Covivio SA, including €1.3 billion of undrawn credit lines and €1.2 billion of cash.

4.1. Main debt characteristics

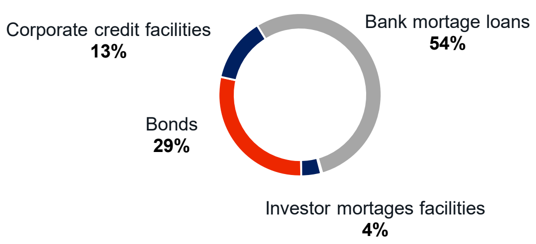
Group share	2019	2020
Net debt, Group share (€ million)	6,688	**7,861**
Average annual rate of debt	1.55%	**1.29%**
Average maturity of debt (in years)	6.1	**5.7**
Debt active hedging spot rate	84%	**81%**
Average maturity of hedging	7.7	**6.5**
LTV including duties	38.3%	**40.9%**
ICR	5.7	**6.1**

4.2. Debt by type

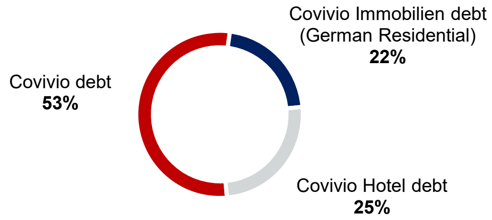
Covivio's net debt stands at €7.9 billion in Group share at end-2020 (€11.0 billion on a consolidated basis), €1.2 billion higher compared to end-2019 due to the acquisition of the Germany Office portfolio.

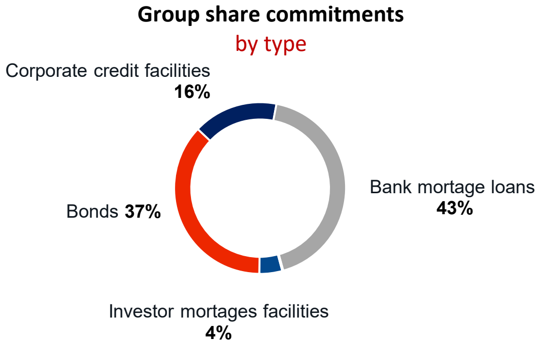
As regards the commitments attributable to the Group, the share of corporate debts (bonds and loans) remains at 53% at end-2020. Additionally, Covivio had €1.5 billion in commercial paper outstanding at 31 December 2020.

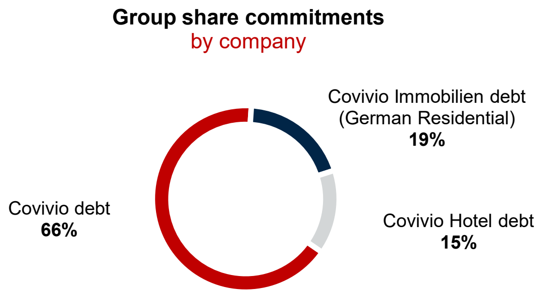
Consolidated commitments
by type



Consolidated commitments
by company





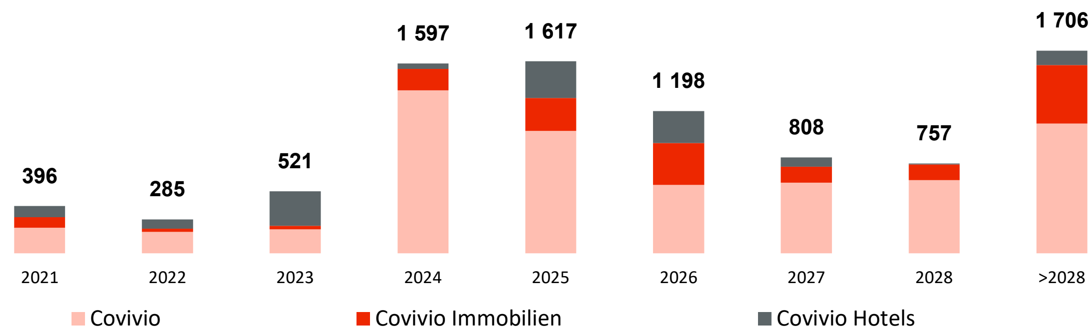


4.3. Debt maturity

The average maturity of Covivio's debt stands at 5.7 years at end-2020 (excluding commercial paper). Until 2024, there is no major maturity that has not already been covered or is already under renegotiation.

The next large maturities occur in 2024 and are mainly composed of a bond of €300 million (issue in 2017 with a coupon rate of 1.625%) and a mortgage debt of €285 million Group share linked to the Telecom Italia portfolio.

Debt amortization schedule by company
€ million (Group share)[1]

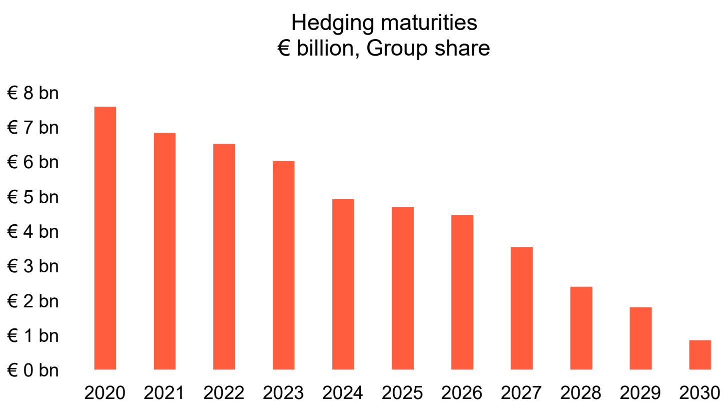


[1] Excluding commercial papers

4.4. Hedging profile

At end-2020, the hedging management policy remained unchanged, with debt hedged at 90% on average over the year, at least 75% of which through short-term hedges, and all of which with maturities equivalent to or exceeding the debt maturity.

Based on net debt at 31 December 2020, Covivio is hedged at 81% with an average term of the hedges of 6.5 years Group share.



4.5. Average interest rate on debt and sensitivity

The average interest rate on Covivio's debt decreased again significantly by 26 bps to 1.29% in Group share. For information purposes, an increase of 25 basis points in the three-month Euribor rate would have a negative impact of 1.4% on the EPRA Earnings.

Financial structure

Excluding debts raised without recourse to the Group's property companies, the debts of Covivio and its subsidiaries generally include bank covenants (ICR and LTV) applying to the borrower's consolidated financial statements. If these covenants are breached, early debt repayment may be triggered. These covenants are established on a Group share basis for Covivio and on a consolidated or Group share basis depending on the debt anteriority for Covivio Hotels and the other subsidiaries of Covivio (if their debt includes them).

- The most restrictive consolidated LTV covenants amounted, at 31 December 2020, to 60% for Covivio and Covivio Hotels.
- The most restrictive ICR consolidated covenants applicable to the REITs, at 31 December 2020, are of 200% for Covivio and Covivio Hotels.

With respect to Covivio Immobilien (German Residential), for which almost all of the debt raised is "non-recourse" debt, portfolio financings do not contain any consolidated covenants.

Lastly, with respect to Covivio, some corporate credit facilities are subject to the following ratios:

Ratio	Covenant	2020
LTV	60.0%	44.1%[1]
ICR	200%	605%
Secured debt ratio	25.0%	4.7%

[1] Excluding duties and sales agreements

All covenants were fully complied with at end-2020. No loan has an accelerated payment clause contingent on Covivio's rating, which is currently BBB+, Stable outlook (S&P rating).

Detail of Loan-to-Value calculation (LTV)

(In € million Group hare)	2019	2020
Net book debt	6,688	7,861
Receivables linked to associates (full consolidated)	-132	-173
Receivables on disposals	-82	-119
Preliminary sale agreements	-239	-325
Purchase debt	75	82
Net debt	**6,310**	**7,327**
Appraised value of real estate assets (including duties)	16,319	17,838
Preliminary sale agreements	-239	-325
Financial assets	27	15
Receivables linked to associates (equity method)	111	110
Share of equity affiliates	257	255
Value of assets	**16,474**	**17,892**
LTV excluding duties	**40.3%**	**43.1%**
LTV including duties	**38.3%**	**40.9%**

4.6. Reconciliation with consolidated accounts

Net debt

(In € million)	Consolidated accounts	Minority interests	Group share
Bank debt	12,296	-3,301	**8,995**
Cash and cash equivalents	1,246	-112	**1,134**
Net debt	**11,050**	**-3,188**	**7,861**

Portfolio

(In € million)	Consolidated accounts	Portfolio of companies under the equity method	Fair value of operating properties	Right of use of investment properties	Minority interests	Group share
Investment & development properties	22,625	1,288	1,657	-229	-8,533	**16,809**
Assets held for sale	335				-39	**296**
Total portfolio	**22,961**	**1,288**	**1,657**	**-229**	**-8,572**	**17,105**

Duties	884
Portfolio group share including duties	17,989
(-) share of companies consolidated under the equity method	-435
(+) Fair value of trading activities	190
(+) Right of use of operating properties	52
(+) Advances and deposits on fixed assets	41
Portfolio for LTV calculation	**17,838**

Interest Coverage Ratio

	Consolidated accounts	Minority interests	Group share
EBITDA (net rents (-) operating expenses (+) results of other activities)	708.0	-203.4	**504.5**
Cost of debt	145.0	-61.7	**83.4**
ICR			**6.05**

5. EPRA REPORTING

The German Residential information in the following sections include some Office assets owned by the subsidiary (Covivio Immobilien).

5.1. Change in net rental income (Group share)

€ million	2019	Acquis.	Disposals	Developments (deliveries & vacating for redevelopment)	Indexation, asset management & occupancy	Rent provisions & other effects	2020
France Offices	**213**	0	-13	1	-6	-1.8	**194**
Italy Offices (incl. retail)	**133**	0	-20	0	-3	-2.2	**109**
German Offices	-	35	0	0	0	0	**35**
German Residential	**146**	2	-2	0	3	0	**148**
Hotels in Europe (incl. Retail & excl. EBITDA from operating properties)	**96**	3	-4	1	-41	-3	**52**
Other (France Residential)	**3**	0	-3	0	0	0	**0**
Total	**591**	**40**	**-41**	**3**	**-47**	**-7**	**539**

Reconciliation with financial data

€ million	2020
Total from the table of changes in Net rental Income (GS)	**539**
Adjustments	-
Total net rental income (Financial data § 3.3)	**539**
Minority interests	237
Total net rental income (Financial data § 3.4)	**776**

5.2. Investment assets – Information on leases

Annualized rental income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any incentives.

$$\text{Vacancy rate at end of period} = \frac{\text{Market rental value on vacant assets}}{\text{Contractual annualized rents on occupied assets} + \text{Market rental value on vacant assets}}$$

$$\text{EPRA vacancy rate at end of period} = \frac{\text{Market rental value on vacant assets}}{\text{Market rental value on occupied and vacant assets}}$$

(€ million, Group share)	Gross rental income (€m)	Net rental income (€m)	Annualised rents (€ m)	Surface (m²)	Average rent (€/m²)	Vacancy rate (%)	EPRA vacancy rate (%)
France Offices	207	194	232	1,565,196	181	6.9%	6.5%
Italy Offices (incl. retail)	132	109	128	1,385,775	121	3.2%	2.8%
German Offices	42	35	47	395,893	135	23.3%	21.8%
German Residential	164	149	156	2,764,046	88	1.3%	1.3%
Hotels in Europe (incl. Retail & excl. EBITDA from operating properties)	60	52	110	n.c	n.c	-	-
Total [1]	**606**	**539**	**674**	**6,111,572**	**110**	**5.2%**	**5.0%**

1. Including French residential and others

Average metric rents are computed on total surfaces, including land banks and vacancy on development projects.

5.3. Investment assets - Asset values

(€ million, Group share)	Market value	Change in fair value over the year	Duties	EPRA NIY
France Offices	5,933	74	284	3.9%
Italy Offices (incl. Retail)	2,742	-43	95	3.7%
German Residential (Covivio Immobilien)	4,257	257	307	3.1%
German Offices	1,541	-	82	2.3%
Hotels in Europe (incl. Retail)	2,584	-139	116	4.4%
Other (France Resi. and car parks)	48	0	0	n.a.
Total 2020	**17,105**	**148**	**884**	**3.6%**

The EPRA net initial yield is the ratio of:

$$\text{EPRA NIY} = \frac{\text{Annualized rental income after deduction of outstanding benefits granted to tenants (rent-free periods, rent ceilings) - unrecovered property charges for the year}}{\text{Value of the portfolio including duties}}$$

Reconciliation with IFRS statements

€ million	2020
Total portfolio value (Group share, market value)	**17,105**
Fair value of the operating properties	-896
Fair value of companies under equity method	-435
Right of use on investment assets	106
Fair value of car parks facilities	-46
Investment assets Group share [1] (Financial data§ 3.5)	**15,834**
Minority interests	7,127
Investment assets 100% [1] (Financial data§ 3.5)	**22,961**

[1] Fixed assets + Developments assets + asset held for sale

Reconciliation with IFRS

€ million	2020
Change in fair value over the year (Group share)	148
Others	-
Income from fair value adjustments Group share (Financial data § 3.3)	**148**
Minority interests	-20
Income from fair value adjustments 100% (Financial data § 3.3)	**128**

5.4 Assets under development

	Ownership type	% ownership (Group share)	Fair value December 2020	Capitalised financial expenses over the year	Total cost incl. financial cost 1 (€m, Group share)	% progress	Delivery date	Surface at 100% (m²)	Pre-leasing	Yield (%)
Flow	FC	100%		2.0	115	60%	08/04/2021	23,600 m²	100%	6.6%
Silex II (50% share)	FC	50%		1.8	85	54%	30/06/2021	30,900 m²	38%	5.8%
Montpellier Bâtiment de services	FC	100%		0.3	21	77%	30/04/2021	6,300 m²	23%	6.7%
Montpellier Orange	FC	100%		0.3	49	54%	31/05/2021	16,500 m²	100%	6.7%
Paris So Pop (50% Share)	FC	50%		1.3	112	12%	31/03/2022	31,300 m²	0%	6.1%
N2 (50% share)	FC	50%		1.1	84	28%	30/09/2022	15,600 m²	0%	4.2%
DS Extension 2 (50% share)	FC	50%		0.1	71	13%	30/04/2023	27,500 m²	100%	7.2%
Levallois Alis	FC	100%		2.5	210	10%	31/07/2022	19,800 m²	0%	5.0%
Jean Goujon	FC	100%		4.1	189	20%	31/03/2022	8,600 m²	0%	3.7%
Total France Offices			**859**	**13.6**	**935**	**28%**		**180,100 m²**	**29%**	**5.4%**
The Sign B+C	FC	100%		1.5	72	69%	31/03/2021	16,900 m²	97%	7.3%
Symbiosis D	FC	100%		1.4	91	38%	31/10/2021	18,500 m²	47%	6.7%
Unione	FC	100%		1.0	47	11%	31/12/2021	4,500 m²	0%	5.3%
Total Italy Offices			**172**	**3.9**	**210**	**43%**		**39,900 m²**	**54%**	**6.6%**
Total Hotels in Europe			**-**	**-**	**-**			**-**		
Total German Offices			**-**	**-**	**-**			**-**		
Total			**1,032**	**17.5**	**1,145**	**31%**		**220,000 m²**	**34%**	**5.6%**

[1] Total cost including land and financial cost

[2] FC : Full consolidation
1 Total cost including financial cost (€M, Group share) : € 705 million of projects in companies consolidated under the equity method (Orly Belaïa) and projects committed in 2020. The total cost of committed projects is therefore € 1.793 million (cf 1.G. Development projects).

Reconciliation with total committed pipeline

(€M, Group share)	Capitalised financial expenses over the year	Total cost incl. financial cost (Group share)
Projects fully consolidated	**17.5**	**1,145**
Projects on own-occupied buildings (Paris Gobelins)	0.9	50
French Residential	n.a.	44
German Residential	n.a.	157
Others (Vitae)	-	42
Total	**18.4**	**1,439**

Reconciliation with financial data	2020
Total fair value of assets under development	1032
Project under technical review and non-committed projects	379
Assets under development (Financial data § 3.5)	**1411**

5.5 Information on leases

	Firm residual lease term (years)	Residual lease term (years)	Lease expiration by date of 1st exit option Annualised rental income of leases expiring					
			N+1	N+2	N+3 to 5	Beyond	Total (€m)	Section
France Offices	4.6	5.5	16%	16%	31%	36%	100%	2.B.6
Italy Offices (incl. retail)	7.4	7.8	12%	11%	10%	66%	100%	2.C.6
Germany Offices	4.9	5.8	15%	13%	41%	31%	100%	2.D.6
Hotels in Europe (incl. retail)	14.1	15.5	1%	2%	7%	89%	100%	2.F.5
Total[1]			**9%**	**9%**	**16%**	**67%**	**100%**	

1. Percentage of lease expiries on total revenues

5.6 EPRA Net Initial Yield

The data below shows detailed yield rates for the Group and the transition from the EPRA topped-up yield rate to Covivio's yield rate.

- EPRA topped-up net initial yield is the ratio of:

$$\text{EPRA Topped-up NIY} = \frac{\begin{array}{c}\text{Annualized rental income}\\ \text{after expiration of outstanding benefits granted to tenants (rent-free periods, rent ceilings)}\\ \text{- unrecovered property charges for the year}\end{array}}{\text{Value of the portfolio including duties}}$$

- EPRA net initial yield is the ratio of:

$$\text{EPRA NIY} = \frac{\begin{array}{c}\text{Annualized rental income}\\ \text{after deduction of outstanding benefits granted to tenants (rent-free periods, rent ceilings)}\\ \text{- unrecovered property charges for the year}\end{array}}{\text{Value of the portfolio including duties}}$$

(€ million, Group share) Excluding French Residential and car parks	Total 2019	France Offices	Italy Offices (incl. Retail)	German Offices	German Residential	Hotels in Europe (incl. Retail)	Total 2020
Investment, disposable and operating properties	**15,638**	5,933	2,742	1,541	4,257	2,584	**17,105**
Restatement of assets under development	**-1,055**	-904	-273	-148	-	-22	**-1,347**
Restatement of undeveloped land and other assets under development	**-320**	-132	-64	-10	-	0	**-206**
Duties	**805**	284	95	92	298	116	**884**
Value of assets including duties (1)	**15,068**	**5,182**	**2,500**	**1,475**	**4,554**	**2,678**	**16,436**
Gross annualised IFRS revenues	**671**	218	112	41	156	134	**661**
Irrecoverable property charge	**-54**	-14	-20	-7	-15	-16	**-72**
Annualised net revenues (2)	**618**	**204**	**92**	**34**	**141**	**118**	**589**
Rent charges upon expiration of rent free periods or other reductions in rental rates	**24**	16	16	6	-	7	**45**
Annualised topped-up net revenues (3)	**642**	**219**	**108**	**40**	**141**	**125**	**634**
EPRA Net Initial Yield (2)/(1)	**4.1%**	3.9%	3.7%	2.3%	3.1%	4.4%	**3.6%**
EPRA "Topped-up" Net Initial Yield (3)/(1)	**4.3%**	4.2%	4.3%	2.7%	3.1%	4.7%	**3.9%**
Transition from EPRA topped-up NIY to Covivio yield							
Impact of adjustments of EPRA rents	**0.4%**	0.3%	0.8%	0.5%	0.4%	0.6%	**0.5%**
Impact of restatement of duties	**0.3%**	0.3%	0.2%	0.2%	0.2%	0.2%	**0.2%**
Covivio reported yield rate	**4.9%**	**4.8%**	**5.3%**	**3.4%**	**3.7%**	**5.5%**	**4.5%**

5.7. EPRA cost ratio

(€million, Group share)	2019	2020
Cost of other activities and fair value	-30.9	-30.3
Expenses on properties	-23.3	-21.5
Net losses on unrecoverable receivables	-3.8	-15.4
Other expenses	-4.2	-5.1
Overhead	-100.8	-99.9
Amortisation, impairment and net provisions	3.8	-0.9
Income covering overheads	29.8	21.8
Cost of other activities and fair value	-5.4	-3.9
Property expenses	0.6	0.7
EPRA costs (including vacancy costs) (A)	**-134.2**	**-154.5**
Vacancy cost	12.4	12.8
EPRA costs (excluding vacancy costs) (B)	**-121.9**	**-141.7**
Gross rental income less property expenses	648.9	605.5
EBITDA from hotel operating properties & coworking, income from other activities and fair value	87.8	62.0
Gross rental income (C)	**736.7**	**667.5**
EPRA costs ratio (including vacancy costs) (A/C)	**18.2%**	**23.2%**
EPRA costs ratio (excluding vacancy costs) (B/C)	**16.5%**	**21.2%**

The EPRA cost ratio is increasing due to the decrease of revenue in hotels and the increase of unpaid rents on retails. The calculation of the EPRA cost ratio excludes car parks activities.

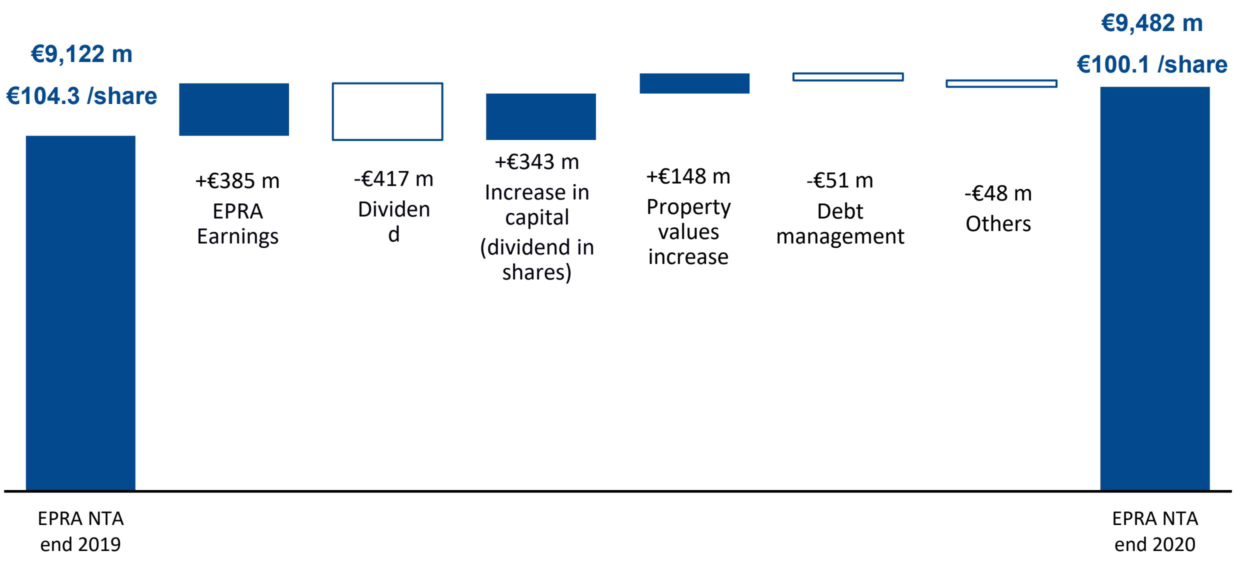
5.8. EPRA Earnings: €385 m in 2020

(€million)	2019	2020
Net income Group share (Financial data §3.3)	**747.0**	**359.8**
Change in asset values	-613.5	-148.3
Income from disposal	13.4	-3.2
Acquisition costs for shares of consolidated companies	10.9	13.8
Changes in the value of financial instruments	156.3	79.5
Interest charges related to finance lease liabilities (leasehold > 100 years)	3.9	4.0
Rental costs (leasehold > 100 years)	-2.7	-2.8
Deferred tax liabilities	78.9	34.8
Taxes on disposals	5.2	14.1
Adjustment to amortisation	19.1	18.9
Adjustments from early repayments of financial instruments	35.5	8.7
Adjustment to directors departure compensation	1.2	0.0
EPRA Earnings adjustments for associates	-2.8	5.7
EPRA Earnings	**452.3**	**385.0**
EPRA Earnings in €/share	**5.31**	**4.21**

5.9. EPRA NRV, EPRA NTA and EPRA NDV

	2019	2020	Var.	Var. (%)
EPRA NRV (€ m)	9,996	**10,452**	456	+4.6%
EPRA NRV / share (€)	114.2	**110.3**	-3.9	-3.4%
EPRA NTA (€ m)	9,122	**9,482**	360	+3.9%
EPRA NTA / share (€)	104.3	**100.1**	-4.2	-4.0%
EPRA NDV (€ m)	8,265	**8,464**	200	+2.4%
EPRA NDV / share (€)	94.5	**89.3**	-5.2	-5.5%
Number of shares	87,499,953	94,773,299	7,273,346	+8.3%

Evolution of EPRA NTA



	€ m	€/share
Shareholders' equity	**8,582**	**90.6**
Fair value assessment of operating properties	124	
Duties	884	
Financial instruments and ORNANE	240	
Deferred tax liabilities	621	
EPRA NRV	**10,452**	**110.3**
Restatement of value Excluding Duties on some assets	-839	
Goodwill and intangible assets	-82	
Deferred tax liabilities	-49	
EPRA NTA	**9,482**	**100.1**
Optimization of duties	-45	
Intangible assets	24	
Fixed-rate debts	-185	
Financial instruments and ORNANE	-240	
Deferred tax liabilities	-572	
EPRA NDV	**8,464**	**89.3**

Reconciliation between shareholder's equity and EPRA NAV

Valuations are carried out in accordance with the Code of conduct applicable to SIICs and the Charter of property valuation expertise, the recommendations of the COB/CNCC working group chaired by Mr Barthès de Ruyter and the international plan in accordance with the standards of the International Valuation Standards Council (IVSC) and those of the Red Book of the Royal Institution of Chartered Surveyors (RICS).

The real estate portfolio held directly by the Group was valued on 31st December 2020 by independent real estate experts such as Cushman, REAG, CBRE, HVS, JLL, BNPP Real Estate, MKG and CFE. This did not include:

- assets on which the sale has been agreed, which are valued at their agreed sale price
- assets owned for less than 75 days, for which the acquisition value is deemed to be the market value.

Assets were estimated at values excluding and/or including duties, and rents at market value. Estimates were made using the comparative method, the rent capitalisation method and the discounted future cash flow method.

Car parks were valued by capitalising the gross operating surplus generated by the business.

Other assets and liabilities were valued using the principles of the IFRS standards on consolidated financial statements. The application of the fair value essentially concerns the valuation of the debt coverages and the ORNANES.

For companies co-owned with other investors, only the Group share was taken into account.

Fair value assessment of operating properties

In accordance with IFRS, operating properties are valued at historical cost. To take into account the appraisal value, a €75.6 million value adjustment was recognised in EPRA NRV.

Fair value adjustment for the car parks

Car parks are valued at historical cost in the consolidated financial statements. NAV is restated to take into account the appraisal value of these assets net of tax. The impact on EPRA NRV was €24.2 million on the 31st December 2020.

Fair value adjustment for own occupied buildings and operating hotel properties

In accordance with IAS 40, owner-occupied buildings and operating hotel properties are not recognised at fair value in the consolidated financial statements. In line with EPRA principles, EPRA NRV was adjusted for the difference resulting from the fair value appraisal of the assets for €24.6 million. The market value of these assets is determined by independent experts.

Fair value adjustment for fixed- rate debts

The Group has taken out fixed-rate loans (secured bond and private placement). In accordance with EPRA principles, EPRA NDV was adjusted for the fair value of fixed-rate debt. The impact was -€185,3 million at 31 December 2020.

Recalculation of the base cost excluding duties of certain assets

When a company, rather than the asset that it holds, can be sold, transfer duties are re-calculated based on the company's net asset value (NAV). The difference between these re-calculated duties and the transfer duties already deducted from the value had an impact of €45,0 million at 31 December 2020.

Deferred tax liabilities

The EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

For this purpose, the Group uses the following method:

- **Offices**: takes into account 50% of deferred tax considering the regular asset rotation policy,
- **Hotels**: takes into account deferred tax on the non-core part of the portfolio, expected to be sold within the next few years
- **Residential**: includes the deferred tax linked to the building classified as Assets available held for sale, considering the low level of asset rotation in this activity.

5.10. Reminder of previous EPRA NAV metrics

	2019	2020	Var.	Var. (%)
EPRA NAV (€ m)	9,256	**9,613**	357	+3.9%
EPRA NAV / share (€)	105.8	**101.4**	-4.4	-4.2%
EPRA NNNAV (€ m)	8,375	**8,566**	192	+2.3%
EPRA NNNAV / share (€)	95.7	**90.4**	-5.3	-5.5%
Number of shares	87,499,953	**94,773,299**	7,273,346	+8.3%

	M€	€/share
Shareholders' equity	**8,582.2**	**90.6**
Fair value assessment of operating properties	75.6	
Fair value assessment of car parks facilities	24.2	
Fair value assessment of hotel operating properties	24.6	
Fair value assessment of fixed-rate debts	-185.3	
Restatement of value Excluding Duties on some assets	45.0	
EPRA NNNAV	**8,566.3**	**90.4**
Financial instruments and fixed-rate debt	425.2	
Deferred tax liabilities	621.3	
ORNANE	0.2	
EPRA NAV	**9,613.0**	**101.4**
IFRS NAV	**8,582.2**	**90.6**

5.11. CAPEX by type

€ million	**2019**		**2020**	
	100%	**Group share**	**100%**	**Group share**
Acquisitions [1]	50	30	50	39
Renovation on portfolio excl. Developments [2]	214	147	205	141
Developments [3]	379	308	313	271
Capitalized expenses on development portfolio [4] (except under equity method)	25	21	32	28
Total	**668**	**507**	**601**	**480**

[1] Acquisitions including duties

[2] Renovation on portfolio excluding developments

3 Total acquisition and renovation expenses (excl under equity method) on development projects

[4] Commercialization fees, financial expenses capitalized and other capitalized expenses

5.12. EPRA performance indicator reference table

EPRA information	Section	in %	Amount in €	Amount in €/share
EPRA Earnings	5.8	-	€385 m	€4.2 /share
EPRA NRV	5.9	-	€10,452 m	€110.3 /share
EPRA NTA	5.9	-	€9,482 m	€100.1 /share
EPRA NDV	5.9	-	€8,464 m	€89.3 /share
EPRA NAV	5.10	-	€9,613 m	€101.4 /share
EPRA NNNAV	5.10	-	€8,566 m	€90.4 /share
EPRA NAV/IFRS NAV reconciliation	5.10	-	-	-
EPRA net initial yield	5.6	3.6%	-	-
EPRA topped-up net initial yield	5.6	3.9%	-	-
EPRA vacancy rate at year-end	5.2	5.0%	-	-

6. FINANCIAL INDICATORS OF THE MAIN ACTIVITIES

	Covivio Hotels			Covivio Immobilien		
	2019	2020	Change. (%)	2019	2020	Change. (%)
EPRA Earnings (In € million)	209.2	**38.8**	-81.5%	139.6	**156.6**	+12.1%
EPRA NAV (In € million)	3,816	**3,363**	-11.9%	3,744	**4,145**	+10.7%
EPRA NNNAV (In € million)	3,401	**3,000**	-11.8%	3,078	**3,397**	+10.4%
EPRA NRV	4,032	**3,582**	-11.2%	n.a	**4,595**	n.a
EPRA NTA	3,630	**3,195**	-12.0%	n.a	**4,147**	n.a
EPRA NDV	3,202	**2,819**	-12.0%	n.a	**3,397**	n.a
% of capital held by Covivio	43.2%	**43.5%**	+0.3 pts	61.7%	**61.7%**	+0.0 pts
LTV including duties	34.9%	**41.9%**	+7.0 pts	35.0%	**34.4%**	-0.6 pts
ICR	5.1	**2.2**	-290 bps	5.2	**6.1**	+95 bps

7. GLOSSARY

Net asset value per share (NRV/share), NTA and NDV per share

NRV per share (NTA and NDV per share) is calculated pursuant to the EPRA recommendations, based on the shares outstanding as at year-end (excluding treasury shares) and adjusted for the effect of dilution.

Operating assets

Properties leased or available for rent and actively marketed.

Rental activity

Rental activity includes mention of the total surface areas and the annualized rental income for renewed leases, vacated premises and new lettings during the period under review.

For renewed leases and new lettings, the figures provided take into account all contracts signed in the period so as to reflect the transactions completed, even if the start of the leases is subsequent to the period.

Lettings relating to assets under development (becoming effective at the delivery of the project) are identified under the heading “Pre-lets".

Cost of development projects

This indicator is calculated including interest costs. It includes the costs of the property and costs of construction.

Definition of the acronyms and abbreviations used:

MRC: Major regional cities, i.e. Lyon, Bordeaux, Lille, Aix-Marseille, Montpellier, Nantes and Toulouse
ED: Excluding Duties
ID: Including Duties
IDF: Paris region (Île-de-France)
ILAT: French office rental index
CCI: Construction Cost Index
CPI: Consumer Price Index
RRI: Rental Reference Index
PACA: Provence-Alpes-Côte-d’Azur
LFL: Like-for-Like
GS: Group share
CBD: Central Business District
Rtn: Yield
Chg: Change
MRV: Market Rental Value

Firm residual term of leases

Average outstanding period remaining of a lease calculated from the date a tenant first takes up an exit option.

Green Assets

“Green” buildings, according to IPD, are those where the building and/or its operating status are certified as HQE, BREEAM, LEED, etc. and/or which have a recognised level of energy performance such as the BBC-effinergieR, HPE, THPE or RT Global certifications.

Unpaid rent (%)

Unpaid rent corresponds to the net difference between charges, reversals and unrecoverable loss of income divided by rent invoiced. These appear directly in the income statement under net cost of unrecoverable income.

Loan To Value (LTV)

The LTV calculation is detailed in Part 4 “Financial Resources”

Rental income

Recorded rent corresponds to gross rental income accounted for over the year by taking into account deferment of any relief granted to tenants, in accordance with IFRS standards.

The like-for-like rental income posted allows comparisons to be made between rental income from one year to the next, before taking changes to the portfolio (e.g. acquisitions, disposals, building works and development deliveries) into account. This indicator is based on assets in operation, i.e. properties leased or available for rent and actively marketed.

Annualized “topped-up” rental income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any relief.

Portfolio

The portfolio presented includes investment properties, properties under development, as well as operating properties and properties in inventory for each of the entities, stated at their fair value. For the hotel operating properties it includes the valuation of the portfolio consolidated under the quity method. For offices in France, the portfolio includes asset valuations of Euromed and New Vélizy, which are consolidated under the equity method.

Projects

- Committed projects: these are projects for which promotion or construction contracts have been signed and/or work has begun and has not yet been completed at the closing date. The delivery date for the relevant asset has already been scheduled. They might pertain to VEFA (pre-construction) projects or to the repositioning of existing assets.
- Managed projects: These are projects that might be undertaken and that have no scheduled delivery date. In other words, projects for which the decision to launch operations has not been finalised.

Yields/return

The portfolio returns are calculated according to the following formula:

$$\frac{\text{Gross annualized rent (not corrected for vacancy)}}{\text{Value excl. duties for the relevant scope (operating or development)}}$$

The returns on asset disposals or acquisitions are calculated according to the following formula:

$$\frac{\text{Gross annualized rent (not corrected for vacancy)}}{\text{Acquisition value including duties or disposal value excluding duties}}$$

EPRA Earnings

EPRA Earnings is defined as "the recurring result from operating activities". It is the indicator for measuring the company's performance, calculated according to EPRA's Best Practices Recommendations. The EPRA Earnings per share is calculated on the basis of the average number of shares (excluding treasury shares) over the period under review.

<u>Calculation:</u>

(+) Net Rental Income

(+) EBITDA of hotels operating activities and *Coworking*

(+) Income from other activities

(-) Net Operating Costs (including costs of structure, costs on development projects, revenues from administration and management)

(-) Depreciation of operating assets

(-) Net change in provisions and other

(-) Cost of the net financial debt

(-) Interest charges linked to finance lease liability

(-) Net change in financial provisions

(+) EPRA Earnings of companies consolidated under the equity method

(-) Corporate taxes

(=) EPRA Earnings

Surface

SHON: Gross surface

SUB: Gross used surface

Debt interest rate

Average cost:

$$\frac{\text{Financial Cost of Bank Debt for the period} + \text{Financial Cost of Hedges for the period}}{\text{Average cost of debt outstanding in the year}}$$

Spot rate: Definition equivalent to average interest rate over a period of time restricted to the last day of the period.

Occupancy rate

The occupancy rate corresponds to the spot financial occupancy rate at the end of the period and is calculated using the following formula:

$$1 - \frac{\text{Loss of rental income through vacancies (calculated at MRV)}}{\text{rental income of occupied assets + loss of rental income}}$$

This indicator is calculated solely for properties on which asset management work has been done and therefore does not include assets available under pre-leasing agreements. Occupancy rate are calculated using annualized data solely on the strategic activities portfolio.

The indicator "Occupancy rate" includes all portfolio assets except assets under development.

Like-for-like change in rent

This indicator compares rents recognised from one financial year to another without accounting for changes in scope: acquisitions, disposals, developments including the vacating and delivery of properties. The change is calculated on the basis of rental income under IFRS for strategic activities.

This change is restated for certain severance pay and income associated with the Italian real estate (IMU) tax.

Given specificities and common practices in German residential, the Lile-for-Like change is computed based on the rent in €/m² spot N versus N-1 (without vacancy impact) on the basis of accounted rents.

For operating hotels (owned by FDMM), like-for-like change is calculated on an EBITDA basis

Restatement done:

- Deconsolidation of acquisitions and disposals realized on the N and N-1 periods
- Restatements of assets under works, ie:
    - Restatement of released assets for work (realized on N and N-1 years)
    - Restatement of deliveries of assets under works (realized on N and N-1 years).

Like-for-like change in value

This indicator is used to compare asset values from one financial year to another without accounting for changes in scope: acquisitions, disposals, developments including the vacating and delivery of properties.

The like-for-like change presented in portfolio tables is a variation taking into account CAPEX works done on the existing portfolio. The restated like-for-like change in value of this work is cited in the comments section. The current scope includes all portfolio assets.

Restatement done:

- Deconsolidation of acquisitions and disposals realized on the period
- Restatement of work realized on asset under development during the N period