

## 2021 annual results:

### Confirmed recovery in the second half of 2021

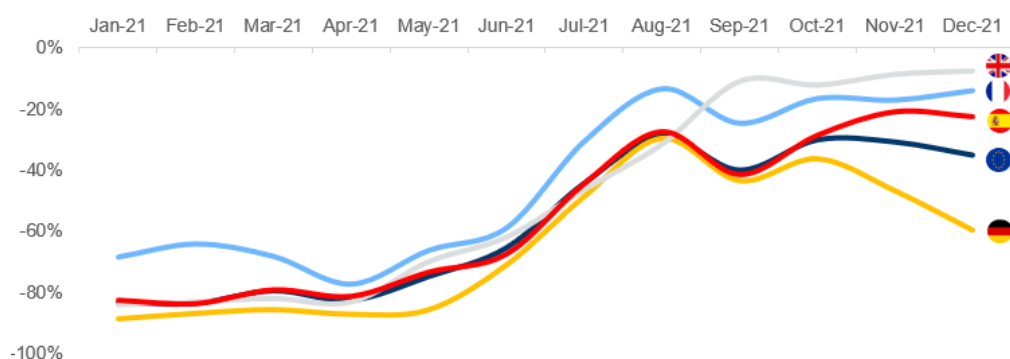
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#### Encouraging performances

For the hotel industry, 2021 was divided into two distinct periods: a first half still heavily impacted by the health crisis and various government restrictions and an especially encouraging second half of the year that sometimes even exceeded 2019's performance.

Overall, the market's performance in 2021 was much better than in 2020, with an over 42% increase in RevPAR<sup>1</sup>, although it was still 54% lower than in 2019.

Change in market RevPAR in Europe by country in 2021 compared to 2019 (%)<sup>2</sup>



In Europe, the recovery in hotel activity was sustained in the second half of 2021, moving from a -66% contraction in June compared to 2019 to -36% in December. Performance in the summer months confirmed the strong rebound in countries with a large domestic customer base, notably France and Germany, which account for 57% of Covivio Hotels revenues, and also testified to the good fundamentals of the hotel industry, especially the leisure segment.

<sup>1</sup> RevPAR: Revenue per available room – Source: MKG

<sup>2</sup> Source : MKG and STR (UK H2)

*The audit procedures on the annual financial statements have been completed. The statutory auditors' report on the annual financial information is in the course of preparation.*



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France, and Paris in particular, enjoyed a strong recovery throughout the second half of the year, with RevPAR up 110% between July and November 2021, demonstrating that, in addition to leisure, business customers have also returned rapidly. Growth in Germany was interrupted in November as new restrictions were put in place.

### The United Kingdom: a strategic market

The United Kingdom has seen the strongest recovery in Europe, with RevPAR close to 2019 levels since September 2021. The British market is one of the largest in Europe, with a domestic portion comparable to France's and Germany's and an international portion comparable Spain's.

In this light, Covivio Hotels and InterContinental Hotels Group reviewed, at the beginning of 2022, their agreements for the portfolio of 12 hotels situated in prime locations in the city center of main UK metropolises (London, Edinburgh, Glasgow, etc.). Both parties signed a term-sheet agreeing on proposed amendments to the leases. This agreement notably includes a readjustment of the minimum guaranteed rent and the installment of a variable rent on turnover, as well as performance tests. Binding agreement should occur by the end of March, which allows to reach a portfolio yield of 6%, after a complete recovery of the hotel activity.

### Increase in portfolio values in the second half of the year

At the end of December 2021, Covivio Hotels held a unique portfolio in Europe worth €5,942 million (€6,645 million at 100%). This strategic portfolio is characterised by:

- high-quality locations: average Booking.com location grade raised at 8.8/10
- diversified portfolio: in terms of countries (12 countries, none representing more than 33% of the total portfolio), and segment (69% economic/midscale and 31% upscale)
- Major hotel operators with long-term leases : 16 operators with average residual term leases of 13.3 years

After a -1.0% decline in the first half of the year on a like-for-like basis, the value of the portfolio rose by +0.7% in the second half, with an increase in fixed rent assets (+1.3%) and AccorInvest variable rent assets (+0.6%).

Group Share (€ millions, excluding duties)	Value 2020	Value 2021	H1 LfL change <sup>1</sup>	H2 LfL change <sup>1</sup>	LfL change <sup>1</sup>
Hotel lease properties	4 644	4 690	-1,3%	0,9%	-0,4%
Hotel Operating properties	1 174	1 190	0,1%	-0,2%	-0,1%
<b>Total Hotels</b>	<b>5 818</b>	<b>5 881</b>	<b>-1,0%</b>	<b>0,7%</b>	<b>-0,3%</b>
Non-Stratégic (Retail)	120	61	-1,9%	-0,6%	-3,0%
<b>Total Covivio Hotels</b>	<b>5 937</b>	<b>5 942</b>	<b>-1,0%</b>	<b>0,7%</b>	<b>-0,4%</b>

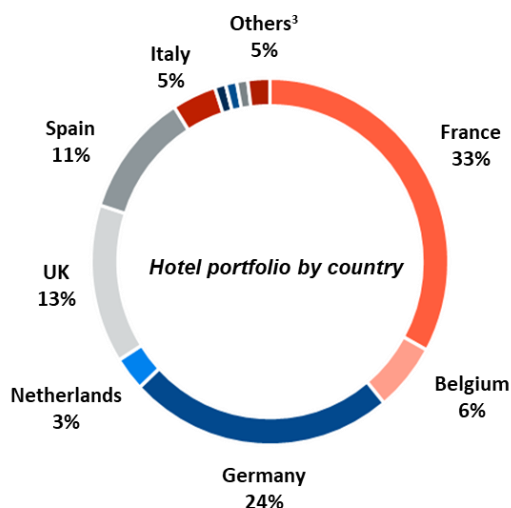
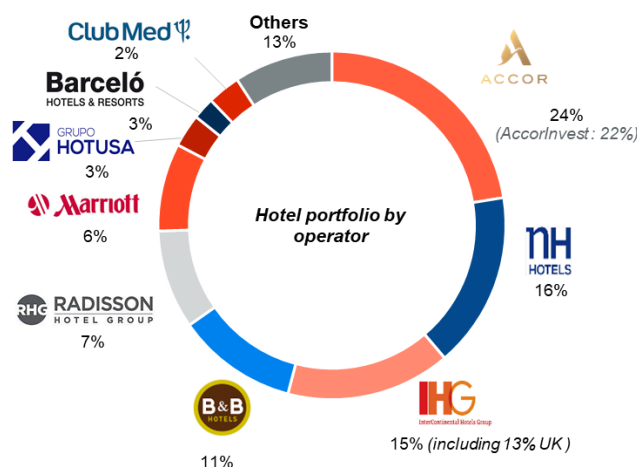
<sup>1</sup> LfL : Like-for-like

Covivio Hotels continued to dispose of non-strategic assets worth a total of €70 million (group share), in line with the 2020 appraisal values. Covivio Hotels also signed new commitments for hotel assets during the year, for an amount of €71 million (group share), with an average margin of around 20% on values at the end of 2020, of which €63 million involved the promise to sell a Club Med located in Samoëns.

The environmental certification rate of Covivio Hotels assets was 80.4% at the end of 2021, compared to 72.5% at the end of 2020. The increase is due to assets certification in Italy, Ireland and Hungary.

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**Hotel Portfolio breakdown at 31 December 2021 (group share)**



**Strengthening the balance sheet and reducing debt**

In June 2021, Covivio Hotels successfully completed its €250 million capital increase in cash with preferential subscription rights. The funds raised have been used to reimburse debts maturing in 2022/2023 and improved the Loan-to-Value (LTV) ratio by nearly 500 bps, from 41.9% at the end of 2020 to 37.1% at the end of 2021. Covivio Hotels net debt stands at €2,417 million compared to €2,690 million at the end of 2020. The ICR ratio improved to 3.08, compared with 2.20 at the end of 2020.

Covivio Hotels also issued €599 million in 8-year, 1% coupon bonds in July and October 2021.

The average maturity of Covivio Hotels' debt is 4.9 years – no major debt term will occur is due in the next 12 months – up 0.5 year, compared to end 2020.

Covivio Hotels had cash and undrawn credit lines of €483 million as of 31 December 2021.

Thanks to the support of its shareholders, Covivio Hotels will be able, after this major crisis, to pursue its development with a solid balance sheet.

<sup>3</sup> Others: Portugal, Ireland, Poland, Czech Republic and Hungary

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## Revenues in 2021 benefited from the recovery in the second half of the year

€ million	Income	Income	Income	Income	Change	Change
	2020	2020	2021	2021	Group Share	Group Share
	100%	Group Share	100%	Group Share	(%)	LFL (%) <sup>(*)</sup>
Hotel Lease properties (Variable rents)	16,2	16,2	26,7	26,7	65,0%	68,8%
Hotel Lease properties (UK)	0,0	0,0	12,0	12,0	n/a	n/a
Hotel Lease properties (Others)	123,1	108,4	136,7	123,1	13,6%	-1,1%
Hotel Operating properties (EBITDA)	7,9	7,6	21,4	21,0	177,1%	356,0%
<b>Total Hotel Revenues</b>	<b>147,2</b>	<b>132,1</b>	<b>196,8</b>	<b>182,7</b>	<b>38,3%</b>	<b>27,5%</b>
Non-strategic (Retail)	11,9	11,9	5,5	5,5	-53,9%	-35,7%
<b>Total revenues Covivio Hotels</b>	<b>159,2</b>	<b>144,0</b>	<b>202,3</b>	<b>188,2</b>	<b>30,7%</b>	<b>24,7%</b>

(\*) On a like for like basis

The upturn in business in the second half of the year meant that hotel revenues increased by 27.5% on a like-for-like basis by the end of 2021, following a 1.5% decline in revenues in the first half.

### 2021 Annual hotel revenues: €182.7 million Group share

#### Hotel lease properties (80% of the hotel portfolio)

- Variable rents: the portfolio is leased mainly to AccorInvest (22% of total portfolio) in France and Belgium and consists of budget (Ibis) and mid-range (Novotel, Mercure) hotels. In 2021, thanks to the recovery of the hotel business, rents for this portfolio, which are entirely indexed to revenues, amounted to €26.7 million, up 69% compared to 2020.
- Hotels in the United Kingdom leased to IHG (13% of hotel portfolio): no rent was recognised in 2020. In 2021, thanks to the recovery in the second half of the year, with occupancy rates of over 60% from September to November, revenues from this portfolio amounted to €12 million.
- Other hotel lease properties (45% of the portfolio): this includes fixed-rent hotel real estate let to B&B Hotels, NH Hotels, Motel One, Barcelo, Hotusa, etc. on long leases. The €14.7 million increase is mainly due to rental income from assets acquired in 2020 (portfolio of 8 hotels let to NH Hotels). On a like-for-like scope, rents were down 1.1% due to the impact of the rent relief granted in 2020 and 2021.

#### Hotel operating properties (20% of the hotel portfolio)

- Most of these hotels are located in Germany (mainly Berlin), Nice and northern France. The recovery in this portfolio was strong in the second half of the year, especially during the summer months. Hotels in Germany experienced a slowdown at the end of the year due to restrictions.

Given the quality and strength of the Covivio Hotels rental base, the 2021 rent collection rate remained high at 96%<sup>4</sup>.

### Growing net financial income in 2021

The EPRA NDV (Net Disposal Value) was €3,167 million (compared with €2,819 million at the end of December 2020), a 12.3% increase and stands at €21.4/share.

The EPRA NTA (Net Tangible Asset) reached €3,498 million, up 9.5% year-on-year. Per share, the fall was 2.0% year-on-year, to €23.6/share, due to the capital increase completed in June at a price of €16 per new share. The EPRA NTA per share, adjusted for the impact of the capital increase, was up 1.6%.

<sup>4</sup> 85% including relief and deferred payments granted (73% in 2020)

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The EPRA NRV (Net Reinstatement Value) stood at €3,868 million, and €26.1/share.

EPRA Earnings were €99 million (compared with €39 million at 31 December 2020), an 155% as a result of variable revenues. EPRA earnings per share was €0.70 in 2021, compared to €0.30 in 2020.

### Dividend

At the General Meeting of 7 April, Covivio Hotels will propose a dividend of €0.65 per share (€0.26 per share in 2020).

### 2022 Outlook

The recovery in activity observed starting in the summer of 2021 demonstrated the capacity for a rapid rebound in hotel performance when restrictions were lifted in Europe. Accordingly, the current environment should allow for a rapid recovery in hotel activity. Covivio Hotels will then be able to count on the quality and diversity of its let portfolio, operated by leading European and international operators, to bring about long-term growth in its results.



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### ABOUT COVIVIO HOTELS

Covivio Hotels specialises in holding lease properties in the hotel industry. Société d'Investissements Immobiliers Cotée (SIIC), real estate partner of leading hotel industry operators, Covivio Hotels holds a portfolio worth €6.6 billion (at the end of 2021).

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



### ABOUT COVIVIO

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

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 €26 billion in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.

Covivio's purpose is to build sustainable relationships and foster well-being, and acts as a responsible real estate operator for all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities, as well as future generations and the planet. Further, its living, dynamic approach opens up exciting project and career prospects for its teams.

## **Appendice:**

Covivio Hotels, a 43.8%-owned subsidiary of Covivio as of 31 December 2021, 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 Hotels Group share (GS).

Covivio Hotels owns a high-quality hotel portfolio worth €6.6 billion (€5.9 billion in Group share), focused on major European cities and let or operated by 16 major hotel operators such as Accor, 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. Sustained recovery in 2021**

Continued lockdowns weighed on hotels performances at the beginning of the year, but the roll-out of the vaccination campaign coupled with the gradual lifting of restrictions and the lower impacts of Covid-19 waves led to accelerate the recovery from second half of the year.

- ▶ In Europe, the hotel recovery was sustained in H2, RevPAR rebounding from -66% (vs 2019) in June to -36% in December.
- ▶ The summer performance confirmed the strong rebound in countries with a large domestic clientele, notably France and Germany, which account for 57% of Hotel's revenues, and testified to the good fundamentals of the hotel industry, particularly the leisure segment.
- ▶ Compared to its European neighbors, France and Paris in particular, recorded a strong recovery throughout the second half of the year, with RevPAR up 110% between July and November 2021, demonstrating that, in addition to leisure, business customers have also recovered rapidly.
- ▶ German growth was interrupted in November with the introduction of new restrictions (RevPAR down 63% vs. 2019). Still below 2019 levels, some other European countries benefited more from the recovery in H2.
- ▶ On the investment side, the volume of transactions recorded in Europe in 2021 amounts to €16 billion, an increase of 59% compared to 2020 (€10 billion investment volume).
- ▶ The UK and Germany represent respectively 30% and 14% of the transactions, with relatively stable average prices per room (from €200,000 to €250,000).
- ▶ Spain accounted for 15% of total transactions (vs. 6% in 2019): the number of assets exchanged appears stable compared to 2019 (c. 50 assets), but prices were much higher (€210,000 per room on average vs. €143,000 in 2019). The second half of the year accounted for 67% of total transaction volume.

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 84.6% held and the other 3, 90.0% held
- 2 Motel One assets in Germany (94.0%)
- Club Med Samoëns (50.1%) under disposal agreement
- 32 AccorInvest assets in France (30 assets) and Belgium (2 assets), 31.2% (26 assets) and 33.3% (6 assets) owned respectively

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**2. Recognised revenues: +27% on a like-for-like basis**

(In € million)	Revenues 2020 100%	Revenues 2020 Group share	Revenues 2021 100%	Revenues 2021 Group share	Change (%) Group share	Change Group share (%) LfL <sup>1</sup>
Hotel Lease properties - Variable	16.2	16.2	26.7	26.7	+65%	+69%
Hotel properties - UK	0.0	0.0	12.0	12.0	n/a	n/a
Hotel Lease properties - Fixed	123.1	108.4	136.7	123.1	+14%	-1%
Operating properties - EBITDA	7.9	7.6	21.4	21.0	+177%	+356%
<b>Total revenues Hotels</b>	<b>147.2</b>	<b>132.1</b>	<b>196.8</b>	<b>182.7</b>	<b>+38%</b>	<b>+27%</b>

Hotel revenues increased by +38% in 2021 compared to 2020, to reached €182.7 million, due to :

▶ **Leased hotels:**

- **The AccorInvest hotel portfolio** (22% of the hotel portfolio), which is indexed on hotel turnover, increased by 69% like-for-like compared to 2020, due to the suspension of restrictions in Europe in the third quarter of 2021. These midscale and economy hotels are located in France and Belgium.
- **Hotels located in the UK** (13% of the hotel portfolio): We note a reversal of booked rents of €12 million (vs 0€M 2020) thanks to the re-opening in the summer 2021.
- **Other leases:** increase of €14.7 million Group share mainly due to the integration of an acquisition in September 2020. On a like-for-like basis the -1% performance is explained by free-rent periods granted to sustain our tenants.

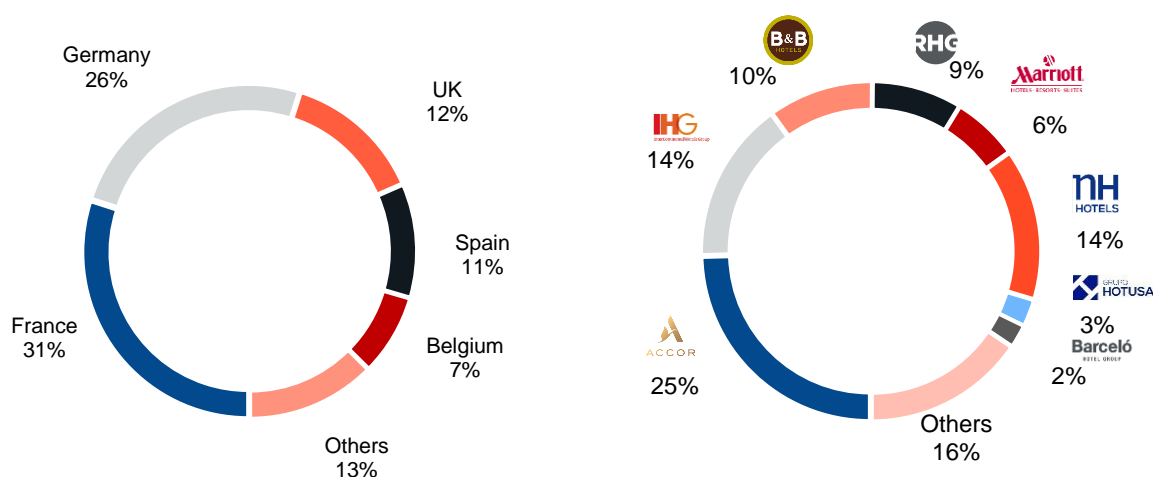
- ▶ **Operating hotels:** most of these hotels are located in Germany (mainly Berlin), Nice and northern France. The recovery in this portfolio was strong in the second half of the year, especially during the summer months. Hotels in Germany experienced a slowdown at the end of the year due to restrictions.

**Collection rate:** 96% for hotels excluding rent free and deferred payment.

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**3. Annualized revenue: €M305 in Groupe share**

**Breakdown by operators and by country<sup>5</sup>**



Rents are splitted using the following breakdown: fixed (45%), variable (19%) UK (12%), and EBITDA (24%)

**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 :**

**13.3 years** of firm residual lease term

(In € million, Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2022	2.7	1%	0.0	0%
2023	9.9	4%	0.0	0%
2024	2.2	1%	5.1	2%
2025	4.7	2%	1.3	1%
2026	7.5	3%	5.1	2%
2027	0.0	0%	0.0	0%
2028	31.1	13%	2.1	1%
2029	0.0	0%	0.0	0%
2030	23.5	10%	33.3	14%
2031	8.5	4%	23.5	10%
Beyond	142.6	61%	162.3	70%
<b>Total Hotels in lease</b>	<b>232.7</b>	<b>100%</b>	<b>232.7</b>	<b>100%</b>

The hotel firm lease duration remains very high at 13.3 years (-0.9 years vs end-2020), the main operation in 2021 being the renegotiation on one asset in Spain extending the lease by 8 years.

Despite the crisis, all our hotels are fully let to operators.

<sup>5</sup> Based on 2021 fixed revenues, 2019 variable rents and new agreement with IHG for UK assets.



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**6. Disposals and disposals agreements :**

(In € million)	Disposals (agreements as of end of 2020 closed)	Agreements as of end of 2020 to close	New disposals 2021	New agreements 2021	Total 2021	Margin vs 2020 value	Yield	Total Realized Disposals
	1		2	3	= 2 + 3			= 1 + 2
Hotel Lease properties	13	19	0	134	134	21%	5%	13
Hotel Operating properties	0	0	0	0	0	0%	0%	0
<b>Total Hotels - 100%</b>	<b>13</b>	<b>19</b>	<b>0</b>	<b>134</b>	<b>134</b>	<b>21%</b>	<b>5%</b>	<b>13</b>
<b>Total Hotels - GS</b>	<b>13</b>	<b>19</b>	<b>0</b>	<b>71</b>	<b>71</b>	<b>23%</b>	<b>5%</b>	<b>13</b>

In 2021, Covivio signed two new engagements for a total of €134 million (€71 million GS), mostly one leisure asset in French ski resort, with a staggering 21% margin. Closings of both sales are expected in H1 2022.

**7. Portfolio values**

**7.1. Change in portfolio values**

(In € million, Excluding Duties, Group share)	Value 2020	Acquis.	Invest.	Disposals	Change in value	Others	Value 2021
Hotels - Lease properties	4 644		28	-13	-19	50	4 690
Hotels - Operating properties	1 174		18		-1		1 190
<b>Total Hotels</b>	<b>5 818</b>		<b>46</b>	<b>-13</b>	<b>-20</b>	<b>50</b>	<b>5 881</b>

At the end of December 2021, the portfolio amounted to €5.9 billion Group share, up €63 million compared to year-end 2020, essentially explained by the positive impact of the GBP variation (+€56 million) and the investments realized during the year (+€46 million).

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7.2. Change on a like-for-like basis:

-0.3%

(In € million, Excluding Duties)	Value 2020 Group share	Value 2021 100%	Value 2021 Group share	LfL <sup>1</sup> change	Yield <sup>2</sup> 2020	Yield <sup>2</sup> FY 2021	% of total value
France	1 647	2 283	1 667	+0.6%	5.0%	4.9%	28%
Paris	700	827	695	+0.5%			
Greater Paris (excl. Paris)	303	498	305	+0.4%			
Major regional cities	431	583	440	-2.0%			
Other cities	213	374	228	+6.5%			
Germany	611	650	633	+3.5%	4.9%	4.7%	11%
Frankfurt	71	74	72	+1.4%			
Munich	47	48	48	+2.5%			
Berlin	69	73	71	+2.8%			
Other cities	424	454	442	+4.1%			
Belgium	258	283	256	-1.5%	6.2%	6.3%	4%
Brussels	81	100	81	0.0%			
Other cities	177	183	175	-2.2%			
Spain	634	630	630	-1.4%	5.5%	5.2%	11%
Madrid	273	283	283	+3.2%			
Barcelona	227	213	213	-6.8%			
Other cities	135	134	134	-1.4%			
UK	783	785	785	-6.4%	5.5%	4.8%	13%
Italy	260	265	265	+1.2%	5.2%	5.1%	5%
Other countries	451	454	454	+3.0%	5.2%	5.2%	8%
<b>Total Hotel lease properties</b>	<b>4 644</b>	<b>5 351</b>	<b>4 690</b>	<b>-0.4%</b>	<b>5.3%</b>	<b>5.0%</b>	<b>80%</b>
France	254	261	261	-0.1%	5.5%	5.4%	4%
Lille	109	106	106	-5.1%			
Other cities	146	155	155	+3.7%			
Germany <sup>3</sup>	799	847	804	-0.3%	6.8%	6.7%	14%
Berlin	557	596	566	+0.1%			
Dresden & Leipzig	189	198	188	-0.9%			
Other cities	52	53	51	-2.2%			
Other countries	121	125	125	+0.9%	7.3%	7.1%	2%
<b>Total Hotel Operating properties</b>	<b>1 174</b>	<b>1 234</b>	<b>1 190</b>	<b>-0.1%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>20%</b>
<b>Total Hotels</b>	<b>5 818</b>	<b>6 584</b>	<b>5 881</b>	<b>-0.3%</b>	<b>5.5%</b>	<b>5.3%</b>	<b>100%</b>

<sup>1</sup> LfL :Like-for-like

<sup>2</sup> EBITDA yields for hotel operating properties pour les hôtels en murs et fonds. Yields calculated on the basis of 2021 fixed revenues and 2019 variable revenues

<sup>3</sup> Yields excluding retail surface for German hotels

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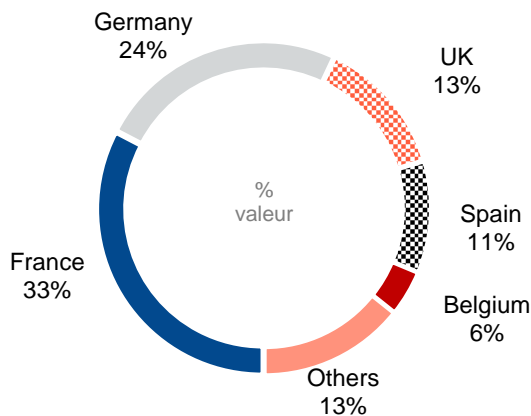
At the end of December 2021, Covivio Hotels held a unique hotel portfolio of €5.9 billion (€6.6 billion at 100%) in Europe. This strategic portfolio is characterised by:

- **High-quality locations:** average Booking.com location grade of 8.8/10.
- **Diversified portfolio:** in terms of countries (12 countries, none representing more than 33% of the total portfolio), and segment (69% economic/midscale and 31% upscale)
- **Major hotel operators with long-term leases:** 16 hotel operators with an average lease duration of 13.3 years

The portfolio value decreased by -0.3% Like-for-Like a mix of:

- 1) **Value adjustments on the UK portfolio (13% of hotels):** a -6.5% decrease was accounted during H1 on these 12 assets leased to IHG. Values remained stable during H2 (+0.1%) and take into consideration the new lease agreement found with IHG.
- 2) **Slight increase on other leased assets (+0.9%):** resilience on these assets, in line with the high margin on new disposal agreements and slightly better visibility on Accor variable rent cash-flows (+0.6%).
- 3) **Stable values on operating portfolio (-0.1%):** resilience on these assets, thanks to excellent locations and start of recovery in H2.

#### Portfolio breakdown by value and geography



#### 88 % in major European destinations



#### Portfolio split by location grade on Booking. com (8.8/10 on average)



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- **Bridge table of the portfolio:**

<b>Portfolio (as of 31/12/2021)</b>	<b>5 942 M€</b>
Use rights on investment properties	+ 223 M€
Use rights on operating properties	+ 26 M€
Equity affiliates > 30%	- 142 M€
Non-accrued goodwill of operating property assets	- 102 M€
<b>Real Estate Assets Group Share</b>	<b>5 947 M€</b>
The companies's fully consolidated non-controlling interest	+ 290 M€
<b>100% Real estate assets - IFRS accounts</b>	<b>6 237 M€</b>

- **Bridge table of EPRA indicator:**

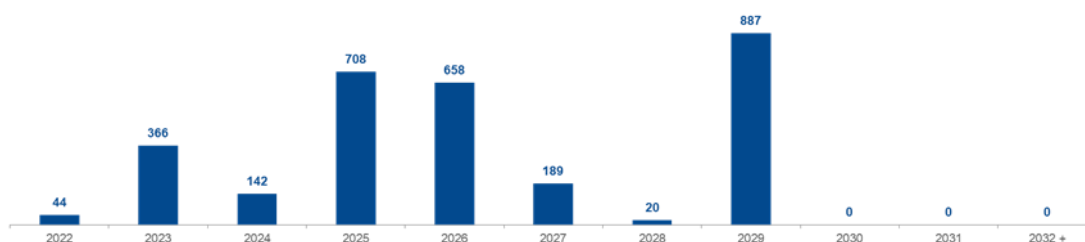
<b>Shareholders' equity Group - IFRS Accounts</b>	<b>3 201 M€</b>
Fair value of operating property assets net of deferred taxes	+ 81 M€
Fair value of financial instruments	+ 50 M€
Deferred tax (including IFRS adjustments)	+ 267 M€
Non optimised transfer rights	+ 269 M€
<b>EPRA NRV</b>	<b>3 869 M€</b>
Deferred tax on non-core assets	- 33 M€
Goodwill and intangibles assets	- 115 M€
Non-optimised transfer rights	- 222 M€
<b>EPRA NTA</b>	<b>3 498 M€</b>
Optimisation of the transfer rights	- 48 M€
Intangibles assets	+ 0 M€
Fair value of fixed-rate debt net of deferred taxes	+ 0 M€
Fair value of financial instruments	- 50 M€
Deferred taxes	- 234 M€
<b>EPRA NDV</b>	<b>3 167 M€</b>

- **Bridge table of rental income:**

€ millions	Rental income 2021	Non-controlling interest	Rental income
	IFRS Accounts		2021 Group Share Covivio Hotels
Hotels	175 M€	- 14 M€	161 M€
Retail premises	6 M€		6 M€
<b>Total Rental Income</b>	<b>181 M€</b>	<b>-14 M€</b>	<b>167 M€</b>
<b>Managed hotel EBITDA</b>	<b>21 M€</b>	<b>0 M€</b>	<b>21 M€</b>

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- **Debt schedule (group share engagement)**



- **Detail of Loan-to-Value (LTV) calculation:**

(€ millions) – Group Share	2019	2021
Net book debt	2 690	2 417
Receivables linked to associates (fully consolidated)	-20	-22
Pledges	-51	-93
Security deposits received	0	0
Purchase debt	9	13
<b>Net debt Group Share</b>	<b>2 628</b>	<b>2 315</b>
Appraised value of real estate assets (including duties)	6 071	6 071
Pledges	-51	-93
Financial assets	0	0
Receivables linked to associates (equity method)	63	63
Share of equity affiliates	187	196
<b>Value of assets</b>	<b>6 270</b>	<b>6 237</b>
<b>LTV Excluding Duties</b>	<b>43,8%</b>	<b>38,8%</b>
<b>LTV Including Duties</b>	<b>41,9%</b>	<b>37,1%</b>

- **Reconciliation with consolidated accounts:**

Net debt

(€ millions)	Consolidated financial statements	Minority interests	Group Share
Bank Debt	2 678	129	<b>2 549</b>
Cash and cash equivalents	144	12	<b>132</b>
<b>Net debt</b>	<b>2 534</b>	<b>117</b>	<b>2 417</b>

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Portfolio (including duties)

(€ millions)	Consolidated financial statements	Portfolio of companies under equity method	Fair value of investment properties	Minority interests	Group Share
Investment & development properties	4 736	529	1 226	-641	5 849
Assets held for sale	155			-62	93
<b>Total portfolio</b>	<b>4 891</b>	<b>529</b>	<b>1 226</b>	<b>-704</b>	<b>5 942</b>
				Duties	269
				Portfolio Group Share Including Duties	6 211
				Share of portfolio accounted for by the equity method	-37
				(+ Receivables from equity interests)	63
				<b>Portfolio for LTV calculation</b>	<b>6 237</b>

Interest Coverage Ratio (ICR)

€ millions	2020	2021
EBE (Net rents (-) operating expenses (+) results of other activities)	112	155
Cost of debt	-51	-50
<b>ICR</b>	<b>2,20</b>	<b>3,08</b>

- **Bridge table of EPRA Earnings:**

€ millions	Net income 100% IFRS Accounts	Non- controlling interest	Net Income, Group Share	Restatements	EPRA Earnings
<b>Net Rental Income</b>	<b>163,4</b>	<b>-13,4</b>	<b>150,0</b>	<b>0,0</b>	<b>150,0</b>
<b>Managed hotel income</b>	<b>21,4</b>	<b>-0,5</b>	<b>21,0</b>	<b>0,0</b>	<b>21,0</b>
<b>Operating costs</b>	<b>-19,6</b>	<b>1,0</b>	<b>-18,5</b>	<b>0,0</b>	<b>-18,5</b>
Depreciation of operating assets	-42,3	1,0	-41,3	37,0	-4,4
Net allowances to provisions and other	16,5	0,0	16,5	-6,6	9,9
<b>OPERATING PROFIT</b>	<b>139,4</b>	<b>-11,9</b>	<b>127,5</b>	<b>30,4</b>	<b>157,9</b>
Income from disposals of assets	-0,5	-0,1	-0,6	0,6	0,0
Net valuation gains and losses	-16,3	-14,6	-30,9	30,9	0,0
Income from disposal of securities	-1,2	0,0	-1,2	1,2	0,0
Income from changes in scope	-22,5	0,0	-22,5	22,5	0,0
<b>OPERATING PROFIT (LOSS)</b>	<b>99,0</b>	<b>-26,6</b>	<b>72,4</b>	<b>85,5</b>	<b>157,9</b>
Costs of net financial debt	-57,6	2,5	-55,1	0,4	-54,7
Interest charges on rental liabilities	-13,9	0,0	-13,9	9,6	-4,3
Fair value adjustment on derivatives	69,6	-0,9	68,7	-68,7	0,0
Discounting and exchange result	-0,7	0,0	-0,7	0,0	-0,7
Net change in financial and other provisions	-1,6	0,0	-1,6	1,5	-0,0
Share in income of equity affiliates	10,7	0,0	10,7	-5,2	5,5
<b>PRE-TAX NET INCOME (LOSS)</b>	<b>105,5</b>	<b>-25,0</b>	<b>80,5</b>	<b>23,2</b>	<b>103,6</b>
Deferred tax liabilities	-26,5	0,8	-25,6	25,6	0,0
Recurrent Tax	-4,7	0,0	-4,6	0,0	-4,6
<b>NET INCOME FOR THE PERIOD</b>	<b>74,4</b>	<b>-24,2</b>	<b>50,3</b>	<b>48,8</b>	<b>99,0</b>

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**- Balance sheet (100%)**

€ millions	2020	2021	€ millions	2020	2021
<b>INTANGIBLE ASSETS</b>			Capital Stock	530,2	592,6
Goodwill	135,1	117,2	Share Premium	1 506,2	1 685,6
Other intangible assets	0,2	0,2	Stocks own	-0,2	-0,1
<b>TANGIBLE ASSETS</b>			Consolidation reserve	1 237,8	873,1
Operating buildings	1 018,0	1 006,2	Fiscal Year Net Result	-337,4	50,3
Other tangible assets	24,4	18,0	<b>CONSOLIDATED SHAREHOLDERS EQUITY</b>	<b>2 936,6</b>	<b>3 201,4</b>
Under construction assets	4,1	5,0	Minority Interest	181,1	197,3
Investments property	5 052,6	4 984,8	<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>3 117,7</b>	<b>3 398,7</b>
Non current financial assets	67,3	66,8	Long-term borrowing debt	2 681,4	2 642,4
Investments in related companies	187,4	195,8	Long-term lease liability	236,7	270,8
Deferred taxes - assets	29,9	17,6	Fair value of net financial instruments - liabilities	120,2	53,7
Fair value of net financial instruments - asset	34,4	19,0	Deferred taxes - liabilities	238,1	254,4
<b>TOTAL NON CURRENT ASSETS</b>	<b>6 553,4</b>	<b>6 430,6</b>	Provision for retirement indemnities	1,5	1,0
Assets held for sale	51,0	154,8	Other liabilities (non current)	6,6	10,5
Loans and financial lease receivables	2,9	2,9	<b>TOTAL NON CURRENT LIABILITIES</b>	<b>3 284,5</b>	<b>3 232,8</b>
Inventories and wip	1,7	1,8	Trade payables	30,1	33,7
Fair value of net financial instruments - assets	5,4	5,6	Payables related to assets	9,4	12,9
Trade receivables	29,0	66,3	Short-term borrowing debt	228,6	36,7
Tax receivables	9,9	8,4	Short-term lease liability	5,6	5,2
Other receivables	50,0	39,1	Fair value of Net Financial instruments - Liabilities	25,8	21,1
Deferred charges	0,9	1,2	Advances and deposit	0,1	0,1
Cash and cash equivalent	101,8	145,2	Short-term provisions	39,6	65,6
<b>TOTAL CURRENT ASSETS</b>	<b>252,4</b>	<b>425,4</b>	Corporate income tax liabilities	9,5	10,3
<b>TOTAL ASSETS</b>	<b>6 805,8</b>	<b>6 856,0</b>	Tax liabilities	13,5	4,2
			Other liabilities	35,1	31,7
			Advanced recognized revenues	6,3	3,1
			<b>TOTAL CURRENT LIABILITIES</b>	<b>403,6</b>	<b>224,6</b>
			<b>TOTAL LIABILITIES</b>	<b>6 805,8</b>	<b>6 856,0</b>

**- Profit and loss account (100%):**

€ millions (100%)	2020	2021	Var.
Rental Income	151,3	180,9	29,6
Un-recovered rental costs	-1,6	-2,3	-0,7
Rental costs on property	-2,3	-2,5	-0,2
Bad debts	-14,5	-12,7	1,7
<b>Net Rental Income</b>	<b>133,0</b>	<b>163,4</b>	<b>30,4</b>
Hotel Operative Activity Income	89,2	107,5	18,4
Hotel Operative Activity Costs	-81,3	-86,1	-4,8
<b>Profit From Hotel Operating Activity</b>	<b>7,9</b>	<b>21,4</b>	<b>13,5</b>
Income from other activities	2,3	3,0	0,6
Costs relating to the services activities	-1,3	-1,5	-0,2
Structure costs	-21,9	-21,1	0,8
<b>Operating Costs</b>	<b>-20,8</b>	<b>-19,6</b>	<b>1,2</b>
Depreciation of operating assets	-42,9	-42,3	0,5
Net allowances to provisions and other	4,7	16,5	11,8
<b>CURRENT OPERATING INCOME</b>	<b>81,9</b>	<b>139,4</b>	<b>57,5</b>
Income from disposals of assets	-1,1	-0,5	0,7
Net valuation gains and losses	-327,6	-16,3	311,3
Income from disposal of securities	-0,1	-1,2	-1,1
Income from changes in scope	-3,8	-22,5	-18,7
<b>OPERATING INCOME</b>	<b>-250,7</b>	<b>99,0</b>	<b>349,7</b>
Costs of net financial debt	-58,2	-57,6	0,6
Interest charges on rental liabilities	-13,0	-13,9	-0,9
Fair value adjustment on derivatives	-46,0	69,6	115,7
Net change in financial and other provisions	0,3	-0,7	-1,0
Amortization of borrowings' cost	-0,2	-1,6	-1,4
Share in income of equity affiliates	-13,5	10,7	24,2
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>-381,4</b>	<b>105,5</b>	<b>487,0</b>
Deferred tax	59,6	-26,5	-86,0
Corporate income tax	-13,3	-4,7	8,6
<b>NET INCOME FOR THE PERIOD</b>	<b>-335,1</b>	<b>74,4</b>	<b>409,6</b>
Non-controlling interests	-2,3	-24,2	-21,9
<b>NET INCOME FOR THE PERIOD - GROUP SHARE</b>	<b>-337,4</b>	<b>50,3</b>	<b>387,7</b>

- **Glossary:**

1) Definition of the acronyms and abbreviations used:

GS: Group share

Chg: Change

LfL: Like-for-Like scope

2) Firm residual term of leases

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

3) Triple net lease

Lease contract reached between a landlord and a tenant. A "triple net" lease means a lease for which all the taxes and expenses (work, maintenance) related to proper functioning of the building are at the expense of the tenant.

4) Loan To Value (LTV)

Calculation of the LTV is detailed in the Appendices.

5) Rental income

Recorded rent corresponds to gross rental income accounted for over the year by taking into account the 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.

6) EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation):

This is gross operating income after rent. The calculation can be described in the following manner:

(+) Total revenues (revenues)  
(-) Purchases and External Expenses  
(-) Personnel Expenses  
= EBITDAR  
(-) Rental income  
= EBITDA

7) EBITDAR Margin:

EBITDAR corresponds to the gross operating income before rent. It is used to compare companies with different ownership policies.

The EBITDAR margin corresponds to the following calculation: EBITDAR / Total rental income

The level of operating profits of hotels varies depending on the hotel category.



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8) Portfolio

The portfolio presented includes investment properties and properties under development, as well as operating properties and properties in inventory for each of the entities, stated at their fair value.

9) Yield

The portfolio returns are calculated according to the following formula:

$$\frac{\text{Annualised gross rental income}}{\text{Value excluding duties on the scope in question}}$$

10) Average annual rate of debt

$$\frac{\begin{aligned} &\text{Financial cost of bank debt for the period} \\ &+ \text{Financial cost of hedges for the period} \end{aligned}}{\text{Average used financial net debt outstanding in the year}}$$

11) 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.

12) 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.

On hotel operating properties, the change in constant scope is calculated based on EBITDA.

Restatement done:

- Deconsolidation of acquisitions and disposals realised on the N and N-1 periods
- Restatements of assets undergoing work, i.e.:
  - Restatement of assets released for work (realised on N and N-1 years)
  - Restatement of deliveries of under-work assets (realised on N and N-1 years).

13) 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, works, developments including the vacating and delivery of properties.

Restatement done:

- Deconsolidation of acquisitions and disposals realised during the period
- Restatement of work realised on assets during period N (including assets under developpement).
  
- développement).