



Paris, 22 February 2022, 6.00 p.m.

Strong increase of 2021 annual results growth momentum expected to continue in 2022

“Success in development pipeline, record year for offices commercialization, strong growth for values and rents in German residential, rebound and positive outlook in Hotels: Covivio performs on all its activities. Thus, not only the quality of the portfolio continues to improve, with more than 90% of Green certified assets in Europe, but it is also our clients and partners trust in our strategy that strengthens.”

Christophe Kullmann, Covivio Chief Executive Officer

A growing and constantly adapting portfolio

- ▶ €27 billion portfolio (€18bn Group share), increase of €1 billion year-on-year
- ▶ Growth of 4% on a like-for-like basis driven by the German Residential and office developments
- ▶ €901 million in new disposal commitments with a +4% margin, 80% in offices
- ▶ Offices development pipeline success: €485 million of deliveries pre-let at 96% and €1.1bn of new commitments already 53% pre-let
- ▶ Selective residential acquisitions in Berlin, for €208 million, with substantial growth potential in rents and values

Very good operating activity, which accelerated in the second half of the year

- ▶ A record year for office rentals: 180,000 m² let and pre-let, two-thirds of which in the 2nd half of the year
- ▶ Recovery of the Hotels activity in the second half of the year: like-for-like revenue growth of 27%
- ▶ Strong rental growth in the German Residential market (up 4.5%)
- ▶ Revenue up 3.2% on a like-for-like basis (vs - 2.6% in H1)

ESG strategy: new progress in all areas

- ▶ Carbon trajectory: target of -40% reduction by 2030 on scopes 1, 2 and 3 (including construction)
- ▶ Increase in the share of green assets: at the end of 2021, 91% of the Covivio portfolio has environmental certification, twice as much as five years ago
- ▶ Customer-centric strategy: very good results in the Offices tenants survey, winning the "Fairest Landlord" award in German Residential, with an average satisfaction rating on localisation of 8.8/10 in hotels
- ▶ Launch of the Covivio Foundation: support for 12 European projects focused on promoting equal opportunities, in line with Covivio's Purpose
- ▶ Strengthening the expertise of the Board of Directors: proposal to appoint Daniela Schwarzer as independent director

2021 results exceeded our goals

- ▶ Sharp decrease in LTV by two points to 39%
- ▶ Increase in NAVs by +6% to +10% year-on-year (EPRA NTA per share of €106.4 and EPRA NDV of €97.8)
- ▶ Adjusted EPRA Earnings up 6.6% to €410 million (€4.35 and +3.3% per share) and historic net income of €924 million
- ▶ Proposed cash dividend of €3.75 per share, up by 4.2%

Outlook

- ▶ Adjusted EPRA Earnings guidance for 2022 of €4.5 per share, assuming that the hotel recovery continues

Strong market fundamentals¹

Offices: business recovery and market polarization

The recovery that began at the end of the first half was confirmed in the second half with a significant increase in rental activity. Greater Paris recorded take-up of 1.9 million m² (up 32% on 2020), of which more than a third was completed in the final quarter. In Milan, take-up was up by 32% compared to 2020, at 390,000 m², 11% higher than its ten-year average. In Germany, the top six cities saw their take-up reach 3.2 million m², up by 27% compared to 2020, with nearly 60% of rental agreements signed in the second half of the year.

At the same time, demand has polarized towards central locations (city centre, locations close to public transport) and prime assets. As a result, inner-city Paris saw its take-up increase by 46% compared to 2020. In Milan, the CBD and the centre saw a year-on-year increase of 69%. This dynamic is reflected in changes to rental income, with growth concentrated on prime assets in the best locations (up 3% in Paris, up 8% in Berlin or Milan).

German Residential: positive structural trends

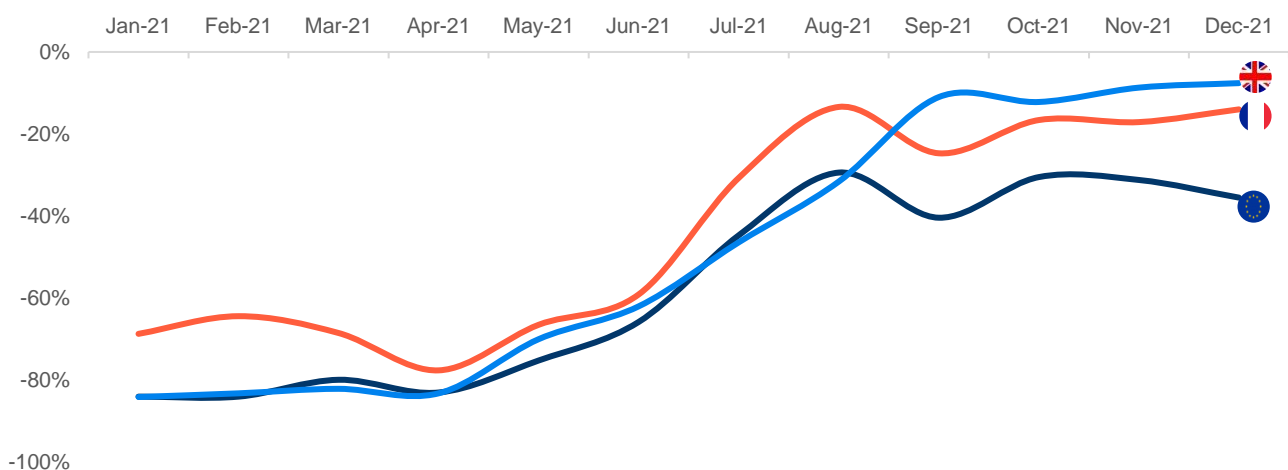
The structural housing shortfall in Germany increased further in 2021 to reach 400,000 housing units. The lack of supply on the market is driving the major market trends. In Berlin in particular, the vacancy rate reached an all-time low of 2.2%, and rents rose again by around 13% year-on-year (to €19.95/m²/month for new buildings and €12.90 euros/m² for second hand). The scarcity of apartments is also driving up prices, with average prices index growing by +11% in 2021 according to Destatis, with an average price of €5,220/m² in Berlin and €6,250/m² in Hamburg.

Hotels: 2021 is the year of bounce-back and recovery for the industry

Following the first half of the year which was still heavily impacted by the pandemic and various government restrictions, the second half proved to be very dynamic, in some cases exceeding 2019 performance. Overall, in Europe, the market performance is much better than in 2020, with a RevPAR increase of 42% (although this figure is still down by 54% compared to 2019).

The performance confirmed the strong bounce-back effect in countries with high levels of domestic customers, notably France, the United Kingdom and Germany, which account for the bulk of Covivio's hotel income. Hotel fundamentals were also good, particularly the leisure segment.

2021 change in RevPAR² in Europe by country compared to 2019 (%)



¹ Sources: Cushman & Wakefield, BNPP RE, Guthmann.de

² RevPAR: Revenue per available room - Source: MKG

Covivio: a growing and constantly adapting portfolio

With a portfolio worth €26.7 billion (€17.7 billion Group share) in Europe, up by €1 million year-on-year, Covivio has built its development on diversification in activities in which it plays a leading role:

- **57% of the portfolio comprises offices in France, Italy and Germany,** mainly in central locations in Paris, Milan and major German cities;
- **German Residential accounts for 28% of the portfolio (up 3 points on 2020).** It is located in the city centres of Berlin, Dresden, Leipzig, Hamburg, and in major cities in North Rhine-Westphalia;
- **Hotels (15% of the portfolio),** located in major European tourist destinations (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.), are let or managed directly by major operators such as Accor, IHG, B&B, NH Hotels, etc.

41% of buildings by value are located in Germany, compared to 38% in France and 16% in Italy.

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

1. **Location in the heart of major European cities,** in particular Paris, Berlin and Milan. As a result, 97% of the properties are within a five-minute walk of public transport.
2. **Development,** to deliver new buildings combining energy performance, well-being and adaptation to changing trends. Covivio is currently developing a €1.8 billion Group share of Offices projects and nearly €437 million Group share of housing units in Europe. The majority of these developments concern existing assets.
3. **Customer culture** with a user-centric strategy. Covivio supports its tenant customers in their property strategies over the long term, by jointly defining their projects and forging strong partnerships (fixed average lease maturity of 7 years). This is reflected in a practical consulting approach, an ambitious service policy and ever more flexibility, with, for example, hybrid offers combining commercial leases and flexible contracts.

Offices development pipeline success

Covivio delivered 112,200 m² of office buildings in 2021 in Paris, Milan, Lyon, Montrouge (Greater Paris) and Montpellier, already leased at an average rate of 96% to major customers including EDF, Orange, NTT Data and Expertise France. Beyond commercial success, these assets contribute to the continuous improvement of the portfolio. The real estate managers of major French companies recognised the Gobelins buildings (Paris 5th) and Silex² (Lyon), which received SIMI 2021 Grands Prix awards. Lastly, there was a total value creation of nearly 40% compared to cost price (€485m Group share).

At the same time, Covivio launched 9 new development projects in 2021, already 53% pre-let to key accounts (including L'Oréal and Moncler in Italy), and mainly located in the Paris, Berlin and Milan city-centres. The total cost amounted to €1.1 billion Group share, with a value creation goal of more than 30%.

At the end of December, the Group had a committed pipeline of 286,000 m² of offices (or mixed-use) projects, worth €1.8 billion, Group share. 82% of this space is located in the city centres of Paris, Berlin, Milan and Lyon, and nearly 50% is pre-let.

Ramping up of residential development programmes

Residential development activity also intensified with the ramping up of the transformation of offices into housing units in France. 8 projects are under construction, covering 1,472 housing units, in Bordeaux and Greater Paris, for a cost price of €247 million and a target margin on sale of more than 10%. Adding residential development projects totalling €114 million under construction in Germany, a total of 2,000 housings are being built with nearly

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half of which that have been pre-sold. The property development business generated margins of €15 million in 2021.

Selective residential acquisitions in Berlin

Covivio continued to strengthen its residential exposure in Germany with €208m Group share of acquisitions mainly located in Berlin city centre. The immediate 3.3% yield will benefit from reversion potential of 55% on average compared to regulated rents. Lastly, the purchase price of €3,400/m² on average, is much lower (55% on average) than the market retail value, while most of the units are divided in condominium.

€901 million of new disposal commitments with a margin of +4% on appraisal values

In 2021, Covivio continued its portfolio rotation strategy by signing commitments for disposals amounting to €901 million Group share (€1.3 billion at 100%), with a margin of 3.7% on appraisal values. Almost 80% of the volume concerns office assets (€713 million signed). Since the beginning of 2020, the Group has sold office assets worth €1.4 billion, with an average margin of 4.4% on appraisal values. In December 2021, Covivio signed off the sale of the Carré Suffren buildings (25,000 m² in Paris 15th) and Campus Eiffage (33,000 m² in Vélizy-Villacoublay). These two assets, acquired in 2004 and 2010, illustrate the ability to create value over time with good quality and highly relevant development and asset management policies.

In German Residential, Covivio also saw a reversion on appraisal values with sales of €126 million (€82 million Group share) and +26% in margins on the latest appraisal values, of which 53% on detail sales (€37 million, Group share). In hotels, Covivio sold assets for a total of €134 million at 100% and €31 million Group share, based on an average yield rate of 4.8% and a margin of 23% on the appraisal value.

Finally, Covivio sold the remainder of its car park concessions business and its final shopping centre in Italy.

Portfolio growth of 4% on a like-for-like basis

The Group's portfolio increased by €1 billion over the half year, to €26.7 billion and €17.7 billion, Group share (up €0.6 billion, Group share). On a like-for-like basis, the value of assets increased by 3.8%.

In offices, asset values rose by 0.8% on a like-for-like basis. The declines in value are concentrated on a few assets facing specific rental challenges or located in locations affected by the crisis (such as La Défense, Peri-Défense or outside Milan in Italy). They are more than offset by **the very good performance of buildings delivered or under development, which posted an increase in values of 7%.**

In German Residential, appraisal values rose by 13.7% and are moving in the right direction across all regions: North Rhine-Westphalia (+18.2%), Hamburg (+16.8%), Dresden & Leipzig (+12.4%) and Berlin (+11.3%). This performance is due to a structural shortage of housing, strong appeal to investors, as evidenced by the record volume of investments made in 2021 (€51 billion), and retail values well above block values (over 50%). The average value of the portfolio is €3,370/m² in Berlin and €1,940/m² in North Rhine-Westphalia.

In hotels, the value of the portfolio was stable compared to the end of 2020 (down 0.3% like-for-like): the performance upturn in the second half of the year enabled leased assets to return to growth in value (up 1.3%) and operating property assets to stabilize (up 0.2%).

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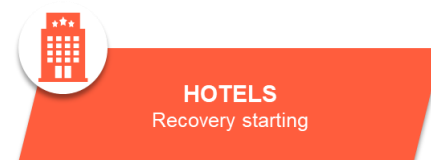
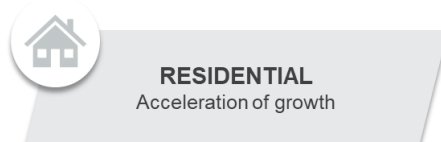
Good operating activity, which accelerated in the second half

A 3.2% increase in rental income on a like-for-like basis

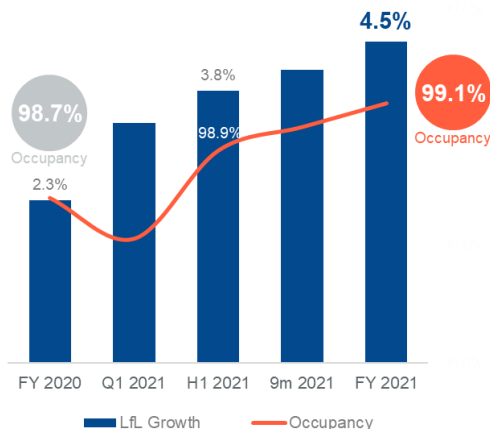
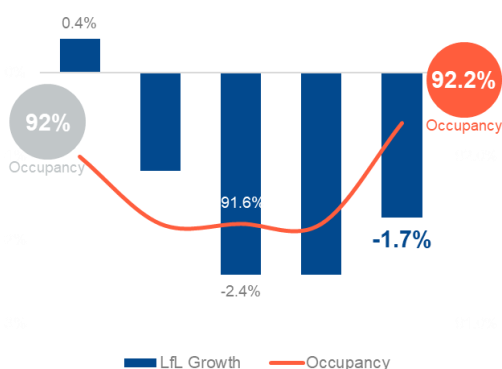
2021, in € million	Revenues 2020 Group share	Revenues 2021 100%	Revenues 2021 Group share	% like-for-like change Group share	Occupancy rate %	Firm lease duration in years
<i>France Offices</i>	207.1	218.7	189.5	-2.8%	93.2%	4.6
<i>Italy Offices</i>	126.8	152.3	115.5	-0.2%	96.6%	7.1
<i>Germany Offices</i>	49.3	51.3	44.8	+0.6%	78.8%	4.4
Total Offices	383.2	422.4	349.9	-1.7%	92.2%	5.4
German Residential	157.7	260.2	168.4	+4.5%	99.1%	n.a.
Hotels in Europe	57.6	197.3	80.4	+27.5%	100%	13.3
Total Strategic activities	598.5	879.8	598.7	+3.2%	95.0%	7.0
Non-strategic (retail)	11.0	8.4	5.3	-35.7%	100.0%	8.9
TOTAL	609.5	888.2	604.0	+3.0%	95.0%	7.0

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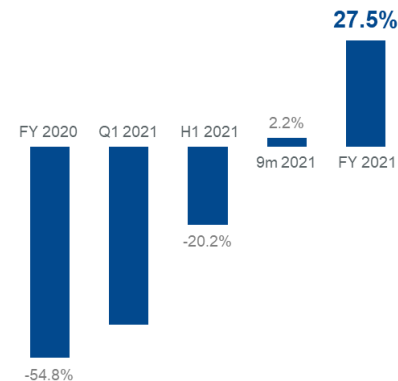
ANNUAL RESULTS FOR 2021



FY 2020 Q1 2021 H1 2021 9m 2021 FY 2021



LfL growth (%)



Offices: a record year for lettings

Covivio signed a record number of leases with 180,000 m² of office rental commitments, over an average fixed period of 10 years. After a first half-year impacted by pandemic restrictions (63,200 m² sold), activity accelerated sharply with two-thirds of the year's lettings carried out between July and December. These leases were mainly covered by the pre-letting of nearly 110 000 m² of assets in the development portfolio. The quality of the assets has attracted many internationally renowned companies which have decided to set up their global or regional headquarters there. This is the case for Moncler (38,000 m²), SNAM (19,000 m²), L'Oréal (11,600 m²) and LVMH (4,000 m²) for Symbiosis and The Sign in Milan, and Samsung (10,500 m²), Roland Berger (3,900 m²) or One Point (9,100 m²) in Paris and Bordeaux.

In addition, Covivio has renewed close to 104,000 m² of leases in 2021, of which 45% in France, 45% in Italy and 10% in Germany with an average lease extension of 3 years.

On a like-for-like basis, rental income was impacted by releases in 2020 and early 2021, while the occupancy rate rose back to 92% in the second half of the year.

Hotels: business recovery in the second half of the year

Revenues from the Hotels business in Europe, which were down by 20% in the first half of 2021 compared to the first half of 2020, caught up in the second half of the year, benefiting from the market recovery that began in May 2021. Income increased by 27% on a like-for-like basis over the year, driven by the increase of 146% in variable rents (35% of the hotel portfolio, mainly let to AccorInvest) and by strong 356% recovery in operating properties (20% of the hotel portfolio). Lastly, fixed-lease assets (45% of the hotel portfolio) were down by only 1% on a like-for-like basis, due to the exemptions granted in 2020 and 2021 in exchange for the extension of the lease terms. The rental income collection rate reached 96% (85% including deferred payments and exemptions granted).

In early 2022, Covivio and InterContinental Hotels Group reviewed their agreements on the portfolio of 12 hotels in premium locations in the heart of major British cities (such as London, Edinburgh and Glasgow, representing €344 million Group share and 2% of the Covivio portfolio). The parties signed a term sheet relating to the conclusion of amendments to the leases. This agreement provides for a readjustment of the minimum guaranteed rent and the introduction of a variable rent indexed to revenues, 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.

Strong rental growth in German Residential

The persistent shortfall in the supply of housing in Germany (40,000 units added to the shortfall in 2021) combined with an active asset management strategy drove rents up in 2021, by 4.5% on a like-for-like basis. Rents increased in all geographical areas: Berlin (+5.0%), North Rhine Westphalia (+4.7%), Hamburg (+2.9%) and Dresden & Leipzig (+2.3%). More than a third of the growth in rents is the result of the modernisation program undertaken for the portfolio, which tends to renovate an average of 3% of the portfolio each year. The second third is due to indexation, with re-letting counting for the remaining third.

ESG strategy: new progress in all areas

The new carbon trajectory approved by SBT initiative

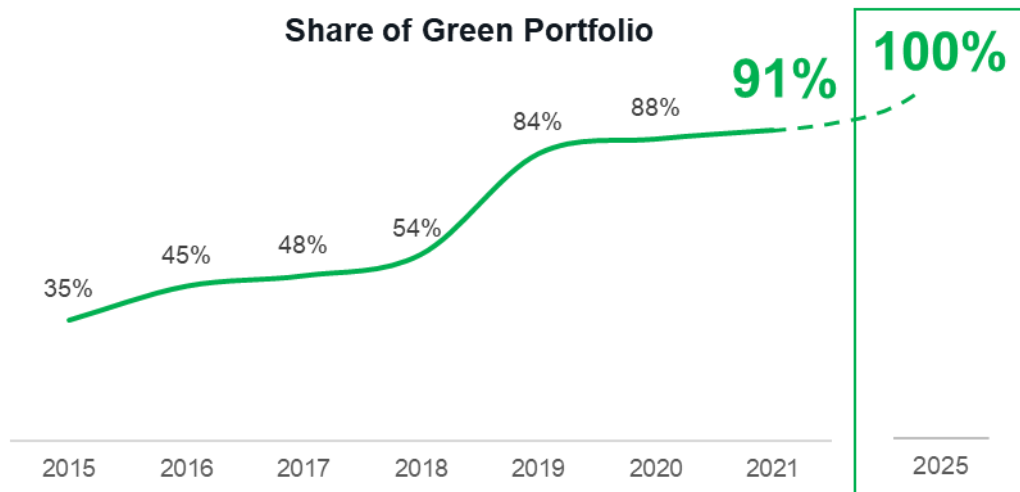
Covivio has announced in 2021 a new carbon trajectory and raised its ambitions to reach its new target at 40% reduction in greenhouse gas emissions by 2030 (compared with previous target of 34%). This target, which encompasses scopes 1, 2 and 3, covers the full range of activities in Europe and the entire life cycle of the assets: materials, construction, renovation, and operation. Covivio is also targeting net zero carbon from 2030 for scopes 1 and 2.

These greenhouse gas emission reduction objectives have just been approved by SBT initiative and will be published in their website on 24th February.

In addition, the average eligibility Covivio's activities to Taxonomy reaches 94.5%³: 89% on the turnover (the hotels in operating lease are not in the scope of the Taxonomy yet), and 100% on capex.

91% green portfolio

Covivio continued its greening momentum: the proportion of the portfolio with HQE, BREAM, LEED or equivalent certification, in operation and/or under construction, reached 91% (up by 3 points).



This portfolio greening strategy plays an active role in achieving the new carbon trajectory. It is accompanied by a commitment to low-carbon construction on a European scale. For example, for the Silex² project in Lyon delivered at the end of 2021, where there was a choice of redevelopment vs. demolition, Covivio was able to save 17,500 tCO₂e compared to a demolition/reconstruction, and the building will emit up to 30 tCO₂e/year less during its operational phase, compared to an office building renovated to the RT 2012 energy level. Another example in Milan is The Sign A building, which obtained the highest LEED certification in Europe in 2021 (LEED Platinum,

³ Figures in Group share. Eligibility rate on total share IFRS data: 86% of turnover and 100% of capex

90/100) and became the first building in Italy to receive the BiodiverCity label.

A user-centric strategy

Covivio has a good relationship with its customers, and regularly conducts satisfaction surveys. The results of a study carried out by OpinionWay in France on the Offices activity show a satisfaction rate of 86%⁴ among new customers and 89% for existing tenants. As for the Wellio business, 96% of occupants gave a positive response and were either satisfied or very satisfied, both with the quality of the support provided by the Covivio teams and the quality of the spaces or services offered. At the same time, Covivio's Residential business was once again awarded the "Fairest Landlord" label in Germany by Focus Money magazine. Lastly, portfolio hotels received a very good rating on Booking.com of 8.8/10 for location.

Launch of the Covivio Foundation

After incorporating "Build sustainable relationships and well-being" into its Purpose, in 2020 Covivio set up its Corporate Foundation and chose to focus its actions on two main areas: promoting equal opportunities and environmental protection. In its first year of operation, the Foundation has prioritised associations and projects that help the people who have been most exposed to impacts from the pandemic. Thanks to the sourcing carried out by the Covivio teams in Europe and following the publication of a call for expressions of interest (AMIs) in France, 12 projects received support from the Foundation, which has access to a five-year budget of €1.7 million. In 2022, Covivio plans to launch two AMIs in Germany and Italy to ramp up the process and increase its impact.

Strengthening the expertise of the Board of Directors

At the General Meeting of 21 April 2022, the Board of Directors will propose the appointment of Daniela Schwarzer as an independent director.

Mrs Schwarzer is the Executive Director of the Open Society Foundations in Europe and Asia, the largest private donor in the world for NGOs and associations, working to defend human rights, justice and democracy. From 2016 to 2021 she headed the German Council on Foreign Relations, of which she is now a non-executive member of the Board of Directors. She is also a non-executive member of the Board of Directors of BNP Paribas. She is an honorary professor at Freie Universität Berlin, where she teaches courses on European integration and international affairs.

She brings her in-depth knowledge of the German economic and social context, which will help maintain the highest standards of commitment, independence and competence within the Board of Directors.

Further improvement of ESG ratings

The ratings agencies once again recognised the performance and relevance of Covivio's CSR policy. As a result, the Group has seen its ratings rise with GRESB (90/100), Sustainalytics (8.3) and MSCI (AAA), making Covivio one of the leaders in its sector.

2021 results exceeding goals

Sharp drop in LTV to 39%

The high rate of disposals and the good performance of appraisal values reduced the LTV ratio by two points, to 39% at the end of 2021. The average interest rate on debt fell again, to 1.2% compared to 1.3% at the end of

⁴ Average of the scores "satisfied" or "very satisfied" given on the topics "Quality of support by Covivio", "Life in the building" and "Answers provided".

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ANNUAL RESULTS FOR 2021

2020, and the ICR improved at 6.7x compared to 6.1x at the end of 2020.

Rated BBB+, outlook stable by S&P, Covivio has a solid balance sheet, with diversified and long-term debt (maturity of 5.4 years). The hedging rate reached 84% for an average hedging instrument maturity of 6.8 years.

NAVs increase of 6% to 10% year-on-year

The increase in asset values, driven by Offices and Residential development in Germany, was responsible for the 7% growth in EPRA NTA per share, to €106.4 and €10.1 billion. The EPRA NDV amounted to €9.3 billion and €97.8 (+10%) while the EPRA NRV stood at €11.1 billion and €116.9 per share (up 6%).

Adjusted EPRA Earnings up by 6.6%

Adjusted EPRA Earnings amounted to €410 million, up 6.6% year-on-year (€4.35 per share and up 3.3% following the payment of the 2020 share dividend). The decrease in rental income related to portfolio rotation, mainly in offices, was more than offset by growth in hotels and performance in German Residential. Income also benefited from the good performance of operating costs and the reduction in the cost of financial debt. In 2021, net income of Covivio reached a record level of €924 million.

Proposed cash dividend of €3.75 per share, up 4.2%

Covivio will put to the General Meeting of 21 April a vote on the cash payment of a dividend of €3.75 per share, up by 4.2% compared to 2020, i.e. a payout ratio of 86%. The ex-dividend date will be 25 April 2022, with payment on 27 April 2022.

Outlook

Over the course of 2022, Covivio intends to continue its growth momentum by focusing on three main areas:

- **Continuation of the development pipeline**, which mainly involves the redevelopment of existing assets in Paris, Berlin and Milan. Located in prime areas sought after by users, these buildings also have significant rental income potential. Covivio has just pre-let the entire Anjou project, a 9,300 m² building located in the Paris CBD, to a large French luxury group, three years before delivery. A preliminary agreement was also signed for 9,000 m² on the Stream Building in Paris 17th arrondissement, with the project therefore achieving a pre-letting rate of 100%.
- **Asset management work to extract rental growth reserves** via the rental reversion in German Residential, the reduction of vacancy on manage to core assets (16% of the Offices portfolio) and a ramping up of the office services offer. In this respect, new rental agreements have been signed in recent weeks at the Wellio site in the Milan CBD, bringing the pre-letting rate to 90% three months before delivery.
- **Hotels recovery** The outlook for STR, MKG and Tourism Economics forecasts a return of overnight stays at 2019 levels by 2023-2024. Compared to 2019 income, the Group has €54 million in growth potential.

In this context, and assuming that the Hotels recovery continues, Covivio has set itself an adjusted EPRA Earnings target of €4.5 per share.

AGENDA

- ▶ General Meeting: 21 April 2022
- ▶ 2022 First quarter activity: 21 April 2022
- ▶ Ex-dividend date: 25 April 2022
- ▶ Dividend payment: 27 April 2022
- ▶ 2022 first-half results: 21 July 2022

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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 €27 billion 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 + extra-financial), CDP (A-), 5 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, ISS ESG, Ethibel and Gaïa ethical indices.

Notations solicited:

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



1. BUSINESS ANALYSIS	12
2. BUSINESS ANALYSIS BY ACTIVITY	26
FRANCE OFFICES	29
ITALY OFFICES	37
GERMAN OFFICES	43
GERMAN RESIDENTIAL HOTELS IN EUROPE	48 55
3. FINANCIAL INFORMATION	61
4. FINANCIAL RESOURCES	70
5. EPRA REPORTING	75
6. FINANCIAL INDICATORS	85
7. GLOSSARY	86

1. BUSINESS ANALYSIS

Changes in scope:

Two changes occurred between 2020 and 2021, with impact on Covivio's percentage of ownership of its subsidiaries:

- ▶ Covivio's stake in its hotel subsidiary, Covivio Hotels, increased following the asset contribution from Covivio to Covivio Hotels, from 43.5% at year-end-2020 to 43.8% at year-end-2021.
- ▶ Covivio shared its flagship Alexanderplatz mixed-use project in Berlin which detention rate went from 100% to 55% now.

A. REVENUES: €604 MILLION IN 2021

(€ million)	100%			Group share				% of revenue
	2020	2021	Change (%)	2020	2021	Change (%)	Change (%) LfL ¹	
France Offices	237.3	218.7	-7.8%	207.1	189.5	-8.5%	-2.8%	31%
Paris	87.8	80.9	-7.8%	82.3	76.3	-7.2%	-2.3%	13%
Greater Paris (excl. Paris)	103.8	100.8	-2.8%	85.4	83.2	-2.5%	-5.8%	14%
Major regional cities	35.9	30.7	-14.4%	29.6	23.7	-19.9%	+2.9%	4%
Other French Regions	9.8	6.3	-36.4%	9.8	6.3	-36.4%	-20.6%	1%
Italy Offices	166.6	152.3	-8.6%	126.8	115.5	-8.9%	-0.2%	19%
Offices - excl. Telecom Italia	85.4	77.1	-9.7%	85.4	77.2	-9.6%	-0.6%	13%
Offices - Telecom Italia	81.2	75.2	-7.4%	41.4	38.3	-7.4%	+0.6%	6%
German Offices	60.3	51.3	-14.9%	49.3	44.8	-8.9%	+0.6%	7%
Berlin	10.2	10.0	-2.2%	7.2	6.9	-3.7%	+0.2%	1%
Other cities	50.1	41.4	-17.5%	42.1	37.9	-9.8%	+63.8%	6%
German Residential	245.6	260.2	+6.0%	157.7	168.4	+6.8%	+4.5%	28%
Berlin	118.5	127.2	+7.3%	76.7	83.4	+8.8%	+5.0%	14%
Dresden & Leipzig	24.6	22.9	-6.8%	15.7	14.8	-5.9%	+2.3%	2%
Hamburg	16.3	17.1	+4.9%	10.7	11.2	+5.2%	+2.9%	2%
North Rhine-Westphalia	86.2	93.0	+7.9%	54.6	59.0	+8.0%	+4.7%	10%
Hotels in Europe	147.2	197.3	+34.0%	57.6	80.4	+39.6%	+27.5%	13%
Hotels - Lease Properties	139.3	175.4	+25.9%	54.3	71.0	+30.8%	+18.2%	12%
France	50.9	58.1	+14.1%	16.1	19.8	+23.2%	+25.9%	3%
Germany	30.7	29.5	-3.9%	13.1	12.7	-2.9%	-0.5%	2%
UK	0.0	12.0	n.a.	0.0	5.2	n.a.	n/a	1%
Spain	29.6	29.1	-1.8%	12.9	12.7	-1.0%	-2.4%	2%
Belgium	8.9	10.2	+14.1%	3.9	4.5	+15.0%	+11.3%	1%
Others	19.2	36.6	+90.6%	8.3	16.0	+92.0%	+0.5%	3%
Hotels - Operating Properties (EBITDA)	7.9	21.9	+176.4%	3.3	9.4	+185.2%	+356.0%	2%
Total strategic activities	857.0	879.8	+2.7%	598.5	598.7	+0.0%	+3.2%	99%
Non-strategic	17.7	8.4	-52.7%	11.0	5.3	-51.8%	-35.7%	1%
Retail Italy	5.4	2.9	-47.3%	5.4	2.9	-47.3%	n.a.	0%
Retail France	11.9	5.5	-54.0%	5.2	2.4	-53.5%	-35.7%	0%
Other (France Residential)	0.4	0.0	-91.7%	0.4	0.0	-91.7%	n.a.	0%
Total revenues	874.7	888.2	+1.5%	609.5	604.0	-0.9%	+3.0%	100%

¹ LfL : Like-for-Like

Group share revenues stand at €604 million vs €609 million in 2020 under the following effects:

- ▶ **The revenues of strategic activities increase by +3.2% (+€16.1 million) on like-for-like basis due to :**
 - **Hotels activity**, the like-for-like revenues increased by 27.5% (+€14.5 million) due to the start of recovery in H2 2021 with a like-for-like evolution of +356% on the operating properties EBITDA and +146% on variable rents;
 - German Residential +4.5%, driven by strong rental reversion;
 - Office portfolio -1.7% on like-for-like with mainly increase in vacancy in 2020 in France.
- ▶ **Deliveries of new assets** (+€20.6 million), mainly in France with five deliveries in 2021 (+€14.7 million) in major regional cities and in the 1st ring, and in Milan with two buildings (+€5.8 million).
- ▶ **Acquisitions** (+€16.2 million) especially in Hotels (+€7.8 million), and German residential (+4.3 million) German Offices (+€4.0 million) through Godewind.

- ▶ **Asset disposals:** (-€41.4 million), especially:
 - In France Offices (-€16.7 million), in 2020 and 2021 of mature assets in Western Crescent and French regions;
 - In Italy (-€15.4 million) non-core and mature assets;
 - In German Residential (-€3.8 million) mainly involving a portfolio of mature assets in Berlin and Leipzig in 2020 as well as some privatisations in Berlin;
 - In Hotels (-€0.6 million);
 - Non-strategic assets (-€4.9 million) mainly retail in Italy and France.
- ▶ **Vacating for redevelopment** (-€12.8 million), mainly in Paris and Milan CBDs.
- ▶ Other effects (-€4.3 million), mainly from We Work indemnity accounted for in 2020.

B. LEASE EXPIRIES AND OCCUPANCY RATES

1. Annualized lease expires: 7.0 years average lease term

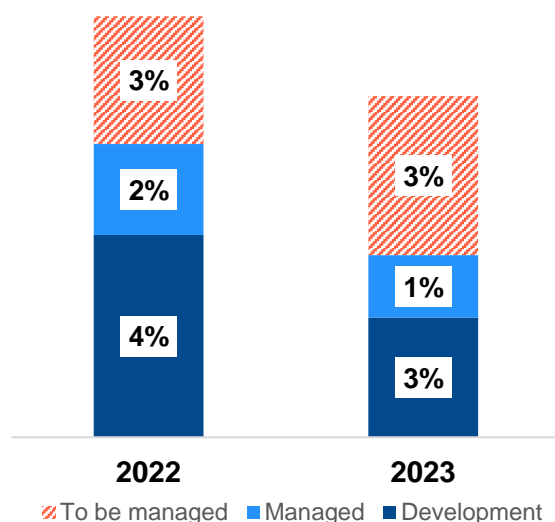
Average lease duration by activity

(Years)	By lease end date (1st break)		By lease end date	
	2020	2021	2020	2021
Group share				
France Offices	4.6	4.6	5.5	5.5
Italy Offices	7.4	7.1	7.9	7.5
Germany Offices	4.9	4.4	5.8	5.2
Hotels in Europe	14.2	13.3	15.7	14.6
Total strategic activities	7.3	7.0	8.2	7.8
Non-strategic	7.4	8.9	7.7	9.4
Total	7.3	7.0	8.2	7.8

The average firm residual duration of leases stays stable at 7.0 years at end December 2021.

Lease expiries schedule

(€ million ; Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2022	66	9%	56	8%
2023	51	7%	29	4%
2024	25	4%	19	3%
2025	51	7%	34	5%
2026	15	2%	16	2%
2027	34	5%	27	4%
2028	37	5%	36	5%
2029	10	1%	30	4%
2030	74	11%	84	12%
2031	20	3%	31	4%
Beyond	113	16%	134	19%
Total Offices and Hotels leases	495	71%	495	71%
German Residential	174	25%	174	25%
Hotel operating properties	31	4%	31	4%
Total	701	100%	701	100%



Out of the €66 million of lease expiries scheduled for 2022, representing 9% of Covivio annualized revenues:

- ▶ 4.1% relate to assets to be redeveloped after the tenant departure, including 3 mature assets in Paris CBD occupied by Orange.
- ▶ 2.4% relate to tenants with no intent to vacate the property.
- ▶ 2.7% to be managed of which:
 - 2% relate to core assets, mostly located in Paris CBDs, and fully accessible in public transports;
 - 0.7% relate to Manage-to-core Assets, located in major European cities.

In 2023, the €51 million of lease expiries representing 7% of Covivio annualized revenues are mainly split as follow:

- ▶ 3.8% is already managed due to assets that will be vacated for redevelopment (2.5%), mostly located in Paris CBD or to break option that will not be exercised and disposal (1.3%).
- ▶ 3.2% to be managed in France (61%), Italy (11%) and Germany (28%), of which:
 - 2.1% related to assets well located in Paris, Lyon, Milan, and Berlin CBDs, and with good accessibility in public transports;
 - 1.1% relate to Manage-to-core Assets, mainly located in the Western Crescent, La Défense and other major European cities.

2. Occupancy rate: 95%

(%)	Occupancy rate	
Group share	2020	2021
France Offices	93.1%	93.2%
Italy Offices	96.8%	96.6%
German Offices	76.7%	78.8%
German Residential	98.7%	99.1%
Hotels in Europe	100.0%	100.0%
Total strategic activities	94.7%	95.0%
Non-strategic	99.4%	100.0%
Total	94.8%	95.0%

The occupancy rate is slightly increasing to 95.0% for strategic activities.

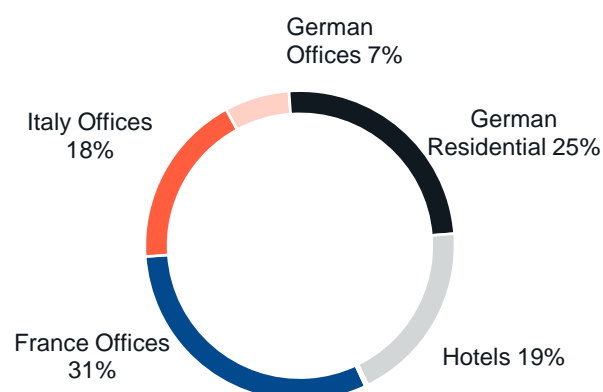
C. BREAKDOWN OF ANNUALIZED REVENUES

By major tenants

(€ million, Group share)	Annualized revenues ¹	
	2021	%
Telecom Italia	35	5%
Orange	34	5%
Accor	34	5%
Suez	21	3%
IHG	19	3%
NH	19	3%
B&B	14	2%
Tecnimont	14	2%
Dassault	13	2%
Thalès	12	2%
Vinci	10	1%
Natixis	8	1%
EDF / Enedis	6	1%
Fastweb	6	1%
Eiffage	6	1%
Creval	6	1%
Cisco	5	1%
Intesa San Paolo	5	1%
Hotels lease properties	21	3%
Other tenants <€5M	240	34%
German Residential	174	25%
Total	701	100%

¹ : The hotels annualized revenues are based on the 2021 fixed revenues and 2019 variable revenues

By activity



Covivio can rely on a strong tenant base, with around 90% of large corporates in offices, resilient revenue base in German residential and partnerships with major hotel operators in Hotels.

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	
	2021	2021	2021	2021	2021	2021	2020	2021
Rental Income	189.5	118.4	37.9	175.4	73.4	0.0	606.2	594.6
Unrecovered property operating costs	-12.3	-13.2	-6.6	-1.5	-0.9	-0.1	-30.3	-34.7
Expenses on properties	-2.9	-6.1	-1.4	-13.0	-0.4	0.1	-21.5	-23.7
Net losses on unrecoverable receivable	0.4	1.9	-0.4	-2.0	-5.6	0.1	-15.4	-5.5
Net rental income	174.8	101.0	29.5	158.8	66.6	0.1	539.0	530.7
Cost to revenue ratio	7.8%	14.6%	22.2%	9.4%	9.3%	n.a	11.1%	10.7%

E. RESERVES FOR UNPAID RENT

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

Provisions: At December-2021, a €5.5 million provision has been accounted for and is focused on hotels.

F. DISPOSALS: €901M OF NEW AGREEMENTS IN 2021 WITH 3.7 % MARGIN

(€ million)		Disposals (agreements as of end of 2020 closed)	Agreements as of end of 2020 to close	New disposals FY 2021	New agreements FY 2021	Total FY 2021	Margin vs 2020 value	Yield	Total Realized Disposals
		1		2	3	= 2 + 3			= 1 + 2
France Offices	100 %	295	22	106	599	705	2.8%	4.2%	401
	Group share	251	22	106	350	456	2.8%	4.2%	357
Italy Offices	100 %	32	-	234	52	286	2.3%	6.9%	265
	Group share	26	-	145	51	196	1.8%	6.8%	171
Germany Offices	100 %	-	-	-	-	-	0.0%	n.a.	0
	Group share	-	-	61	-	61	0.0%	n.a.	61
Germany Residential	100%	14	-	104	22	126	26.0%	2.8%	118
	Group share	9	-	68	14	82	26.0%	2.5%	77
Hotels in Europe	100 %	13	19	-	134	134	21.1%	4.9%	13
	Group share	6	8	-	31	31	22.7%	4.8%	6
Non-strategic	100 %	21	1	57	41	98	-6.1%	9.4%	78
	Group share	10	1	35	39	74	-7.7%	10.9%	45
Total	100 %	375	42	500	847	1,348	5.4%	5.2%	875
	Group share	302	31	415	485	901	3.7%	5.5%	717

New disposals and agreements were signed for €901 million Group share (€1,348 million at 100%) with 3.7% average margin on last appraisal values. Covivio maintained its strategy of mature offices' disposals on which the value creation potential is fully extracted, together with disposal of non-core assets. In details, the disposals agreements include:

- ▶ **Mature assets and sharing of development project:** €651 million Group share (€944 million in 100%):
 - Core Mature offices €460 million Group share with a 4.1% margin on average, in Milan (6 assets), Paris, Paris inner ring and Lyon;
 - Some privatizations and bloc sales in German residential: €82 million Group share, generating a 26.0% margin on average compared to last year market value;
 - Alexanderplatz: €61 million (share of development project);
 - Other Italian disposal agreements for €48 million.
- ▶ **Non-core assets:** €145 million Group share (€172 million at 100%) in secondary French and Italian locations, and disposals of Telecom Italia assets;
- ▶ **Hotels:** €31 million Group share (€134 million at 100%) with +23% margin;
- ▶ **Non-strategic assets:** €74 million Group share (€98 million at 100%), mainly retail stores in Italy and in France (Jardiland and Courtepaille).

G. INVESTMENTS: €607M REALIZED IN 2021 GROUP SHARE

€607million Group share (€825 million at 100%) of investments were realized in 2021:

- ▶ Reinforcement in **German residential** with €208 million Group share (€262 million at 100%) acquisitions:
 - 4 portfolios in Berlin, totaling 1071 units on 32 assets at a 3.3% yield. Most of the assets are divided in condominium and offer a high growth potential, both on price (acquisition price of c.€3,400 per sqm, while the median condominium price in Berlin is €5,220/m²) and rent (reversion potential of +24% vs Federal rental brake and +55% vs average market rate); and
 - Buyback shares of some minority stake in German residential portfolios.
- ▶ Capex in the **development pipeline** total €279 million Group share (€390 million at 100%), mostly related to:
 - Development projects in France, mainly in Paris (€164 million Group share);
 - Development projects in Milan (€53 million Group share);
 - Development projects including land (€54 million Group share), mainly in Berlin, to fuel future Residential and Office developments.
- ▶ €120 million Group share (€173 million at 100%) **works on the operating portfolio** were realized including €56 million (€87 million at 100%) of Capex in German Residential (see next pages for more details on German residential Capex).

H. DEVELOPMENT PROJECTS:

- 1- Deliveries
- 2- Committed Office Pipeline
- 3- Committed Residential Pipeline – Germany
- 4- Build-to-sell pipeline – Germany and France
- 5- Managed Pipeline

1. Deliveries: 112,200 m² of offices delivered in 2021

Seven projects were delivered in 2021 totaling 112,200 m² of office spaces in France and Italy with an average occupancy rate of 96%. These were:

- ▶ **Flow** in Montrouge (23,500 m²), 100% let to Edvance (EDF Group);
- ▶ **Gobelins** in Paris (4,400 m²), 100% let to Expertise France;
- ▶ **Two buildings** in Montpellier (18,000 m²), one fully let to Orange and the other one, also a 100% let building with services;
- ▶ **Silex 2** in Lyon (30,900 m²), 91% let mainly to Solvay;
- ▶ **The Sign B+C** in Milan (16,900 m²), 100% let mainly to NTT Data;
- ▶ **Symbiosis D** in Milan (18,500 m²), 100% let on the office part to LVMH and Boehringer.

The gross yield on costs achieved upon delivery of these projects is about 6.5% at full occupancy.

2. Committed Office Pipeline: €1.8 BN Group share pre-let at 47%

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

Committed projects	Surface ¹ (m ²)	Total Budget ² (€m, 100%)	Total Budget ² (€m, Group share)	Pre-let (%)	Target yield ³ (%)
France offices	142,000	1,360	1,090	54%	4.6%
Italy offices	77,100	420	420	67%	5.9%
Germany Offices	67,500	562	317	0%	5.1%
Total offices	286,250	2,342	1,827	47%	5.0%

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

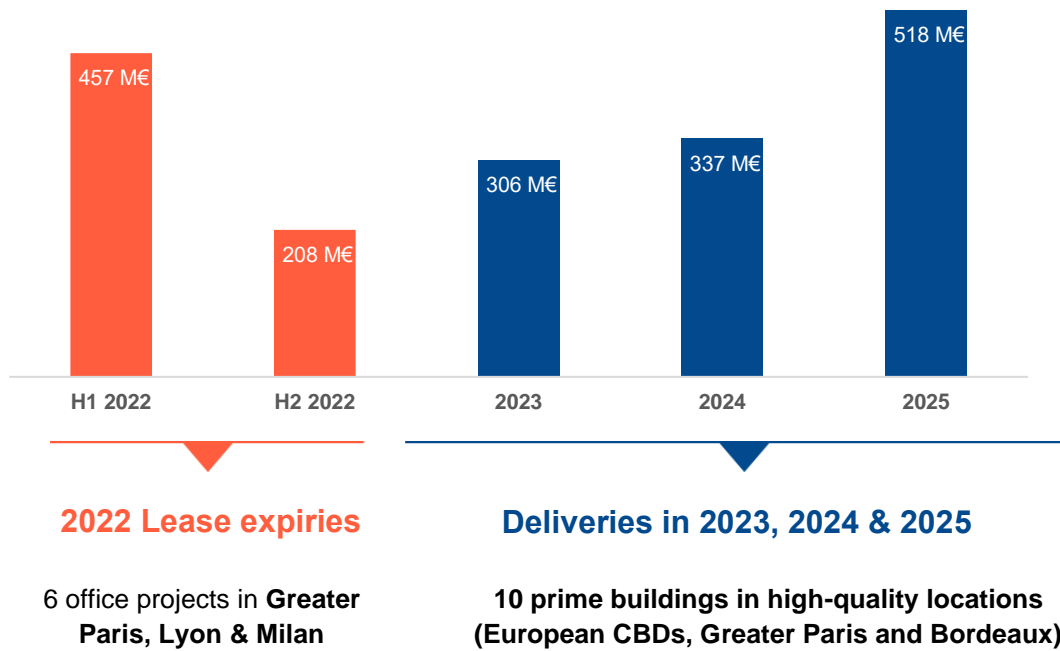
- ▶ Nine projects were committed in 2021 : Paris Anjou (100% pre-let), Paris Madrid St-Lazare (100% pre-let), Bordeaux Jardin de l'Ars (51% pre-let), Lyon Sévigné, Milan Corso Italia, Milan The Sign D (92% pre-let), Milan Symbiosis G+H (100% pre-let), Berlin Loft and Berlin Alexanderplatz.
- ▶ The current pipeline is composed of 16 projects representing 286,250 m², a total cost of €1.8 billion Group Share (€2.3 million at 100%) with currently an average occupancy rate of 47% and a 5.0% target yield on costs.

For detailed figures on the committed projects, see next pages of this document.

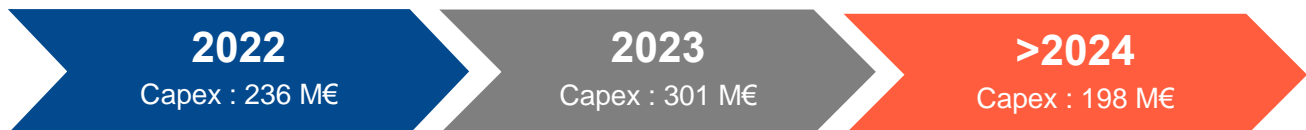
Pipeline at end-2021:



€x m Cost in Group share
■ Delivery schedule



Capex still to be spent on the development pipeline at end-2021 : **€735m**



Committed projects	Location	Project	Surface ¹ (m ²)	Delivery	Target rent (€/m ² /year)	Pre-leased (%)	Total Budget ² (M€, 100%)	Total Budget ² (M€, Group share)	Target Yield ³
Jean Goujon	Paris	Regeneration	8,600 m ²	2022	930	58%	196	196	4.0%
N2 Batignolles (50% share)	Paris	Construction	15,600 m ²	2022	575	26%	168	84	4.2%
So Pop (50% share)	Paris	Regeneration	31,300 m ²	2022	400	33%	230	114	5.7%
Alis	Levallois	Regeneration	19,800 m ²	2022	500	0%	208	208	4.8%
Sévigné	Lyon	Regeneration	4,200 m ²	2022	240	10%	17	17	5.4%
To be delivered in 2022			79,500 m²			27%	818	618	4.6%
DS Campus Ext. (50% share)	Vélizy	Construction	27,500 m ²	2023	325	100%	141	71	7.2%
Madrid - St Lazare	Paris	Regeneration	5,850 m ²	2023	800	100%	101	101	3.8%
Jardins de l'Ars	Bordeaux	Construction	19,200 m ²	2024	220	51%	72	72	6.1%
Anjou	Paris	Regeneration	9,300 m ²	2025	890	100%	227	227	3.5%
To be delivered in 2023 and beyond			61,850 m²			90%	542	472	4.5%
Total France Offices			141,350 m²			54%	1,360	1,090	4.6%
Duomo	Milan	Regeneration	4,500 m ²	2022	480	100%	47	47	4.6%
To be delivered in 2022			4,500 m²			100%	47	47	4.6%
Corso Italia	Milan	Regeneration	11,600 m ²	2023	500	0%	109	109	5.0%
The Sign D	Milan	Construction	13,200 m ²	2024	300	92%	64	64	6.5%
Vitae	Milan	Construction	10,000 m ²	2024	315	18%	42	42	6.5%
Symbiosis G+H	Milan	Construction	38,000 m ²	2024	319	100%	159	159	6.5%
To be delivered in 2023 and beyond			72,800 m²			64%	373	373	6.0%
Total Italy Offices			77,300 m²			67%	420	420	5.9%
Loft (65% share)	Berlin	Regeneration	7,600 m ²	2023	280	0%	40	26	5.3%
Alexanderplatz (55% share)	Berlin	Construction	60,000 m ²	2025	449	0%	522	291	5.1%
To be delivered in 2023 and beyond			67,600 m²			0%	562	317	5.1%
Total Germany Offices			67,600 m²			0%	562	317	5.1%
Total committed pipeline			286,250 m²			47%	2,342	1,827	5.0%

¹ Surface at 100%

² Including land and financial costs

³ Yield on total rents

3. Committed Residential Pipeline – Germany

- ▶ Two projects were delivered in Berlin in 2021 for a total budget of €11 million (€17 million at 100%) generating a €6 million value creation with an average yield on cost 5.9%.
- ▶ Five residential projects build-to-let were committed, mainly located in Berlin, totaling 133 residential units and for a total cost of €22 million Group share.
- ▶ At end of 2021, the pipeline is composed of 13 projects, mainly located in Berlin, totaling 419 residential units and a total cost of €76 million Group share with a value creation target of 18%. €42 million Group share remains to be spent.

Committed projects	Units	Total Budget ¹ (€M, 100%)	Total Budget ¹ (€M, Group share)	Target Yield
Berlin - Müllerstraße NB	57	18	12	5.0%
Berlin - PrenzlauerPromenadeL	113	32	21	4.3%
To be delivered in 2022	170	50	33	4.6%
To be delivered in 2023 and beyond (11 projects)	249	66	43	4.6%
Total Germany Residential (Build to let)	419	116	76	4.6%

¹ Including land and financial costs

4. Build-to-sell pipeline

Germany

- ▶ Two projects were delivered and sold in 2021 for a total budget of €17 million (€25 million at 100%), generating a €8 million promotion margin.
- ▶ One residential project build-to-sell was committed in Berlin totaling 92 residential units and for a total cost of €14 million Group share.
- ▶ At end of 2021, the pipeline is composed of five projects all located in Berlin, totaling 534 residential units and a total cost of €114 million Group share with a target promotion margin of 26%.

Committed projects	Units	Total Budget ¹ (€M, 100%)	Total Budget ¹ (€M, Group share)	Pre-sold rate (%)
Berlin - Biesdorf NB	106	36	24	66 %
Berlin - PrenzlauerPromenadeS	165	45	29	30 %
To be sold in 2022	271	81	53	46 %
Berlin - Großbeerenstraße	73	12	8	-
Berlin - Markelstraße	92	21	14	-
Berlin - Iceland Sales	98	60	40	-
To be sold in 2023 and beyond	263	93	61	-
Total Germany Residential	534	174	114	22 %

France

- ▶ The current pipeline is composed of 8 projects located mainly in the Greater Paris and Bordeaux, representing 88,500 m², a total cost of €247 million Group Share, with a target margin above 10%.

Committed projects	Units	Total Budget ¹ (€M, 100%)	Total Budget ¹ (€M, Group share)	Pre-sold rate (%)
Le Raincy	97	20	20	100 %
Meudon Observatoire	26	12	12	100 %
Saint-Germain-lès-Corbeil	83	13	13	100 %
To be sold in 2022	206	45	45	100 %
Chartres Sully	110	15	15	64 %
Bordeaux Lac Tr1	199	39	39	90 %
Bordeaux Lac Tr2	405	55	55	0 %
Bordeaux Lac Tr3	122	26	26	0%
Saint-Germain-en-Laye	24	12	12	90 %
Fontenay-sous-Bois Tr1	248	64	32	73 %
Bobigny CT	158	34	23	90 %
To be sold in 2023 and beyond	1,266	245	202	49%
Total French Residential	1,472	290	247	59%

¹ Including land and financial costs

5. Managed Pipeline

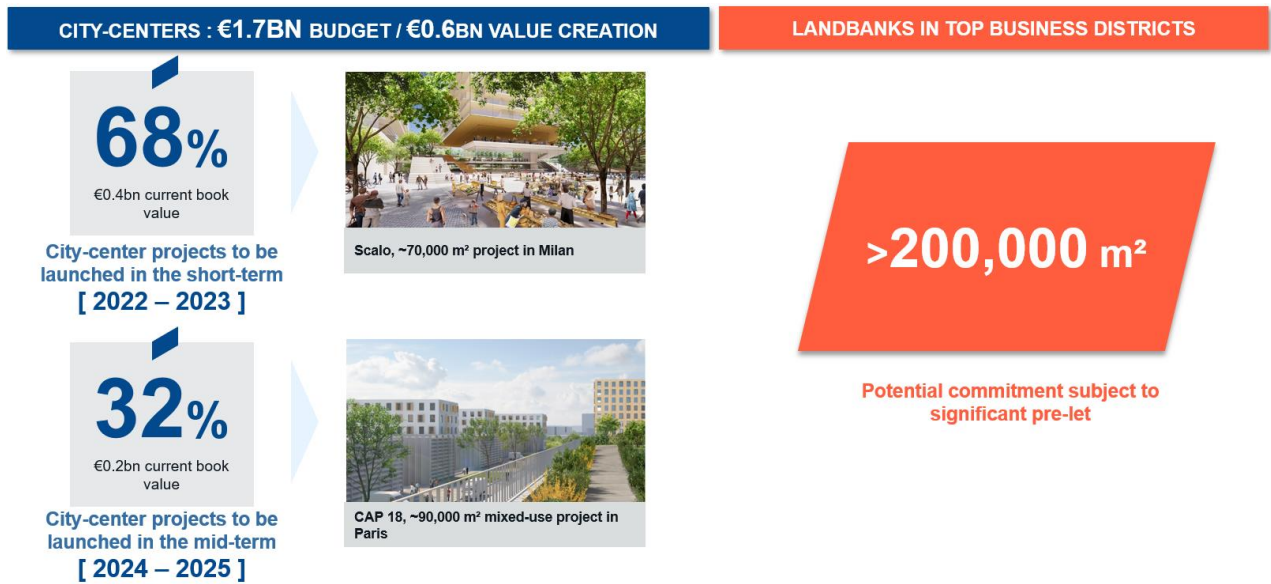
Offices to be committed in 2022:

- ▶ Covivio will launch 3 projects with an estimated total cost including land at €330 million, of which €150 million of remaining CAPEX to spend. Two of those projects are located in European CBDs (Paris & Berlin), and the other is a dedicated development for a Covivio's historical tenant.
- ▶ In 2023-2024, Covivio plans to launch additional projects for an estimated total cost of ~€740 million.

Landbanks:

In the long-term, Covivio also owns more than 350,000 m² of landbanks that could welcome new development projects:

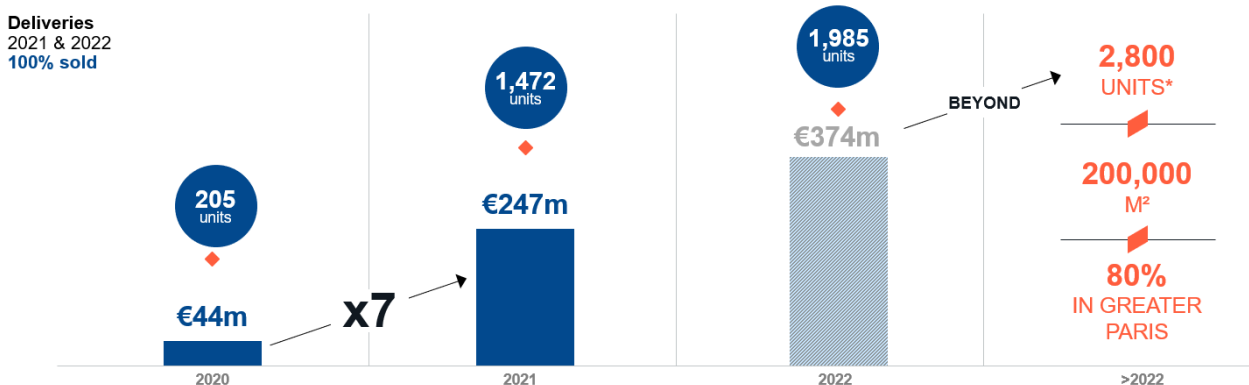
- in Greater Paris (70,000 m²) and Major French Cities (110,000 m²) mainly for turnkey developments;
- in Milan with Symbiosis (20,000 m²) and Porta Romana (70,000 m²);
- in Germany with the potential for a second tower of 70,000 m² in Alexanderplatz in Berlin;
- And more than 50,000 m² in Berlin, Leipzig and Dresden.



French residential managed projects:

- ▶ Since 2017 Covivio has been constantly looking for opportunities to transform its secondary location offices into residential. To date 71,000 m², corresponding to 1,040 flats, are to be committed as from 2022.
- ▶ In addition, approximately 200,000 m² are under study with the will to progressively be launched after 2022. This pipeline amounts to 2,800 flats, 80% of which being in Greater Paris while the remainder is located in major regional cities.

€247m / 100,000 m² pipeline in France at end 2021



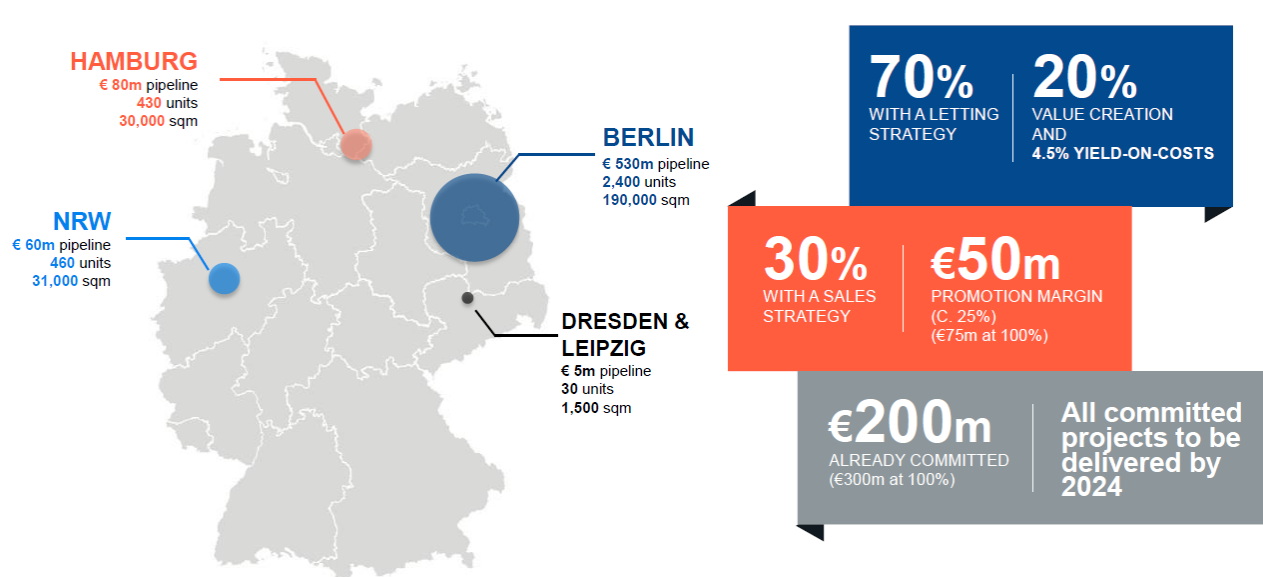
**Total of 5,000 units to be developed over the next ~7 years
Ramp-up of development margin to reach ~€10-15M per year from 2022 until ~2028**

* Including 1,200 units from mixed-use projects

Germany residential managed projects:

Covivio continues to strengthen its medium-term pipeline thanks to existing landbanks and acquisition of new lands:

- ▶ ~130,000 m² of residential area with a letting strategy, in order to generate high reversion and increase values. It will be gradually launch from 2022 represent a total cost of ~€520 million (€340 million Group share);
- ▶ ~40,000 m² of residential area with a sales strategy, in order to generate more promotion margins. It represents a total cost of ~€170 million (€111 million Group share).



I. PORTFOLIO

Portfolio value: **+3.8% like-for-like growth**

(€ million, Excluding Duties)	Value 2020 Group Share	Value 2021 100%	Value 2021 Group share	LfL ¹ 12 months change	Yield ² 2020	Yield ² 2021	% of portfolio
France Offices	5,933	7,236	5,880	+1.6%	4.8%	4.6%	33%
Italy Offices	2,719	3,244	2,653	+0.2%	5.2%	5.3%	15%
German Offices	1,541	1,772	1,515	-1.0%	3.4%	3.4%	9%
Residential Germany	4,257	7,730	5,010	+13.7%	3.7%	3.5%	28%
Hotels in Europe	2,532	6,584	2,578	-0.3%	5.5%	5.3%	15%
Total strategic activities	16,982	26,566	17,636	+3.9%	4.4%	4.4%	100%
Non-strategic	123	102	68	-9.3%	9.4%	7.1%	0%
Total	17,104	26,669	17,703	+3.8%	4.5%	4.4%	100%

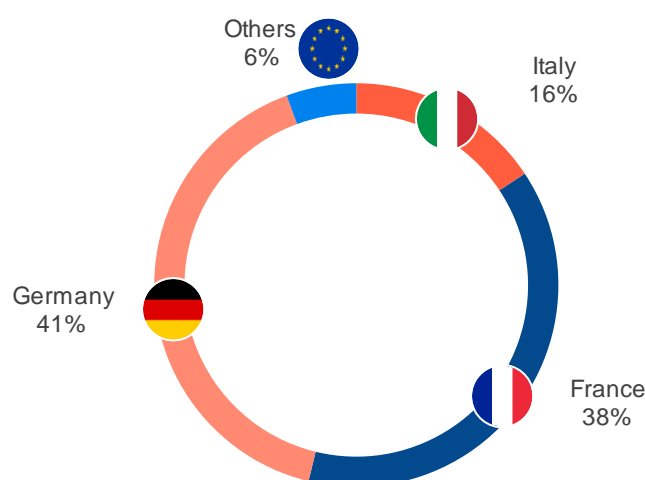
¹ LfL: Like-for-Like

² Yield excluding development projects. Yield on hotels based on 2021 fixed revenues and 2020 variable revenues

The portfolio grew by €0.6 billion to reach €17.7 billion Group share (€26.7 billion in 100%) mostly due to the increase in value of the German Residential portfolio. At constant scope, Covivio proved its solidity with a +3.8% increase explained by:

- ▶ +6.5% driven by the office development pipeline, as an acknowledgement for Covivio's development strategy for high quality assets in attractive locations.
- ▶ +13.7% like-for-like growth on German residential. All German cities where Covivio's residential portfolio is located showed like-for-like growth: in Berlin (+11.3%), in North Rhine-Westphalia, the second largest exposure (+18.2%), Hamburg (+16.8%) and Dresden & Leipzig (+12.4%).

Geographical breakdown of the portfolio in 2021 94% in major European cities and +3 pts in Germany vs 2020



J. LIST OF MAIN ASSETS

The value of the ten main assets represents almost 15% of the portfolio Group share, stable vs end 2020.

Top 10 Assets	Location	Tenants	Surface (m ²)	Covivio share
CB 21 Tower	La Défense (Greater Paris)	Suez, Verizon, BRS	68,100	75%
Garibaldi Towers	Milan	Maire Tecnimont, LinkedIn, etc.	44,700	100%
Herzogterassen	Düsseldorf	NRW Bank, Deutsche Bank, Mitsui	55,700	94%
Jean Goujon	Paris 8th	Roland Berger, etc.	8,700	100%
Dassault Campus	Velizy (Greater Paris)	Dassault Systèmes	97,000	50%
Carré Suffren	Paris 15th	AON, Institut Français, OCDE	25,200	60%
Frankfurt Airport Center	Frankfurt	Lufthansa, Fraport, Operational Services	48,100	94%
Zeughaus	Hamburg	Universitätsklinikum Hamburg-Eppendorf	43,500	94%
Art&Co	Paris 12th	Wellio, Adova, Bentley, AFD	13,500	100%
Alis	Levallois (Greater Paris)	In development	19,800	100%

2. BUSINESS ANALYSIS BY SEGMENT

A. OFFICES: 57% OF COVIVIO'S PORTFOLIO

The offices' market is recovering after 2 years of crisis, marked by strong transformation and structural changes. To adapt to the market trends, Covivio is continuing improving its portfolio quality, focusing on attractive locations (city-centers and well-connected business districts) and develops high-quality assets offering a full range of services that ensure optimal well-being for its tenants.

Covivio owns offices in France (33% of Covivio's portfolio), Italy (15%), and Germany (9%) with a portfolio of €12.3 billion (€10.0 billion Group share) at end-2021. For several years now, the Group has implemented an active asset rotation with selective acquisitions and development policy, reinforcing its footprint on strategic locations.

Thus, Covivio's portfolio has been strategically splitted as follows:

- ▶ **Core assets (52%** of Covivio's office portfolio): including assets with strong value resiliency and liquidity, in good locations (60% in city-centers and 40% in well-connected top-business districts), with high occupancy (96%) and long WALB (6.7 years). They benefit from a strong asset management work to catch their reversionary potential before strategically disposing to finance new acquisitions and development capex.
- ▶ **Manage-to-Core assets (16%):** including assets with good fundamentals but high vacancy (28%) or short-term lease expiries. They are mostly in established areas (84% in major Business Districts) with attractive locations (83% <5 min to public transports). These assets can provide significant upside potential, that is why they benefit from strong asset management initiatives to turn them into 'Core' assets.
- ▶ **Development Pipeline (21%):** this bucket includes current and future office developments with high value creation potential (>30% value creation).
- ▶ **Transformation into residential (4%):** gathers obsolete office assets in France with opportunities to be converted into residential on a build to sell strategy.
- ▶ **Telecom Italia portfolio (6%):** includes Italian assets, fully let to Telecom Italia on a long-term basis (10-year WALB).



CORE ASSETS (52% ; €5.2 billion Group share)

Core assets in City – centers in Paris, Milan, Top German cities and french regional cities

€3.2bn
market value

89%
green assets

96%
Occupancy

5.4 years
WALB

98%
<5 min from metro

Selected examples of our portfolio →

Citygate, Frankfurt

Wellio Gare de Lyon, Paris

Wellio Montmartre, Paris

Steel, Paris

Wellio Miromesnil, Paris

Wellio Via Dante, Milan

Marquette, Toulouse

Via Amedei, Milan

Thais, Levallois

Wellio Gobelins, Paris

Core assets in Top business districts: Attractive locations

€2.0bn
market value

84%
green assets

96%
Occupancy

8.1 years
WALB

76%
<5 min from metro
(88% excl. Symbiosis)

Selected examples of our portfolio – ~70% of our core assets in top business districts →

Thales campus, Vélizy-Meudon

The Sign, Milan

Symbiosis School, Milan

Dassault campus, Vélizy-Meudon

Symbiosis A&B, Milan

Sunsquare, Munich

Ecole Ducasse, Vélizy-Meudon

Frankfurt Airport Center

Flow, Montrouge

MANAGE-TO-CORE ASSETS (16% ; €1.6 billion Group share)

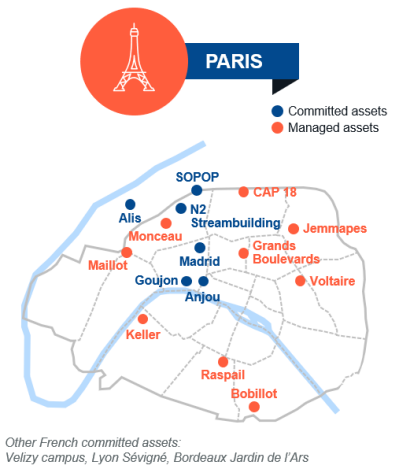


60%
OF TOTAL OFFICES
VACANCY

**ASSET
& MANAGEMENT**
Ca. €50m
REFURBISHMENT
CAPEX

€20M
POTENTIAL
ANNUALIZED
RENTS

DEVELOPMENT PIPELINE (21% ; €2.1 billion Group share)



B. FRANCE OFFICES: 33% OF COVIVIO'S PORTFOLIO

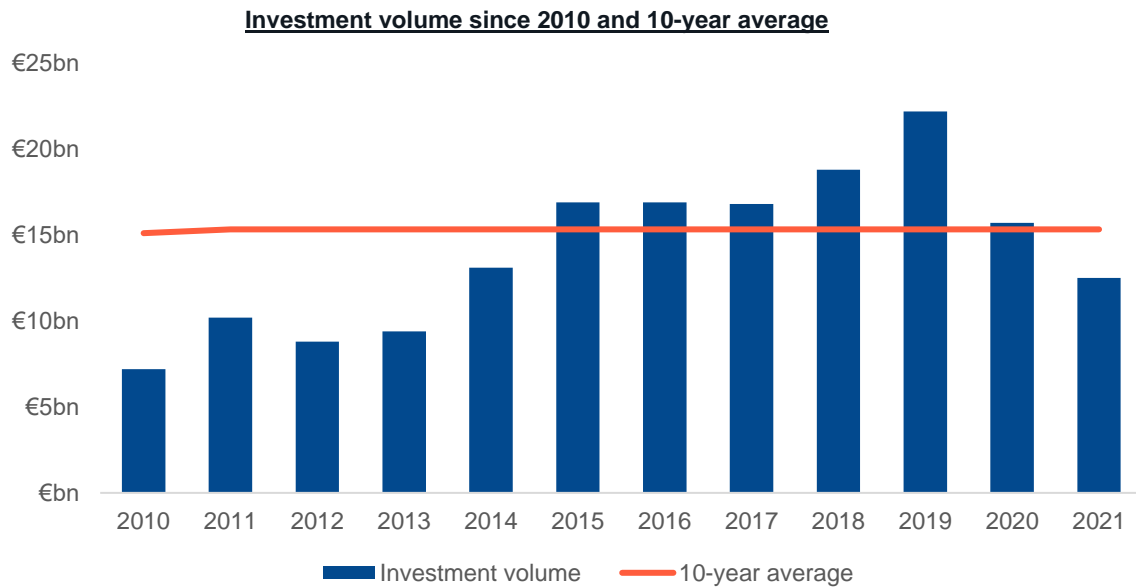
Covivio owns an office portfolio in France of €7.2 billion (€5.9 billion Group share) located:

- 51% in Paris & Neuilly / Levallois;
- 36% in top business districts of Greater Paris;
- 12% in the centre of major regional cities.

1. Rebound in letting activity with investment traction restored

2021 was marked by the pandemic and its two lockdowns in the first half and a notable rebound of rental activity in the second half of the year. Overall, the investment activity remained dynamic through the year:

- ▶ **Take-up** in Paris region reached 1.9 million m² (+32% YoY), thanks to an acceleration of recovery in the fourth quarter that amounts to 631,000 m² (+29% YoY):
 - **In Paris**, take-up increased by 49% to 791,700 m²;
 - **In Greater Paris** (excl. 2nd ring), the take-up (860,200 m²) increased by 26% excluding the Total transaction in La Défense which has driven take-up in this area last year (126,000 m²);
 - The number of transactions for surfaces over 5,000 m² has doubled up to 56 (vs 20 in 2020).
 - Good performance of major regional cities, where the Take-up increased by 34% in Lyon and remained stable in Bordeaux compared to 2020.
- ▶ **Vacancy rate** increased to 7.4% from 6.8% end-2020, still close to the 10-year vacancy rate at 6.7%. The immediate supply is now up to 4 million m². The new spaces represent 34% of this vacancy:
 - In **Paris**, the vacancy remained stable at 3.27% (vs 3.21% in 2020) of which 3.1% in Paris CBD
 - In **La Défense**, the vacancy rate stood at 12.86%.
 - In **major regional cities**, where the vacancy rates stood at: 4.92% in Lyon and 4.83% in Bordeaux.
- ▶ **Future available supply** at end-2021 decrease from 2.4 million m² stock under construction in 2020 to 1.7 million m² in 2021, with 31% pre-let.
- ▶ Average **headline rents for new or restructured space** rose by 1.5% year-on-year to €414/m² and for second-hand space by 3.0% to €415/m²:
 - Prime rents in Paris remains at its all-time high of €930 m²/year (record reached by Covivio in one of its flagship development projects in Paris CBD);
 - Incentives in the Paris region increased by 20.8% over the year to 24.4%, above the 5-year average of 21%.
- ▶ **Office investments** in Greater Paris totalled €12.5 billion in 2021, down 20% YoY and still below the last 10-years average (€15.1 billion). However, this asset class largely remains the most popular among investors, accounting for 85% of total investments in Greater Paris. Prime yields remain stable YoY at 2.5% in Paris CBD.



At end December 2021, the France Offices activity was marked by:

- ▶ **+1.6% like-for-like value growth** over one year, thanks mainly to value creation on our development projects offsetting decreases on temporary challenging assets.
- ▶ Deliveries of 5 assets in Paris, Montrouge, Lyon and Montpellier (2 buildings including a Service building), with average occupancy of 96%.

2. Accounted rental income: **-2.8%** at a like-for-like scope

(€ million)	Rental income 2020	Rental income 2020	Rental income 2021	Rental income 2021	Change (%)	Change (%)
	100%	Group share	100%	Group share	Group share	LfL ¹
Paris Centre West	35.5	35.5	29.3	29.3	-17.4%	+1.4%
Paris South	31.7	26.2	31.1	26.5	+1.4%	-6.4%
Paris North- East	20.6	20.6	20.5	20.5	-0.6%	-0.6%
Total Paris	87.8	82.3	80.9	76.3	-7.2%	-2.3%
Western Crescent and La Défense	51.0	48.7	39.2	37.8	-22.5%	-7.5%
First ring	49.5	33.4	59.0	42.8	+28.1%	+1.1%
Second ring	3.3	3.3	2.7	2.7	-18.5%	+0.6%
Total Paris Region	191.6	167.7	181.8	159.6	-4.8%	-3.0%
Major regional cities	35.9	29.6	30.7	23.7	-19.9%	+2.9%
Other French Regions	9.8	9.8	6.3	6.3	-36.4%	-20.6%
Total	237.3	207.1	218.7	189.5	-8.5%	-2.8%

¹ LfL: Like-for-Like

Overall, rental income evolution, mainly as a result of:

- ▶ **disposals** (-€16.7 million), in 2020 and 2021 of mature assets in Western Crescent and French regions;
- ▶ **decrease of rental performance** (-€5.1 million) with -2.8% on a like-for-like basis mostly driven by releases of 2020 in Paris South (Carré Suffren) and La Défense partially re-let since then;
- ▶ **deliveries** (+€14.7 million) in 2020 and 2021 in major regional cities and in the 1st ring;
- ▶ **releases of assets, essentially for redevelopment** (-€10.7 million), half from last year releases and half from releases of 2021 (5,1 M€) especially in Paris Centre West.

3. Annualized rents: €216.2 million Group share

(€ million)	Surface (m ²)	Number of assets	Annualized rents 2020 Group Share	Annualized rents 2021 100%	Annualized rents 2021 Group Share	Change (%)	% of rental income
Paris Centre West	89,557	11	33.4	20.8	20.8	-38%	10%
Paris South	43,253	8	25.7	35.8	29.7	16%	14%
Paris North- East	139,658	7	20.8	21.4	21.4	3%	10%
Total Paris	272,468	26	79.8	78.0	71.9	-10%	33%
Western Crescent and La Défense	182,923	11	61.3	59.2	52.5	-14%	24%
First ring	446,440	23	46.3	87.8	58.3	26%	27%
Second ring	38,951	12	3.1	2.6	2.6	-15%	1%
Total Paris Region	940,781	72	190.5	227.7	185.3	-3%	86%
Major regional cities	395,562	37	33.2	39.1	28.0	-16%	13%
Other French Regions	78,401	26	8.3	2.9	2.9	-65%	1%
Total	1,414,744	135	232.0	269.7	216.2	-6.8%	100%

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

- ▶ 26 assets in Paris, new or with high potential for redevelopment (46% of portfolio value);
- ▶ 62 assets of high quality in Greater Paris and centre of major regional cities (52% of portfolio value);
- ▶ 27 non-core assets, of which 7 are under disposal agreements (1%);
- ▶ 20 assets under study for residential development (1%).

The 7% decrease is mainly explained by the following variations:

- ▶ In the Western Crescent including La Défense (-14%). This decrease is explained by the disposal of EDO;
- ▶ The decrease in Paris Center West (-38%) is mainly due to release for restructuring of 3 main Parisian assets (Paris Madrid St Lazare, Paris Monceau and Paris Anjou) in last quarter of 2021;
- ▶ Partially offset by deliveries in the First Ring (+26%) and in Paris South (+16%).

4. Indexation

The indexation effect is +€0.6 million (Group share). For current leases:

- ▶ 88% of rental income is indexed to the ILAT (Service Sector rental index);
- ▶ 11% to the ICC (French construction cost index);
- ▶ The balance is indexed to the ILC or the IRL (rental reference index).

5. Rental activity: 116,000m² renewed or let during 2021

	Surface (m ²)	Annualized Top up rents 2021 (€m, GS)	Annualized rents 2021 (€/m ² , 100%)
Vacating	93,427	24.7	274
Letting	38,230	8.2	253
Pre-letting	32,621	10.1	407
Renewals	45,185	9.6	343

Covivio proved its ability to sign contracts in a challenging environment, and benefitted from the market acceleration in H2:

- ▶ **More than 45,000 m² were renegotiated or renewed** in 2021 with a +3-year lease extension on average. Covivio has notably renegotiated more than 33,000 m² in Velizy with Eiffage at the same level of rent with a 10-year lease.
- ▶ **70,900 m² have been let or pre-let** in 2021, including 32,600 m² on development projects, with:
 - **10,500 m² on So Pop**, to be delivered in 2022 and 33% pre-let with a 9-year lease to Samsung;
 - **9,100 m² on Jardin de l’Ars in Bordeaux**, to be delivered in 2024 and 50% pre-let with a 12-year lease to Onepoint;
 - **5,500 m² on Stream Building**, to be delivered in 2022 and 26% pre-let with a 12-year lease to Zoku through a management contract;
 - **5,100 m² on Jean Goujon in Paris CBD**, to be delivered in 2022 and now 58% pre-let with a 9-year lease to Roland Berger and a 6-year lease to an executive search firm;
 - **10,400 m² in Silex 2 in Lyon**, to Axa, Archimed and Accenture, in a building in the heart of the Part-Dieu district, now 92% let;
 - **3,400 m² in La Défense-CB21** with 5 new tenants.
- ▶ **93,400 m² were vacated**, mostly in major regional cities (40,000 m²), Paris Centre West (23,600 m²), and Western Crescent & La Défense (11,300 m²) including:
 - 64,000 m² for redevelopment (47,625 m² and € 15 million of top up GS) or residential (13,324 m² & €1.4 million of Top up GS)) and mixed (2,624 m² and € 0.2 million of Top up GS) redevelopment, mostly in Paris Centre West and major regional cities (Montpellier, Nice);
 - 21,000 m² on well positioned assets in central locations mainly in Paris, La Défense and Levallois, and well connected to public transports (in front of metro stations);
 - 9,000 m² to be sold in regional cities (Creil, Le mans).

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
2022	40.1	19%	32.0	15%
2023	34.4	16%	19.8	9%
2024	13.9	6%	6.5	3%
2025	33.7	16%	27.8	13%
2026	3.4	2%	1.9	1%
2027	20.1	9%	13.4	6%
2028	6.9	3%	18.0	8%
2029	5.2	2%	22.1	10%
2030	37.9	18%	45.9	21%
2031	2.6	1%	10.1	5%
Beyond	18.0	8%	18.6	9%
Total	216.2	100%	216.2	100%

The firm residual duration of leases was stable vs year-end-2020 (4.6 years).

In 2022, the €40 million of lease expiries representing 6% of Covivio annualized revenues are split as follow:

- ▶ 3.7% of Covivio annualized revenues (€26 million) already managed due to assets that will be vacated for redevelopment (€25 million), mostly located in Paris CBD (€15 million);
- ▶ 2.0% of Covivio annualized revenues (€14 million) to be managed:
 - 1.4% relate to Core Assets, well located in Paris CBD and in the first rim, and with good accessibility in public transports;
 - 0.5% relate to Manage-to-core assets, mainly located in Western Crescent and La Défense.

6.2. Occupancy rate: **93.2%** at end 2021

(%)	2020	2021
Paris Centre West	99.8%	99.9%
Southern Paris	95.3%	99.6%
North Eastern Paris	95.3%	98.6%
Paris	97.1%	99.4%
Western Crescent and La Défense	92.9%	90.1%
Inner ring	87.3%	89.2%
Outer ring	86.8%	96.2%
Total Paris Region	92.9%	93.3%
Major regional cities	96.8%	96.4%
Other French Regions	84.1%	65.9%
Total	93.1%	93.2%

- ▶ In Paris, the occupancy rate is exceptionally high and close to 100% at end-2021, with no vacancy excepted for few spaces in Cap 18, a tertiary activity area in the North of Paris that aims to be fully redeveloped in the coming years.
- ▶ In the Western Crescent, the vacancy increase is mainly related to the releases happened on CB21 at the beginning of the year: 81% occupancy rate in 2021 vs 89% in 2020.
- ▶ The main variations in the outer Rim and in other French regions compensate each other and represent less of 1% of Covivio annualized rents.

7. Disposals: €705M secured in 2021

(€ 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
Total Paris	-	11	3	388	392	n/a	3.0%	3
Total Paris Region	147	6	2	190	192	n/a	5.7%	149
Major regional cities	109	2	94	-	94	5.7%	4.6%	202
Other French Regions	39	4	7	21	27	-10.7%	9.1%	46
Total 100%	295	22	106	599	705	2.8%	4.2%	401
Total Group share	251	22	106	350	456	2.8%	4.2%	357

Covivio secured €705 million of disposals (€456 million Group share), enabling it to finance development projects with strong value-creation potential.

- ▶ **4 Core mature assets:** €420 million Group share
 - €327 million in Paris and Vélizy (share deal of respectively 60% on Carré Suffren and 50% on Velizy) on mature assets; and
 - €94 million located in Lyon and Lille 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.
- ▶ **20 non-core assets** in French regions: €36 million Group share. Now, only 33 non-core assets remain in the portfolio, equivalent to 1% of the France Offices portfolio, with 16 under disposal agreements.

8. Portfolio values

8.1. Change in portfolio values: -€53 million in Group Share since 2020

(M€, Including Duties Group share)	Value 2020	Acquis.	Invest.	Disp.	Value creation on acquis./disp.	Change in value	Change in scope	Value 2021
Assets in operation	4,898	-	84	-357	6	23	227	4,880
Assets under development	1,036		120	-	-	70	-227	1,000
Total	5,933	-	203	-357	6	93	-	5,880

The portfolio value decreased by -€53 million since year-end-2020 (-0.9%) mainly driven by:

- ▶ + €93 million from **like-for-like** value growth, mostly resulting from development assets;
- ▶ + €203 million invested in **development projects** and in **upgrading work** on assets in operations;

- ▶ - €357 million from **disposals** that allowed Covivio to crystallize the value from mature assets and to finance investments in the development pipeline.

8.2. Like-for-like portfolio evolution: +1.6%

(€ million, Excluding Duties)	Value 2020		Value 2021		Lfl (%) change ¹ 12 months	Yield ² 2020	Yield ² 2021	% of SubTotal
	100%	Group share	100%	Group share				
Paris Centre West	1,287	1,233	1,466	1,389	+8.4%	3.4%	3.1%	24%
Paris South	861	711	898	743	+3.2%	3.9%	4.0%	13%
Paris North- East	617	515	680	554	+1.3%	5.0%	5.0%	9%
Total Paris	2,764	2,459	3,044	2,686	+5.4%	3.9%	3.9%	46%
Western Crescent	1,432	1,281	1,298	1,148	-3.2%	5.3%	5.4%	20%
<i>Neuilly / Levallois</i>								6%
<i>La Défense/ Péri Défense/ Rueil</i>								10%
<i>Issy-les-Moulineaux / Boulogne</i>								3%
Inner ring	1,789	1,262	1,810	1,271	-1.1%	5.1%	5.1%	22%
<i>Montrouge / Malakoff / Châtillon</i>								7%
<i>Vélizy / Meudon</i>								10%
<i>Other</i>								5%
Outer ring	54	54	40	40	-2.2%	5.6%	6.5%	1%
Total Paris Region	6,038	5,056	6,192	5,145	+1.7%	4.6%	4.6%	87%
Major regional cities	1,107	774	991	682	+2.0%	5.5%	4.3%	12%
<i>Lyon / Marseille / Bordeaux</i>								6%
<i>Other</i>								6%
SubTotal	7,145	5,830	7,183	5,827				99%
Other French Regions	103	103	53	53	-7.5%	8.0%	5.5%	1%
Total	7,249	5,933	7,236	5,880	+1.6%	4.8%	4.6%	100%

¹ Lfl: Like-for-Like

² Yield excluding assets under development

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

- ▶ 51% in Paris and Neuilly Levallois;
- ▶ 36% in top business districts in Greater Paris;
- ▶ 12% in top locations in major regional cities (Lyon, Marseille, Bordeaux).

The high quality of the portfolio explains the increase in values by 1.6% on a like-for-like basis at end of December 2021 despite the crisis, further illustrating Covivio's secured profile in France Offices made up of:

- ▶ A dynamic **development portfolio** with significant value increase (+7.5%) explained by its strong and attractive locations.
- ▶ Increases on assets delivered in the year 2021 in Paris CBD, Greater Paris, or major regional cities, highlighting Covivio's ability to bear development projects and successfully extracting value creation in every area of France with an average +6.4% LFL:
 - Paris Gobelins, delivered in March already fully occupied by Expertise France through our Wellio brand;
 - Montrouge Flow delivered in March already fully let to a subsidiary of Edvance (EDF Group);
 - Two buildings in Montpellier, one already fully let to Orange and the other one dedicated to services.
 - Silex 2 in Lyon, delivered in July, 91% let mainly to Solvay
- ▶ Decreases on the temporarily **challenged assets** mainly in La Défense/Peri-Defense/Rueil area.

9. Assets partially owned

Partially owned assets are the following:

- CB 21 Tower (75% owned) in La Défense.
- Carré Suffren (60% owned) in Paris, under disposal agreement at year end.
- The Silex 1 and 2 assets in Lyon (50.1% owned and fully consolidated).
- So Pop project in Paris 17th (50.1% owned and fully consolidated).
- N2 Batignolles project in Paris 17th (50% owned and fully consolidated).
- The Eiffage (Under sales agreement) 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 - Exchange process with Icade completed in Jan 2022).
- Coeur d'Orly in Greater Paris (50% owned and accounted for under the equity method).

C. ITALY OFFICES: 15% OF COVIVIO'S PORTFOLIO

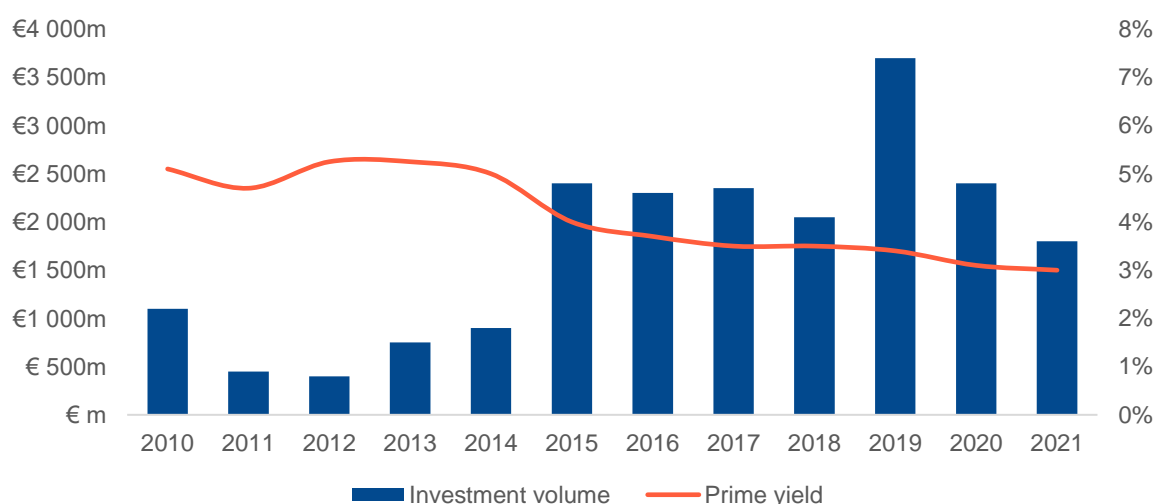
Covivio's Italy strategy is focused on Milan, where the Group's acquisitions and developments are concentrated. At end-December 2021, the Group owned offices worth €3.2 billion (€2.7 billion Group share) composed of:

- 77% (€2.0 billion) of offices in Milan, mostly in the CBD and centre of the city;
- 17% (€0.5 billion Group share) Telecom Italia assets, 100% occupied with 9.8 years firm lease;
- 6% (€0.2 billion) non-core assets outside Milan.

1. Milan Office market: Strong market fundamentals

- ▶ Milan Office **take-up** stood at 390,000m² at end 2021 (+32% vs 2020) 11% above 10-year average, with an increase in the number of transactions from 162 to 267.
Grade A buildings were the most in demand, representing 73% of the take-up.
- ▶ The **vacancy rate** increased to 11.1% (vs 9.4% at the end-2020), with strong disparity between the center where most of Covivio's portfolio is located (6.1% in the CBD; 5.5% in semi-center) and the periphery (14.3%).
- ▶ **Prime rents** in Milan increased by +8.3% in the CBD at €650/m². This evolution is mainly due to the search for centrality and quality spaces.
- ▶ Total **investment volumes** in Milan reached €1.8 billion, down 30% year-on-year and in line with the 10-year average.
- ▶ Prime yields slightly decreased to 3.0% (vs 3.1% at end-2020) as investors have been focusing on core assets.

Investment volume since 2010 and prime yield



Covivio's activities in Italy in 2021 were marked by:

- ▶ A resilient **occupancy rate of 97%**;
- ▶ Acceleration of **non-core disposals**, with €108 million Group share, from Telecom Italia assets and non-core properties outside Milan;
- ▶ Success of the development pipeline (lettings in Symbiosis D, Symbiosis GH, built to sell for SNAM);
- ▶ Stability of values with a +1.1% like-for-like in Milan.

2. Accounted rental income: -0.2% like-for-like

(€ million)	Rental income 2020 100%	Rental income 2020 Group share	Rental income 2021 100%	Rental income 2021 Group share	Change (%)	Change (%) LfL ¹	% of total
Offices - excl. Telecom Italia	85.4	85.4	77.1	77.2	-9.6%	-0.6%	50.6%
<i>of which Milan</i>	68.9	68.9	61.8	61.8	-10.3%	-0.7%	40.6%
Offices - Telecom Italia	81.2	41.4	75.2	38.3	-7.4%	0.6%	49.4%
Total	166.6	126.8	152.3	115.5	-8.9%	-0.2%	100%

¹ LfL: Like-for-Like

Overall, rental income decreased by €11.3 million compared to 2020 due to:

- ▶ **disposals** of non-core and core-mature assets (-€15.4 million);
- ▶ **Stable like-for-like rents** (-€0.2 million) mainly because of:
 - vacancy on high street retail spaces in Milan Via Dante and Symbiosis AB (-0.9%),
 - partially offset by new leases on Garibaldi Complex (+0.4%) with +41% LFL on IFRS rent vs old rents
 - inflation impact mostly on Telecom Italia portfolio (+0.2%);
- ▶ **deliveries** of The Sign B and The Sign C in Milan (+€5.8 million);
- ▶ **vacating for redevelopment** (-€1.5 million), in Milan CBD.

3. Annualized rental income: €128 million Group share

(€ million)	Surface (m ²)	Number of assets	Annualized rents 2020 Group share	Annualized rents 2021 100%	Annualized rents 2021 Group share	Change (%)	% of total
Offices - excl. Telecom Italia	373,559	43	83.9	92.8	92.8	10.6%	73%
Offices - Telecom Italia	826,371	92	40.9	68.5	34.9	-14.5%	27%
Development portfolio	89,492	5	0.0	0.0	0.0	-	n.a
Total strategic	1,289,423	140	124.7	161.3	127.7	2.4%	100%

(€ million)	Surface (m ²)	Number of assets	Annualized rents 2020 Group share	Annualized rents 2021 100%	Annualized rents 2021 Group share	Change (%)	% of total
Milan	452,605	45	75.3	92.3	85.2	13.2%	67%
Rome	66,510	11	4.2	8.3	4.2	1.4%	3%
Turin	69,918	6	6.9	7.0	5.8	-16.0%	5%
North of Italy (other cities)	405,832	45	27.5	32.4	21.0	-23.4%	16%
Others	294,558	33	10.9	21.2	11.4	4.7%	9%
Total Strategic	1,289,423	140	124.7	161.3	127.7	2.4%	100%

Annualized rental income increased by 2.4% mainly due to the disposal.

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.

During the 2021, the average monthly change in the CPI was +1.9%.

5. Rental activity: 88.500m² let or prelet in 2021

(€ million)	Surface (m ²)	Annualized Top up rents 2021 Group Share	Annualized rents 2021 (100%, €/m ²)
Vacating	11,857	4.6	390
Lettings on operating portfolio	11,806	6.0	511
Lettings on development portfolio	57,737	17.0	295
Renewals	45,809	10.3	225
Sell to end-user	19,036	n.a	n.a

In 2021, around **88,500 m² of new leases** were signed:

- ▶ 11,800 m² on the operating portfolio, of which 2,400 m² on the Garibaldi complex with a 41% increase vs old IFRS rent;
- ▶ 57,700 m² pre-letting on development portfolio. Of which 4,000 m² on Symbiosis D to LVMH Italia, highlighting the recognized quality of Covivio's buildings; 11,600 m² on The Sign D to L'Oréal Italia with expected delivery in 2024; 37,600 m² on Symbiosis G+H fully let to Moncler showing the great attractiveness of the area around Scalo di Porta Romana that will be redeveloped in the coming years and will host 2026 winter Olympic village;
- ▶ 19,000 m² in a sell to end-user deal with SNAM.

Additionally, 31,300 m² have been renewed with a duration extension of 2.8 years, mostly on one building in Milan, let to a large Italian group.

11,900 m² were vacated during 2021 in Milan:

- ▶ 10,300 m² have already been re-let or sold;
- ▶ 1,600 m² are under negotiation, located in excellent locations.

6. Lease expiries and occupancy rates

6.1. Lease expiries: **7.1** of average firm lease term

7.1
years

(€ million Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2022	16.6	13%	17.5	14%
2023	4.9	4%	3.2	3%
2024	4.3	3%	3.1	2%
2025	8.5	7%	2.7	2%
2026	4.9	4%	7.6	6%
2027	7.3	6%	8.5	7%
2028	15.8	12%	16.1	13%
2029	2.7	2%	3.5	3%
2030	24.9	19%	19.9	16%
2031	12.1	9%	10.0	8%
Beyond	25.9	20%	35.7	28%
Total	127.7	100%	127.7	100%

The firm residual lease term stabilized at 7.1 years thanks to new deliveries (The Sign B and The Sign C) and the renewal signed in Milan.

In 2022, the €16.6 million of lease expiries representing 2.4% of Covivio annualized revenues are split as follows:

- ▶ 2.2% of Covivio annualized revenues (€15.5 million) already managed due to break option not exercised and new contracts already signed (€12.1 million) and also vacating for redevelopment (€3.5 million);
- ▶ 0.1% of Covivio annualized revenues (€1.0 million) to be managed.

6.2. Occupancy rate: a high-level of 96.6%

(%)	2020	2021
Offices - excl. Telecom Italia	95.4%	95.4%
Offices - Telecom Italia	100.0%	100.0%
Total	96.8%	96.6%

7. Disposal agreements: €286M secured in 2021

(€ million, 100%)	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
Milan	19	-	25	50	74	3.8%	4.8%	44
Rome	-	-	-	-	-	n.a.	n.a.	-
Other	13	-	209	2	211	1.8%	7.3%	222
Total 100%	32	-	234	52	286	2.3%	6.9%	265
Total Group share	26	-	145	51	196	1.8%	6.8%	171

During 2021, Covivio signed new agreements for €196 million of disposals of mature assets in Milan and non-core assets outside Milan (mostly Telecom Italia portfolios) at a 1.8% margin, in line with Covivio's strategy to focus on Milan.

8. Portfolio values

8.1. Change in portfolio values

(€ million, Group share Excluding Duties)	Value 2020	Acquisitions	Invest.	Disposals	Change in value	Transfer	Value 2021
Offices - excl. Telecom Italia	1,678	-	15	-58	-8	178	1,805
Offices - Telecom Italia	704	-	-	-95	5	-	615
Development portfolio	337	-	66	-	9	-178	234
Total strategic activities	2,719	-	81	-153	6	-	2,653

8.2. Portfolio in Milan: 93% of the portfolio excluding Telecom Italia

(€ million, Excluding Duties)	Value 2020 Group share	Value 2021 100%	Value 2021 Group share	LfL ¹ change	Yield ² 2020	Yield ² 2021	% of total
Offices - excl. Telecom Italia	1,678	1,805	1,805	-0.4%	5.0%	5.2%	68%
Offices - Telecom Italia	704	1,206	615	0.9%	5.8%	5.7%	23%
Development portfolio	337	234	234	4.1%	n.a.	n.a.	9%
Total strategic activities	2,719	3,244	2,653	0.2%	5.2%	5.3%	100%

¹ LfL: Like-for-Like

² Yield excluding development projects

(€ million, Excluding Duties)	Value 2020 Group share	Value 2021 100%	Value 2021 Group share	LfL ¹ change	Yield ² 2020	Yield ² 2021	% of total
Milan	1,983	2,203	2,049	1.1%	4.6%	4.7%	77%
Turin	123	121	102	-4.2%	5.6%	6.2%	4%
Rome	88	175	89	0.3%	4.7%	4.7%	3%
North of Italy	309	426	242	-2.7%	7.6%	8.4%	9%
Others	216	319	172	0.1%	6.8%	7.1%	6%
Total	2,719	3,244	2,653	0.2%	5.2%	5.3%	100%

¹ LfL: Like-for-Like

² Yield excluding development projects

The weight of Milan Offices now represents 77% of the portfolio (+4.3 pts vs end-2020) and 93% excluding Telecom Italia assets. Milan's exposition is in line with Covivio's strategy to focus on major European cities.

- ▶ Milan portfolio values have grown (+1.1%), sustained by the development portfolio's good performance (+4.1%) despite some value adjustments on high street retail surfaces (-3.1%).
- ▶ Telecom Italia portfolio slightly increased (+0.9%), relying on its strong fundamentals:
 - 100% occupancy;
 - 9.9 years average lease term.
- ▶ Non-core offices (outside Milan) continue to show a decrease (-14.9%) due to the general market situation. Covivio has greatly reduced its exposure in the last few years to these assets, which now represent only 6% of the portfolio.

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

1. Stable letting market, appetite for investments

- ▶ **Take-up** in German's top six markets in 2021 increased by 27% year-on-year to 3.2 million m², with strong disparity between the cities: Cologne (+60%), Hamburg (+43%), Frankfurt (+40%), Berlin (+17%), Munich (+16%) and Düsseldorf (+14%).
- ▶ **Immediate supply** increased by 17% to 4.7 million m². The vacancy rate stood at 4.3% on average (+0.80pts compared to 2020) with strong disparities, Berlin displaying the tightest vacancy level at 2.5%, Munich (4.0%) Frankfurt (7.5%) and Düsseldorf (7.1%).
- ▶ **Future supply** is also limited, with around 3.7 million m² under construction of which 1.9 million m² will be delivered by the end of 2022 in German top six cities:
 - Little risk of oversupply in short-term: high pre-let ratio of 48 %
 - Future available space until 2022 represents 1.2 year of take-up (2021)
- ▶ **Prime rents** have continued growing at an overall 3.7% rate with +8% in Berlin (€516/m²) +9% in Munich (€516/m²) and +3% in Hamburg (€396/m²).
- ▶ **Investment in German Offices** in 2021 amount to €30.7 billion of which €23.8 billion in the top six cities (+23% compared to 2020), +30% above the 10-year average.
 - Berlin (+22%), Munich (+125%) and Frankfurt (+20%) showed great dynamism being the most attractive cities in Germany.
 - The office prime yield of 2.7% in the top six cities offers is stable year-on-year.

2. Accounted rental income: - €4.5 million Group share in 2021

(€ million)	Rental income 2020 100%	Rental income 2020 Group share	Rental income 2021 100%	Rental income 2021 Group share	Change (%) LfL ¹ Group share	% of rental income
Berlin	10.2	7.2	10.0	6.9	+0.2%	15%
Frankfurt	19.7	16.0	19.1	17.5	+0.0%	39%
Düsseldorf	15.5	14.1	9.0	8.5	+83.2%	19%
Hamburg	10.5	8.7	9.0	8.5	-4.4%	19%
Munich	2.6	2.2	2.4	2.3	+0.0%	5%
Other	1.8	1.2	1.9	1.2	+2.7%	3%
Total	60.3	49.3	51.3	44.8	+0.6%	100%

¹ LfL: Like-for-Like

Rental income amounted to €44.8 million in Group Share, down by €4.5 million compared to 2020 due to:

- ▶ Break-up fee from We Work received in 2020 following the cancellation of their lease agreement on Herzogterrassen in Düsseldorf.
- ▶ Rental income increased by €2.1 million, thanks to the full-year impact of the acquisition of Godewind assets executed in 2020. The rental income deriving from this portfolio was fully consolidated in FY 2021 whilst it amounted to 84% on average in FY 2020.

LFL on rental income excludes Godewind, bought in 2020, and therefore covers a small scope. The +0.6% is mainly linked to relettings on small assets located in Berlin and in Düsseldorf.

3. Annualized rents: €47.4 million Group share

Geographic breakdown

(€ million)	Surface (m ²)	Number of assets	Annualized rents 2020 Group share	Annualized rents 2021 100%	Annualized rents 2021 Group share	Change Group share (%)	% of rental income
Berlin	75,766	14	7.2	10.2	7.0	-2.1%	15%
Frankfurt	118,649	4	19.1	20.7	19.0	-0.5%	40%
Düsseldorf	68,882	2	8.3	8.8	8.3	-0.1%	18%
Hamburg	70,920	2	8.2	9.7	9.1	10.8%	19%
Munich	37,104	2	2.7	3.0	2.8	5.5%	6%
Other	21,428	3	1.2	1.9	1.2	3.8%	3%
Total	392,749	27	46.6	54.3	47.4	1.8%	100%

4. Indexation

Rents are indexed on the German consumer price index for 42% of lease, 10% have a fixed uplift and 33% have an indexation clause if CPI goes above an annual increase between 5% and 10% the other percent are not indexed (16%).

5. Rental activity

	Surface (m ²)	Annualized Top up rents 2021 (€m, GS)	Annualized rents 2021 (€/m ² ,100%)
Vacating	9,243	1.4	181
Letting	21,223	3.7	208
Renewals	12,974	2.6	215

The rental activity in 2021 was marked by:

- ▶ More than 21,000 m² let, of which 5,900 m² in Hamburg (Zeughaus); 3,100m² in Munich (Sunsquare); 3,300 m² in Frankfurt (several assets).
- ▶ About 13,000 m² renewed during the past 12 months, with +7.2 years maturity, on assets in Frankfurt, Berlin, Hamburg, and Düsseldorf.
- ▶ 9,200 m² of vacated space, including 1,800 m² in Munich (Eight Dornach).

6. Lease expiries and occupancy rate

6.1. Lease expiries: firm residual lease term of 4.4 years

(€ million)	By lease end date (1 st break)	% of total	By lease end date	% of total
2022	8.1	17%	6.2	13%
2023	7.6	16%	6.2	13%
2024	6.0	13%	6.6	14%
2025	6.3	13%	3.2	7%
2026	3.7	8%	4.0	8%
2027	6.1	13%	4.7	10%
2028	1.1	2%	1.2	2%
2029	1.8	4%	4.7	10%
2030	0.8	2%	3.8	8%
2031	0.0	0%	0.7	1%
Beyond	6.0	13%	6.2	13%
Total	47.4	100%	47.4	100%

The firm residual duration of leases stands at 4.4 years (vs 4.9 years at end-2020).

€8.1 million of expiries are coming in 2022, representing 1.2% of Covivio annualized revenues. They include:

- ▶ 0.6% already managed, including rental agreements on small office spaces, renewed automatically once a year and made with companies in the liberal professions (e.g. Medical doctors' offices).
- ▶ 0.6% to be managed mainly in Frankfurt, Hamburg and Munich, among which 0.4% is expected to be renewed.

6.2. Occupancy rate of 78.8%

(%)	2020	2021
Berlin	96.8%	94.7%
Frankfurt	86.2%	87.4%
Düsseldorf	58.3%	58.5%
Hamburg	77.4%	85.9%
Munich	51.4%	55.3%
Other	98.2%	99.7%
Total	76.7%	78.8%

The occupancy rate has improved and stands at 78.8% (+2.1 pts compared to year-end 2020) due mainly to lettings in Hamburg and Munich.

73% of the vacancy (15 pts) is focused on Herzogterrassen in the centre of Düsseldorf, Zeughaus in Hamburg and Eight Dornach in Munich. A refurbishment of Herzogterrassen is ongoing in order to reposition the asset as an attractive offer in Düsseldorf city center.

7. Disposals: €61.3M Group Share

Covivio sold 45% of its shares in Alexanderplatz development project to Covéa and Generali, a flagship development project in Berlin.

8. Portfolio values

8.1. Change in portfolio values

(€ million, Group share, Excluding Duties)	Value 2020	Acqu.	Invest.	Disposals	Value creation on Acquis. /Disposals	Change in value	Other	Value 2021
Berlin	333	1	27	-61	0	17	1	317
Frankfurt	471	0	9	0	0	-12	1	470
Düsseldorf	317	0	3	0	0	-14	1	306
Hamburg	285	0	2	0	0	2	1	290
Munich	114	0	4	0	0	-9	0	110
Other	21	0	1	0	0	0	0	22
Total	1,541	1	45	-61	0	-15	4	1,515

The portfolio value in Group Share has decreased by €26 million since year-end 2020, mainly due to the disposal of 45% of shares of the Alexanderplatz project in Berlin for €61 million, investment of €27 million into development projects and investment of €18 million into existing assets.

8.2. Like-for-like portfolio evolution



(€ million, Excluding Duties)	Value 2020 100%	Value 2020 Group share	Value 2021 100%	Value 2021 Group share	LfL ¹ change	Yield 2020	Yield 2021	% of total value
Berlin	413	333	477	317	+5.5%	4.1%	3.7%	21%
Frankfurt	513	471	510	470	-2.5%	4.0%	4.1%	31%
Düsseldorf	337	317	325	306	-4.4%	2.7%	2.7%	20%
Hamburg	305	285	310	290	+0.8%	2.9%	3.1%	19%
Munich	121	114	117	110	-7.2%	2.3%	2.5%	7%
Other	33	21	34	22	+0.8%	5.6%	5.6%	1%
Total	1,722	1,541	1,772	1,515	-1.0%	3.4%	3.4%	100%

¹ LfL: Like-for-Like

Covivio Germany Office portfolio reaches a critical size with €1.8 billion of assets:

- ▶ The like-for-like change (-1.0%) includes decreases in valuation for assets in Munich and Dusseldorf which are still recovering from last year's tenant departures.
- ▶ In the meantime, assets in Berlin and Hamburg registered +5.5% and +0.8% like-for-like growth respectively.

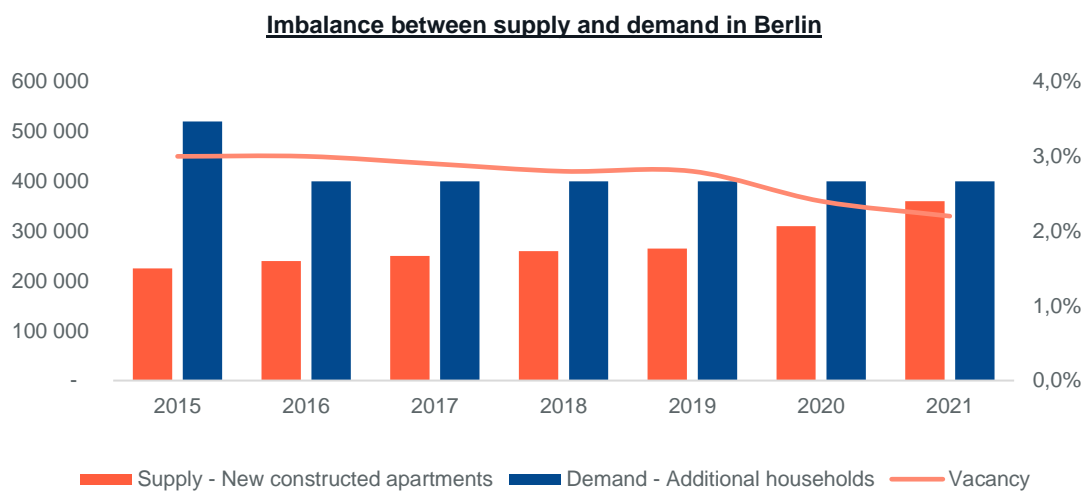
E. GERMANY RESIDENTIAL: 28% OF COVIVIO PORTFOLIO

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 ~40,800 apartments in Berlin, Hamburg, Dresden, Leipzig and North Rhine-Westphalia, representing €7.7 billion (€5.0 billion Group share) of assets.

1. Strong market fundamentals

- ▶ **The housing shortage** widens with a deficit of around 400,000 units in Germany at end-2021
 - **Especially marked in Berlin** with a lack of 229,000 units.



- ▶ This shortage continues to drive an important **increase in rents and values** in Germany. In **Berlin** in 2021:
 - The median **asking rent** on new buildings increased by 12.7% to €19,95/m² over a year while asking rent on existing buildings increased by 12.2% to €12,90/m².
 - The median **asking price increased by 3.4%** and now stands at €5,220 /m², well above the current valuation of Covivio's residential portfolio (€3,368/m² in Berlin). The square meter price for new buildings also **reached a new high** of €8,390/m² (+21.8%).
- ▶ In February 2020, Berlin implemented the Mietendeckel law to freeze housing rent for five years and in November 2020 it set rent caps on residential units. This law was cancelled in April 2021 and a petition has been launched by the citizens to expropriate big corporate landlords by over 3,000 housing units.
- ▶ The German residential market registered its **highest transaction volume** with €51 billion, +160% compared to 2020 (including the €22 billion DW/Vonovia deal and the €5 billion Heimstaden deal), which represents 47% of the German real estate investment with €111 billion in 2021.

Around 62% of the transaction are made in the top six German cities.

In 2021, Covivio's activities were marked by:

- ▶ Continued rental growth: +4.5% on a like-for-life basis, driven by NRW and Berlin where the Mietendeckel has been cancelled in April;
- ▶ Strong value growth: +14% increase on a like-for-like basis;
- ▶ Acquisition of 1,071 units in Berlin for an average of €3,397 /m².

2. Accounted rental income: +4.5% at a like-for like scope

(In € million)	Rental income 2020 100%	Rental income 2020 Group share	Rental income 2021 100%	Rental income 2021 Group share	Change Group share (%)	Change Group share (%) LfL ¹	% of rental income
Berlin	118.5	76.7	127.2	83.4	8.8%	+5.0%	50%
of which Residential	96.4	62.3	103.2	67.6	8.6%	+5.5%	40%
of which Other commercial ²	22.2	14.4	24.0	15.8	9.5%	+2.9%	9%
Dresden & Leipzig	24.6	15.7	22.9	14.8	-5.9%	+2.3%	9%
Hamburg	16.3	10.7	17.1	11.2	5.2%	+2.9%	7%
North Rhine-Westphalia	86.2	54.6	93.0	59.0	8.0%	+4.7%	35%
Essen	30.8	19.1	34.0	21.2	10.8%	+4.9%	13%
Duisburg	15.4	9.6	16.2	10.1	5.8%	+3.5%	6%
Mulheim	10.2	6.5	10.6	6.7	3.8%	+2.9%	4%
Oberhausen	9.7	6.5	10.2	6.8	4.3%	+3.9%	4%
Other	20.2	12.8	21.9	14.1	9.6%	+6.5%	8%
Total	245.6	157.7	260.2	168.4	6.8%	+4.5%	100%
of which Residential	216.0	138.5	228.0	147.3	6.4%	+4.8%	87%
of which Other commercial ²	29.6	19.2	32.2	21.1	9.8%	+2.8%	13%

¹ LfL: Like-for-Like

² Ground-floor retail, car parks, etc

Rental income amounted to €168 million Group share in 2021, up 6.8% (+€10.7 million) due to:

- ▶ In Berlin, the like-for-like rental growth is +5.0% (+€3.5 million) with the cancellation of the Mietendeckel at +2.8 pts and 2.2 pts due to the reletting and the indexation. On the residential side only, the growth is +5.5% (+€3.2 million);
- ▶ Outside Berlin, like-for-like rental growth was strong in all areas (+4.1% on average, +€3.2 million) due to the reletting impact (including modernisation) and the indexation;
- ▶ Acquisitions mainly in Berlin in 2020 and 2021 (+€4.3 million);
- ▶ Disposals (-€3.8 million) mainly involving a portfolio of mature assets in Berlin and Leipzig in 2020 as well as some privatisations with high margins in Berlin;
- ▶ Others (+€3.5 million) which include the increase of Covivio detention.

3. Annualized rental income: €174.4 million Group share

(In € million)	Surface (m ²)	Number of units	Annualized rents 2020 Group share	Annualized rents 2021 100%	Annualized rents 2021 Group share	Change Group share (%)	Average rent €/m ² /month	% of rental income
Berlin	1,293,882	17,663	73.4	135.3	90.0	22.5%	€8.7 /m ²	52%
of which Residential	1,128,051	16,711	58.6	110.5	73.5	25.4%	€8.2 /m ²	41%
of which Other commercial ¹	165,831	952	14.8	24.9	16.4	11.1%	€12.5 /m ²	9%
Dresden & Leipzig	270,117	4,373	14.4	23.1	15.0	4.2%	€7.1 /m ²	9%
Hamburg	141,864	2,340	11.1	17.3	11.3	1.6%	€10.1 /m ²	6%
North Rhine-Westphalia	1,098,654	16,516	57.5	92.4	58.2	1.2%	€7.0 /m ²	33%
Essen	392,986	5,755	20.6	34.1	21.2	2.5%	€7.2 /m ²	12%
Duisburg	204,364	3,146	9.9	16.3	10.1	1.9%	€6.6 /m ²	6%
Mulheim	126,733	2,129	6.7	10.6	6.6	-0.7%	€6.9 /m ²	4%
Oberhausen	124,775	1,831	6.7	9.8	6.4	-4.6%	€6.5 /m ²	4%
Others	249,795	3,655	13.6	21.7	13.9	2.4%	€7.2 /m ²	8%
Total	2,804,517	40,892	156.4	268.0	174.4	11.5%	€8.0 /m²	100%
of which Residential	2,587,283	39,613	136.5	235.2	152.8	12.0%	€7.6 /m ²	88%
of which Other commercial ¹	217,234	1,279	20.0	32.9	21.6	8.3%	€12.6 /m ²	12%

¹ Ground-floor retail, car parks, etc

The portfolio breakdown has been relatively stable for the past few periods, with Berlin generating slightly above 50% of the rental income, through residential units and some commercial units (mainly ground-floor retail).

Rental income per m² (€8.0 /m²/month on average) offers solid growth potential through reversion in all our markets including, Berlin (20-25%), Hamburg (20-25%), Dresden and Leipzig (10-15%) and in North Rhine-Westphalia (15-20%).

4. Indexation

Rental income from residential property in Germany changes depending on 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 Berlin, Hamburg, Cologne and Düsseldorf have introduced rent caps (*Mietpreisbremse*) for re-leased properties. Discussions are currently ongoing in Dresden and Leipzig to implement such a measure by the summer 2022. 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:

For residential tenants, the rent can generally be adjusted based on the local comparative rent (*Mietspiegel*), which is usually determined based on the rent index. In addition to this adjustment method, an index-linked or graduated rent agreement can also be concluded. A successive combination of adjustment methods can also be contractually agreed (e.g. graduated rent for the first 5 years of the contract, followed by adjustment to the local comparative rent).

Adjustment to the local comparative rent: The current rent can be increased by 15% to 20% within three years, depending on the region, without exceeding the local comparative rent (*Mietspiegel*).

For current leases with work carried out:

If works have been carried out, rents 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 works aim 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 be increased 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).

5. Occupancy rate: a high level of 99.1%

(%)	2020	2021
Berlin	98.3%	98.7%
Dresden & Leipzig	99.3%	99.5%
Hamburg	100.0%	100.0%
North Rhine-Westphalia	98.9%	99.5%
Total	98.7%	99.1%

The occupancy rate remains high, at above 99%. 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: €126 M with a 26% margin on appraisal value

(In € million)	Disposals 2020 (agreements as of end-2020 closed)	Agreements as of end-2020 to close	New disposals 2021	New agreements 2021	Total 2021	Margin vs end-2020 value	Yield	Total Realized Disposals
Berlin	13	-	51	12	62	49%	1.5%	64
Dresden & Leipzig	1	-	-	-	-	-	-	1
Hamburg	-	-	-	-	-	-	-	-
North Rhine-Westphalia	-	-	53	10	63	10%	4.1%	54
Total 100%	14	-	104	22	126	26%	2.8%	118
Total Group share	9	-	68	14	82	26%	2.5%	77

In 2021, Covivio secured €126 million of disposals (€82 million group share), with a balanced split between privatizations and bloc sales:

- ▶ Privatizations (mainly in Berlin): 168 units sold for €57 million (€37 million group share) at 53% margin.
- ▶ Bloc sales (mostly in NRW): disposal of a portfolio in NRW consisting in 472 units sold for €58 million (€38 million group share) with a 5% margin.
- ▶ Other disposals for the remaining part including the sale of empty land plots, single houses disposals and adjustment price for a 2020 operation.

7. Acquisitions: €208M realized in 2021

(In € million, Including Duties)	Surface (m ²)	Number of units	Acquisitions 2021 realized		
			Acq. price 100%	Acq. price Group share	Gross yield
Berlin	76,973	1,071	262	167	3.3%
Dresden & Leipzig	-	-	0	0	-
Hamburg	-	-	-	-	-
North Rhine-Westphalia	-	-	-	-	-
Total Acquisitions	91,029	1,265	262	167	3.3%
Shares buyback of minority stakes			n.a.	41	n.a.

In 2021, Covivio closed several deals for €208 million group share, all of them in Berlin:

- ▶ Acquisition of 1,071 existing units for €167 million Group share in the centre of Berlin at an average of €3,400 /m² with a reversionary potential of near 25%;
- ▶ Buyback shares of some minority stake in German residential portfolio (€41 million Group share).

8. Portfolio values: €7.7 billion (€5.0 billion Group share)

8.1. Change in portfolio value: 17.7% growth

(In € million, Group share, Excluding Duties)	Value 2020	Acq.	Invest.	Disposals	Value creation on Acquis./Disposals	Change in value	Change of scope ⁽¹⁾	Value 2021
Berlin	2,387	166	17	-31	6	246	68	2,859
Dresden & Leipzig	371	-	4	-	-	43	6	424
Hamburg	327	-	5	-	-	50	2	384
North Rhine-Westphalia	1,172	-	30	-32	-	176	-4	1,342
Total	4,257	166	56	-63	6	515	72	5,010

⁽¹⁾ Including shares buyback operation for €41m

In 2021, the portfolio's value increased by +17.7%, to €5.0 billion Group share. The growth was first driven by the like-for-like increase in value (€515 million) and second, by the contribution of acquisitions and investments net of disposals (€237 million).

8.2. Change on a like-for-like basis: +14% growth

(In € million, Excluding Duties)	Value 2020 Group share	Surface 100% in m ²	Value 2021 100%	Value 2021 in €/m ²	Value 2021 Group share	LfL ¹ change	Yield 2020	Yield 2021	% of total value
Berlin	2,387	1,293,882	4,358	3,368	2,859	+11.3%	3.1%	3.1%	57%
of which Residential	2,054	1,128,051	3,750	3,324	2,460	+11.1%	2.9%	2.9%	49%
of which Other commercial ²	333	165,831	608	3,666	399	+12.1%	4.4%	4.1%	8%
Dresden & Leipzig	371	270,117	653	2,418	424	+12.4%	3.9%	3.5%	8%
Hamburg	327	141,864	587	4,139	384	+16.8%	3.4%	2.9%	8%
North Rhine-Westphalia	1,172	1,098,654	2,132	1,940	1,342	+18.2%	4.9%	4.3%	27%
Essen	445	392,986	839	2,135	521	+19.3%	4.6%	4.1%	10%
Duisburg	188	204,364	354	1,730	220	+18.1%	5.3%	4.6%	4%
Mulheim	132	126,733	231	1,821	145	+13.3%	5.1%	4.6%	3%
Oberhausen	115	124,775	188	1,509	123	+18.7%	5.8%	5.2%	2%
Other	292	249,795	520	2,083	333	+18.8%	4.7%	4.2%	7%
Total	4,257	2,804,517	7,730	2,756	5,010	+13.7%	3.7%	3.5%	100%
of which Residential	3,805	2,587,283	6,926	2,677	4,484	+13.9%	3.6%	3.4%	90%
of which Other commercial ²	451	217,234	804	3,700	526	+12.2%	4.4%	4.1%	10%

¹ LfL: Like-for-Like

² Ground-floor retail, car parks, etc

Covivio's residential portfolio in Germany is valued at €2,756 /m² on average, offering a significant growth potential, especially in Berlin where the current valuation of residential units stands at €3,324 /m², significantly below the average asking price of condominiums (€5,220 /m² at end 2021).

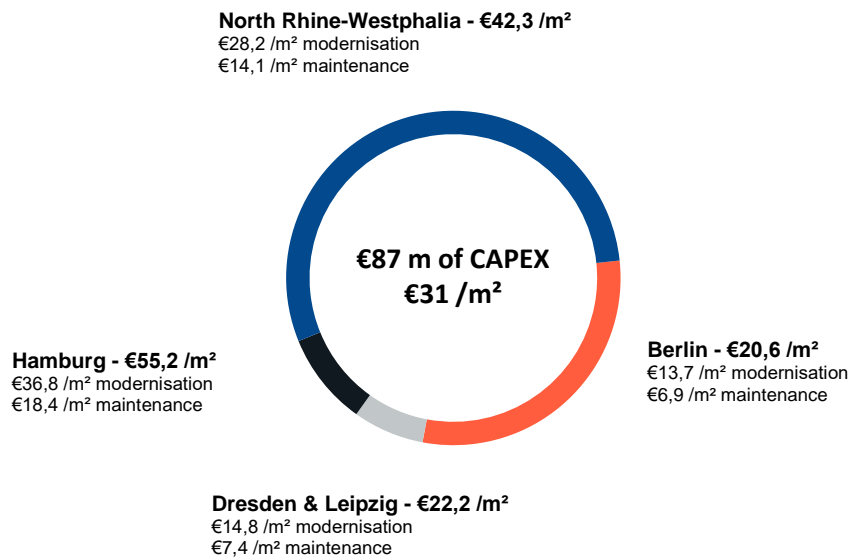
In 2021, values increased by +13.7% on a like-for-like basis since end-2020 which represents yet another very dynamic period of growth:

- ▶ +11.3% in Berlin due to the increase in values in highly sought-after locations;
- ▶ Strong increase in NRW (+18.2%), Hamburg (+16.8%) and Dresden and Leipzig (12.4%) thanks to the continued dynamic of rental growth and the increase in value in large German cities.

9. Maintenance and modernisation CAPEX

In 2021, CAPEX totalled €87 million, (€31 /m²; €56 million in Group share) and OPEX came to €19 million (€6.7 /m² ; €12 million in Group share), 11% below the Capex spent in 2020.

Modernisation CAPEX, used to improve asset quality and increase rental income, accounts for 67% of the total (vs 59% in 2020). Due to a restrictive regulation in Berlin most of them were invested in NRW. The quality of the portfolio in NRW enables us to benefit both from rent and value increase in this area.



F. HOTELS IN EUROPE: 15% OF COVIVIO'S PORTFOLIO

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 Group share (GS).

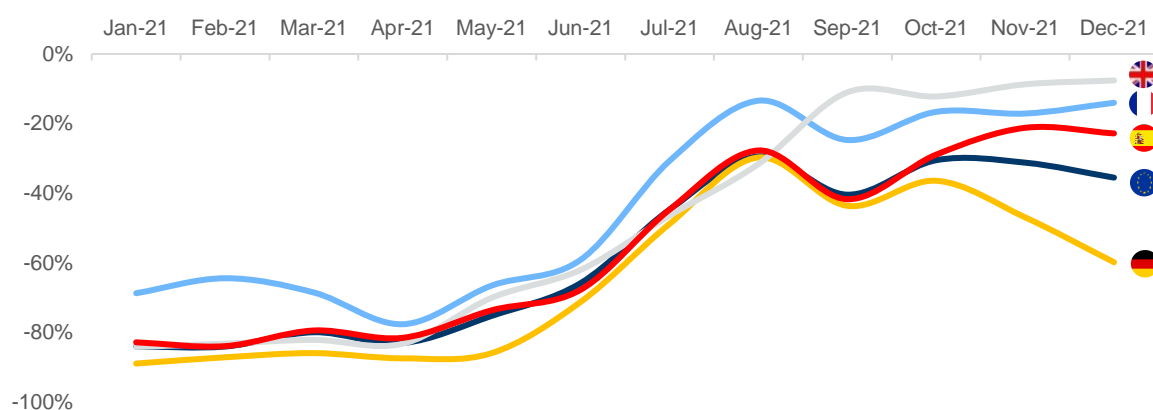
Covivio owns a high-quality hotel portfolio worth €6.6 billion (€2.6 billion in Group share), focused on major European cities and let or operated by 16 major hotel operators such as Accor, B&B, IHG, NH Hotels, etc. This portfolio offers geographic and tenant diversification (across 12 European countries) 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:

Rebound in performances (RevPar) in H2 2021 vs. 2019



- ▶ 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

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 ¹
Hotel Lease properties - Variable	16.2	7.0	26.7	11.7	66%	69%
Hotel Lease properties - Fixed	123.1	47.3	136.7	54.1	14%	-1%
Hotel properties - UK	0.0	0.0	12.0	5.2	n.a	n.a
Operating properties - EBITDA	7.9	3.3	21.9	9.4	185%	356%
Total revenues Hotels	147.2	57.6	197.3	80.4	39.6%	27.5%

¹ LfL: Like-for-Like

Hotel revenues increased by +40% in 2021 (+€22.8 million Group share) compared to 2020, due to:

▶ **Leased hotels:**

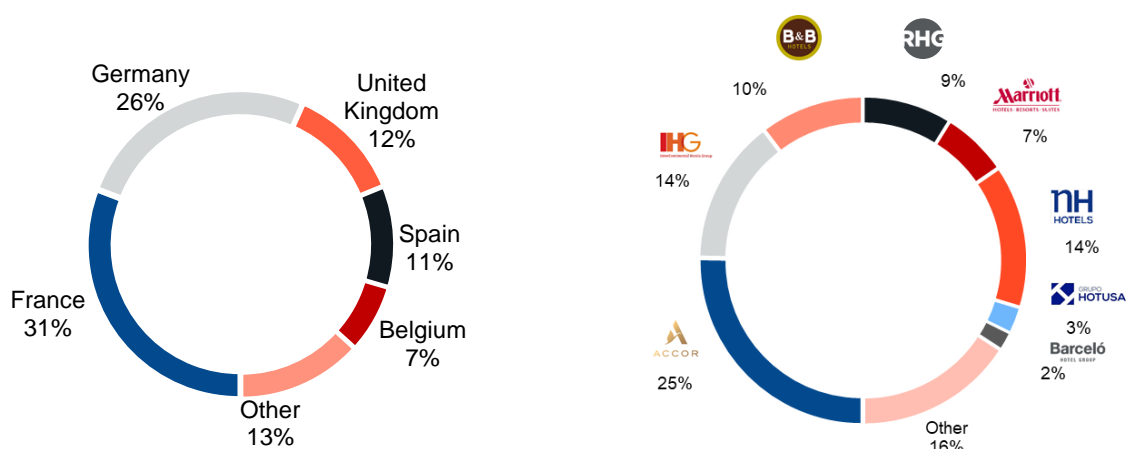
- The **AccorInvest hotel portfolio** (22% of the hotel portfolio), which is indexed on hotel turnover, increased by 69% like-for-like compared to 2020, due to the suspension of restrictions in Europe in the third quarter of 2021. These midscale and economy hotels are located in France and Belgium.
- **Hotels located in the UK** (13% of the hotel portfolio): We note a reversal of booked rents of €12 million (vs 0M 2020) thanks to the re-opening in the summer 2021.
- **Other leases:** increase of €6.8 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:** mainly located in Germany and in the north of France. The increase is due to the less restrictive health measures in the summer of 2021. However, France recorded better performance thanks to its health crisis management (+630% vs 2020) than Germany (+49% vs 2020).

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

3. Annualized revenue

Breakdown by operators and by country (based on 2021 fixed revenues and 2019 variable revenues) which amount to €133 million in Group share.



Rents are splitted using the following breakdown: fixed (42%), variable (22%) 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 of firm residual lease term

13.3 years

(In € million, Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2022	1.2	1%	0.0	0%
2023	4.4	4%	0.0	0%
2024	1.0	1%	2.2	2%
2025	2.0	2%	0.6	1%
2026	3.3	3%	2.3	2%
2027	0.0	0%	0.0	0%
2028	13.6	13%	0.9	1%
2029	0.0	0%	0.0	0%
2030	10.3	10%	14.6	14%
2031	3.7	4%	10.3	10%
Beyond	62.5	61%	71.0	70%
Total Hotels in lease	101.9	100%	101.9	100%

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.

6. Disposals and disposal agreements: €134M

(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	-	134	134	21%	4.9%	13
Hotel Operating properties	-	-	-	-	-	-	-	-
Total Hotels - 100%	13	19	-	134	134	21%	4.9%	13
Total Hotels - GS	6	8	-	31	31	23%	4.8%	6

In 2021, Covivio signed two new engagements for a total of €134 million (€31 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	2,022	-	12	-6	-8	37	2,057
Hotels - Operating properties	510	-	8	-	-1	4	521
Total Hotels	2,532	-	20	-6	-9	41	2,578

At the end of December 2021, the portfolio amounted to €2.6 billion Group share, up €47 million compared to year-end 2020, essentially explained by the positive impact of the GBP variation (+€25 million) and the investments realized during the year (+€20 million).

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 ¹ change	Yield ² 2020	Yield ³ FY 2021	% of total value
France	716	2,283	730	+0.6%	5.0%	4.9%	28%
Paris	304	827	304				12%
Greater Paris (excl. Paris)	132	498	133				5%
Major regional cities	187	583	193				7%
Other cities	93	374	100				4%
Germany	269	650	280	+3.5%	4.9%	4.7%	11%
Frankfurt	31	74	31				1%
Munich	21	48	21				1%
Berlin	30	73	34				1%
Other cities	187	454	193				8%
Belgium	112	283	112	-1.5%	6.2%	6.3%	4%
Brussels	35	100	35				1%
Other cities	77	183	77				3%
Spain	276	630	276	-1.4%	5.5%	5.2%	11%
Madrid	119	283	124				5%
Barcelona	98	213	93				4%
Other cities	59	134	59				2%
UK	340	785	344	-6.4%	5.5%	4.8%	13%
Italy	113	265	116	+1.2%	5.2%	5.1%	4%
Other countries	196	454	199	+3.0%	5.2%	5.2%	8%
Total Hotel lease properties	2,021	5,351	2,057	-0.4%	5.3%	5.0%	80%
France	111	261	114	-0.1%	5.5%	5.4%	4%
Lille	47	106	47				2%
Other cities	63	155	68				3%
Germany	347	847	352	-0.3%	6.8%	6.7%	14%
Berlin	242	596	248				10%
Dresden & Leipzig	82	198	82				3%
Other cities	23	53	22				1%
Other countries	52	125	55	+0.9%	7.3%	7.1%	2%
Total Hotel Operating properties	510	1,234	521	-0.1%	6.4%	6.3%	20%
Total Hotels	2,532	6,584	2,578	-0.3%	5.5%	5.3%	100%

¹ LfL : Like-for-Like

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

³ Yields calculated on the basis of 2021 fixed revenues and 2019 variable revenues

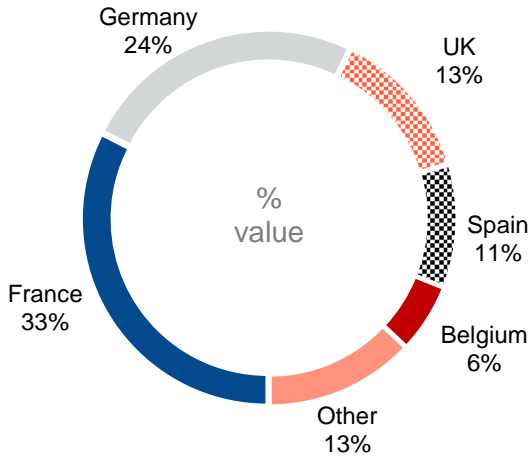
At the end of December 2021, Covivio held a unique hotel portfolio of €2.6 billion (€6.6 billion at 100%) in Europe. This strategic portfolio is characterised by:

- **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.

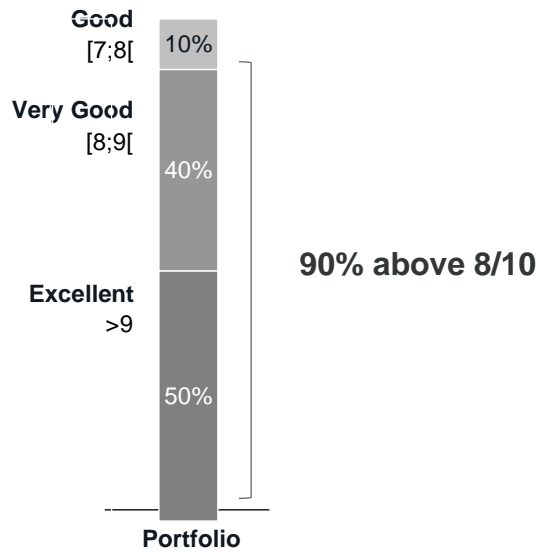
Portfolio breakdown by value and geography



88% in major European destinations



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



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 2021, 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	31 Dec. 2021
Covivio Hotels	43.5%	43.8%
Covivio Immobilien	61.7%	61.7%
Covivio Office 6 GmbH	89.7%	89.9%
Covivio Office GmbH (Godewind)	99.8%	100.0%
Sicaf (Telecom Italia portfolio)	51.0%	51.0%
OPCI CB 21 (CB 21 Tower)	75.0%	75.0%
Fédérmmo (Carré Suffren)	60.0%	60.0%
Covivio Alexanderplatz	50.1%	55.0%
SCI Latécoère (DS Campus)	50.1%	50.1%
SCI Latécoère 2 (DS Campus extension)	50.1%	50.1%
SCI 15 rue des Cuirassiers (Silex 1)	50.1%	50.1%
SCI 9 rue des Cuirassiers (Silex 2)	50.1%	50.1%
Sas 6 Rue Fructidor (So Pop)	50.1%	50.1%
SCI 11, Place de l'Europe (Campus Eiffage)	50.1%	50.1%
SCCV Fontenay sous bois (France Residential)	50.0%	50.0%
SCCV Bobigny (France Residential)	60.0%	60.0%
SNC N2 Batignolles promo (Paris N2)	50.0%	50.0%
SCI N2 Batignolles (Paris N2)	50.0%	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 22 February 2022.

3.3. Simplified income statement - Group share

(In € million, Group share)	2020	2021	var.	%
Net rental income	539.0	530.7	-8.3	-2%
EBITDA from hotel operating activity & flex-office	9.0	17.6	+8.6	+96%
Income from other activities (incl. Property development)	31.5	42.8	+11.3	+36%
Net revenue	579.5	591.1	+11.6	+2%
Net operating costs	-83.2	-77.6	+5.6	-7%
Amortisations of operating assets	-41.5	-49.5	-8.0	+19%
Net change in provisions and other	1.7	7.7	+6.0	n.a.
Current operating income	456.5	471.7	+15.2	+3%
Net income from inventory properties	-3.8	-2.1	+1.7	n.a.
Income from value adjustments	148.3	553.9	+405.6	n.a.
Income from asset disposals	-1.1	-1.3	-0.2	n.a.
Income from disposal of securities	8.1	-1.2	-9.3	n.a.
Income from changes in scope & other	-13.8	-10.6	+3.2	n.a.
Operating income	594.2	1,010.4	+416.2	+70%
Cost of net financial debt	-101.0	-94.7	+6.3	-6%
Interest charges linked to financial lease liability	-6.6	-6.9	-0.3	+5%
Value adjustment on derivatives	-79.5	86.4	+165.9	n.a.
Discounting of liabilities-receivables, and Result of change	-0.2	-0.3	-0.1	n.a.
Early amortisation of borrowings' cost	-0.7	-2.1	-1.4	n.a.
Share in earnings of affiliates	7.8	21.4	+13.6	+174%
Income before tax	413.9	1,014.1	+600.2	+145%
Deferred tax	-34.8	-67.0	-32.2	+93%
Corporate income tax	-19.3	-23.5	-4.2	+22%
Net income for the period	359.8	923.6	+563.8	+157%

► **€591.1 million net revenue (+2.0%)**

Net rental income in Group share increased mainly due to recovery in hotels activity and rental growth in german residential.

(In € million, Group share)	2020	2021	var.	%
France Offices	193.5	174.8	-18.8	-9.7%
Italy Offices (incl. retail)	109.1	101.0	-8.1	-7.4%
German Offices	35.4	29.5	-5.9	-16.7%
German Residential	148.5	158.8	+10.3	+6.9%
Hotels in Europe (incl. retail)	52.3	66.6	+14.3	+27.3%
Other (incl. France Residential)	0.3	0.1	-0.2	-66.7%
Total Net rental income	539.0	530.7	-8.3	-1.5%
EBITDA from hotel operating activity & flex-office	9.0	17.6	+8.6	+95.6%
Income from other activities	31.5	42.8	+11.3	+35.9%
Net revenue	579.5	591.1	+11.6	+2.0%

France Offices: decrease mainly due to the sale of assets.

Italy Offices: decrease due to the disposals in secondary locations outside Milan.

Germany Offices: -€5.9 million due to the one-off indemnity received from Wework in 2020.

German Residential: increase driven by acquisition and continuing rental growth.

Hotels in Europe: increase in variable revenues in H2 following the recovery in the activity.

- ▶ **EBITDA from the hotel operating activity and flex-office:** The first 4 months of 2021, the hotel activity remained heavily impacted by the health crisis and various government restrictions. The recovery was sustained in the 2nd half of 2021. The flex-office activity increased slightly thanks to the ramp-up of this activity and the opening of new spaces in Milan.
- ▶ **Income from other activities:** net income from other activities comes from the income generated by the property development activity (€15 million), asset and development fees on partnerships (€22 million) and marginally by car park activity (€5.2 million).
- ▶ **Net operating costs:** -€77.6 million including +€25.1 million in property management fees. Net operating costs decreased by €1.1 million (-21.8%) due to savings on staff costs and travel expenses.
- ▶ **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 a refurbishment in our own-occupied building (Gobelins operated under our Wellio flexible workspace brand).
- ▶ **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 whereas the amount is €2.8 million in 2021.
- ▶ **Net income from inventory properties:**
This item refers to a marginal real estate trading activity, mainly in Italy.
- ▶ **Change in the fair value of assets:**
The income statement recognises changes in the fair value (+€553.9 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 is 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 asset disposals & disposal of securities:**
Income from asset disposals contributed -€2.5 million during the year. This loss is mainly in Italy Office activity with depreciation of receivables relating to disposal (-€5.6 million).
- ▶ **Income from changes in scope and other:**
This item negatively impacted the income statement by around -€10.6 million. It includes costs linked to the acquisition of a Germany Offices listed company (squeeze-out costs) and goodwill depreciation tied to the hotel operating activity (-€7.8 million).
- ▶ **Cost of net financial debt:**
The cost of net financial debt decreased thanks to continuous debt restructuring efforts.
- ▶ **Interest charges linked to finance lease liability:**
The Group rents some land under long term leasehold. 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 -€5.5 million.
- ▶ **Value adjustment on derivatives:**
The fair value of financial instruments (hedging instruments) is positively impacted by an average 50 bps increase in the long term interest rates. For the year, the P&L impact is a revenue of +€86.4 million, while for 2020 it was -€79.5 million.

Share of income of equity affiliates

Group share	% interest	Contribution to earnings (€million)	Value	Change in equity value (%)
OPCI Covivio Hotels	8.6%	2.9	38.8	6.9%
Lénovilla (New Vélizy)	50.1%	8.6	65.0	4.2%
Euromed	50.0%	0.3	31.4	-44.1%
Cœur d'Orly	50.0%	6.1	30.4	18.0%
Bordeaux Armagnac (Orianz / Factor E)	34.7%	1.7	17.4	11.0%
Phoenix (Hotels)	14.6%	1.8	46.9	3.9%
Total		21.4	230.1	-9.8%

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: one office building (Calypso) and a hotel (Golden Tulip) in partnership with Crédit Agricole Assurances. One office building (Astrolabe) has been sold in the first half of 2021.
- ▶ Cœur 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. In early 2022, the partnership has been closed by exchanging the respective interests in the assets. Covivio owns since January 2022 100% of one office building.
- ▶ Phoenix hotel portfolio: 32% stake held by Covivio Hotels (43.8% subsidiary of Covivio) 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 -€23.5 million, including taxes on sales (-€16 million).

Adjusted EPRA Earnings increased by +7 % to €410.5 million (+€25.5 million vs 2020)

	Net income Group share	Restatements	Adjusted EPRA E. 2021	Adjusted EPRA E. 2020
Net rental income	530.7		530.7	539.0
EBITDA from the hotel operating activity & flex-office	17.6		17.6	9.0
Income from other activities (incl. Property development)	42.8		42.8	31.5
Net revenue	591.1	0.0	591.1	579.5
Net operating costs	-77.6		-77.6	-83.2
<i>Management & administration income</i>	25.1		25.1	21.8
<i>Operating costs</i>	-102.7		-102.7	-105.1
Amortisations of operating assets	-49.5	29.1	-20.4	-22.6
Net change in provisions and other	7.7	-2.9	4.8	-1.1
Operating income	471.7	26.3	498.0	472.6
Net income from inventory properties	-2.1	2.1	0.0	0.0
Income from asset disposals	-1.3	1.3	0.0	0.0
Income from value adjustments	553.9	-553.9	0.0	0.0
Income from disposal of securities	-1.2	1.2	0.0	0.0
Income from changes in scope & other	-10.6	10.6	0.0	0.0
Operating result	1,010.4	-512.4	498.0	472.6
Cost of net financial debt	-94.7	4.3	-90.3	-92.9
Interest charges linked to finance lease liability	-6.9	4.2	-2.7	-2.6
Value adjustment on derivatives	86.4	-86.4	0.0	0.0
Discounting of liabilities-receivables and Foreign Exchange Result	-0.3		-0.3	-0.2
Early amortisation of borrowings' costs	-2.1	2.1	-0.1	-0.1
Share in earnings of affiliates	21.4	-7.9	13.5	13.5
Pre-tax net income	1,014.1	-596.1	418.0	390.2
Deferred tax	-67.0	67.0	0.0	0.0
Corporate income tax	-23.5	16.0	-7.5	-5.2
Net income for the period	923.6	-513.1	410.5	385.0
<i>Average number of shares</i>			94,334,096	91,383,658
Per share			4.35	4.21

- ▶ The restatement of the amortisation of operating assets (+€29.1 million) offsets the real estate amortisation of the flex-office and hotel operating activities.
- ▶ The restatement of the net change in provisions (-€2.9 million) consists of the ground lease expenses linked to the UK leasehold.
- ▶ There was a €4.3 million impact on the cost of debt due to early debt restructuring costs.
- ▶ Concerning the interest charges linked to finance lease liabilities relating to the UK leasehold, as per IAS 40 §25, €4.2 million was cancelled and replaced by the lease expenses paid (see the amount of -€2.9 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 (+€16 million) is linked to the tax on disposals.

Adjusted EPRA Earnings by activity

(In € million, Group share)	France Offices	Italy Offices ¹	Germany Offices	Germany Residential	Hotels in lease ¹	Hotel operating properties	Corporate or non-attributable sector	2021
Net rental income	174.8	101.0	29.5	158.8	66.6	-	0.1	530.7
EBITDA from Hotel operating activity & flex-office	6.2	2.0	0.0	-	-	9.4	-	17.6
Income from other activities (incl. Property development)	22.9	3.3	0.6	10.8	0.0	-	5.2	42.8
Net revenue	203.8	106.4	30.1	169.6	66.5	9.4	5.3	591.1
Net operating costs	-31.2	-7.2	-3.3	-28.0	-3.1	-1.0	-3.7	-77.6
Amortisation of operating assets	-6.9	-1.5	-0.9	-2.4	-	-1.9	-6.8	-20.4
Net change in provisions and other	8.0	-1.6	-1.4	-0.4	-1.3	0.7	0.8	4.8
Operating result	173.7	96.0	24.5	138.9	62.1	7.2	-4.4	498.0
Cost of net financial debt	-20.5	-14.6	-8.4	-23.1	-19.0	-5.0	0.3	-90.3
Other financial charges	-0.1	-0.2	-0.5	0.1	-1.6	-0.6	-0.3	-3.1
<i>Finance lease interest</i>	-0.1	0.0	-0.5	0.0	-1.3	-0.6	-0.3	-2.7
<i>Discounted receivable/payable</i>	-	-	-	-	-0.3	-	-	-0.3
<i>Irregular financial amortisation</i>	-	-0.1	-	0.1	-	-	-	-0.1
Share in earnings of affiliates	11.1	-	-	-	2.4	-	-	13.5
Corporate income tax	-0.6	-	-0.3	-4.5	-1.9	-0.2	-0.1	-7.6
Adjusted EPRA Earnings	163.6	81.3	15.4	111.3	42.1	1.4	-4.5	410.5
Promotion margin	-0.7	-3.3	-	-11.0	-	-	-	-15.0
EPRA Earnings	162.8	77.9	15.4	100.4	42.1	1.4	-4.5	395.5

¹: Including non-strategic retail in the subsidiary scope

EPRA Earnings of affiliates

(In € million, Group share)	France Offices	Hotels (in lease)	2021
Net rental income	13.5	3.8	17.3
Net operating costs	-0.6	-0.5	-1.1
Amortisation of operating properties	0.0	0.0	0.0
Operating result	12.8	3.3	16.2
Cost of net financial debt	-1.7	-1.0	-2.7
Corporate income tax	-	0.1	0.1
Share in EPRA Earnings of affiliates	11.1	2.4	13.5

3.4. Simplified consolidated income statement (at 100%)

(In € million, 100%)	2020	2021	var.	%
Net rental income	776.1	779.3	+3.2	+0.4%
EBITDA from hotel operating activity & flex-office	13.6	30.1	+16.5	+121.3%
Income from other activities (incl. Property development)	26.4	28.8	+2.4	+9.1%
Net revenue	816.1	838.2	+22.1	+2.7%
Net operating costs	-116.5	-114.2	+2.3	-2.0%
Amortisation of operating assets	-67.3	-75.2	-7.9	+11.7%
Net change in provisions and other	4.4	17.0	+12.6	n.a.
Current operating income	636.7	665.8	+29.1	+4.6%
Net income from inventory properties	-3.4	-2.0	+1.4	-41.2%
Income from asset disposals	-1.2	4.6	+5.8	n.a.
Income from value adjustments	128.2	835.3	+707.1	n.a.
Income from disposal of securities	12.1	-0.8	-12.9	n.a.
Income from changes in scope	-16.1	-23.3	-7.2	n.a.
Operating income	756.3	1,479.6	+723.3	+95.6%
Cost of net financial debt	-172.4	-167.0	+5.4	-3.1%
Interest charge related to finance lease liability	-14.0	-14.8	-0.8	+5.7%
Value adjustment on derivatives	-115.5	142.6	+258.1	n.a.
Discounting of liabilities and receivables	-0.1	-0.7	-0.6	n.a.
Early amortisation of borrowings' costs	-1.2	-4.1	-2.9	n.a.
Share in earnings of affiliates	0.2	27.4	+27.2	n.a.
Income before tax	453.3	1,463.0	+1,009.7	+222.7%
Deferred tax	-25.8	-137.7	-111.9	n.a.
Corporate income tax	-35.3	-31.5	+3.9	-10.9%
Net income for the period	392.3	1,293.9	+901.7	+229.8%
Non-controlling interests	-32.5	-370.3	-337.8	n.a.
Net income for the period - Group share	359.8	923.6	+563.9	+156.7%

The +€563.9 million (+€156.7%) increase in net income for the period is related to the increase in value of the properties of +€128.2 million last year vs +€835.3 million this year (gain €707.1 million), and the positive impact of derivatives' value of -€115.5 million last year vs +€142.6 million this year (gain €258.1 million).

Net revenue increased by c.€22.2 million, mainly due to the recovery of activity in the hotel sector and rental growth in german residential.

(In € million, 100%)	2020	2021	var.	%
France Offices	222.9	202.3	-20.6	-9.3%
Italy Offices (incl. Retail)	145.3	134.5	-10.8	-7.4%
German Residential	231.5	245.6	+14.1	+6.1%
German Offices	41.4	31.6	-9.8	-23.8%
Hotels in Europe (incl. Retail)	134.8	164.7	+29.9	+22.2%
Other (mainly France Residential)	0.2	0.6	+0.4	+183.5%
Total Net rental income	776.1	779.3	+3.2	+0.4%
EBITDA from the hotel operating activity & flex-office	13.6	30.1	+16.5	+121.2%
Income from other activities	26.4	28.8	+2.4	+9.2%
Net revenue	816.1	838.3	+22.2	+2.7%

3.5. Simplified consolidated balance sheet (Group share)

(In € million, Group share)					
Assets	2020	2021	Liabilities	2020	2021
Investment properties	14,127	14,640			
Investment properties under development	1,411	1,341			
Other fixed assets	903	852			
Equity affiliates	255	230			
Financial assets	408	304			
Deferred tax assets	83	94			
Financial instruments	77	45	Shareholders' equity	8,582	9,194
Assets held for sale	296	505	Borrowings	8,995	8,728
Cash	1,134	929	Financial instruments	312	142
Inventory (Trading & Construction activities)	190	153	Deferred tax liabilities	684	769
Other	395	668	Other liabilities	705	927
Total	19,279	19,760	Total	19,279	19,760

► 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)	2020	2021	var.
France Offices	5,523	5,496	-26
Italy Offices (incl. Retail)	2,749	2,653	-96
German Offices	1,393	1,349	-43
German Residential	4,440	5,202	762
Hotels in Europe (incl. Retail)	2,587	2,600	13
Car parks (and other)	45	37	-8
Total Fixed Assets	16,737	17,337	600

The decrease in **France Offices** (-€26 million) was mainly due to the disposals (-€314 million) and the depreciation tied to own-occupied buildings (-€11 million), partly offset by +€232.3 million of CAPEX and the change in fair value (+€69 million).

In Italy Offices, the change (-€96 million) was mainly due to disposals for the year (-€173 million), the slight decrease in fair value (-€2 million) due to the negative performance on assets outside Milan and non-strategic retail assets, offset by the CAPEX & acquisition of the year (+€86.8 million).

The increase in **German Residential** (+€762 million) was mainly due to the growth in fair value (+€529 million), CAPEX and acquisitions (+€234.6 million), offset by disposals for the year (-€63.6 million) and transfer from inventories (development activity) to investment properties (+€6.9 million).

German Offices (-€43 million) was mainly due to the change in fair value (-€28 million).

The decrease in the **Hotels in Europe portfolio** (+€13 million) was mainly driven by the disposals (-€30 million) and the change in fair value (-€14 million), offset by foreign currency exchange gains mainly in the UK portfolio (+€30 million) and the CAPEX (+€33.6 million).

► **Assets held for sale (included in the total fixed assets above), €505 million at the end of December 2021**

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

- 74.3% of offices in France (mostly Carré Suffren and Eiffage campus).
- 8.7% of offices in Italy.
- 8% of hotels in Europe.
- 6.4% of parking.

► **Total Group shareholders' equity**

Shareholders' equity increased from €8,582 million at the end of 2020 to €9,194 million at 31 December 2021, i.e. +€612 million, mainly due to:

- Income for the period: +€924 million.
- The dividend distribution: -€339.6 million.
- Change in detention rate: +€23 million.
- Change in Other Comprehensive Income +€0.6 million.

► **Deferred tax liabilities**

Net deferred taxes represent €675.8 million in liabilities versus €601.2 million on 31 December 2020. This €74.6 million increase is mainly due to the growth of appraisal values in Germany (+€84 million).

3.6. Simplified consolidated balance sheet (at 100%)

(In € million, 100%)					
Assets			Liabilities		
	2020	2021		2020	2021
Investment properties	20,912	21,450			
Investment properties under development	1,713	1,707			
Other fixed assets	1,602	1,525			
Equity affiliates	361	340			
Financial assets	282	138	Shareholders' equity	8,582	9,194
Deferred tax assets	104	106	Non-controlling interests	3,986	4,430
Financial instruments	99	64	Shareholders' equity	12,568	13,623
Assets held for sale	335	902	Borrowings	12,296	11,834
Cash	1,246	1,063	Financial instruments	429	201
Inventory (Trading & Construction activity)	249	212	Deferred tax liabilities	1,077	1,222
Other	475	730	Other liabilities	1,009	1,357
Total	27,380	28,237	Total	27,380	28,237

4. FINANCIAL RESOURCES

Summary of the financial activity

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

At end- 2021, Covivio's Loan-to-Value (LTV) ratio is down by 2pts vs 2020 at 39% (LTV policy < 40%) thanks to active portfolio rotation and strong value growth in German residential. Average cost of debt continues to decrease, at 1.20%, and maturity of debt is stable at 5.4 years.

The liquidity position is also strong, with €2.1 billion available at end-December 2021 on Covivio SA, including €1.3 billion of undrawn credit lines and €0.8 billion of cash.

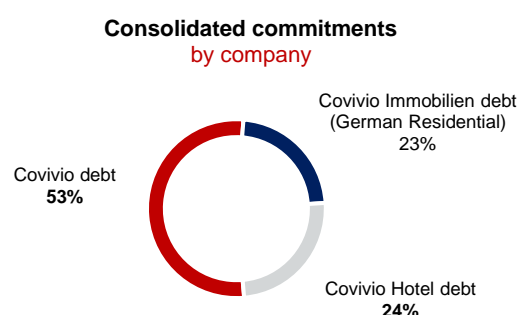
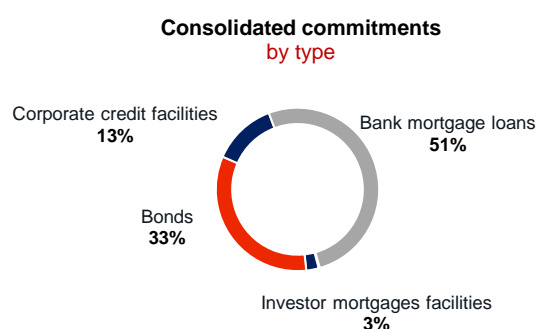
4.1. Main debt characteristics

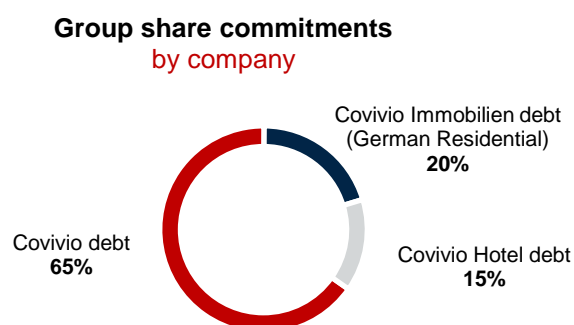
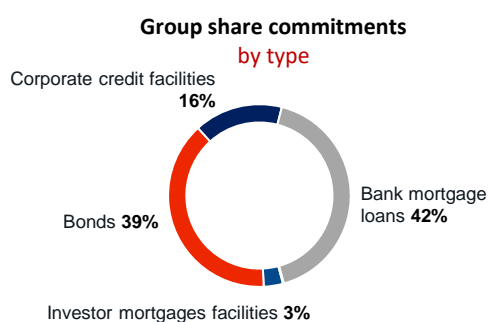
Group share	31 Dec. 2020	31 Dec. 2021
Net debt, Group share (€ million)	7,861	7,799
Average annual rate of debt	1.29%	1.20%
Average maturity of debt (in years)	5.7	5.4
Debt active hedging average rate	81%	78%
Average maturity of hedging	6.5	6.8
LTV including duties	40.9%	39.1%
ICR	6.1	6.7

4.2. Debt by type

Covivio's net debt stands at €7.8 billion in Group share at end-2021 (€10.8 billion on a consolidated basis), €0.1 billion lower compared to end-2020.

As regards the commitments attributable to the Group, the share of corporate debts (bonds and loans) grows up to 55% at end-December 2021. Additionally, Covivio had €1.5 billion in commercial paper outstanding at 31 December 2021.



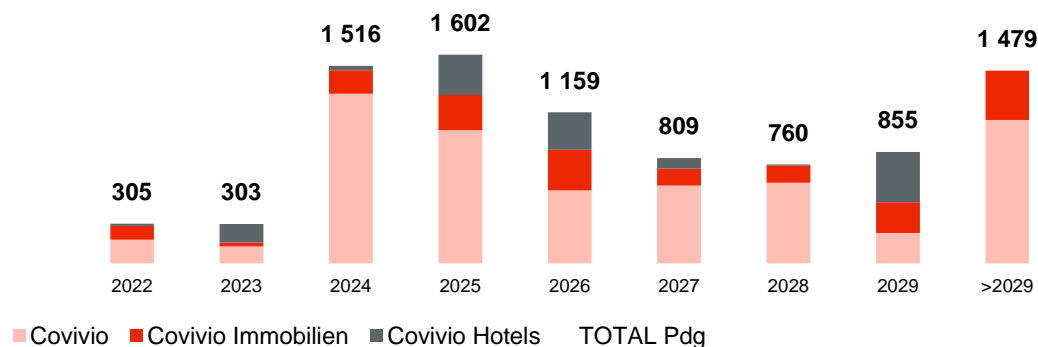


4.3. Debt maturity

The average maturity of Covivio's debt stands at 5.4 years at end-December 2021 (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 and a mortgage debt of €285 million Group share linked to the Telecom Italia portfolio.

Debt amortization schedule by company € million (Group share)

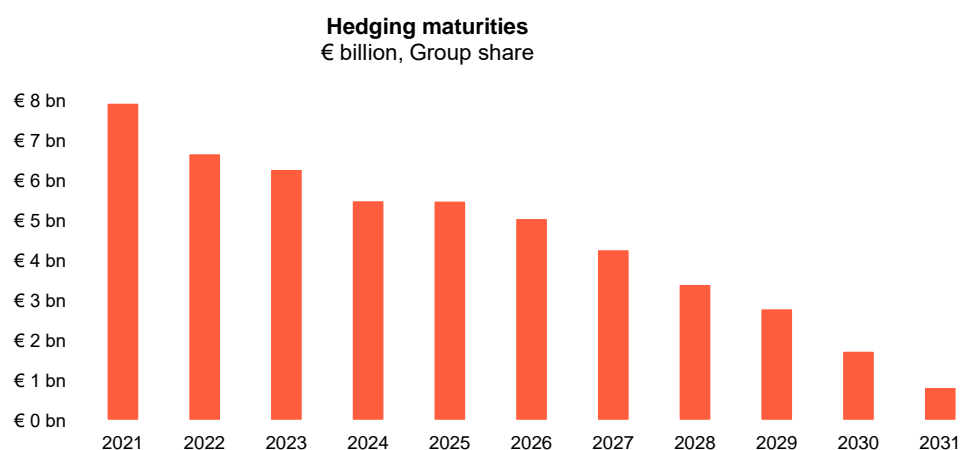


¹ Excluding commercial papers

4.4. Hedging profile

At end-December 2021, the hedging management policy remained unchanged, with debt hedged at 85% 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 2021, Covivio is hedged at 84% with an average term of the hedges of 6.8 years Group share.



4.5. Average interest rate on debt and sensitivity

The average interest rate on Covivio's debt decreased again by 9 bps to 1.20% in Group share. For information purposes, an increase of 25 basis points in the three-month Euribor rate would have a negative impact of 1.2% on the adjusted 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 Covivio Hotels and the other subsidiaries of Covivio (if their debt includes them).

- ▶ The most restrictive consolidated LTV covenants amounted, at 31 December 2021, to 60% for Covivio and Covivio Hotels.
- ▶ The most restrictive ICR consolidated covenants applicable to the REITs, at 31 December 2021, 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 financial covenants.

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

Ratio	Covenant	31 Dec. 2020	31 Dec. 2021
LTV	60.0%	44.1% ¹	42.2% ¹
ICR	200%	605%	672%
Secured debt ratio	25.0%	4.7%	4.8%

¹ Excluding duties and sales agreements

All covenants were fully complied with at year end 2021. 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 share)	31 Dec. 2020	31 Dec. 2021
Net book debt	7,861	7,799
Receivables linked to associates (full consolidated)	-173	-226
Receivables on disposals	-119	-110
Preliminary sale agreements	-325	-377
Purchase debt	82	72
Net debt	7,327	7,158
Appraised value of real estate assets (Including Duties)	17,838	18,414
Preliminary sale agreements	-325	-471
Financial assets	15	18
Receivables linked to associates (equity method)	110	105
Share of equity affiliates	255	230
Value of assets	17,892	18,297
LTV Excluding Duties	43.1%	41.2%
LTV Including Duties	40.9%	39.1%

4.6. Reconciliation with consolidated accounts

Net debt

(In € million)	Consolidated accounts	Minority interests	Group share
Bank debt	11,833	-3,105	8,728
Cash and cash equivalents	1,063	-134	929
Net debt	10,770	-2,971	7,799

Portfolio

(In € million)	Consolidated accounts	Portfolio of companies under the equity method	Fair value of operating properties	Other assets held for sale	Right of use of investment properties	Minority interests	Group share
Investment & development properties	23,157	1,207	1,701		-262	-8,571	17,232
Assets held for sale	902			-36		-395	471
Total portfolio	24,059	1,207	1,701	-36	-262	-8,965	17,703
						Duties	921
						Portfolio group share including duties	18,624
						(-) portfolio of companies consolidated under the equity method	-392
						(-) Fair value of car park activity	-37
						(+) Fair value of trading activities	153
						(+) Right of use of operating properties	28
						(+) Advances and deposits on fixed assets	37
						Portfolio for LTV calculation	18,414

Interest Coverage Ratio

(In € million)	Consolidated accounts	Minority interests	Group share
EBITDA (net rents (-) operating expenses (+) results of other activities)	757.3	-211.7	545.6
Cost of debt	146.4	-65.1	81.3
ICR			6.72

5. EPRA REPORTING

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

5.1. Change in net rental income (Group share)

€ million	2020	Acquis.	Disposals	Developments (deliveries & vacating for redevelopment)	Indexation, asset management & occupancy	Others	2021
France Offices	194	0	-17	+4	-5	-1	175
Italy Offices (incl. retail)	109	0	-18	+4	0	+6	101
German Offices	35	+4	0	0	-2	-8	29
German Residential	148	+4	-3	0	+8	+2	159
Hotels in Europe (incl. Retail & excl. EBITDA from operating properties)	52	+7	-4	0	+10	+1	67
Total	539	+15	-42	+7	+12	-0	531

The LFL growth (including EBITDA from Hotels) is 15M€ and +3% cf page 12.

Reconciliation with financial data

	2021
Total from the table of changes in Net rental Income (GS)	531
Adjustments	-
Total net rental income GS (Financial data § 3.3)	531
Minority interests	249
Total net rental income 100% (Financial data § 3.4)	779

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.

Vacancy rate at end of period =	Market rental value on vacant assets
	<hr/> Contractual annualized rents on occupied assets + Market rental value on vacant assets
EPRA vacancy rate at end of period =	Market rental value on vacant assets
	<hr/> Market rental value on occupied and vacant assets

(€ million, Group share)	Gross rental income (€m)	Net rental income (€m)	Annualized rents (€ m)	Surface (m ²)	Average rent (€/m ²)	vacancy rate (excluding Secured area) (%)	ERV of spot vacant space (€ m)	ERV of the whole portfolio (€ m)	EPRA vacancy rate (%)
France Offices	190	175	216	1,414,744	191	6.8%	20	238	8.2%
Italy Offices (incl. retail)	118	101	128	1,289,423	125	3.4%	5	136	4.0%
German Offices	38	29	47	392,749	138	21.2%	15	66	22.5%
German Residential	175	159	174	2,804,517	96	0.9%	2	175	0.9%
Hotels in Europe (incl. Retail & excl. EBITDA from operating properties)	73	67	104	n.c	n.c	-	0	104	-
Total ¹	595	531	670	5,901,433	174	5.0%	41	718	5.7%

1. Including French residential and others

The spread between the vacancy rate excluding the secured area (5.0%) and the EPRA vacancy rate (5.7%) is due to the secured vacant area which are included in the EPRA vacancy as vacant even if already let.

Regarding the German Residential the 175 M€ of ERV doesn't include the potential reversion in all our markets Berlin (20-25%), Hamburg (20-25%), Dresden and Leipzig (10-15%) and in North Rhine-Westphalia (15-20%).

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	5,880	69	270	3.6%
Italy Offices (incl. Retail)	2,654	-2	93	3.8%
German Residential	5,010	529	362	3.0%
German Offices	1,515	-28	79	2.2%
Hotels in Europe (incl. Retail)	2,605	-14	118	4.5%
Other (France Resi. and car parks)	40	0	0	n.a.
Total 2021	17,703	554	921	3.4%

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 financial data

€ million	2021
Total portfolio value (Group share, market value)	17,703
Fair value of the operating properties	-941
Fair value of companies under equity method	-392
Inventories of real estate companies and others	34
Right of use on investment assets	121
Fair value of car parks facilities	-39
Investment assets Group share ¹ (Financial data § 3.5)	16,486
Minority interests	7,573
Investment assets 100% ¹ (Financial data § 3.5)	24,059

¹ Fixed assets + Developments assets + asset held for sale

Reconciliation with IFRS

€ million	2021
Change in fair value over the year (Group share)	554
Others	-
Income from fair value adjustments Group share (Financial data § 3.3)	554
Minority interests	281
Income from fair value adjustments 100% (Financial data § 3.3)	835

5.4. Assets under development

	Ownership type ²	% ownership (Group share)	Fair value December 2021	Capitalized financial expenses over the year	Total cost ¹ (€m, Group share)	% progress	Delivery date	Surface at 100% (m ²)	Pre-letting	Yield (%)
Paris So Pop (50% Share)	FC	50%		2.0	114	87%	2022	31,300 m ²	33%	5.7%
N2 (50% share)	FC	50%		1.4	84	85%	2022	15,600 m ²	26%	4.2%
DS Extension 2 (50% share)	FC	50%		0.2	71	63%	2023	27,500 m ²	100%	7.2%
Levallois Alis	FC	100%		2.7	208	54%	2022	19,800 m ²	0%	4.8%
Jean Goujon	FC	100%		4.6	196	54%	2022	8,600 m ²	58%	4.0%
Paris Anjou	FC	100%		0.4	227	0%	2025	9,300 m ²	100%	3.5%
Total France Offices			860	11.4	900	48%		112,100 m²	52%	4.5%
Duomo	FC	100%		1.0	47	77%	2022	4,500 m ²	100%	4.6%
Corso Italia	FC	100%		1.6	109	12%	2023	11,600 m ²	0%	5.0%
Symbiosis G+H	FC	100%		1.2	159	1%	2024	38,000 m ²	100%	6.5%
The Sign D	FC	100%		0.5	64	6%	2024	13,200 m ²	92%	6.5%
Total Italy Offices			187	4.3	378	14%		67,300 m²	70%	5.8%
Alexanderplatz	FC	55%		3.8	291	45%	2025	60,000 m ²	0%	5.1%
Total German Offices			162	3.8	291	45%		60,000 m²	0%	5.1%
Total			1,209	19.4	1,569	39%		239,400 m²	47%	5.0%

¹ Total cost including land and financial cost

² FC : Full consolidation

The total cost of committed projects is therefore € 1.827 million (cf 1.G. Development projects).

Reconciliation with total committed pipeline

(€M, Group share)	Capitalized financial expenses over the year	Total cost incl. financial cost (Group share)
Projects fully consolidated	19.4	1,569
Projects on own-occupied buildings (Paris Madrid Saint Lazare)	0.7	101
Others (Vitae + Lyon Sévigné + Bordeaux Jardin de l'Ars)	0.2	157
Total Offices Committed pipeline	20.4	1,827
German Residential	-	190
French Residential	-	247
Total Committed pipeline	20.4	2,264

Reconciliation with financial data

	2021
Total fair value of assets under development	1,209
Project under technical review and non-committed projects	131
Assets under development (Financial data § 3.5)	1,341

5.5 Information on leases

	Firm residual lease term (years)	Residual lease term (years)	Lease expiration by date of 1st exit option				Total (€m)	Section
			Annualized rental income of leases expiring					
			N+1	N+2	N+3 to 5	Beyond		
France Offices	4.6	5.5	19%	16%	24%	42%	216	2.B.6
Italy Offices (incl. retail)	7.1	7.5	13%	4%	14%	69%	128	2.C.6
Germany Offices	4.4	5.2	17%	16%	34%	33%	47	2.D.6
Hotels in Europe (incl. retail)	13.2	14.5	1%	4%	6%	88%	104	2.F.5
Others (German Residential, Hotels Ebitda, others)	n.a	n.a	n.a	n.a	n.a	n.a	206	
Total¹	7.0	7.8	9%	7%	13%	70%	701	

1. Percentage of lease expiries on total revenues

In 2022, 6.5% of the lease expiries are managed as 2.4% have no intention to vacate the property and 4.1% are going to be redeveloped. The other part, 2.7%, has to be managed.

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:

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

- EPRA net initial yield is the ratio of:

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

(€ million, Group share) Excluding French Residential and car parks	Total 2020	France Offices	Italy Offices (incl. Retail)	German Offices	German Residential	Hotels in Europe (incl. Retail)	Total 2021
Investment, disposable and operating properties	17,105	5,880	2,654	1,515	5,010	2,605	17,703
Restatement of assets under development	-1,347	-929	-234	-117	-39	-22	-1,340
Restatement of undeveloped land and other assets under development	-206	-229	0	-11	-	-20	-260
Duties	884	270	93	79	362	118	921
Value of assets including duties (1)	16,436	4,992	2,513	1,466	5,333	2,681	17,025
Gross annualized IFRS revenues	661	195	111	41	174	134	656
Irrecoverable property charge	-72	-15	-16	-9	-16	-13	-70
Annualized net revenues (2)	589	180	95	32	158	122	586
Rent charges upon expiration of rent free periods or other reductions in rental rates	45	21	17	6	-	1	45
Annualized topped-up net revenues (3)	634	201	111	38	158	123	631
EPRA Net Initial Yield (2)/(1)	3.6%	3.6%	3.8%	2.2%	3.0%	4.5%	3.4%
EPRA "Topped-up" Net Initial Yield (3)/(1)	3.9%	4.0%	4.4%	2.6%	3.0%	4.6%	3.7%
Transition from EPRA topped-up NIY to Covivio yield							
Impact of adjustments of EPRA rents	0.5%	0.3%	0.7%	0.7%	0.3%	0.5%	0.4%
Impact of restatement of duties	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Covivio reported yield rate	4.5%	4.6%	5.3%	3.4%	3.5%	5.3%	4.4%

^(a) Including French Residential

^(b) On Hotels the annualized revenues includes the 2021 fixed rents and the 2019 variable rents

5.7. EPRA cost ratio

(€million, Group share)	2020	2021
Cost of other activities and fair value	-30.3	-34.7
Expenses on properties	-21.5	-23.7
Net losses on unrecoverable receivables	-15.4	-5.5
Other expenses	-5.1	-4.0
Overhead	-99.9	-98.7
Amortisation, impairment and net provisions	-0.9	5.5
Income covering overheads	21.8	25.1
Cost of other activities and fair value	-3.9	-2.7
Property expenses	0.7	0.8
EPRA costs (including vacancy costs) (A)	-154.5	-137.9
Vacancy cost	12.8	18.8
EPRA costs (excluding vacancy costs) (B)	-141.7	-119.1
Gross rental income less property expenses	605.5	593.8
EBITDA from hotel operating properties & coworking, income from other activities and fair value	62.0	74.1
Gross rental income (C)	667.5	667.9
EPRA costs ratio (including vacancy costs) (A/C)	23.2%	20.6%
EPRA costs ratio (excluding vacancy costs) (B/C)	21.2%	17.8%

The EPRA cost ratio is decreasing due to the decrease of unpaid rents and improvement of overhead costs. The calculation of the EPRA cost ratio excludes car parks activities.

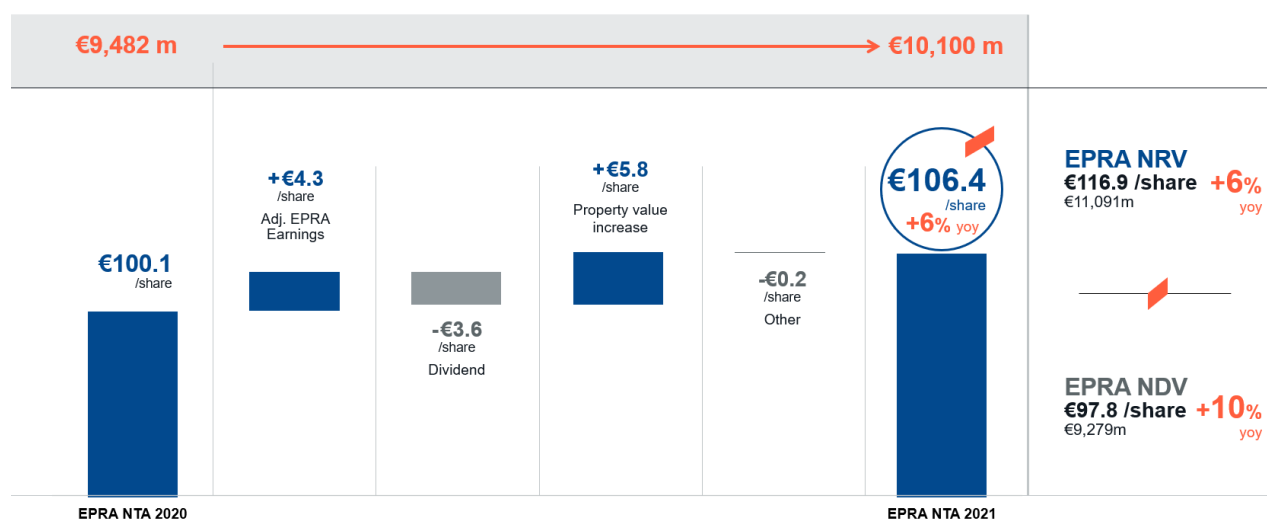
5.8. EPRA Earnings: €395 m in 2021

(€million)	2020	2021
Net income Group share (Financial data §3.3)	359.8	923.6
Change in asset values	-148.3	-553.9
Income from disposal	-3.2	4.7
Acquisition costs for shares of consolidated companies	13.8	10.6
Changes in the value of financial instruments	79.5	-86.4
Interest charges related to finance lease liabilities (leasehold > 100 years)	4.0	4.2
Rental costs (leasehold > 100 years)	-2.8	-2.9
Deferred tax liabilities	34.8	67.0
Taxes on disposals	14.1	15.9
Adjustment to amortisation	18.9	29.1
Adjustments from early repayments of financial instruments	8.7	6.4
EPRA Earnings adjustments for associates	5.7	-7.9
Adjusted EPRA Earnings	385.0	410.5
Adjusted EPRA Earnings in €/share	4.21	4.35
Promotion margin	-11.8	-15.0
EPRA Earnings	373.2	395.4
EPRA Earnings in €/share	4.08	4.19
Average number of shares (C)	91,383,658	94,334,096

5.9. EPRA NRV, EPRA NTA and EPRA NDV

	2020	2021	Var.	Var. (%)
EPRA NRV (€ m)	10,452	11,091	639	+6.1%
EPRA NRV / share (€)	110.3	116.9	6.6	+6.0%
EPRA NTA (€ m)	9,482	10,100	617	+6.5%
EPRA NTA / share (€)	100.1	106.4	6.3	+6.3%
EPRA NDV (€ m)	8,464	9,279	815	+9.6%
EPRA NDV / share (€)	89.3	97.8	8.5	+9.5%
Number of shares	94,773,299	94,882,277	108,978	+0.1%

Evolution of EPRA NTA



Reconciliation between shareholder's equity and EPRA NAV

	2020 (€ m)	2020 (€/share)	2021 (€ m)	2021 (€/share)
Shareholders' equity	8,582	90.6	9,194	96.9
Fair value assessment of operating properties	124		175	
Duties	884		921	
Financial instruments and ORNANE	240		99	
Deferred tax liabilities	621		702	
EPRA NRV	10,452	110.3	11,091	116.9
Restatement of value Excluding Duties on some assets	-839		-886	
Goodwill and intangible assets	-82		-78	
Deferred tax liabilities	-49		-27	
EPRA NTA	9,482	100.1	10,100	106.4
Optimization of duties	-45		-35	
Intangible assets	24		28	
Fixed-rate debts	-185		-40	
Financial instruments and ORNANE	-240		-99	
Deferred tax liabilities	-572		-675	
EPRA NDV	8,464	89.3	9,279	97.8

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 2021 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 fair value essentially concerns the valuation of debt coverages.

For companies co-owned with other investors, only the Group share was considered.

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 €113.9 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 consider the appraisal value of these assets net of tax. The impact on EPRA NRV was €20.8 million on 31 December 2021.

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 €40.2 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 -€39,8 million at 31 December 2021.

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 €35.1 million at 31 December 2021.

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 CAPEX by type

€ million	2020		2021	
	100%	Group share	100%	Group share
Acquisitions ¹	50	30	7	4
Renovation on portfolio excl. Developments ²	214	147	206	136
Developments ³	379	308	359	249
Capitalized expenses on portfolio ⁴ (except under equity method)	25	21	67	59
Total	668	507	639	448

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 on development portfolio and other capitalized expenses

The €136 million GS of renovation Capex on operating portfolio is mainly composed of :

- c.€65 million of refurbishment work to improve the quality and value of strategic offices properties (e.g. Carre Suffren or CB 21) and hotels, creating additional service offer, green areas, etc.
- €37 million of modernization Capex on German Residential, generating revenues
- €34 million maintenance Capex.

5.11. EPRA performance indicator reference table

EPRA information	Section	in %	Amount in €	Amount in €/share
EPRA Earnings	5.8	-	€395 m	€4.2 /share
EPRA NRV	5.9	-	€11,091 m	€116.9 /share
EPRA NTA	5.9	-	€10,100 m	€106.4 /share
EPRA NDV	5.9	-	€9,279 m	€97.8 /share
EPRA net initial yield	5.6	3.4%	-	-
EPRA topped-up net initial yield	5.6	3.7%	-	-
EPRA vacancy rate at year-end	5.2	5.7%	-	-
EPRA costs ratio (including vacancy costs)	5.7	21.0%	-	-
EPRA costs ratio (excluding vacancy costs)	5.7	18.2%	-	-
EPRA indicators of main subsidiaries	5.2 & 5.3	-	-	-

6. FINANCIAL INDICATORS OF THE MAIN ACTIVITIES

	Covivio Hotels			Covivio Immobilien		
	2020	2021	Change. (%)	2020	2021	Change. (%)
EPRA Earnings full-year (M€)	38.8	99.0	+155.5%	156.6	162.5	+3.8%
EPRA NRV	3,582	3,868	+8.0%	4,595	5,470	+19.0%
EPRA NTA	3,195	3,498	+9.5%	4,147	4,953	+19.4%
EPRA NDV	2,819	3,167	+12.3%	3,397	4,134	+21.7%
% of capital held by Covivio	43.5%	43.8%	+0.3 pts	61.7%	61.7%	0.0 pts
LTV including duties	41.9%	37.1%	-4.8 pts	34.4%	32.0%	-2.4 pts
ICR	2.2	3.1	+88 bps	6.1	6.8	+66 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 irrecoverable loss of income divided by rent invoiced. These appear directly in the income statement under net cost of irrecoverable 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 considering 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 equity 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 using the average number of shares (excluding treasury shares) over the period under review.

Calculation:

- (+) 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 - Loss of rental income through vacancies (calculated at MRV)

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. Future leases secured on vacant spaces are accounted for as occupied.

The "Occupancy rate" indicator 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 using 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 Like-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 realised on the N and N-1 periods
- Restatements of assets under works, ie:
 - Restatement of released assets for work (realised on N and N-1 years)
 - Restatement of deliveries of assets under works (realised 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 the next 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 realised over the period
- Restatement of work realised on assets under development during period N