

COVIVIO

UNIVERSAL REGISTRATION DOCUMENT

2020 EDITION

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COVIVIO

covivio.eu

2020 Universal registration document

including the Annual financial report



This Universal Registration Document was filed on 15 March 2021 with the Autorité des Marchés Financiers (AMF) in its capacity as competent authority under Regulation (EU) No 2017/1129, without prior approval in accordance with Article 9 of the said Regulation. The Universal Registration Document may be used for the purposes of a securities public offering or the admission of securities to trading on a regulated market if it is supplemented by a note relating to securities and, if applicable, a summary and all amendments to the Universal Registration Document. The Universal Registration Document is approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

Covivio

Société Anonyme with a Board of Directors with a capital of €283,738,443,
18 Avenue François Mitterrand 57000 Metz
RCS Metz 364 800 060



26 billion
in assets

A vision of living property

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

A preferred real estate player at the European level, Covivio is close to its end users, capturing their aspirations, combining work, travel, living, and co-inventing vibrant spaces.

A benchmark in the European real estate market with **a portfolio of €26 billion**, Covivio offers support to companies, hotel brands and regions in their pursuit of attractiveness, transformation and responsible performance.

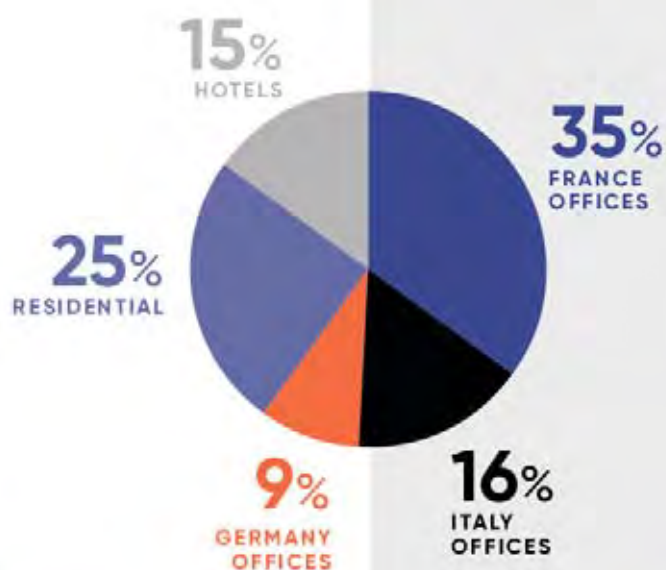
Build sustainable relationships and well-being, is the Covivio's Purpose who expresses its role as a responsible real estate operator to all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities but also to future generations and the planet. Furthermore, its dynamic approach opens up exciting project and career prospects for its teams.

Dividend 2020 : €3.60/share

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

Launch of the Covivio Foundation as guidelines: the promotion of equal opportunities and the preservation of the environment. In 2021, the foundation will focus its actions on supporting disadvantaged populations affected by the current economic crisis.

A DIVERSIFIED PORTFOLIO THAT COMBINES USES



1,4 billion
of investments
in European cities
at the end of 2020

95%
occupancy rate



2020 Highlights



The customer, at the heart of our concerns

In the current context, it is essential to remain open and attentive.

Proximity to our customers remains essential. In 2020, our client culture and our ability to design offers that adapt to new demands have made all the difference, both with our hotel partners to help them get through the crisis, and with our office clients who have chosen Covivio spaces, or with our residential tenants who continue to put their trust in us.



OUR CARE APPROACH

SAFE REAL ESTATE, SAFE
CLIENTS, SAFE BUSINESS!

Guaranteeing the best sanitary conditions for a safe and efficient return to the office is a priority for Covivio today. Because our CARE approach applied to real estate is not limited to the quality of health of our buildings, it also includes a service component and heightened attention to customer relations.

As owner, developer, manager and creator of services, we are constantly adapting to the needs of our customers and are able to act on all the real estate levers.

To ensure the safe and healthy use of work spaces, all necessary measures have been put in place. Covivio called on Bureau Veritas, which analysed our practices, issued recommendations and then certified our health guides.

The principle of defining and certifying specific health protocols has also been initiated at the Wellio pro-working sites with the company SPRIM. This has enabled all Wellio sites to remain open at all times to accommodate teams who need to visit their workplace. Italy, a strict health protocol



A European strategy



For Covivio, with operations in France, Germany, Italy, Spain, and the United Kingdom, etc., Europe is our field of expression and the best market in terms of scale to capture emerging uses. Through our businesses and activities in Europe we are able to benefit from responsible and supportive best practice to move forward together, design efficient real estate and enrich one another.

Our expertise extends along the entire value chain of a real-estate project: from design, through technical development, to asset and property management.

As a global operator we are able to design end-to-end real estate projects.

Today, the synergies between our businesses are becoming stronger. Offices, hotels, residences all share one goal: to express changing needs and desires through real estate. We must understand, anticipate and satisfy all of these needs so that we can enrich the experience.

969
employees
in Europe

50%
women
and
50%
men employees
in Europe

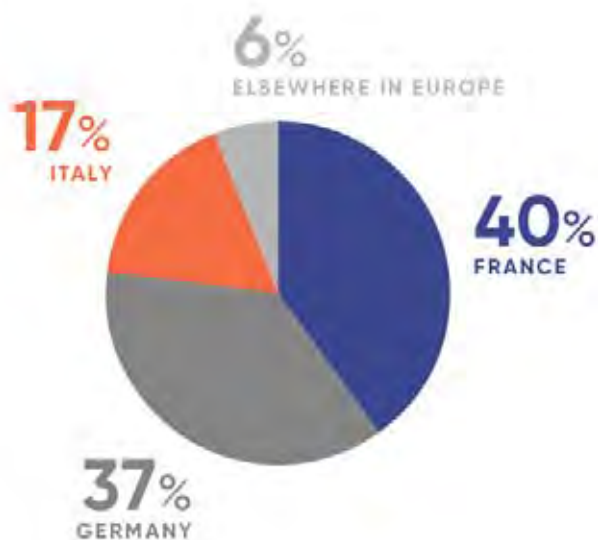
92.4%
open-ended em-
ployment contracts

3.1%
students on
apprenticeships

F/M 2020 gender
equality index

93/100

AT THE HEART OF MAJOR EUROPEAN CITIES



Present in Germany since 2005, the Group entered the office market in this country in 2018. In 2020, Covivio reached a significant new milestone with the acquisition of an office portfolio worth more than €1 billion.

This completes Covivio's portfolio with ten office buildings representing some 290,000 sq. m. located in Frankfurt, Düsseldorf, Hamburg and Munich.

Covivio opens its first Wellio site in Milan: 4,700 m² of flexible workspaces and services on via Dante in the historic heart of the city.

Finalisation of the acquisition of 8 hotels leased to NH Hotels in the city centres of major European tourist destinations.

Maintaining our development commitments

€1.7 billion development pipeline committed at the end of 2021, of which 96% located in the city centres of Paris, Berlin and Milan while two-thirds are redevelopments of existing buildings.

Today, in Europe, we are pursuing our objective to certify all of our developments and the entire asset portfolio is committed to our far-reaching greening strategy.

We have the backing of all our stakeholders who are committed to ensuring a better integration of our projects in the community. Mobility, connectivity, biodiversity, openness to the neighbourhood, cultural development, all of which are an integral part of a Covivio real estate project.

Covivio is developing this mixed and fluid approach to the city in Berlin with the Alexanderplatz project, in Milan with Vitae and in Paris with Stream Building. The buildings open onto the city and the uses converge in the same place.

€1.7 billion

development pipeline committed at the end of 2021

of which **96%** located in the city centres of Paris, Berlin, Milan and

2/3 are redevelopments of existing buildings



► Development as a tool for transformation

- Coima SGR, Covivio and Prada win the tender for the purchase of the Porta Romana railway station land in Milan. A benchmark urban regeneration operation in Europe.
- Covivio and Crédit Agricole Assurances renew and extend their partnership with the extension of the Dassault Systèmes Campus by 27,600 m² and renewal of the leases in place until the end of 2032.
- Covivio announces the results of the architecture competition for a future development in Leipzig, near the central station. The HENN agency will design two office towers with a total surface area of around 30,000 m².
- Covivio signed sale agreements for six office buildings and three shopping centres in Italy, for a total amount of €162 million, thus continuing to improve the quality of its portfolio by rotating assets and financing its development projects in Milan.

► An exemplary asset portfolio

- 88% of Covivio's total assets have an environmental label (BREEAM, HQE or LEED), well on the way to the target of 100% by 2025.

- In 2019, Covivio became the first operator to obtain HQE Exploitation certification for its entire German residential portfolio, almost 40,000 housing units.

- Covivio recognised as one of the global references on the environmental aspect, thanks to its strategy and actions in response to climate change

- Reduce its carbon trajectory by 34% between 2010 and 2030.

- Covivio continues its progression in the GRESB ranking for 2020

(The Global ESG Benchmark for Real Estate)

and obtains the status of "Global Sector Leader" in the category "Office/Residential Diversified portfolio – listed companies". A score that once again confirms the performance and relevance of the Group's CSR policy.

- Extra-financial rating

- Covivio remains the leader in its sector thanks to its A1+ Sustainability Rating by Vigeo Eiris.



Hôtel Kimpton Manchester
© Covivio / DR

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Activity in 2020

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1.1 Solid performance in 2020 thanks to a premium and diversified portfolio

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

Christophe Kullmann, Covivio Chief Executive Officer

2020: numerous successes in a context of crisis

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

Financial results for 2020: solid fundamentals

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

New progress in the ESG strategy

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

2021 Outlook

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

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

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

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

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

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

(1) Subject to the approval of the General Assembly to be held on 20 April 2021

(2) Properties benefiting from an environmental certification/label (BREEAM, HQE or LEED) for their operations and/or the building

1.1.2 A differentiating environmental strategy initiated more than ten years ago

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

- a **34% reduction in greenhouse gas emissions between 2010 and 2030⁽¹⁾**, approved in 2018 by the initiative Science Based Targets (SBT), integrating the entire life cycle of buildings (including scopes 1, 2 and 3) and without taking into account carbon offsetting initiatives
- to achieve this goal, **Covivio aims, among other things, to have 100% of its buildings certified as "green" by 2025**. At the end of 2020, the portfolio was already certified at 88%⁽²⁾, up by ten points on a like-for-like basis. Almost 100% of the France Offices portfolio is already certified, and 89% of the Offices in Italy are as

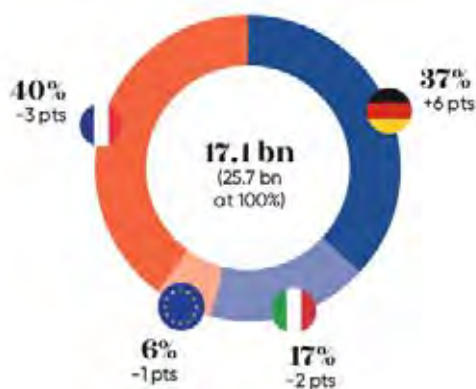
well. The green portfolio in hotels was up by 15 points year on year, to 72%, thanks to the portfolio's certification in the United Kingdom, while in the residential activity in Germany, Covivio is the first real estate company to have obtained HQE operating certification for its entire portfolio.

This carbon trajectory is one of the major axes of Covivio's ESG strategy based on four pillars: sustainable building, communities, social and governance, which are more fully detailed in the dedicated presentation. This strategy is regularly rewarded and ranks Covivio among the European and world leaders in the GRESB (Global Sector Leader status in its category with a score of 85/100, up five points), MSCI (AA), Sustainalytics (link to their website), Vigeo-Eiris (A1+, sector leader), ISS-ESG (B-, top 3% worldwide), CDP (A-), etc.

1.1.3 2020: numerous successes in a context of crisis

Expansion in Germany: +6 points of exposure

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



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

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

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

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

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

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

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

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

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

(1) Targets in line with the global warming trajectory of two degrees as mentioned in the Paris Agreement of December 2015.

(2) Excluding non-core assets in France Offices, which account for < 1% of the portfolio.

1.1.3.3 Continued growth momentum in German Residential

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

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

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

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

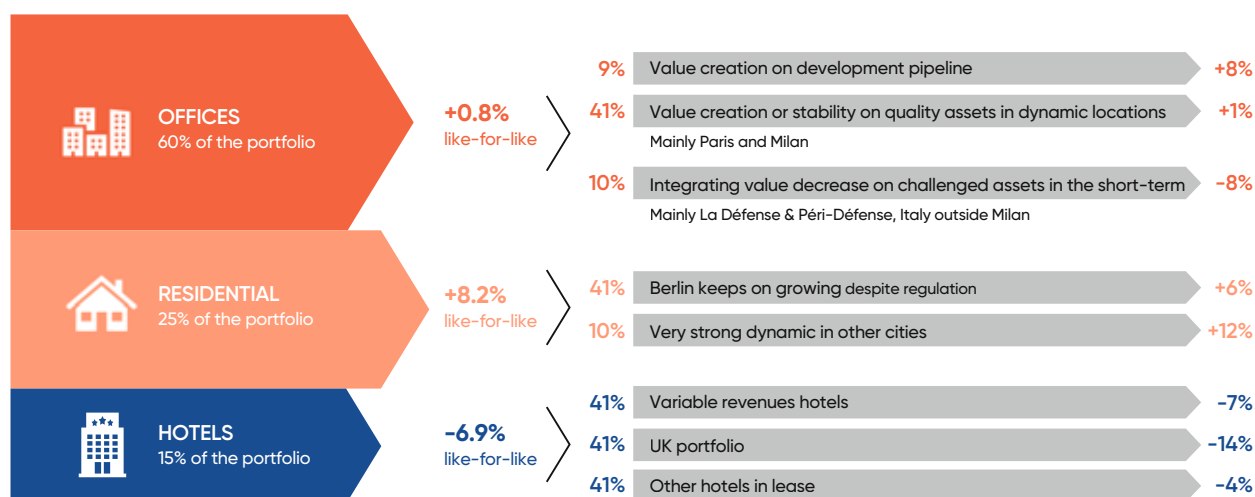
In addition, bolstered by its client culture and initiatives in this area, Covivio was once again rewarded in Germany by the Focus Money Survey⁽¹⁾, appointed **"Fairest Landlord"** and obtaining the highest score of "Very Good" for all criteria.

1.1.3.4 Hotels: numerous agreements signed with operators

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

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

1.1.3.5.1 €25.7 billion of the portfolio at 100% and €17.1 billion Group Share



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

- **in German residential** (25% of the portfolio), appraisal values gained +8.2% thanks to very good momentum in all cities, particularly in North Rhine-Westphalia (+12.0%), but also in Berlin (+5.7%)
- **in Offices** (60% of the portfolio), values rose by +0.8% on average, due to several effects:
 - value creation momentum on assets under development (9% of the portfolio): +8%
 - growth or good performance in asset values in the vast majority of Offices in operation (41% of the portfolio), thanks to their real-estate quality and their location: +1%

- value adjustments on assets in markets more affected by the economic climate or with a risky rental situation, mainly in La Défense, péri-Défense and in Italy outside Milan (10% of the portfolio): -8%
- **in hotels**, against the backdrop of the health crisis, the value of the portfolio was adjusted downwards by an average of 6.9%, with mixed impacts depending on the type of revenue:
 - for hotels with variable revenues (7% of the portfolio), the appraisals reflect forecasts of a return to normal by 2023/2024: -7% value adjustment
 - in the UK portfolio (2% of the portfolio), the value includes hotel closures that are longer than initially planned: -14%
 - for the other leased hotels (6% of the portfolio), Covivio benefits from the agreements signed with operators: -4%.

(1) Link to the study.

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

1.1.4.1 A very high level of rent collection

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

1.1.4.2 Revenue of €609 million

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

2020 (in € million)	Revenues 2019 Group Share	Revenues 2020 100%	Revenues 2020 Group Share	% change like-for-like Group Share	Occupancy rate (in %)	Average lease term firm (in years)
France Offices	226.4	237.3	207.1	+0.7%	93.1%	4.6
Italy Offices	147.0	166.6	126.8	-0.3%	96.8%	7.4
Germany Offices	7.6	60.3	49.3	+2.9%	76.7%	4.9
Germany Residential	154.3	245.6	157.7	+2.3%	98.7%	n.a.
SUB-TOTAL OFFICES & RESIDENTIAL	535.4	709.8	540.9	+1.0%	93.8%	5.5
Hotels in Europe	121.2	147.2	57.6	-54.8%	100% ⁽¹⁾	14.2
TOTAL STRATEGIC ACTIVITIES	656.6	857.1	598.5	-9.4%	94.7%	7.3
Non-strategic (retail)	21.9	17.7	11.0	-10.1%	99.4%	9.8
TOTAL	678.6	874.7	609.5	-9.4%	94.8%	7.3

(1) On hotels in lease.

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

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

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

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

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

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

1.1.4.3 A controlled balance sheet despite the challenge of the health crisis

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

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

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

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

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

1.1.4.5 Dividend

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

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

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

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

1.1.5.1.1 Reinforcement in the city centres of European capitals

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

- **63% Paris, Milan and the five main German cities⁽¹⁾**, compared with 42% five years ago
- **28% in the best locations in Greater Paris** (Issy-les-Moulineaux, Boulogne, La Défense, Chatillon/Montrouge, Vélizy/Meudon) **and major French cities⁽²⁾**.

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

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

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

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

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

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

- **More conversions of obsolete Offices into residential:** Covivio has identified nearly 150,000m² of potential on obsolete Offices in France. Four projects are already underway, representing a

development cost of €44 million, to which will be added new programmes in the Paris region and in regional cities. In particular, Covivio plans to launch an iconic project in the north of Bordeaux to accommodate 46,500m² of new housing, replacing an old building purchased in 2004 and leased to IBM until 2018.

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

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

- the development of a **service offer**, already in place in more than 80% of multi-tenant buildings in France
- the launch of a **flexible offer**, Wellio, which has accelerated since 2019, offering a full range of real estate solutions to users: traditional lease with services, mixed offering with traditional lease and flexible spaces, and an offering that is 100% flexible
- **comprehensive accompanying** of clients on a project (all-in-one offer), seen recently at the Paris Gobelins building, pre-let for five years to an existing Covivio client under a Plug & Play offer. In this building, Covivio supported its client in defining and designing the workspaces and will operate all aspects of the building for them (IT, meeting rooms, reception, security, services, etc.).

1.1.5.2 German Residential: significant growth reserves, notably through development

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

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

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

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

(1) Berlin, Frankfurt, Hamburg, Düsseldorf, Munich

(2) Mainly Lyon, Bordeaux, Lille, Marseille, Toulouse

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

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

Considering these elements, Covivio's hotel portfolio is **well positioned to benefit from the recovery** to come: variable revenues, concentrated in France and Germany, as well as

revenues from the UK portfolio, are generated **mainly by domestic or regional customers, who travel individually for leisure**⁽²⁾. The good momentum of these markets, particularly France and Germany, was confirmed this summer in 2020 with the temporary recovery following the lifting of government restrictions: between April and August, RevPar performance in France and Germany **outperformed the rest of Europe** by respectively 31 and 17 points⁽³⁾.

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

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

(1) Source: World Travel & Tourism Council

(2) In detail: domestic or regional share = 80%; leisure share: 55%-60%; share of individual customers: 75%

(3) Source: MKG

1.2 Business analysis

Changes in scope

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

1.2.1 Revenues: €609 million in 2020

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

(i) LfL: Like-for-Like

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

- **solid results on Offices and Residential** activities, with like-for-like revenues increasing by +1.0% (+€4.8 M):
 - +0.7% in France Offices, thanks to indexation

- -0.3% in Italy Offices driven by Offices in Milan (+0.8%) when the lockdowns and the crisis impacted the ground floor retail in Milan
- +2.9% in German Offices (excluding the newly acquired Godewind portfolio)
- +2.3% in German Residential, driven by North Rhine-Westphalia (+3.6%)

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

1.2.2 Lease expiries and occupancy rates

1.2.2.1 Annualized lease expiries: 7.3 years average lease term

1.2.2.1.1 Average firm lease duration by activity

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

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

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

1.2.2.1.2 Lease expiries schedule

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

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

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

1.2.2.2 Occupancy rate

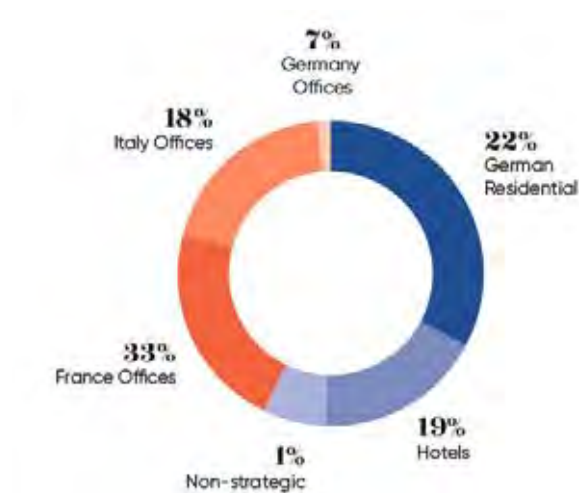
(In %)	Occupancy rate	
Group Share	2019	2020
France Offices	97.1%	93.1%
Italy Offices	98.7%	96.8%
German Offices	n.a.	76.7%
German Residential	98.6%	98.7%
Hotels in Europe	100.0%	100.0%
Total strategic activities	98.3%	94.7%
Non-strategic	96.8%	99.4%
TOTAL	98.3%	94.8%

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

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

1.2.3 Breakdown of revenues

By activity



By major tenants

(En millions d'euros ; part du groupe)	Chiffre d'affaires annualisé ⁽¹⁾	
	2020	%
Orange	51,0	7%
Telecom Italia	40,8	6%
Accor	33,8	5%
IHG	21,3	3%
Suez	21,0	3%
NH	20,0	3%
B&B	13,8	2%
Tecnimont	13,5	2%
Dassault	12,7	2%
Thales	11,4	2%
EDF/Enedis	11,2	2%
Vinci	10,4	1%
Natixis	7,6	1%
Creval	6,4	1%
Fastweb	6,2	1%
Eiffage	5,9	1%
Intesa San Paolo	5,4	1%
Cisco	5,2	1%
Hôtels en bail	20,6	3%
Autres locataires < 5 M€	230,4	33%
Résidentiel Allemagne	156,4	22%
TOTAL	704,9	100%

(1) The hotels annualized revenues are based on the 2019 revenues.

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

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

1.2.4 Cost to revenue ratio by business

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

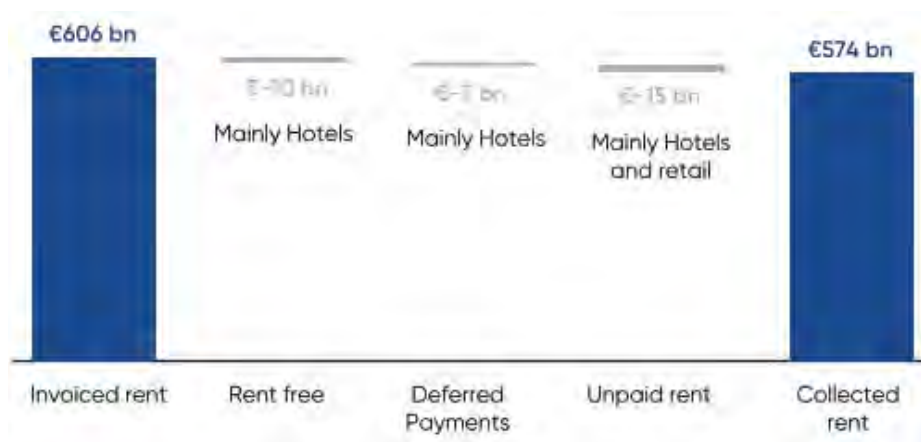
The cost to revenue ratio (11.1%) increased by 2.2pt compared to 2019, mainly due to:

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

1.2.5 Reserves for unpaid rent

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

All unpaid rents in 2020 have been provisioned



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

1.2.6 €871 million of new disposals in 2020, with 8% margin

Disposals

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

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

In details, the disposals agreements include:

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

1.2.7 Investments: €1,4 billion realised in 2020 Group Share

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

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

1.2.8 Development projects

- I. Offices pipeline committed
- II. Committed French Residential pipeline
- III. German Residential pipeline committed

1.2.8.1 Committed Office Pipeline

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

Committed projects	Surface ⁽¹⁾ (In m ²)	Total Budget ⁽²⁾ (In €M, 100%)	Total Budget ⁽²⁾ (In €M, Group Share)	Pre-let (In %)	Target yield ⁽³⁾ (In %)
France Offices	184,460m ²	1,342	986	41%	5.4%
Italy Offices	49,900m ²	252	252	52%	6.5%
TOTAL OFFICES	234,360M²	1,594	1,238	43%	5.6%

1 Surface at 100%

2 Including land and financial costs

3 Yield on total rents including car parks, restaurants, etc

1.2.8.2 Deliveries: 91,460m² of Offices and 108 hotel rooms delivered in 2020

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

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

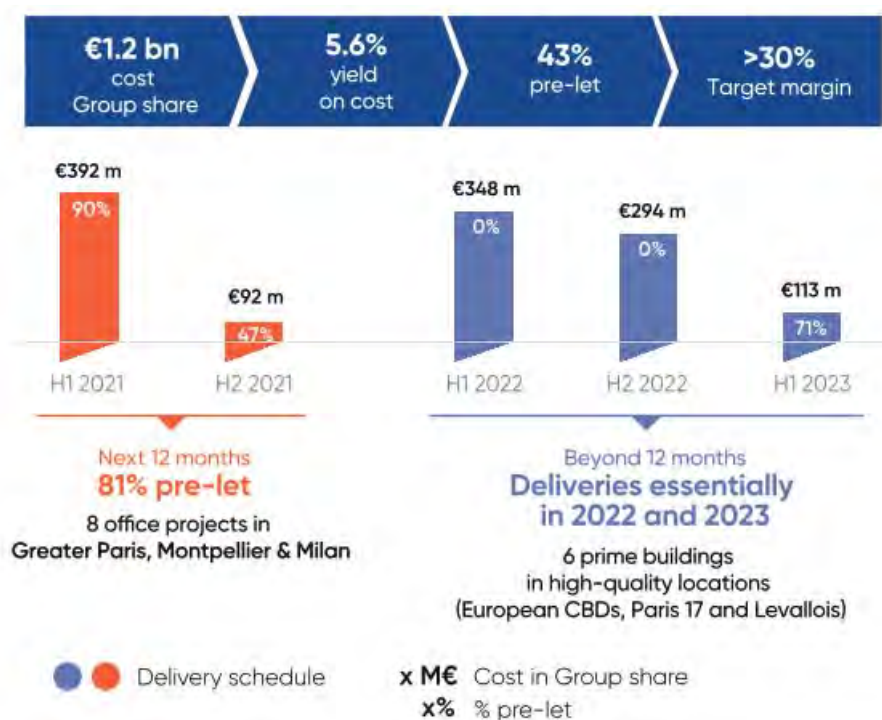
The yield achieved upon delivery of these projects was about 6.4% at full occupancy.

1.2.8.3 Committed projects: €1,2 billion Group Share pre-let at 81% for the next 12 months

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

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

1.2.8.4.1 Pipeline at end 2020:



Committed projects	Project		Surface ⁽¹⁾ (ln m²)	Delivery	Target rent (ln €/m²/year)	Pre-leased (ln %)	Total Budget ⁽²⁾ (ln €M, 100%)	Total Budget ⁽²⁾ (ln €M, Group Share)	Target Yield ⁽³⁾	Capex Remaining to be spent
Flow	Montrouge Greater Paris	Construction	23,600m²	2021	327	100%	115	115	6.6%	
Gobelins	Paris 5 th	Regeneration	4,360m²	2021	510	100%	50	50	5.0%	
Silex II (50% share)	Lyon	Regeneration	30,900m²	2021	312	53%	169	85	5.8%	
Montpellier Bâtiment de services	Montpellier	Construction	6,300m²	2021	224	n.a	21	21	6.7%	
Montpellier Orange	Montpellier	Construction	16,500m²	2021	165	100%	49	49	6.7%	
Total deliveries 2021			81,660m²			87%	404	320	6.2%	66
Jean Goujon	Paris 8 th	Regeneration	8,600m²	2022	>900	0%	189	189	4.0%	
Paris So Pop (50% Share)	Paris 17 th	Regeneration	31,300m²	2022	>400	0%	230	112	6.1%	
N2 (50% share)	Paris 17 th	Construction	15,600m²	2022	575	0%	168	84	4.2%	
Levallois Alis	Levallois - Greater Paris	Regeneration	19,800m²	2022	>500	0%	210	210	5.0%	
DS Extension 2 (50% share)	Vélizy - Greater Paris	Regeneration	27,500m²	2023	325	100%	141	71	7.2%	
Total deliveries 2022 and beyond			102,800m²			15%	938	666	5.0%	214
TOTAL FRANCE OFFICES			184,460M²			41%	1342	986	5.4%	280
The Sign B+C	Milan	Construction	16,900m²	2021	299	97%	72	72	7.3%	
Symbiosis D	Milan	Construction	18,500m²	2021	315	47%	91	91	6.8%	
Total deliveries 2021			35,400m²			70%	163	163	7.0%	39
Unione	Milan	Regeneration	4,500m²	2022	480	0%	47	47	4.6%	
Vitae	Milan	Construction	10,000m²	2023	315	18%	42	42	6.5%	
Total 2022 deliveries and beyond			14,500m²			10%	89	89	5.5%	43
TOTAL ITALY OFFICES			49,900M²			52%	252	252	6.5%	82
TOTAL OFFICES			234,360M²			43%	1594	1238	5.6%	362

(1) Surfaces at 100%

(2) Including land and financial costs.

(3) Yields in total rents including car parks, restaurants, etc.

1.2.8.4.2 Committed Pipeline France Residential

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

- The current pipeline is composed of three projects located in the Greater Paris, representing 12,260m², a total cost of €44 million Group Share and are fully pre-sold with approximately 10% margin.

- One project valued at €11 million will be delivered this year.

Committed projects	Units	Total Budget ⁽¹⁾ (In €M, 100%)	Total Budget ⁽¹⁾ (In €M, Group Share)	Target Yield
Meudon, Observatoire	26	11	11	n.a
To be sold in 2021	26	11	11	n.a
Le Raincy	97	20	20	n.a
Saint-Germain-Les-Corbeil	82	13	13	n.a
To be sold in 2022 and beyond	179	33	33	n.a
TOTAL FRANCE RESI	205 UNITS	44	44	N.A

(1) Including land and financial costs

1.2.8.4.3 Committed pipeline Germany Residential

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

Delivery timeline for committed projects



Committed projects	Units	Total Budget ⁽¹⁾ (In €M, 100%)	Total Budget ⁽¹⁾ (In €M, Group Share)	Target Yield
To be sold in 2021	197	57	37	n.a
To be sold in 2022 and beyond	265	97	64	n.a
TOTAL GERMANY RESI SALES	462 UNITS	154	100	N.A
To be let in 2021	129	22	14	5.3%
To be let in 2022 and beyond	252	67	44	4.7%
TOTAL GERMANY RESI LETTING	381 UNITS	89	57	4.9%

(1) Including land and financial costs

1.2.8.4.4 Managed Pipeline

Offices to be committed in 2021: 100% CBD

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

Projected office pipeline at end 2021

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

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

Germany residential managed projects

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

Potential medium term projects in the office portfolio

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

Landbanks

Covivio owns landbanks:

- in Greater Paris (60,000m²) and Major French Cities (70,000m² mainly for turnkey developments)
- in Milan with Symbiosis (77,000m²), The Sign (11,500m²) and Porta Romana (70,000m²)

potential for a second tower of 70,000m² in Alexanderplatz.

1.2.9 Portfolio

1.2.9.1 Portfolio value: like-for-like growth

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

(1) LfL: Like-for-Like.

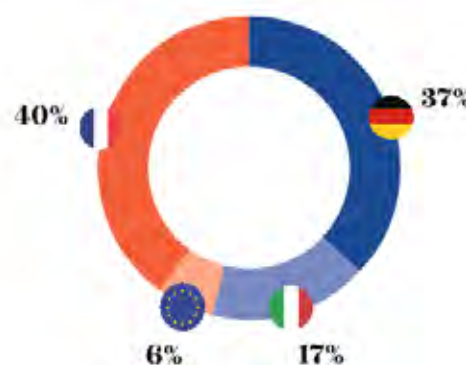
(2) Yield excluding development projects. Yield on hotels based on 2020 fixed revenues and 2019 variable revenues.

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

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

Geographical breakdown of the portfolio at 2020

94% in major European cities and +6pt in Germany vs 2019



1.2.10 List of main assets

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

Top 10 Assets	Location	Tenants	Surface (ln m ²)	Covivio share
CB 21 Tower	La Défense (Greater Paris)	Suez, Verizon, BRS	68,400	75%
Garibaldi Towers	Milan	Maire Tecnimont, LinkedIn, etc.	44,700	100%
Herzogterrassen	Düsseldorf	NRW Bank, Deutsche Bank, Mitsui	55,700	93%
Frankfurt Airport Center	Frankfurt	Lufthansa, Fraport, Operational Services	48,100	93%
Dassault Campus	Vélizy (Greater Paris)	Dassault Systèmes	97,000	50%
Carré Suffren	Paris 15 th	AON, Institut Français, OCDE	25,200	60%
Art&Co	Paris 12 th	Wellio, Adova, Bentley, AFD	13,500	100%
Zeughaus	Hamburg	Universitätsklinikum Hamburg-Eppendorf	43,500	93%
Flow	Montrouge (Greater Paris)	Edvance (EDF)	23,600	100%
Alis	Levallois (Greater Paris)	In development	19,800	100%

1.2.11 Business analysis by segment

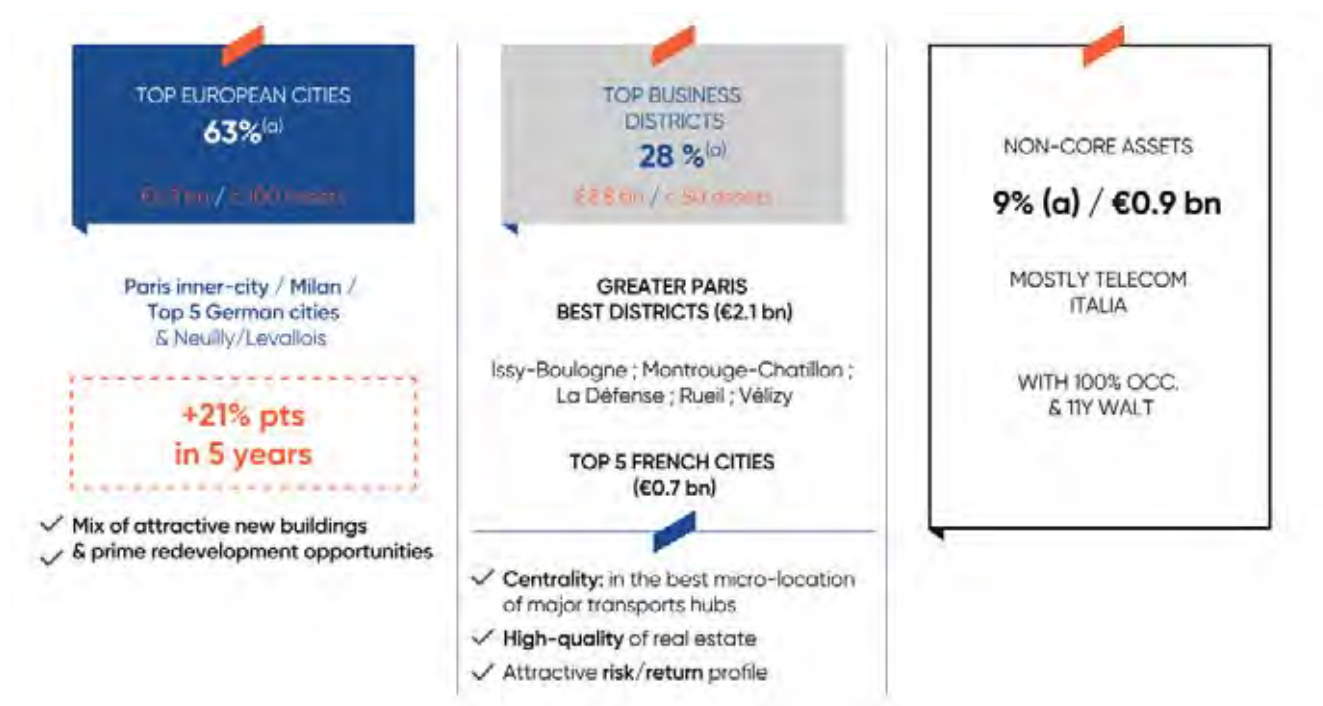
1.2.11.1 Offices: 60% Covivio's portfolio

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

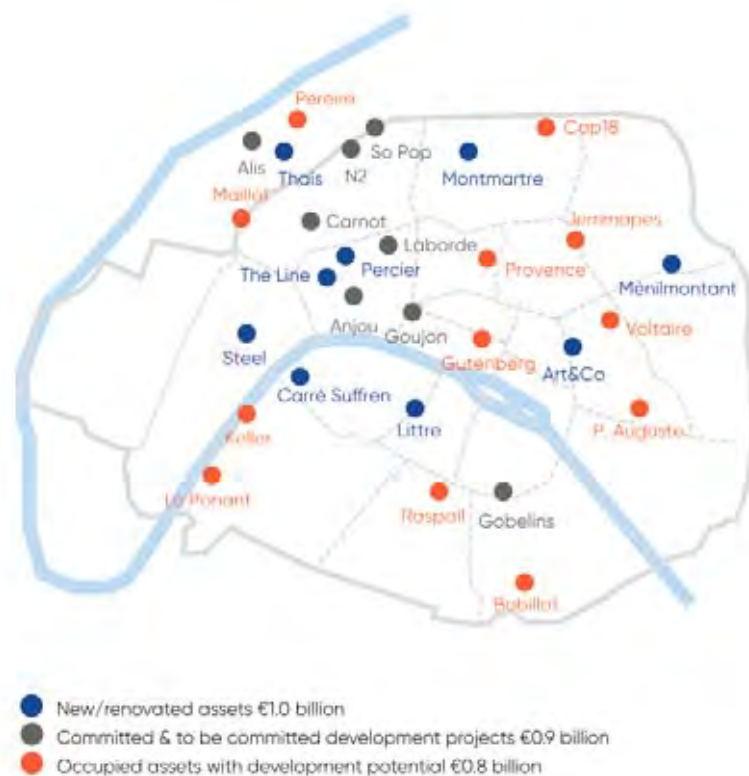
Covivio owns Offices in France, Italy and Germany with a portfolio of **€12.4 billion (€10.2 billion Group Share)** at end-2020. For several years now, the Group has implemented an active asset rotation policy, reinforcing its footprint on inner-city locations. Thus, Covivio's portfolio has been refocused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

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

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



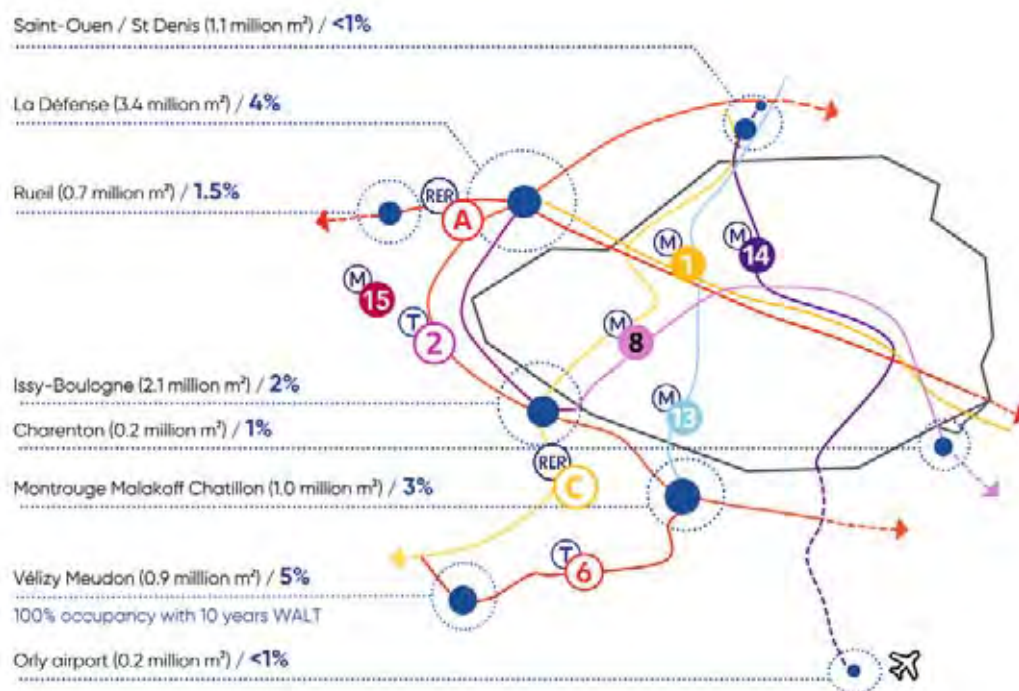
1.2.11.2 Paris & Neuilly/Levallois Offices portfolio (28%^(a); €2.8 billion)



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

1.2.11.3 Greater Paris Offices portfolio (21%^(a); €2.1 billion)

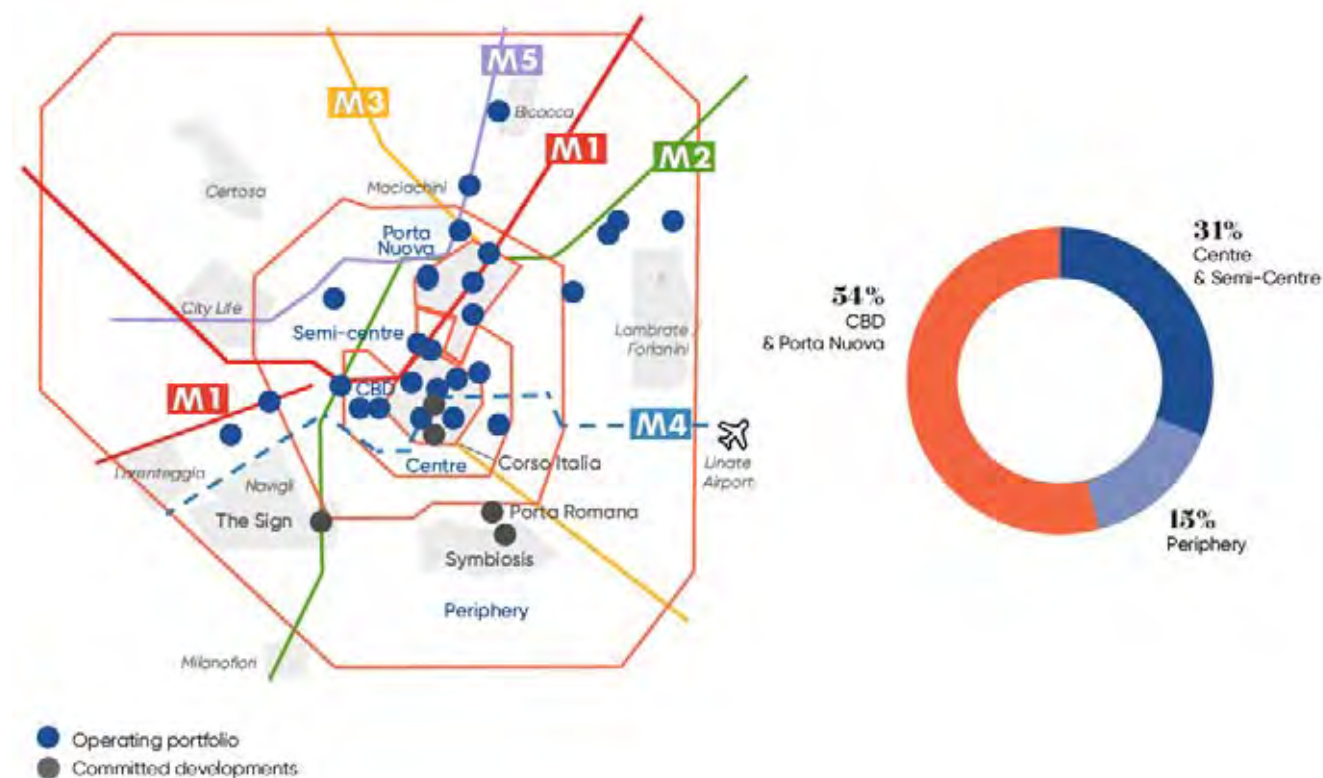
Business districts (size of office area in m²) / % of Covivio office portfolio



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

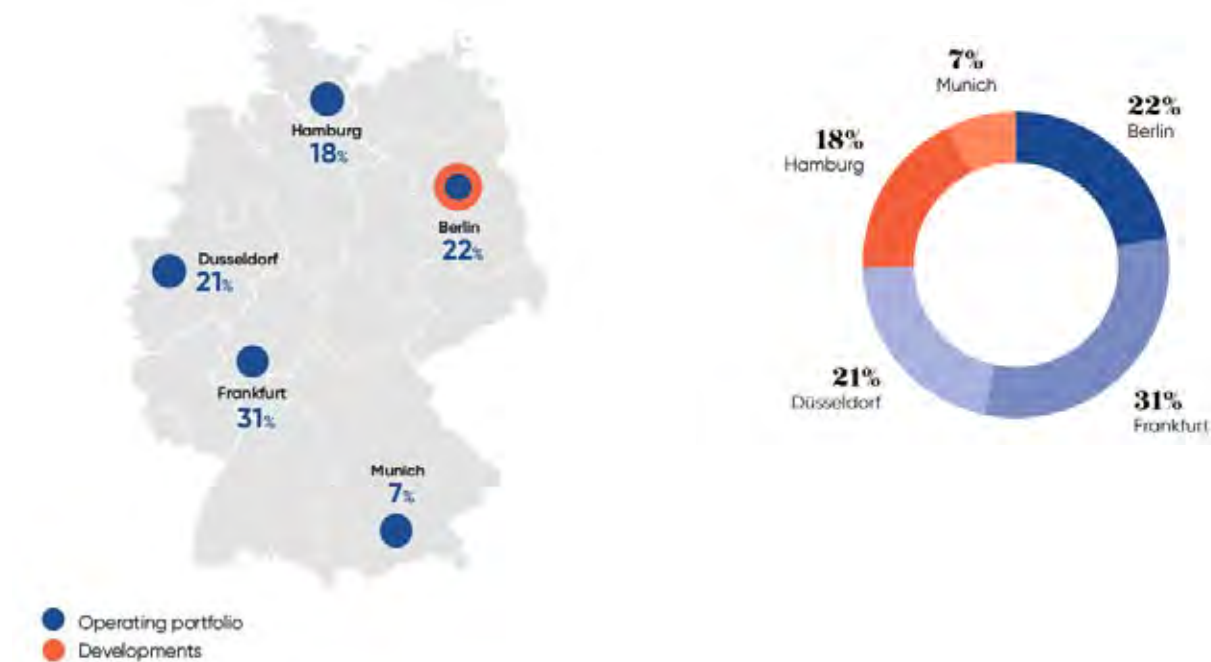


1.2.11.4 Milan Offices portfolio (20%^{a)}; €2.0 billion)



^{a)} Excluding office assets under sale agreements in France (€0.26 billion Group share)

1.2.11.5 Germany Offices portfolio (15%^{a)}; €1.5 billion)



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

1.3 Business analysis by segment

1.3.1 France Offices: 35% of Covivio's portfolio

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

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

1.3.1.1 Challenging letting market, supportive investment dynamic

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

- **Take-up** in Paris region was low at 1.3 million m² (-46% vs 2019), although with a brief recovery in the third quarter when restrictions were eased (+23% take-up vs second quarter):
 - in **Paris**, take up decreased by 48% to 0.5 million m², particularly on new spaces (-58%), still in scarce supply
 - in **Greater Paris** (excl. 2nd ring), the take-up also decreased by 44% to 0.7 million m², but the take-up on new and refurbished segment performed better (-31%).
- **Vacancy rate** increased to 6.8% from the historic low in 2019 at 4.9%, in line with the 10-year vacancy rate at 6.7%. The **immediate supply** now represents 3.7 million m², of which 23% of new space:

- in **Paris**, where Covivio will launch development projects in 2021, **the vacancy rate remains low (3.2%)**

- in **Greater Paris** top business districts, where Covivio is developing new buildings, the immediate supply of new space remains healthy: ~2.5% of the existing stock in Montrouge/Malakoff/Chatillon and in Levallois, ~3.8% in Paris 17th/St Ouen/Clichy.

- **Future available supply** at end-2020 is stable with 2.4 million m² stock under construction, with 30% pre-let:

- **excluding La Défense**, where several speculative projects are under way, the pre-let ratio reached 38%

- in the markets of Covivio's development projects, **future available supply is limited** compared to the total stock: 2% in Paris, 5% in Levallois, 3% in Montrouge/Malakoff/Chatillon.

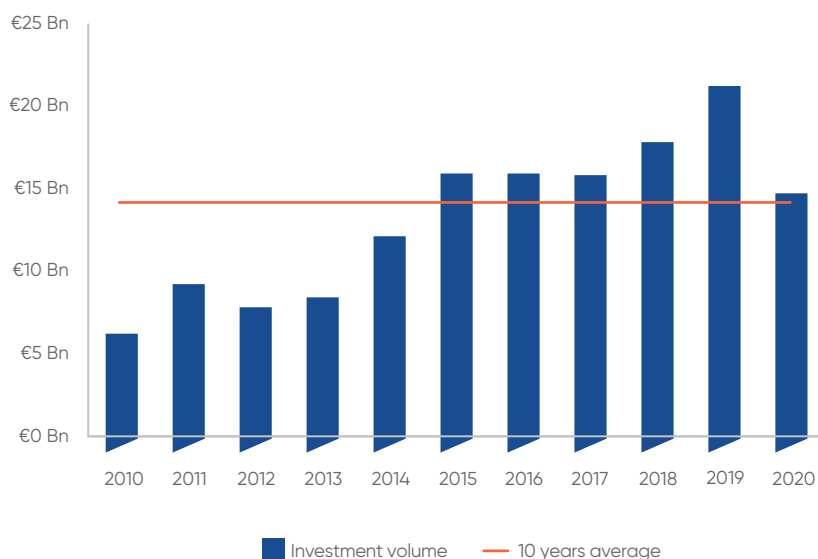
- Average **headline rents on new or restructured space** rose by 2% on average year-on-year in Greater Paris while second-hand space remains stable:

- prime rents increased by 7% year-on-year in Paris reaching a record of €930m²/year

- incentives in the Paris region remained stable over the year to 20.8%, in line with the 5-year average (21%).

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

Investment volume since 2010 and 10-year average



(1) Sources: Immostat, CBRE, Crane Survey

In 2020, the France Offices activity was marked by:

- acceleration of **mature asset disposals** with €424 million secured in Greater Paris and major regional cities:
 - Assets developed by Covivio between 2013 and 2019 where the **value has been fully extracted**
 - +7% margin vs end-2019 value

- **+1.7% like-for-like value growth** over one year, thanks mainly to value creation on our development projects offsetting decreases on temporary challenging assets
- **occupancy rate** staying above 95% at constant scope (excl. deliveries where commercialization is taking longer with the two lockdowns).

1.3.1.2 Accounted rental income: +0. at a like-for-like scope

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

(1) Lfl: Like-for-Like

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

- **improved rental performance** (+€1.4 million) with +0.7% on a like-for-like basis, mostly driven by indexation
- **deliveries** (+€3.3 million) in 2019 in major regional cities and in 2020 in the 1st ring

- **releases of assets, essentially for residential redevelopment** in the second half of 2020 (-€5.2 million), especially in the Western Crescent
- **disposals** (-€13.5 million), in 2019 and 2020 of mature assets in the 1st ring and French regions
- -€1.8 million due to a **one-shot indemnity** mainly received in H1 2019
- -€3.5 million related to other effects.

1.3.1.3 Annualized rents: €232 million Group Share

(In € million)	Surface (In m ²)	Number of assets	Annualized rents 2019 Group Share	Annualized rents 2020 100%	Annualized rents 2020 Group Share	Change (In %)	% of rental income
Paris Centre West	90,904	11	35.2	33.4	33.4	-5%	14%
Paris South	72,276	8	27.3	30.6	25.7	-6%	11%
Paris North- East	140,053	7	20.9	20.8	20.8	0%	9%
Total Paris	303,232	26	83.4	84.8	79.8	-4%	34%
Western Crescent and La Défense	195,384	12	68.1	68.9	61.3	-10%	26%
First ring	483,748	18	43.0	75.3	46.3	8%	20%
Second ring	47,303	20	5.2	3.1	3.1	-41%	1%
Total Paris Region	1,029,667	76	199.7	232.0	190.5	-5%	82%
Major regional cities	386,911	34	36.4	43.6	33.2	-9%	14%
Other French Regions	148,618	54	12.9	8.3	8.3	-36%	4%
TOTAL	1,565,196	164	249.0	283.9	232.0	-7%	100%

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

- 26 assets in Paris with high potential for redevelopment

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

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

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

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

	Surface (In m ²)	Annualised rents 2020 (In €M, Group Share)
Vacating	48,040	11.6
Letting	10,262	2.6
Pre-letting	12,731	4.2
Renewals	99,280	24.2

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

- **Close to 100,000m² were renegotiated or renewed** in 2020 with an upside of 3.1% on IFRS rents and +3.3 years lease extension. Covivio has been very active with its largest tenant Orange, with several asset management actions, including:
 - A 6-year extension on 23 non-core assets in the third quarter, which were sold in the fourth quarter at a price above the 2019 appraisal value
 - A 6-year extension accompanied with a rent increase on the Paris/Maillot asset (10,000m²) in exchange for a departure 2 years earlier on the Levallois/Pereire building in 2023 (8,000m²) with potential for residential conversion
- **48,000m² were vacated**, mostly in French regions (29,000m²) and La Défense (8,000m²), including:
 - 21,200m² for redevelopment, including Laborde in Paris CBD
 - 17,700m² on well positioned assets in central locations (mainly in Paris 15 & La Défense), or well connected to public transports (in front of underground stations)
- **23,000m² were let** in 2020, mainly in the following assets:
 - **3,300m² in Paris-Carré Suffren**: 3 new leases for 9 years

1.3.1.4 Indexation

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

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

- **3,800m² in Chatillon-IRO**, where a new lease was signed with MAIF in September for 3,800m² under similar conditions compared to the previous deal signed end-2019 (Siemens, 5,000m²)
- **2,800m² in Bordeaux-Cité Numérique**
- **2,800m² in St-Ouen/St-Denis** on two value-add assets with development potential in the long-term.



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

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

1.3.1.6 Lease expiries and occupancy rate

1.3.1.6.1 Lease expiries: firm residual lease term of 4.6 years

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

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

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

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

1.3.1.6.2 Occupancy rate: 93% at end-2020

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

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

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

1.3.1.7 Disposals : €424M secured in 2020

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

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

- **€336 million of mature assets**, on which Covivio extracted the full potential of value creation through the entire real estate cycle: development, full letting at delivery achieving top rent, asset management and disposal, capturing a 65% of value creation since delivery:

- two assets in Greater Paris: 11,177m² in Nanterre delivered in 2015 and 10,889m² in Issy-les-Moulineaux delivered in 2018

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

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

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

1.3.1.8 Portfolio values

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

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

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

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

1.3.1.8.2 Like-for-like portfolio evolution

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

(1) LfL: Like-for-Like.

(2) Yield excluding assets under development.

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

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

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

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

1.3.1.9 Assets partially owned

Partially owned assets are the following:

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

1.3.2 Italy Offices: 16% of Covivio's portfolio

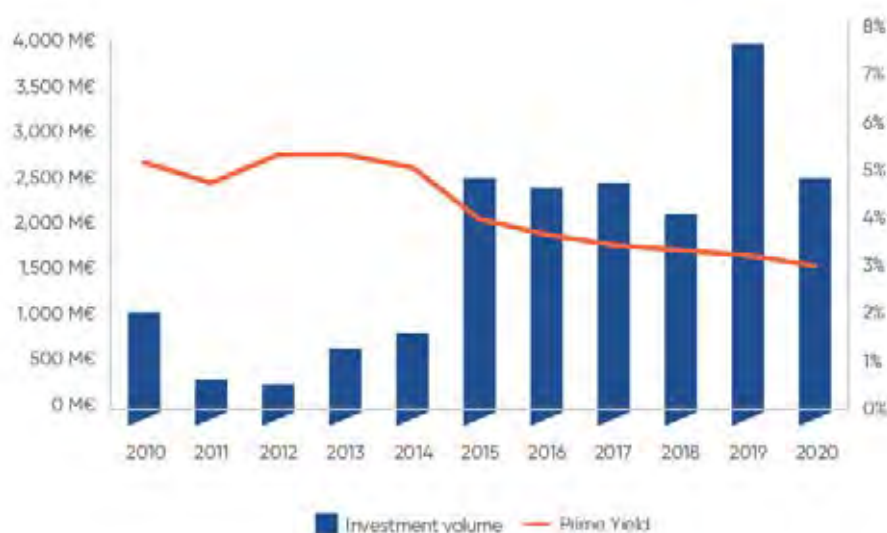
Covivio's Italy strategy is focused on Milan, where the Group's acquisitions and developments are concentrated. At end-2020, the Group owned Offices worth €3.4 billion (€2.7 billion Group Share) composed of:

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

1.3.2.1 Milan office market demonstrates strong resilience

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

Investment volume since 2010 and prime yield



Sources: CW, CBRE, JLL

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

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

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

1.3.2.2 Accounted rental income: -0.3% like-for-like

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

(1) LfL: Like-for-Like

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

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

1.3.2.3 Annualised rental income: €125 million Group Share

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

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

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

1.3.2.4 Indexation

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

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

1.3.2.5 Rental activity

(In € million)	Surface (In m ²)	Annualized rents 2020 Group Share	Annualized rents 2020 (100%, €/m ²)
Vacating	24,716	6.9	279
Lettings on operating portfolio	12,854	3.3	254
Lettings on development portfolio	12,184	2.4	200
Renewals	55,232	14.5	262

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

- 12,900m² of new contracts. including 4,500m² in Milan and 7,900m² in Rozzano
- 55,200m² of renewals, including 32,600m² in the context of the Covid pandemic (10,000m² concern ground floor retails) with an average lease duration extension of ~2 years.

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

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

24,700m² were vacated in 2020 in Milan:

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

1.3.2.6 Lease expiries and occupancy rates

1.3.2.6.1 Lease expiries: 7.4 years of average firm lease term

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

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

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

1.3.2.6.2 Occupancy rate: a high-level of 97%

(In %)	2019	2020
Offices – excl. Telecom Italia	98.1%	95.4%
Offices – Telecom Italia	100.0%	100.0%
TOTAL	98.7%	96.8%

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

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

1.3.2.7 Disposal agreements: €280M secured during 2020

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

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

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

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

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

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

1.3.2.8 Portfolio values

1.3.2.8.1 Change in portfolio values

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

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

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

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

(1) LfL: Like-for-Like

(2) Yield excluding development projects

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

(1) LfL: Like-for-Like

(2) Yield excluding development projects

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

- Milan is the city least affected by the crisis, showing great stability and resilience to turbulences. Milan portfolio values grew slightly (+0.4%), sustained by development portfolio's good performance (+3.1%) despite some value adjustments on high street retail surfaces (-3.7%).

- Telecom Italia showed stability again (-0.4%), relying on its strong fundamentals:

- 100% occupancy
- 11 years average lease term.

- Non-core Offices (outside Milan) continue to show a decrease (-18%) due to the general market situation. Covivio has greatly reduced its exposure in the last few years to these assets, which now represent only 7% of the portfolio

1.3.3 Germany Offices: 9% of Covivio's portfolio

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

Three acquisitions were made in Berlin in late 2019, and Covivio accelerated its strategy in early 2020 by acquiring 10 office assets located in Frankfurt, Düsseldorf, Hamburg and Munich through the public offer and delisting of Godewind Immobilien AG (renamed Covivio Office AG). The acquisition, announced on 13 February, was closed on 14 May with the company's delisting.

Covivio owns close to 100% of share capital and the rental income deriving from this portfolio was consolidated at 44.9% in the first quarter, at 89.3% in the second quarter and 99.8% in the second half of 2020 following the completion of the public offer.

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

1.3.3.1 German Offices market: sound fundamentals in the top 7 cities⁽¹⁾

- Take-up in German's top six markets fell by 34% in 2020 year-on-year to 2.5 million m². The Berlin market showed a little more resilience with its take-up decreasing by 26% compared to last year.
- Immediate supply remains scarce with a vacancy rate at 3.5%, having increased slightly vs 2019 (+0.2pt), with Berlin displaying

the tightest vacancy level at 2.0%, Hamburg (3.4%), Cologne (3.3%), Düsseldorf (6.3%) and Munich (2.9%).

- Future supply is also limited, with around 4.5 million m² under construction until 2022:
 - pre-let ratio remains high at 50%
 - consequently, future available space until 2022 represents 4% of the current existing stock.
- Despite the environment and falling demand, prime rents have continued growing at an overall 3.6% rate with +2.7% in Berlin and +6.9% Hamburg.
- Investments in Germany Offices were at €18.9 billion, 16% above the 10-year average, 51% of the investment are concentrated in Berlin (€~5 billion) and Frankfurt (€4.7 billion). The office prime yield of 2.8% offers a strong premium compared to the Germany 10-year yield of -0.5%.
- The Germany Office market is supported by strong fundamentals and is unlikely to suffer from office space demand losses resulting from the growing trend of working-from-home. According to a study from the German Economic Institute (IW – February 2021) only 6.4% of companies plan to reduce their space over the next 12 months.

In 2020, Covivio's activities were marked by:

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

1.3.3.2 Accounted rental income: €49 million Group Share in 2020

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

(1) LfL: Like-for-Like

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

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

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

1.3.3.3 Annualised rents: €47 million Group Share

Geographic breakdown

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

1.3.3.4 Indexation

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

1.3.3.5 Rental activity

	Surface (In m ²)	Annualised rents 2020 (In €M, Group Share)
Vacating	30,556	5.9
Letting	24,422	4.2
Renewals	27,033	4.7

The rental activity in 2020 was marked by:

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

1.3.3.6 Lease expiries and occupancy rate

1.3.3.6.1 Lease expiries: firm residual lease term of 4.9 years

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

The firm residual duration of leases stands at 4.9 years

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

1.3.3.6.2 Occupancy rate of 77%

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

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

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

1.3.3.7 Acquisition

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

Immobilien AG (renamed Covivio Office AG). The appraisal value at end 2020 is in line with the acquisition price including duties.

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

1.3.3.8 Portfolio values

1.3.3.8.1 Change in portfolio values

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

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

1.3.3.8.2 Like-for-like portfolio evolution: 4.8% of growth

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

(1) Lfl: Like-for-Like

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

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

1.3.4 Germany residential

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

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

1.3.4.1 Widening housing shortage and resilient market

- **The housing shortage** continues to widen in Germany: ~400,000 new units are needed each year against 293,000 new deliveries in 2019. The situation is especially dire in Berlin, where the existing housing shortage, compounded by the effect of the rent freeze law, is estimated at around 200,000 units. The supply of apartments to rent in the city has fallen by almost 2/3 in 2020.
- This shortage continues to drive an important **increase in rents & values** in Germany. In the top 8 cities:
 - rents rose by an average of 3.5% in 2020, to an average of €8.3/m²
 - asking prices for apartments increased by 11% in 2020, bringing the cumulated 5-year growth to 56%.
- **In Berlin**, in February 2020, the city implemented the Mietendeckel law to freeze housing rents for five years and in November 2020 it set rent caps on most residential units. This law is being challenged in court: on 6 May 2020, CDU/CSU and FDP

members of the Federal Parliament brought legal action before the Federal Constitutional Court against this new Berlin regulation to determine the extent to which the federal states have the right to independently set the caps on residential rents or whether this is the sole responsibility of the federal government. The judicial review is ongoing with a ruling expected in 2021.

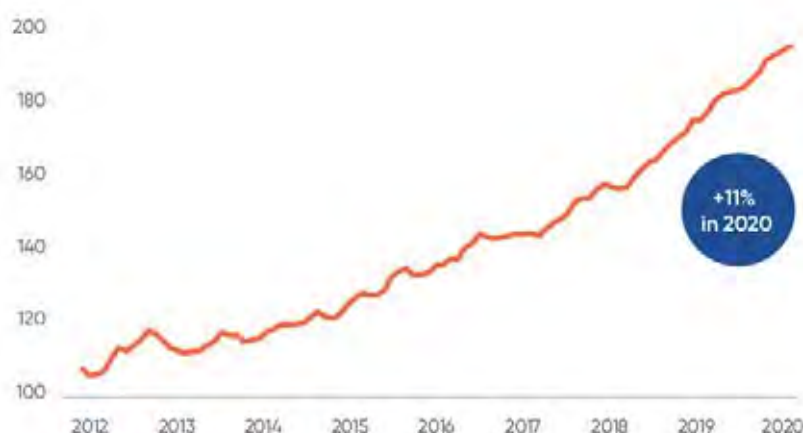
For additional details on the application of this law and its impacts on Covivio's residential activity refer to section 2.4 of this chapter.

In line with the overall market, the same trends can be observed despite the rent freeze in Berlin:

- the average **asking rent** on new buildings increased by 6.8% to €18.0/m² in 2020 and by 46% within the last 5 years. On existing building, rent grew again despite the regulation (+3.5% to €11.6/m²).
- the average **asking price grew by 7%** and now stands above 5,000 €/m², well above the current valuation of Covivio's residential portfolio (€2,970/m² in Berlin). Price for **new buildings also reached a new high** of €6,800/m² (+7.5%).
- Despite a decline in overall German real-estate investments by 11%, the residential market registered its highest transaction volume and grew by +15% compared to 2019 to reach €25 billion (including the acquisition of Adler Real Estate which was the largest single-asset transaction of the year).

Prices for apartments continue to rise in Germany

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



In 2020, Covivio's activities were marked by:

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

1.3.4.2 Accounted rental income: +2.3% variation on a like-for like scope

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

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

(1) Lfl: Like-for-Like

(2) Ground-floor retail, car parks, etc

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

1.3.4.3 Annualised rental income: €156 million Group Share

(In € million)	Surface (In m ²)	Number of units	Annualised rents 2019 Group Share	Annualised rents 2020 100%	Annualised rents 2020 Group Share	Change Group Share (In %)	Average rent (In €/m ² /month)	% of rental income
Berlin	1,229,731	16,727	78.2	113.4	73.4	-6.2%	€7.7/m ²	47%
of which Residential	1,070,113	15,843	63.8	90.6	58.6	-8.1%	€7.1/m ²	37%
of which Other commercial ⁽¹⁾	159,618	884	14.4	22.8	14.8	2.5%	€11.9/m ²	9%
Dresden & Leipzig	270,084	4,374	15.8	22.5	14.4	-8.8%	€6.9/m ²	9%
Hamburg	141,820	2,340	10.7	17.0	11.1	3.8%	€10.0/m ²	7%
North Rhine-Westphalia	1,122,412	16,847	54.6	90.8	57.5	5.4%	€6.7/m ²	37%
Essen	397,264	5,807	19.1	33.1	20.6	8.0%	€6.9/m ²	13%
Duisburg	205,532	3,164	9.6	15.9	9.9	3.5%	€6.5/m ²	6%
Mulheim	129,057	2,160	6.5	10.5	6.7	2.3%	€6.8/m ²	4%
Oberhausen	133,389	1,953	6.5	9.9	6.7	2.7%	€6.2/m ²	4%
Others	257,170	3,763	12.8	21.3	13.6	5.9%	€6.9/m ²	9%
TOTAL	2,764,046	40,288	159.3	243.7	156.4	-1.8%	€7.3/M²	100%
of which Residential	2,551,134	39,055	140.1	212.9	136.5	-2.6%	€7.0/m ²	87%
of which Other commercial ⁽¹⁾	212,912	1,233	19.2	30.8	20.0	3.7%	€12.0/m ²	13%

(1) Ground-floor retail, car parks, etc

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

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

1.3.4.4 Indexation

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

Rents for re-leased properties

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

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

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

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

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

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

For current leases

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

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

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

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

For current leases with work carried out

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

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

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

- freeze on existing rents for five years (i.e., until February 2025). An increase may be possible from 2022, up to the level of inflation (of about 1.3%) without exceeding rent ceilings. Rent ceilings can be increased by the Berlin Senate in line with increases in real wages two years after the law is enacted
- reversal of rent increases since 18 June 2019 back to the rent levels agreed as of that date, except for new leases signed after that date
- application of a rent cap, for re-letting and current leases, defined according to the year of construction of the building and the equipment in the dwelling
- excessive rents that are 120% above the rent ceiling to be reduced to the 120% level, adjusted for the quality of the location, applicable from the last quarter of 2020
- increase in rents for work to modernise a property's energy consumption or to upgrade the property to meet accessibility standards for people with reduced mobility: +€1/m²

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

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

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

- freeze of existing rents
- impact of rent decrease:
 - in 2020: -€1.7 million Group Share
 - in 2021: -€5.5 million vs 2020
- cumulative impact representing **around 1% of Covivio's annualised rent** at end-2020.

1.3.4.5 Occupancy rate: high level of 98.7%

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

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

1.3.4.6 Disposals and disposals agreements: €129 with a 20% margin on appraisal value

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

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

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

1.3.4.7 Acquisitions: €119 realized in 2020

(In € million, Including Duties)	Surface (In m ²)	Number of units	Acquisitions 2020 realised		
			Acq. price 100%	Acq. price Group Share	Gross yield
Berlin	31,315	534	86	58	3.3%
Dresden & Leipzig	3,174	31	7	5	4.5%
Hamburg	-	-	-	-	-
North Rhine-Westphalia	13,061	195	25	17	5.2%
TOTAL	47,549	760	119	79	3.7%

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

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

1.3.4.8 Portfolio: €6.6 billion (€4.3 billion Group Share)

1.3.4.8.1 Change in portfolio: +€294 million Group Share in 2020

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

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

1.3.4.8.2 Change on a like-for-like basis: growth of 8.2%

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

(1) Lfl: Like-for-Like.

(2) Ground-floor retail, car parks, etc.

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

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

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



1.3.5 Hotels in europe

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

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

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

1.3.5.1 Market: an unprecedented crisis

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

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

1.3.4.9 Maintenance and modernisation Capex

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

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

- Following the partial lifting of restrictions in June, France and Germany (which account for about 60% of the portfolio) outperformed Europe by +54pt and +30pt, mainly thanks to:

- a larger exposure to leisure and domestic travel (90% and 80% respectively)
- a qualitative land-based transportation network subject to less scrutiny and heavy movement constraints.

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

- At the peak of the crisis, only 22% of the hotel portfolio was open⁽²⁾. But as soon as the lockdown measures eased, the activity quickly started to recover, before being hurt again by the second lockdown
- like-for-like values decreased by only -6.9%, thanks to the quality of the portfolio, 88% of which is located in major regional cities, and to the agreements secured with the hotel operators. The rebound of the activity should come firstly from leisure clientele (vs business), individuals (vs groups) and domestic customers (vs international). With more than 70% of individual, about 80% of domestic and European and 55% to 60% of leisure customers, variable income hotels (in France, Germany and the UK) are particularly well positioned to take advantage of the recovery.

(1) MKG Data as of the end of December 2020

(2) Based on the number of rooms

Assets not wholly owned by Covivio Hotels include:

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

1.3.5.2 Recognised revenues: -55% on a like-for-like basis

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

(1) LfL: Like-for-Like

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

• leased hotels:

- the **AccorInvest hotel portfolio** (22% of the hotel portfolio), which is indexed on hotel turnover, degraded by 73% compared to 2019 due to the complete shutdown of a large part of the hotel properties from mid-March until the end of May and the following renewed restrictions. These midscale and economy hotels are located in France and Belgium
- **hotels located in the UK** (13% of the hotel portfolio), leased to IHG were directly impacted by the administrative closure of hotels from the end of March to July and from November in Great Britain and in Scotland. These exceptional events and the major loss in turnover for hotels should trigger an underperformance (MAC) clause included in this contract.

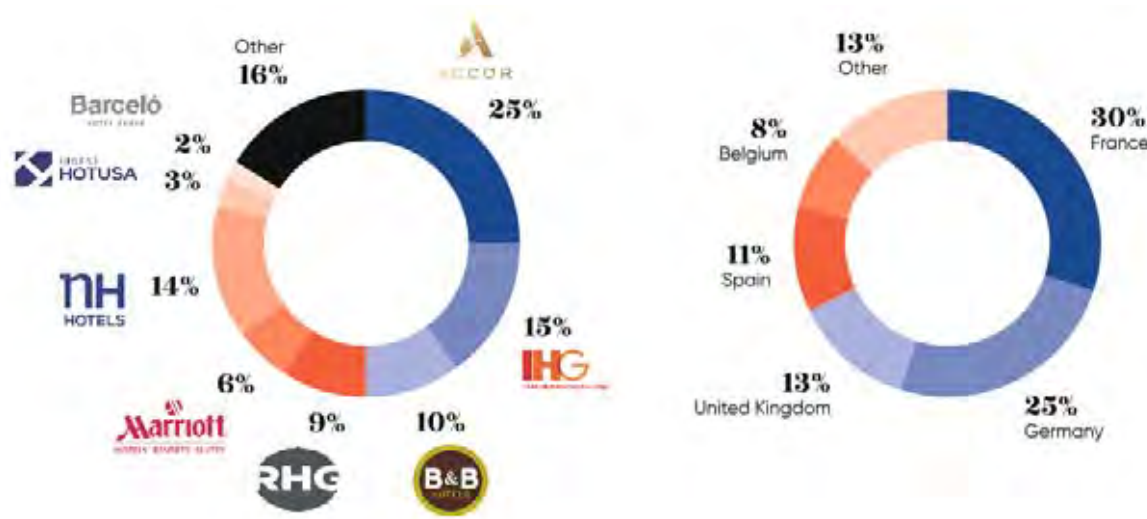
This clause reduces the rent when the loss of the NOI of the hotels is higher than one-third of the annual rent. As a result of the application of the underperformance clause, no rent was recognised in this scope for 2020

- **other leases:** agreements with operators helped limit the decrease to -3%, of which -€0.5 million was due to Covid negotiations and -€0.9 million was due to the temporary impact of a tenant change in a hotel in Spain

- **operating hotels:** mainly located in Germany and in the north of France. The majority of the hotels were closed during the lockdowns and lost consequently 88% of EBITDA compared to 2019. In 2020 there was also a €7.5 million reversal of provisions made on past accounting periods given the signature of an amendment to the management contract of the Pullman Roissy Airport hotel.

1.3.5.3 Annualised revenue

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



1.3.5.4 Indexation

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

1.3.5.5 Lease expiries: 14.2 years of firm residual lease term years

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

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

The occupancy rate remained at 100% on hotels in leases.

1.3.5.6 Disposals and disposal agreements: €19 M of new commitments

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

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

1.3.5.7 Acquisitions

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

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

1.3.5.8 Portfolio values

1.3.5.8.1 Change in portfolio values

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

(1) Including the acquisition of NH Hotel portfolio and excluding Capex to be disbursed in 2021

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

1.3.5.8.2 Change on a like-for-like basis: -6.9%

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

(1) Lfl: Like-for-Like

(2) Yield excluding assets under development; EBIDTA yield for Hotel Operating properties

(3) Yields calculated on the basis of 2020 fixed revenues and 2019 variable revenues

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

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

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

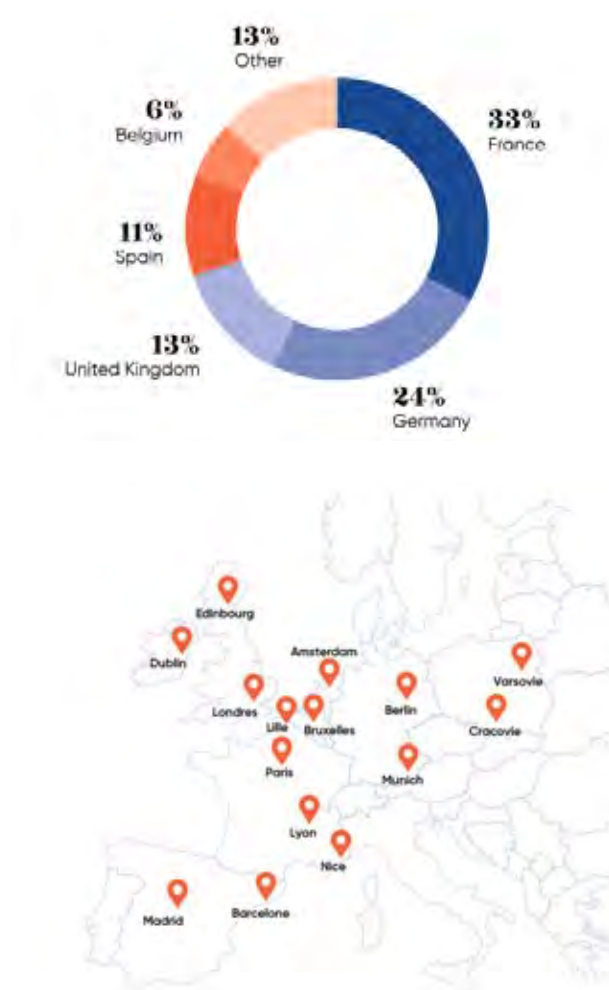
1- Value adjustments on assets with challenged revenues:

- **variable income assets (42% of Hotels)** which fell by 6.7% due to rents fully based on hotel turnover and hence strongly impacted for the next three to four years:
 - -6.3% on the AccorInvest portfolio located in France and Belgium
 - -7.3% on operating assets mainly in Germany
- **the UK portfolio (13% of Hotels),** -14.3% on these 12 assets leased to IHG, due to the longer lockdown period and MAC clause and their impact on the rent forecasts

2- relatively resilient fixed leased assets:

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

Portfolio breakdown by value and geography
88% in major European cities



1.4 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).

1.4.1 Consolidated accounts

1.4.1.1 Scope of consolidation

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

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

1.4.1.2 Accounting principles

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

1.4.1.3 Simplified income statement - Group Share

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

1.4.1.3.1 11% decrease in net revenue

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

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

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

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

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

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

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

- **EBITDA from the Hotel Operating activity and flex-office:** €5.7 million of EBITDA on the flex-office activity that increased slightly thanks to the ramp-up of this activity and the opening of new spaces in Milan. The Hotel Operating activity (€3.3 million) declined significantly (-89%) because of the closure of hotels during general lockdowns.
- **Income from other activities:** net income from other activities comes from the income generated by car park companies (€7 million) and the property development activity (€25 million).

The car park activity decreased by -€2.8 million mainly due to the lockdown, while the property development activity increased by +€9 million due to the increase in the number of projects (notably in German Residential) and due to the increase in the percentage of completion.

- **Net operating costs:** -€83.2 million including +€21.8 million in property management fees.

Net operating costs increased by €5.4 million (+6.9%) under the effect of:

- a decrease in property fees for the hotel activity, following the disposal of the B&B assets in 2019 (+€8 million)
- partly balanced by a significant savings on staff costs and travel expenses (-€2.5 million) despite the integration of the former Godewind teams in Germany Offices.

1.4.1.3.2 Amortisation of operating assets

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

1.4.1.3.3 Net change in provision and other

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

1.4.4.3.10.1 Share of income of equity affiliates

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

1.4.1.3.4 Net income from inventory properties

This item refers to the trading activity, mainly in Italy.

1.4.4.3.5 Income from asset disposals & disposal of securities

Income from asset disposals (in assets or share transactions) contributed +€7 million during the year. This gain is mainly in German Residential.

1.4.4.3.6 Change in the fair value of assets

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

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

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

1.4.4.3.7 Income from changes in scope and other

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

1.4.4.3.8 Cost of net financial debt

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

1.4.4.3.9 Interest charges linked to finance lease liability

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

1.4.4.3.10 Value adjustment on derivatives

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

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 (47,000m²), let to Thalès and co-owned with Crédit Agricole Assurances
- Euromed in Marseille: two office buildings (Astrolabe and Calypso) and a hotel (Golden Tulip) in partnership with Crédit Agricole Assurances
- Coeur d'Orly in Greater Paris: two buildings in the Orly airport business district in partnership with ADP

- Bordeaux Armagnac: development project, delivered in 2019 in partnership with Icade, of three buildings near the new high-speed train station

- Phoenix hotel portfolio: 32% stake held by Covivio Hotels in a portfolio of 32 Accor Invest hotels in France & Belgium.

1.4.4.3.10.2 Taxes

The corporate income tax corresponds to the tax on:

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

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

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

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

- The restatement of the amortisation of operating assets (+€18.9 million) offsets the real estate amortisation of the flex-office and hotel operating activities.
- The restatement of the net change in provisions (-€2.8 million) consists of the ground lease expenses linked to the UK leasehold.
- There was an €8.1 million impact on the cost of debt due to early debt restructuring costs.

- The interest charges linked to finance lease liabilities relating to the UK leasehold, as per IAS 40 § 25, €4 million was cancelled and replaced by the lease expenses paid (see the amount of -€2.8 million under the line item "Net change in provisions and other").
- The restatement of the share in earnings of affiliates allows for the EPRA Earnings contribution to be displayed.
- The restatement of the corporate income tax (+€14.1 million) is linked to the tax on disposals.

1.4.4.3.10.4 EPRA Earnings by activity

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

(1) Including non-strategic retail in the subsidiary scope.

EPRA Earnings of affiliates

EPRA Earnings of affiliates consolidated under the equity method

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

1.4.1.4 Simplified consolidated income statement (at 100%)

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

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

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

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

1.4.1.5 Simplified consolidated balance sheet (Group Share)

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

1.4.1.5.1 Investment properties, Properties under development and Other fixed assets

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

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

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

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

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

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

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

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

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

1.4.1.5.1.2 Total Group shareholders' equity

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

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

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

1.4.1.5.1.3 Deferred tax liabilities

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

1.4.1.6 Simplified consolidated balance sheet (at 100%)

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

1.5 Financial Resources

1.5.1 Summary of the financial activity

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

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

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

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

1.5.2 Main debt characteristics

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

1.5.3 Debt by type

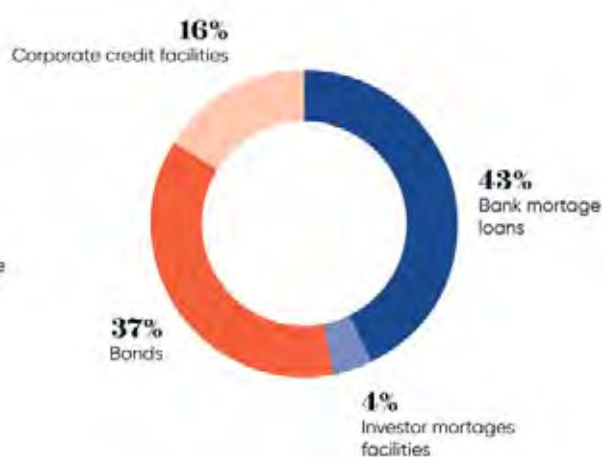
Covivio's net debt stands at €7.9 billion in Group Share at end-2020 (€11.0 billion on a consolidated basis), €1.2 billion higher compared to end-2019 due to the acquisition of the Germany Office portfolio.

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

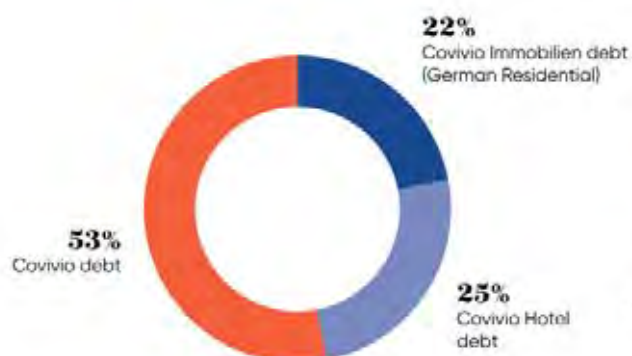
Consolidated commitments by type



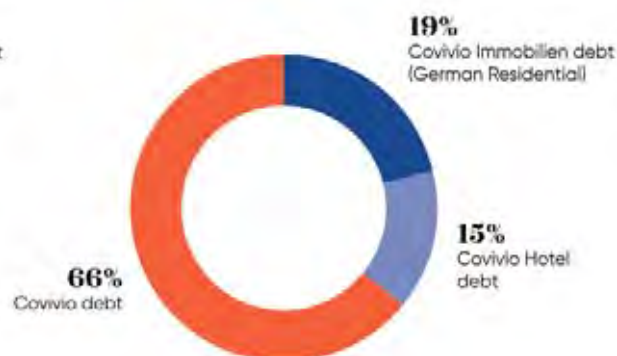
Consolidated commitments by company



Group share commitments by type



Group share commitments by company



1.5.4 Debt maturity

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

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

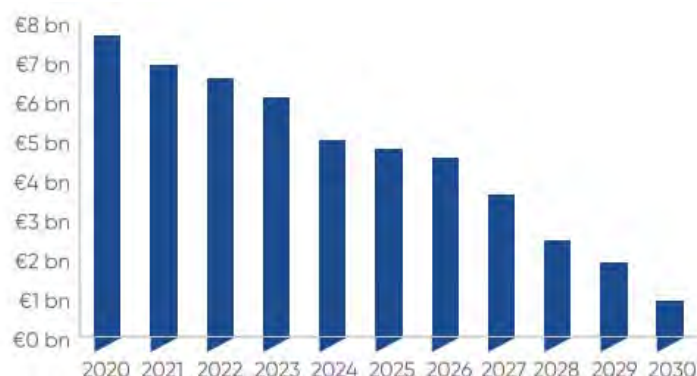
Debt amortisation schedule by company €M (Group share)⁽¹⁾



(1) Excluding commercial papers.

1.5.5 Hedging profile

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



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

1.5.6 Average interest rate on debt and sensitivity

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

1.5.6.1 Financial structure

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

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

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

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

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

⁽¹⁾ Excluding duties and sales agreements

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

Detail of Loan-to-Value calculation (LTV)

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

1.5.7 Reconciliation with consolidated accounts

1.5.7.1 Net debt

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

1.5.7.2 Portfolio

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

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

1.5.7.3 Interest Coverage Ratio

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

1.6 EPRA reporting

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

1.6.1 Change in net rental income (Group Share)

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

1.6.1.1 Reconciliation with financial data

(In € million)	2020
Total from the table of changes in Net rental Income (GS)	539
Adjustments	-
TOTAL NET RENTAL INCOME (FINANCIAL DATA § 3.3)	539
Minority interests	237
TOTAL NET RENTAL INCOME (FINANCIAL DATA § 3.4)	776

1.6.2 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
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
Market rental value on occupied and vacant assets

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

(1) Including French residential and others

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

1.6.3 Investment assets - Asset values

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

- The EPRA net initial yield is the ratio of:

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

Reconciliation with IFRS statements

(In € million)	2020
TOTAL PORTFOLIO VALUE (GROUP SHARE, MARKET VALUE)	17,105
Fair value of the operating properties	-896
Fair value of companies under equity method	-435
Right of use on investment assets	106
Fair value of car parks facilities	-46
INVESTMENT ASSETS GROUP SHARE⁽¹⁾ (FINANCIAL DATA § 3.5)	15,834
Minority interests	7,127
INVESTMENT ASSETS 100%⁽¹⁾ (FINANCIAL DATA § 3.5)	22,961

(1) Fixed assets + Developments assets + asset held for sale

Reconciliation with IFRS

(In € million)	2020
Change in fair value over the year (Group Share)	148
Others	-
INCOME FROM FAIR VALUE ADJUSTMENTS GROUP SHARE (FINANCIAL DATA § 3.3)	148
Minority interests	-20
INCOME FROM FAIR VALUE ADJUSTMENTS 100% (FINANCIAL DATA § 3.3)	128

1.6.4 Assets under development

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

(1) Total cost including land and financial cost

(2) FC: Full consolidation

Reconciliation with total committed pipeline

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

Reconciliation with financial data	2020
Total fair value of assets under development	1032
Project under technical review and non-committed projects	379
ASSETS UNDER DEVELOPMENT (FINANCIAL DATA § 3.5)	1411

1.6.5 Information on leases

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

(1) Percentage of lease expiries on total revenues

1.6.6 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:

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

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

1.6.7 EPRA cost ratio

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

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

The calculation of the EPRA cost ratio excludes car parks activities.

1.6.8 EPRA Earnings: €385 million in 2020

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

1.6.9 EPRA NRV, EPRA NTA and EPRA NDV

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

Evolution of EPRA NTA



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

1.6.9.1 Reconciliation between shareholder's equity and EPRA NAV

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

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

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

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

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

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

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

1.6.9.2 Fair value assessment of operating properties

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

1.6.9.3 Fair value adjustment for the car parks

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

1.6.9.4 Fair value adjustment for own occupied buildings and operating hotel properties

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

1.6.9.5 Fair value adjustment for fixed- rate debts

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

1.6.9.6 Recalculation of the base cost excluding duties of certain assets

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

1.6.9.7 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.

1.6.10 Reminder of previous EPRA NAV metrics

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

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

1.6.11 Capex by type

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

(1) Acquisitions including duties.

(2) Renovation on portfolio excluding developments.

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

(4) Commercialization fees, financial expenses capitalized and other capitalized expenses.

1.6.12 EPRA performance indicator reference table

EPRA information	Section	in%	Amount (ln €)	Amount (ln €/share)
EPRA Earnings	1.8.8	-	€385 M	€4.2/share
EPRA NRV	1.8.9	-	€10,452 M	€110.3/share
EPRA NTA	1.8.9	-	€9,482 M	€100.1/share
EPRA NDV	1.8.9	-	€8,464 M	€89.3/share
EPRA NAV	1.8.10	-	€9,613 M	€101.4/share
EPRA NNNNAV	1.8.10	-	€8,566 M	€90.4/share
EPRA NAV/IFRS NAV reconciliation	1.8.10	-	-	-
EPRA net initial yield	1.8.6	3.6%	-	-
EPRA topped-up net initial yield	1.8.6	3.9%	-	-
EPRA vacancy rate at year-end	1.8.2	5.0%	-	-

1.7 Real estate appraisals

1.7.1 Asset valuation method

The overall portfolio is appraised by independent experts on a half-yearly basis (30 June and 31 December), and according to the calculation methods determined by an internal set of specifications based on the guidelines of the oversight bodies:

- recommendation of the *Autorité des Marchés Financiers* (AMF)
- instructions from the COB report of 3 February 2000 on real estate appraisals ("Report from the Working Group on expert appraisals of the real estate portfolios of companies issuing public calls for savings" chaired by Georges Barthès de Ruyter).

Covivio also abides by the Listed Real Estate Investment company (SIIIC) Code of Ethics applicable to FSIF (*Fédération des Sociétés Immobilières et Foncières*) member companies, particularly in terms of real estate appraisals.

Moreover, the real estate experts selected, namely BNP Real Estate Valuation, Cushman & Wakefield, JLL Expertises, and CBRE Valuation, are all members of the AFREXIM (*Association Française des Experts Immobiliers* – French Association of Real Estate Appraisers), and, as such, are governed by the real estate appraisal charter approved by AFREXIM. As a result of this, the experts adhere to the various French standards. Their valuation methods comply with the RISC and IVSC international codes of conduct.

Each asset is subject to a complete appraisal at the time of its acquisition, or when there is a change of appraiser. Updates to the file and sometimes asset inspections are performed during interim appraisals. Assets with an appraisal value of over €30 million⁽¹⁾ are subject to a complete appraisal every three years. The remainder are appraised every five years.

A complete appraisal consists of:

- preparation of a file including the legal, technical and financial documents required to objectively analyse the factors that enhance or reduce the value of the assets under consideration
- an internal visit to the sites and their environment
- research and analysis of comparison factors
- drafting of a report in which the final appraisal must be consistent with the aforementioned observations, and a relevant analysis of the category market in question.

1.7.1.1 Income capitalisation method

This approach involves recognising the revenues produced or capable of being produced by an asset and capitalising them at an appropriate rate. This rate is derived from the revenues recognised, the asset's features, and its foreseeable potential. It is based on the analysis of other rental properties and should be viewed as a whole from a general context of revenues expected from various investments in a given economic environment.

The main criteria for choosing rates of return are as follows:

- geographic location
- age and condition of the property complex
- possibility of converting the property complex
- size and profitability of the establishment.

1.7.1.2 Discounted cash flow (DCF) method

This method takes into consideration future revenue, including recognised rental income, anticipated rental income, and work under contract for the lessor and residual gains from any sale at the end of the holding period. This method consists of discounting to present value of the flows generated by the asset and adding in the present exit value of the assets in the last year.

In the case of an asset that is under development meeting the IAS 40 standard and subject to an appraisal, Covivio integrates a disbursement for future works in its cash flow.

1.7.1.3 Unit value comparison method

This method consists in referring to the sale prices found on the market for equivalent assets. The comparison factors used derive specifically from internal databases in which each reference is analysed, classified by situation and by category, and expressed in gross surface units or weighted surface units.

It is more a method of cross-checking the two methods described above, than a principal method.

⁽¹⁾ Excluding residential portfolio.

1.7.2 Appraiser remuneration at Covivio level

Appraisers (In € - 100% - excl. tax)	Total 2020	(In %)
CBRE	834,914	45%
REAG	245,090	13%
YARD Valltech	177,376	10%
Cushman	140,790	8%
BNPP Real Estate	127,800	7%
CFE	108,460	6%
HVS	97,647	5%
MKG	91,100	5%
VIF	42,450	2%
TOTAL	1,865,628	100%

1.7.3 Abridged experts' report on the appraisal at the end of 2020 of the market value of the France Offices and German Residential portfolios

1.7.3.1 General background on the appraisals

1.7.3.1.1 General framework

Covivio requested, under the terms of appraisal contracts, that appraisals of the fair value of their portfolio assets be completed as part of the half-year valuation of the portfolio. These appraisals were conducted with complete independence.

The appraisal companies Cushman & Wakefield, CBRE Valuation, BNP Paribas Real Estate Valuation and JLL Expertises have no capital ties with Covivio and certify that the appraisals were performed by, and under the responsibility of qualified appraisers.

The annual fees billed to Covivio are determined before the appraisal. They account for less than 10% of the revenues of each appraisal company. The rotation of the appraisers is organised by Covivio. We have not identified any conflict of interest in this appraisal.

The assignment is in compliance with the AMF recommendation concerning the presentation of the real estate asset valuation for listed companies published on 8 February 2010.

Covivio Immobilien SE requested, under the terms of appraisal contracts or amendments, that CBRE appraise the fair value of the assets in its Germany portfolio. This request was part of the half-year valuation of its portfolio. The annual fees billed to Covivio Immobilien SE are determined before the appraisal. They account for less than 10% of the revenues of each appraisal company. The rotation of the appraisers is organised by Covivio Immobilien SE.

1.7.3.1.2 Current appraisal

For France Offices, the appraisal focused on the fair value of the 140 assets in the portfolio. For this assignment, Covivio requested initial appraisals or updates based on documentation when the assets were first appraised less than five years ago.

The assignment was to estimate the fair value with the occupancy rate announced at 31 December 2020.

The appraised assets are located in the national territory. These are investment assets that are either fully owned or under construction lease by Covivio. The assets in the various portfolios are leased to various tenants under commercial lease arrangements with (or without) firm 3-year, 6-year, 9-year or 12-year leases or exceptional leases.

It should be noted here that, when the company is the tenant under the terms of a financial lease, the appraiser values only the assets underlying the contract, and not the financial lease contract itself. In the same way, when a real estate asset is held by a special purpose entity, its value was estimated on the assumption of the sale of the underlying real estate asset, and not the sale of the company.

In German Residential, the appraisers were tasked with assessing the fair value of 41,317 assets. For this assignment, Covivio Immobilien SE asked the appraisers to carry out initial appraisals or updates based on documentation when the assets were first appraised less than five years ago. The appraisers' assignment was to estimate the fair value with the occupancy rate announced at 31 December 2020. The assets appraised are located in Germany. They are primarily assets that are wholly owned by Covivio Immobilien SE or by its subsidiaries. They largely consist of residential assets. The assets are rented to many tenants, mainly under residential leases.

1.7.3.2 Conditions of performance

1.7.3.2.1 Documents examined

This assignment was conducted on the basis of the documents and information provided, all of this information being assumed to be accurate and to represent all of the information and documents in the possession of, or known to, the principal, which could have an impact on the fair value of the portfolio. Accordingly, title deeds and zoning certificates are not examined.

In German Residential, the appraisal work described above was done based on the documentation and information provided to the appraisers in October 2020.

1.7.3.2.2 Standards

The appraisals and valuations were completed in accordance with:

- the recommendations of the Barthès de Ruyter report on the valuation of real estate portfolios of listed/publicly traded companies, published in February 2000
- the charter for Expert Appraisal in Real Estate Valuation
- the principles enshrined in the Code of Ethics for Listed Real Estate Investment Companies (SILCs) and by the Royal Institution of chartered Surveyors RED BOOK 2014
- the International Valuation Standards promoted by the International Valuation Standards Council (IVSC);

the IAS/IFRS 40 and IFRS 13⁽¹⁾ standards.

In addition, following the foregoing standard, a classification of the fair value of the assets held by the company was performed. In order to increase the consistency and comparability of fair value appraisals and the related information to be provided, IFRS 13 outlines a hierarchy that it ranks according to three levels of

importance of the inputs of the valuation techniques used to determine the fair value.

This hierarchy ranks listed prices (unadjusted) on active markets for identical assets or liabilities (level 1 input) at the highest level, and unobservable inputs (level 3 inputs) at the lowest level.

The fair value obtained is classified overall at the same hierarchical level as the lowest level of input that is significant for determining its overall fair value. Any significant appreciation of an input determined for the overall fair value requires the exercise of judgement and takes into account factors specific to the asset or the liability.

1.7.3.2.3 Methodology used

For the investment assets making up the various portfolios, the appraisers used the discounted cash flow method and the yield method (capitalisation of revenues), with cross-checking by direct comparison.

In German Residential, for the assets making up the various portfolios, i.e. investment assets, we used the discounted cash flow method.

1.7.3.3 Overview of the valuation of the Offices asset portfolio at year-end 2020

At consolidated level, Covivio had 186 office property assets at end-2020. 140 assets are recognised at their appraised value, 43 assets are recognised at the level of their commitment, and three assets are under internal valuation.

	Paris	Île-de-France - Other	Area		Total
Offices	Fair value 100%	Fair value 100%	Fair value 100%	Fair value 100%	Total (ln %)
BNPP Real Estate	701,700,000	914,680,000	106,150,000	1,722,530,000	24%
Cushman & Wakefield	890,100,000	1,902,215,000	502,124,000	3,294,439,000	46%
CBRE	1,112,564,500	303,900,000	281,023,000	1,697,487,500	23%
JLL	59,470,000	1,220,000	24,040,000	84,730,000	1%
TOTAL PORTFOLIO APPRAISED	2,763,834,500	3,122,015,000	913,337,000	6,799,186,500	93%
Assets under preliminary sale agreements	0	152,471,515	153,091,445	305,562,960	4%
Assets measured internally	0	0	144,185,000	144,185,000	2%
TOTAL PORTFOLIO	2,763,834,500	3,274,486,514	1,210,613,445	7,248,934,460	100%

1.7.3.3.1 Summary by appraisers

Appraisers	Number of assets	Fair value 100% excluding duties	Fair value Group Share excluding duties
BNPP Real Estate	26	1,722,530,000	1,311,385,861
Cushman & Wakefield	58	3,294,439,000	2,556,999,546
CBRE	42	1,697,487,500	1,632,642,500
JLL	14	84,730,000	84,730,000
*TOTAL PORTFOLIO	140	6,799,186,500	5,585,757,907

1.7.3.3.2 General comments

These values are understood as being based on the market remaining stable and no significant changes occurring to the assets between the appraisal date and the value date.

This abridged report cannot be taken separately from all the work performed as part of the appraisals, especially the summarised or detailed reports associated with them.

Each of the four appraisers confirms the values of the assets where they themselves performed the appraisal or update, without assuming responsibility for those performed by the other appraisal companies.

(1) In accordance with IFRS 13 applicable at the latest to periods starting as of 1 January 2013, the assets held by Covivio in France and in Germany were appraised at their fair value, which corresponds to the "price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

1.7.3.4 Summary of the valuation of the residential asset portfolio at the end of 2020

	Appraised value	Fair value	Total (ln %)
Berlin	3,911,540,000	3,908,564,812	57%
Dresden & Leipzig	664,920,000	587,409,999	9%
Hamburg	506,320,000	506,320,001	7%
North Rhine-Westphalia	1,852,652,200	1,876,914,769	27%
TOTAL	6,935,432,200	6,879,209,580	100%

The difference between the value provided by the appraisers and the fair value results from the impact of sales and preliminary sales agreements as well as acquisitions completed.

1.7.3.4.1 Summary by appraisers

Appraisers	Number of units	Appraised value 100% Excluding Duties	Fair value 100% Excluding Duties	Fair value Gp Shr excluding duties
CBRE	40,683	6,935,432,200	6,879,209,580	4,424,473,789

CBRE appraised 40,683 units owned by Covivio Immobilien SE including 39,055 housing units.

1.7.3.4.2 General comments

The values presented by the appraisers are understood as being based on the market remaining stable and no significant changes occurring to the assets between the appraisal date and the value date.

1.8 Portfolio list

1.8.1 France Offices

Area	Surface area at 100% (ln m ²)
Core assets under operation	977,506
Paris	236,960
Western Crescent and La Défense	175,251
Inner suburbs	321,617
Major regional cities	227,425
● Lyon	28,107
● Bordeaux	49,024
● Marseille	32,946
● Lille	20,392
● Montpellier	58,231
● Nantes	17,670
● Toulouse	15,764
● Metz (Covivio headquarters)	5,286
Development projects	422,546
Non-core assets	165,145

List of Core assets and development projects: 96% of the France Offices portfolio, Group Share

Surname	% ownership	Address	Zip code	City/Region	Surface area at 100%
Operating assets					977,506
Paris/Gutenberg 1er	100%	55/57 rue J.J. Rousseau	75001	Paris	5,133
Paris/Littre 6e	100%	37 rue Du Cherche Midi	75006	Paris	3,510
Paris/Percier	100%	5/7 avenue Percier	75008	Paris	8,542
Paris/The Line	100%	11 avenue Delcasse	75008	Paris	4,842
Paris/Anjou	100%	11/15 rue D'anjou	75008	Paris	10,067
Paris/Provence 9e	100%	15/17 rue Poissonnière	75009	Paris	7,346
Paris/Jemmapes	100%	103/107 Bd Villette	75010	Paris	9,158
Paris/Philippe Auguste 11e	100%	42/46 avenue Philippe Auguste	75011	Paris	13,921
Paris/Voltaire 11e	100%	6/10 Pas St-Pierre Amelot	75011	Paris	10,376
Paris/Art&Co	100%	15/17 rue Traversière	75012	Paris	13,599
Paris/Bobillot 13e	100%	95/97 rue Bobillot	75013	Paris	3,652
Paris/Raspail 14e	100%	12 Bis À 16 rue Campagne Première	75014	Paris	14,107
Paris/Keller 15e	100%	6 rue Robert Keller	75015	Paris	3,387
Paris/Le Ponant	100%	19 rue Leblanc	75015	Paris	4,650
Paris/Carré Suffren	60%	8/12 rue Du Capitaine Scott	75015	Paris	24,938
Paris/Steel	100%	29 rue Des Sablons	75016	Paris	3,681
Paris/Carnot	100%	23 rue Médéric	75017	Paris	11,912
Paris/Maillot 17e	100%	18 rue Gustave Charpentier	75017	Paris	9,754
Paris/Montmartre	100%	114 rue Marcadet	75018	Paris	5,926
Paris/Cap 18	100%	189 rue D'Aubervilliers – 73 rue de L'évangile	75018	Paris	65,194
Paris/Ménilmontant	100%	26 rue Sorbier	75020	Paris	3,265
Total Paris					236,960
La Defense/Cb21	75%	16 Place De L'Iris	92400	Courbevoie	68,076
Boulogne/Grenier	100%	32 avenue P. Attic	92100	Boulogne-Billancourt	7,760
Boulogne/Molitor	100%	25 Bis avenue André Morizet	92100	Boulogne-Billancourt	4,434
Issy-les-Moulineaux/Atlantis	100%	11 rue Camille Desmoulins	92130	Issy-les-Moulineaux	11,461
Issy-les-Moulineaux/Edo	100%	3 Allée De Grenelle	92130	Issy-les-Moulineaux	10,937
Levallois-Perret/Thais	100%	25/27/29 rue Anatole France	92300	Levallois-Perret	5,555
Levallois-Perret/Pereire	100%	37 À 43 rue Pierre Brossolette	92300	Levallois-Perret	8,156
Rueil/Degremont	100%	183 avenue du 18 Juin 1940	92500	Rueil-Malmaison	14,213
Rueil/Lesseps	100%	1 Cours de Ferdinand De Lesseps	92500	Rueil-Malmaison	40,603
Nanterre/Rousseau	100%	40 rue J.J. Rousseau	92000	Nanterre	4,057
Total Western Crescent & La Defense					175,252
Saint Ouen Victor Hugo	100%	69-73 Boulevard Victor Hugo	93400	St-Ouen	14,898
Saint-Denis/Pleyel	100%	171-175 boulevard Anatole France	93200	Saint-Denis	11,745
Charenton/Liberté	100%	8 avenue Winston Churchill	94220	Charenton-Le-Pont	26,590
Fontenay-sous-Bois/Le Floria	100%	18 avenue Des Olympiades	94120	Fontenay-sous-Bois	9,175
Vélizy/Dassault Campus	50%	10/12 rue Latécoère	78140	Vélizy-Villacoublay	69,396
Vélizy/Campus Eiffage	50%	Place de L'Europe	78140	Vélizy-Villacoublay	33,270
Vélizy/New Vélizy	50%	10/12 rue Latécoère	78140	Vélizy-Villacoublay	46,751
Vélizy/Thales Ted	100%	2/8 rue Latécoère	78140	Vélizy-Villacoublay	36,665
Cœur D'Orly/Askia	50%	Bat 3 "Askia"	94310	Orly	18,863
Meudon/Ducasse	100%	16-20 rue du Maréchal Juin	92320	Meudon	5,100
Châtillon Iro	100%	82-90 rue Pierre Sémard	92360	Châtillon	25,626
Orly/Cœur d'Orly Belaia	50%	Cœur d'Orly	94310	Orly	23,538
Total Inner Suburbs					321,617
Lyon/Silex 1	50%	15 rue Des Cuirassiers	69003	Lyon	10,721
Lyon/288	100%	288 rue Duguesclin	69006	Lyon	12,851

Surname	% ownership	Address	Zip code	City/Region	Surface area at 100%
Lyon/Sévigé 3e	100%	1 rue Duphot – 36 rue Mazenod	69003	Lyon	4,534
Bordeaux/Cité Numérique	100%	406 Boulevard Jean-Jacques Bosc	33130	Bordeaux	18,430
Bordeaux/Quai 8.2	35%	Zac Saint Jean Belcier	33000	Bordeaux	30,594
Marseille/Euromed	50%	Bld De Dunkerque Et Du Littoral – Place Méditerranée	13002	Marseille	32,946
Montpellier/Majoria	100%	Parc de La Pompignagne – rue De Pinville	34000	Montpellier	45,833
Montpellier/Trencavel	100%	196 rue Raymond Trencavel	34000	Montpellier	9,462
Grabels/Dual Center	100%	Grabels	34000	Montpellier	2,936
Lezennes/Hélios	100%	rue De L'épine, Rd 952	59260	Lille	9,191
Villeneuve-D'ascq/Flers	100%	2 Ch De La Mare	59650	Lille	11,201
Toulouse/Marquette	100%	22 Bd De La Marquette	31000	Toulouse	4,410
Toulouse/Riverside	100%	22 Bd De La Marquette	31000	Toulouse	11,359
Nantes/Gloriette	100%	6 8 rue Gaston Veil	44000	Nantes	4,489
Nantes/Tanneurs	100%	10 Bis Av Des Tanneurs	44000	Nantes	13,181
Metz/Le Divo (Covivio headquarters)	100%	18-20 avenue François Mitterrand	57000	Metz	5,286
Total Major Regional Cities					227,424
Development Assets⁽¹⁾					332,954
Paris/Gobelins 5 th	100%	40 Bd Port Royal	75005	Paris	4,433
Paris/Jean Goujon	100%	19/21 rue Jean Goujon	75008	Paris	8,455
Saint Ouen/So Pop	50%	65 Arago Street	93400	Saint Ouen	32,213
Paris/N2 Batignolles	50%	ZAC Clichy Batignolles	75017	Paris	15,694
Levallois Perret/Alis		35 rue Baudin	92300	Levallois-Perret	20,133
Montrouge/Flow	100%	58/60 avenue de la Marne/165/173 avenue Pierre Brossolette	92120	Montrouge	23,581
DS Extension 2023	50%	10/12 rue Latécoère	78140	Vélizy-Villacoublay	27,548
Lyon/Silex2	50%	9 rue des Cuirassiers	69003	Lyon	30,927
Montpellier/Orange	100%	Parc De La Pompignagne – rue De Pinville	34000	Montpellier	16,500
Montpellier/Bâtiment de services	100%	Parc De La Pompignagne – rue De Pinville	34000	Montpellier	5,935
Velizy/Land	100%	10/12 rue Latécoère	78140	Vélizy-Villacoublay	NA
Total Committed projects					185,419
Meudon/Opale	100%	23-25 avenue Morane Saulnier/ 22-24 avenue Maréchal Juin	92360	Meudon-La-Forêt	37,224
Lyon/Silex3	100%	Rue des cuirassiers	69000	Lyon	NA
Bordeaux/Terres neuves	100%	406 Boulevard Jean-Jacques Bosc	33130	Bordeaux	10,000
Meudon Canopée	100%	16-20 rue du Maréchal Juin	92360	Meudon-La-Forêt	53,483
Montpellier/Foncier Pompignane	100%	Parc De La Pompignagne – rue De Pinville	34000	Montpellier	41,350
Paris/Laborde	100%	11 R EDIMBOURG	75008	Paris	5,478
Total Managed projects					147,535

(1) Excluding the Bordeaux/Jardins de l'Ars project (19,200m²), for which the land will be acquired in 2020.

1.8.2 Italy Offices

Synthesis

Area	Surface 100% (m ²)
Operating assets	339,302
CBD	110,747
Centre	8,868
Semi-Centre	83,385
Periphery	136,303
Development projects	138,456
TOTAL MILAN	477,758
Assets outside Milan	918,924

List of core and development assets in Milan: Group share of 73% of Italy Offices portfolio

Name/Address	% of ownership	Area	Surface 100% (ln m ²)
Operating assets			339,302
VIA TONALE 11	51%	MILAN CBD	19,202
VIA PARINI 6	51%	MILAN CBD	7,082
CORSO MONFORTE 17	51%	MILAN CBD	3,415
PIAZZA SIGMUND FREUD (TORRE A) 1	100%	MILAN CBD	16,349
PIAZZA SIGMUND FREUD (TORRE B) 1	100%	MILAN CBD	16,567
PIAZZA SIGMUND FREUD (CORPO C) 1	100%	MILAN CBD	5,784
PIAZZA SIGMUND FREUD (ACCESSORI) 1	100%	MILAN CBD	2,342
PIAZZA S. FEDELE 2	100%	MILAN CBD	5,074
VIA DELL'UNIONE 1	100%	MILAN CBD	2,899
VIA AMEDEI 8	100%	MILAN CBD	6,550
VIA CORNAGGIA 6	100%	MILAN CBD	7,216
VIA DANTE 7 (retail)	100%	MILAN CBD	2,048
PIAZZA SAN FEDELE 4	100%	MILAN CBD	3,426
VIA DANTE 7	100%	MILAN CBD	4,693
LARGO PAOLO GRASSI 1	100%	MILAN CBD	2,213
PIAZZA DUCA D'AOSTA 8	100%	MILAN CBD	2,556
VIA MERCATO 3	100%	MILAN CBD	436
PIAZZA DUCA D'AOSTA 8	100%	MILAN CBD	2,894
Total CBD			110,747
PIAZZA SAN PIETRO IN GESSATE 2	100%	MILAN CENTER	3,450
CORSO MAGENTA 59	100%	MILAN CENTER	4,767
CORSO MAGENTA 63	100%	MILAN CENTER	651
Total Center			8,868
VIA MANTEGNA 11	51%	MILAN SEMICENTER	5,978
VIA CESARE BALBO 8	51%	MILAN SEMICENTER	6,014
SYMBIOSIS AB	100%	MILAN SEMICENTER	20,501
VIA MESSINA (TORRE B) 38	100%	MILAN SEMICENTER	5,312
VIA MESSINA (TORRE D) 38	100%	MILAN SEMICENTER	4,976
VIA MESSINA (TORRE A) 38	100%	MILAN SEMICENTER	5,059
VIA MESSINA (TORRE C) 38	100%	MILAN SEMICENTER	4,874
THE SIGN A	100%	MILAN SEMICENTER	9,273
VIA MAROSTICA 1	100%	MILAN SEMICENTER	8,559
VIA VITTORIA COLONNA 4	100%	MILAN SEMICENTER	3,553
SYMBIOIS SCHOOL	100%	MILAN SEMICENTER	7,941
VIA ARESE 5/7	100%	MILAN SEMICENTER	559

Name/Address	% of ownership	Area	Surface 100% (In m ²)
VIA BRENTA 3	100%	MILAN SEMICENTER	468
VIA PLINIO 48	100%	MILAN SEMICENTER	318
Total Semicenter			83,385
VIA CASCINA BELLARIA 4	51%	MILAN PHERIPHERY	4,507
VIA FOLLI 17	51%	MILAN PHERIPHERY	4,807
VIA MARCO AURELIO 24-26	51%	MILAN PHERIPHERY	61,400
VIA LORENTEGGIO 266	100%	MILAN PHERIPHERY	30,234
VIALE DELL'INNOVAZIONE 3	100%	MILAN PHERIPHERY	19,826
VIA ROMBON 11	100%	MILAN PHERIPHERY	7,064
PIAZZA MONTE TITANO 10	100%	MILAN PHERIPHERY	5,951
Via ERITREA 48/8	100%	MILAN PHERIPHERY	2,514
Total Semicenter			136,303
Milan - Development projects⁽¹⁾			138,456
VIA DELL'UNIONE 1	100%	MILAN CBD	4,511
THE SIGN B	100%	MILAN SEMICENTER	12,327
THE SIGN C	100%	MILAN SEMICENTER	4,596
SYMBIOSIS D	100%	MILAN SEMICENTER	18,547
Total Committed			39,981
Symbiosis Land	100%	MILAN SEMICENTER	75,000
CORSO ITALIA 19	100%	MILAN CBD	11,857
THE SIGN D	100%	MILAN SEMICENTER	11,617
Total Managed			98,474

(1) Excluding project Vitae, committed in 2019 for which the land will be acquired in 2021.

1.8.3 Germany Offices

Synthesis

Area	Surface area at 100% (In m ²)
Core assets under operation	369,563
Berlin	43,383
Frankfurt	118,649
Düsseldorf	68,786
Hamburg	68,867
Munich	37,104
Potsdam	18,617
Oberhausen	12,945
Datteln	1,213
Development projects	78,582

List of assets in operation and under development in Germany

Surname	% ownership	Address	Zip code	City/Region	Surface area at 100%
Operating assets					369,563
Tino	98%	Tino-Schwierzina-Str. 32	13089	Berlin	10,010
Adamstr. 3	95%	Adamstr. 3	13595	Berlin	1,464
Alt-Moabit 105	90%	Alt-Moabit 105	10559	Berlin	5,603
Pariser Str. 39/40	94%	Pariser Str. 39/40	10707	Berlin	1,037
Eberswalder Str. 6-9	95%	Eberswalder Str. 6-9	10437	Berlin	6,257
Fischerinsel	90%	Gertraudenstr. 18, 20	10178	Berlin	10,596
Elisabeth	84%	Knesebeckstr. 3	10623	Berlin	2,329
Kurfürstendamm 103-104	90%	Kurfürstendamm 103-104	10711	Berlin	2,700
Kurfürstendamm 96	90%	Kurfürstendamm 96	10709	Berlin	2,634
Lietzenburger Str. 90	100%	Lietzenburger Str. 90	10719	Berlin	753
Total Berlin					43,383
Com Con Centre	93%	Colmarer Straße 5, 11	60528	Frankfurt	16,264
Frankfurt Airport Centre	93%	Hugo-Eckener-Ring 1	60549	Frankfurt	48,136
Y2	93%	Emil-Von Behring-Straße 8-14	60439	Frankfurt	30,930
City Gate	93%	Nibelungenplatz 3	60318	Frankfurt	23,320
Total Frankfurt					118,649
Airport Business Centre	93%	Franz-Rennefeld-Weg 2-6	40472	Düsseldorf	13,069
Herzogterrassen	93%	Herzogstraße 15	40217	Düsseldorf	55,717
Total Düsseldorf					68,786
Pentahof	93%	Suhrenkamp 71-77	22335	Hamburg	25,345
Zeughaus	93%	Christoph-Probst-Weg 1-4, 26-31	20251	Hamburg	43,522
Total Hamburg					68,867
Sunsquare	93%	Sonnenallee 1, Kirchheim	85551	Munich	19,492
Eight Dornach	93%	Einsteinring 4-12, Aschheim	85609	Munich	17,612
Total Munich					37,104
Lotte	100%	Lotte-Pulewka-Str. 22	14473	Potsdam	8,479
Lotte	100%	Edisonallee 10	14473	Potsdam	2,425
Zeppelinstr. 136	94%	Zeppelinstr. 136	14471	Potsdam	6,594
Zeppelinstr. 136	94%	Zeppelinstr. 136	14471	Potsdam	1,119
Total Potsdam					18,617
Essener Str. 66	100%	Essener Str. 66	46047	Oberhausen	12,945
Total Oberhausen					12,945
Westring 14	94%	Westring 14	45711	Datteln	1,213
Total Datteln					1,213
Berlin – Assets under development					78,582
Beagle	100%			Berlin	4,932
Reno	100%			Berlin	14,150
Alexanderplatz D3	100%			Berlin	59,500
Total managed projects					78,582

1.8.4 German Residential

Number of units in Berlin by post code: 56% of the German Residential portfolio in Group Share value

Synthesis

Area	Number of units
Berlin	17,034
Dresden	3,386
Leipzig	1,022
Hamburg	2,366
North Rhine-Westphalia	16,875
● Essen	5,813
● Duisburg	3,165
● Mülheim	2,165
● Oberhausen	1,958
● Other cities	3,774
TOTAL	40,683

Number of units by zip code in Berlin

Zip code	Number of units	Zip code	Number of units
Berlin	17,034	10713	68
10115	48	10715	39
10117	27	10717	30
10119	31	10719	51
10178	142	10777	100
10243	108	10779	39
10245	216	10781	19
10247	203	10783	42
10249	92	10785	172
10317	268	10789	334
10365	34	10823	47
10405	271	10825	39
10409	59	10827	95
10435	11	10829	191
10437	427	10961	109
10439	106	10963	25
10551	145	10965	167
10553	129	10967	174
10555	38	10969	14
10557	320	10997	228
10559	138	10999	219
10585	54	12043	267
10587	63	12045	88
10589	86	12047	246
10623	7	12049	475
10625	118	12051	402
10627	21	12053	313
10629	44	12055	219
10707	51	12057	15
10709	244	12059	400
10711	47	12099	106

Zip code	Number of units	Zip code	Number of units
12103	4	13351	308
12105	108	13353	465
12107	136	13355	29
12109	204	13357	521
12157	83	13359	217
12159	81	13403	158
12161	164	13407	81
12163	194	13409	189
12165	25	13465	5
12167	434	13467	8
12169	108	13469	32
12203	44	13507	43
12205	12	13509	34
12207	93	13581	25
12209	13	13583	209
12247	114	13585	346
12249	535	13587	25
12277	139	13591	49
12307	10	13595	106
12347	41	13597	59
12351	371	13599	20
12355	30	13629	60
12435	10	14052	28
12439	25	14059	27
12459	400	14109	12
12487	64	14129	35
12489	40	14163	12
12555	158	14165	9
12557	8	14167	18
12623	28	14193	17
12683	205	14195	19
13086	826	15831	31
13088	37	15537	1
13156	57	14467	7
13158	11	14482	40
13187	84	12529	54
13189	38	14482	40
13347	372	12529	54
13349	64		

1.8.5 Hotels in Europe

A list of Hotel assets is available in the Covivio Hotels Universal Registration Document.

1.9 Risk factors, internal control and risk management

1.9.1 Risk factors

In accordance with European Regulation (EU) no. 2017/1129 of 14 June 2017, the two associated subsidiary regulations which came fully into force on 21 July 2019 (together called "Prospectus 3") and the ESMA guidelines on risk factors, the risks specific to the Covivio group, the occurrence of which could have a significant effect on the company's financial position or results, after the application of risk management measures, are presented below.

The Group's risk mapping is reviewed regularly. Covivio updated it in 2020 at the Group level, and incorporated all subsidiaries and activities in order to take into account both the changes in the business lines and the environment in which the Group operates, including the global health environment. The specific risks associated with the hotel business operated by Covivio Hotels, a 43.5%-owned subsidiary of Covivio, are subject to a specific risk category as presented below (category VI). The results of the analysis of this mapping were presented and discussed with the Covivio Audit Committee meeting in September 2020, then with the Board of Directors meeting in October 2020.

The analysis made it possible to identify the major risks and the action plans to be implemented or strengthened in order to improve their control. An inventory of the improvement of the level of control of risks for which specific action plans had been defined previously was also carried out.

However, investors should be aware that other risks, likely to have a significant adverse impact, may exist, even though they have not yet been identified or their occurrence had not been considered plausible on the date hereof.

1.9.1.1 Risk prioritisation

The risk identification and rating are established by the Risk Department. They are carried out on the basis of interviews with each operational department and the results of the annual audit plans, which make it possible to identify their level of control via the analysis of the effectiveness of the internal control processes deployed by the Group, as well as an analysis of comparable situations in other companies ("benchmark").

The risks are presented in a limited number of categories (I. to VI.) in accordance with ESMA guidelines⁽¹⁾:

The risk rating is the result of a combined analysis of their potential negative impact and their probability of occurrence, while taking into account the control measures implemented by Covivio.

1.9.1.1.1 Impact and level of control

The realisation of the risk is likely to have an impact on the valuation of the company, its results as well as its image and/or the continuity of its activity.

Thus, the rating of the impact results from a financial estimate of the effect of such a realisation on the NAV or EPRA Earnings consolidated as a Covivio Group Share, depending on the financial flows concerned. Certain non-quantifiable risks are estimated based on their potential impact on business continuity and/or on the image of Covivio, consequences that could hinder the Group's ability to implement its strategy and establish business relationships with its stakeholders (buyers, sellers, customers, tenants, employees, suppliers, etc.). Once quantified, the gross impact is adjusted for the level of control and the insurance coverage system.

This results in a rating of the net impact on a scale of 1 to 4 (from the lowest to the highest). The financial impact of Covivio's hotel business, driven by Covivio Hotels, which is 43.5% owned by Covivio, takes into account Covivio's percentage of ownership in its subsidiary.

1.9.1.1.2 Probability and level of control

The probability of occurrence of the risk is rated from 1 to 4 which also takes into account the control system put in place by Covivio, mainly based on the efficiency of its procedures and, more generally, its internal control system.

1.9.1.1.3 Overall risk assessment

The risk is classified by taking into account the combined effect of the net impact and the net probability of occurrence:

- weak risk: < 1.5
- moderate risk: between 1.6 and 2.5
- high risk: between 2.6 and 3.5
- very high risk: > 3.6.

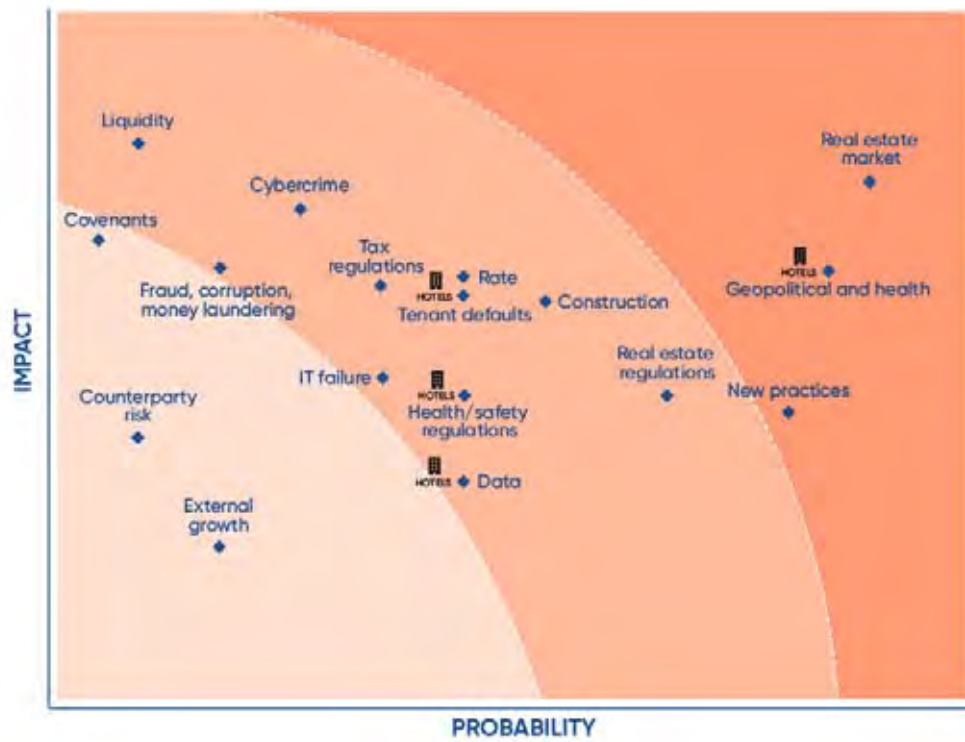
(1) ESMA31-62-1293 FR "Guidance on risk factors in the context of the Prospectus Regulation".

1.9.2 Summary of the main risks to which Covivio is exposed

The main risks are identified in the table below. They are grouped into six categories:

- I. risks linked to the environment in which Covivio operates
- II. risks related to information systems, data security and cybercrime
- III. risks related to the legal and regulatory framework in which Covivio operates
- IV. risks related to Covivio's growth
- V. financial risks
- VI. specific risks related to the hotel business.

Risk category	Risks	(Name of the risk: see graph)	Risk qualification
I. Risks linked to the environment in which Covivio operates	Unfavourable development in the real estate market: decline or stagnation in values and rents.	Real estate market	Very High
	Decline/halt in activity resulting from an unfavourable geopolitical environment, terrorism, social unrest or pandemics, etc. (mainly hotels and coworking).	Geopolitical and health	Very High
	Reduction in demand and risks of vacancy resulting from new practices in office sector (remote working)	New practices	High
	Default or insolvency of tenants resulting from a deteriorated global economic environment (mainly unpaid hotel services)	Tenant defaults	Moderate
II. Risks related to information systems, data security and cybercrime	Intrinsic failure of information systems or failure linked to Covivio's digital transformation	IT failure	Moderate
	Failure of information systems, consequences of cyber attacks	Cybercrime	Moderate
	Theft and/or alteration of data, particularly personal data	Data	Moderate
III. Risks related to the legal and regulatory framework in which Covivio operates	Unfavourable change in real estate regulations (mainly Germany)	Real estate regulations	High
	Unfavourable change in tax regulations	Tax regulations	Moderate
	Risk of fraud, corruption (and related offences), money laundering and related legal and image risks	Fraud, corruption, money laundering	Moderate
	Unfavourable changes in health and safety regulations	Health/safety regulations	Moderate
IV. Risks related to Covivio's growth	Risks related to construction, property development or development operations: delivery delays, non-compliance with budget forecasts (construction costs, vacancy on blank operation), risks related to safety on construction sites	Construction	Moderate
	Risks linked with external growth operations: over-estimation of values, poor valuation of liabilities, reversal of corrupt liabilities	External growth	Weak
V. Financial risks	Risks linked to liquidity	Liquidity	Moderate
	Unfavourable change in borrowing rates	Rate	Moderate
	Non-compliance with banking covenants (LTV, ICR) due to decreases in value and/or decline in revenues	Covenants	Moderate
	Failure of our financial and insurance partners	Counterparty risk	Weak
VI. Specific risks related to the hotel business	Decline/halt in activity resulting from an unfavourable political and geopolitical environment, terrorism, social unrest or pandemics, etc.	Geopolitical and health	Very High
	Default or insolvency of our tenants resulting from a deteriorated overall economic environment (unpaid bills)	Tenant defaults	Moderate
	Theft and/or alteration of data, particularly personal data	Data	Moderate
	Unfavourable changes in health and safety regulations	Health/safety regulations	Moderate



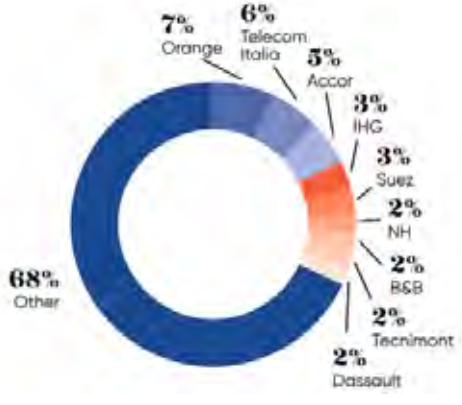
1.9.3 Detailed analysis of the main risks to which Covivio is subject and control systems

Risks	Control mechanism	Risk qualification
I. Risks linked to the environment in which Covivio operates		
Unfavourable development in the real estate market: decline or stagnation in values and rents.		Very High
● Covivio's total assets at the end of 2020 (€27.4 billion) mainly consisted of the appraisal value of the buildings, which at the end of 2020 amounted to €25 billion (€17 billion Group Share). Therefore, any change in the value of its properties has a direct impact on the balance sheet total. ● The value of Covivio's asset portfolio is contingent upon the performance of the real estate markets in which the company operates. Both rent levels and market prices (and consequently the capitalisation rates used as comparables by property experts) may be subject to fluctuations due to the financial environment. Covivio recognises its investment properties at fair value in accordance with the option offered by IAS 40. ● In 2020, the value of the portfolio as a share of the Group increased on a like-for-like basis by +1.3% compared to +5.3% in 2019. ● The sensitivity of the valuation of assets to yield rates (corresponding to the rent/appraisal value of assets excluding transfer taxes) as at 31/12/2020 is presented in paragraph 3.2.5.1.6 of this Document. ● Thus, a decrease in appraisal values is likely to affect the value of Covivio's net asset value and, possibly, the valuation of its share price. ● In addition, Covivio may not always be able to implement its rental, disposal and investment strategy at favourable market conditions, due to fluctuations in the real estate markets. ● Within the context of its development, the Group is faced, at national and international level, with competition from numerous players which may have a better financial standing, and investment, disposal and rental criteria that differ from those of Covivio. ● Covivio is committed to maintaining a solid rental base, with large accounts and long-term leases (occupancy rate above 97% on average over the past five years, firm residual lease term of 7.3 years). ● The Group favours development projects for the benefit of major accounts, pre-let before launch or delivery (the pre-letting rate for projects undertaken at the end of 2020 was 42%). ● Covivio enhances the quality of its portfolio through the development of assets with excellent environmental performances (projects aiming for HQE Excellent, BREEAM Very good or LEED Gold certification). Thus, 88% of Covivio's assets benefited from certification at the end of 2020. On its existing portfolio, Covivio is pursuing an ongoing asset management strategy to defend the value of its portfolio. ● The diversification of activities in terms of products and geography helps to reduce the impact of risk (see paragraph 1.4.9.1 of this Document). ● The professionalism of its teams and the solidity of the Group make Covivio a recognised leader in the markets in which it operates (Covivio is the leader or one of the leaders in each of its markets). ● An Innovation Department and a Digital Department have been created to anticipate and integrate these issues at the heart of the strategy. For example, Covivio has developed an offer that is adapted for co-working and co-living, which provides occupants not only with a place to live and work, but also with a full range of dedicated services to ensure an advantageous competitive positioning.		

Risks	Control mechanism	Risk qualification									
Decline/halt in activity resulting from an unfavourable geopolitical environment, terrorism, social unrest or pandemics, etc. (mainly Hotels and coworking). Very High											
- In the event of a deterioration or instability of the political, geopolitical, health (pandemics) or social context in Europe, Covivio could experience a decrease in demand for its business property projects and, consequently, a drop in its occupancy rate and rental income. Hotel activity - This risk is the most significant for Covivio's hotel business (operated via its 43.5%-owned subsidiary Covivio Hotels), which was particularly affected by the Covid-19 pandemic. This activity is more subject to the risk of a decrease or absence of rental income on its variable-rent assets – which are indexed to the revenue of its hotel partners – than the absence of operating income on its assets held in buildings and funds. - At the height of the crisis, only 22% (in number of rooms) of Covivio's hotel portfolio was open. Valued at €2.5 billion at 31 December 2020, the hotel assets represent 15% of Covivio's portfolio and the share of the Group's assets that do not benefit from fixed rents stands at 8%. <table><caption>Hotel Portfolio Revenue Breakdown</caption><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Fixed rent</td><td>45%</td></tr><tr><td>Variable rent</td><td>22%</td></tr><tr><td>UK rent</td><td>13%</td></tr><tr><td>EBITDA properties and funds</td><td>20%</td></tr></tbody></table> - The changes in rents and revenues from the hotel portfolio by type between 2019 and 2020 are presented below (Covivio group share, excluding retail): - Variable rents: €7 million in 2020/-73% compared to 2019. They mainly include the portfolio in France and Belgium let to AccorInvest which was affected by the closure of many hotels throughout 2020 and by the low occupancy rates of the open hotels. - UK rents: €0 million in 2020/-100% compared to 2019. These were affected by the under-performance clause implying the suspension of rents paid. - Fixed rents: €47.1 million in 2020/-3% compared to 2019. Fixed rents suffered a limited decline, notably due to renegotiations of leases with tenants. - EBITDA of hotel operating properties: €3.3 million in 2020/-88% compared to 2019. Revenues from hotel operating properties were affected by closures from March to December as well as by the low occupancy rates of hotels that remained open during 2020.	Category	Percentage	Fixed rent	45%	Variable rent	22%	UK rent	13%	EBITDA properties and funds	20%	- The risk reduction measures put in place by Covivio consist of: - ensuring the quality of its partnerships and tenants - maintaining a high residual lease term (7.3 firm years at the end of 2020) - putting in place prudential rules applied to development projects (monitoring of the pre-letting ratio on assets under development, limitation of equity exposed to vacancy risk, etc.) - maintain the diversification of its activities in terms of products and geographical locations: Covivio's hotel business, present in twelve countries, represents just under 15% of the Group's portfolio. - In the hotel business, Covivio has chosen to forge partnerships with major hotel groups (AccorInvest, NH hotels, IHG, Marriott, B&B, Radisson Barcelo, Hotusa, Motel One etc.) benefiting from a solid financial base enabling them to cope with a significant decline in their revenue in the short/medium term. - At the same time, the Group is working to diversify its hotel rental base; over the last four years, it has considerably expanded the number of its partners with IGH, NH Hotel Group, Meininger and Motel One. - In the tourism segment, Covivio Hotels anticipates a future recovery in the hotel industry in Europe, which will initially be driven by three main drivers: - markets with predominantly domestic and/or regional customers (via land transport), such as France, Germany and the United Kingdom - markets with a predominantly leisure customer base, including France, Germany, Italy and the United Kingdom - individual customers, who will be the first to benefit from the lifting of government restrictions. - Considering these elements, the Covivio Hotels portfolio is well positioned to benefit from the coming recovery: variable revenues, concentrated in France and Germany, as well as revenues from the UK portfolio, are generated mainly by domestic or regional customers, who travel individually for leisure. The good momentum in these markets, particularly in France and Germany, was confirmed during the summer of 2020, with a rapid recovery following the lifting of government restrictions: between April and August, the RevPar performances in France and Germany outperformed the rest of Europe by 31 and 17 points respectively. - The risk management system is also described in the developments dedicated to risk "Default or insolvency of tenants resulting from a deteriorated global economic environment".
Category	Percentage										
Fixed rent	45%										
Variable rent	22%										
UK rent	13%										
EBITDA properties and funds	20%										

Risks	Control mechanism	Risk qualification
● In the event of long-term restrictions on tourism in Europe, some hotel tenants benefiting from long-term fixed-rent leases could also find themselves in a situation of weakness and consequently in rent arrears. ● Likewise, largescale social movements, terrorism and an unstable political context are likely to affect the tourist appeal of certain cities or countries in which Covivio operates (political instability in Catalonia in 2017, movements of gilets jaunes in France, etc.). Other activities ● The Group's other activities were to a much lesser extent affected by the pandemic and are less sensitive to changes in the geopolitical context, the health situation, etc. The collection rate for rent receipts (which mainly takes into account unpaid rent), which was close to 100% in 2019, remained very high in 2020 (98% for offices and residential). ● However, due to the widespread use of teleworking during the pandemic period and government restrictions, the Coworking activities and the rental of event spaces led by the Covivio subsidiary (Wellio) were significantly slowed down in 2020. Other activities.		
Reduction in demand and risks of vacancy resulting from new practices in office sector (remote working)		High
● As of 31 December 2020, office assets represented 59% of the Group's portfolio and 63% of rental income. ● The practice of teleworking has gradually been rolled out in companies to take into account the new expectations of employees in terms of flexibility, reduced travel time and work/life balance. According to data collected by the Statistical Office of the European Union, 5.1% of the working population "regularly" teleworked in 2019, a relatively stable rate since 2008. On the other hand, in nearly ten years, the proportion of "occasional" teleworkers has increased significantly from 5.8% in 2008 to 9.7% in 2019. ● The health crisis has accelerated this trend. Thus in France in 2020, according to a study by statistics research body DARES (<i>Direction de l'Animation de la Recherche des Études Statistiques</i>), produced in the last week of March 2020, a quarter of the French working population adopted teleworking with higher or lower proportions depending on the business sector. ● Given the high satisfaction rate of employees involved in teleworking⁽¹⁾, a generalisation of this phenomenon is envisaged in the coming years, even outside of any pandemic episode. This trend will likely be reinforced by the fact that companies see teleworking as an opportunity to significantly reduce their operating costs: thus, by making home work more widespread and by deploying new uses in their premises with workstation/employee ratios < 1, they can reduce the expenses represented by the cost of their premises. ● With a constant asset allocation strategy, Covivio plans to increase its consolidated office vacancy rate over the next five years in France, Germany and Italy.		

(1) According to a study conducted in France in May 2020 by the Malakoff Humanis group, 84% of teleworkers wish to continue teleworking.

Risks	Control mechanism	Risk qualification
Default or insolvency of tenants resulting from a deteriorated global economic environment (mainly unpaid hotel rents)		Moderate
- Covivio and its subsidiaries are also subject to the risk of deterioration in the financial health of their tenants, which may go as far as insolvency; a situation which would affect the Group's results. - In 2020, the company was confronted with the financial difficulties of WeWork, with which an agreement was signed leading to the release of 21,600m² in Düsseldorf, i.e. a shortfall of €7 million in rents in 2020 (1% of rents). As a reminder, in 2019, Covivio was faced with the default of one of its tenants (Sequana) who had vacated 5,900m² in a building located in Boulogne. The financial loss was minimised to 6 months' rent because the security deposit could be retained. - In the hotel sector, the risk of insolvency of Covivio Hotels tenants is mainly related to the pandemic context (see above). - It should be noted that for the Hotel segment Europe, €4,0 million of defaults were provisioned at 31 December 2020, compared with €0 million in 2019.	Covivio has made the strategic choice to develop rental partnerships with key accounts and large companies, while ensuring the diversification of its rental base.	
	- As such, for several years now, the weight of some key account tenants, such as Orange in France, Telecom Italia in Italy and AccorInvest in the hotel segment, has decreased considerably. The share of the top three tenants in revenues has increased from 41% in 2014 to 18% at the end of 2020. - The "Partnership Committees" allow the company to monitor changes in the business activities of its partners more closely. - Rental guarantees, rental deposits and recourse to an external service provider carrying out tenant financial strength studies allow the company to forearm itself against the risk of insolvency of the latter. - The majority of rent in the German Residential portfolio is paid by automatic transfer. A national register of payment defaults that can be consulted by lessors and financial institutions also ensures better management of the risk of tenant insolvency.	

Risks	Control mechanism	Risk qualification
II. Risks related to information systems, data security and cybercrime		
Intrinsic failure of information systems or failure linked to Covivio's digital transformation		Moderate
● In order to satisfy its customers, offering, in its three activities - Offices, hotels and residential - a product adapted to the challenges of tomorrow and to strengthen the integration of its teams and activities, in 2018 Covivio launched a digital transformation policy to be rolled out on a European scale. ● This involves the pooling of management applications through the use of a software package intended, in particular, to integrate its accounting and real estate management. ● This project will require a massive data migration as well as a configuration of the new tool which will have to take into account the specificities of the Group in terms of products and activities. ● In the event of a poor estimate of Covivio's needs during the deployment phase of the project or a technical failure during the migration, the Group could experience partial or total temporary unavailability of its invoicing, payment and accounting reporting systems, resulting in financial and image-related risks. ● Similarly, a significant delay in the deployment of this structurally important project for the Group could result in high additional consulting costs.		
		● As part of its digital transformation, Covivio has chosen to use local publishers and to surround itself with consultants with proven experience in supporting large international groups. ● Migration-related issues are anticipated both in technical and organisational terms and are the subject of dedicated workshops and support from specialised consultants. ● If the migration fails, the use of current systems may be extended.
Failure of information systems, consequences of cyber attacks		Moderate
● The amounts of cash that the company may be required to disburse exposes Covivio to the risks of cyberattacks and attempted fraud by clever engineering that could lead to extortion, theft, loss of data or business interruption. ● Over the past two years, Covivio has seen an increase in attempted fraud through clever engineering and phishing operations, without the company having suffered any financial damage to date. ● Interruptions, violations or faulty information systems could entail, in addition to significant damage to computer hardware, an image risk and financial consequences that are likely to be high, such as expenses incurred to restore the information system, reconstitute data, expert and legal fees, etc.		
		● The measures put in place to reduce this risk are described in detail in paragraph 1.11.6.2.1 "Performance and secure Information Systems": ● contingency plan ● business continuity plan ● intrusion tests ● training in and awareness-raising to cyber risks ● cyber risk mapping ● cyber insurance policy ● introduction of an ISSP (Information Systems Security Policy) and an ISSM (Information Systems Security Manager).

Risks	Control mechanism	Risk qualification
Theft and/or alteration of data, particularly personal data		
- Given its residential activity in Germany (more than 39,000 tenants), as a hotel operator through its subsidiary Covivio Hotels and as a coworking service provider, the company is particularly concerned with the management of personal data. - In addition, the increasing digitisation of its activities, intended in particular to improve its services, means that Covivio uses multiple data subcontractors. - Thus, in addition to financial, operational or image damage that could result from theft or alteration of its data (processed in its own systems or those of its subcontractors), Covivio could be liable to fines from the competent data protection supervisory authorities, which, in accordance with European Regulation No. 2016/679, known as the General Data Protection Regulation (GDPR), could reach 4% of its global revenue. - More generally, Covivio could be subject to penalties for non-compliance with the other principles of the regulation: purpose, proportionality and relevance, limited retention period, security and confidentiality, respect for data subjects rights, including information about how their data is processed.		Moderate
III. Risks related to the legal and regulatory framework in which Covivio operates		
Unfavourable changes in real estate regulations (mainly Germany)		High
- Changes in commercial or residential lease law and regulations, especially with respect to duration, rent indexation and caps, could adversely impact the valuation of Covivio's assets, results, business activity or financial position. - For example, in order to limit the sharp rise in rents in recent years, the City of Berlin passed a law in February 2020 providing in particular for a freeze and capping in rents in the city for five years. The impact of this regulation on Covivio's rental income for 2020 is estimated at around -1%. The Regulations are nevertheless subject to a judicial review procedure before the Constitutional Court. The outcome of this procedure is expected by the end of the first half of 2021.		- Legal and case law analysis is regularly carried out in a changing legal and regulatory context. - In Germany, leases are subject to local regulations. Increase in rents are regulated and limited by the level of rents for comparable dwellings in neighbouring vicinities. This level is fixed by each city which publishes a breakdown of rents charged by location, year of construction, state of the property and level of housing equipment. Local teams specialised in residential property portfolio management monitor the application of these regulations. As a result of Covivio's diversified geographical presence, particularly in Germany, it is possible to limit exposure by city. Covivio's residential assets in Berlin only represent 9% of Covivio's total income. - The regulatory context continues to evolve and requires constant monitoring by Covivio.
Unfavourable change in tax regulations		Moderate
- Covivio benefits, for some of its activities, from the SIIC regime (for real estate investment companies). As a consequence of this tax relief plan, the company is required to distribute most of its profits, and its shareholders are subsequently taxed. - SIICs must be listed companies and must not be 60% or more owned by a majority shareholder, alone or acting in concert. The REIT activities (SIIC activities) must represent more than 80% of its activity. Any change in tax rules (taxation, taxes) or any failure to comply with the above-mentioned obligations could have an adverse impact on the Group's financial results.		The Group's Tax Department, which is made up of dedicated professionals, is responsible for managing tax risks. They constantly monitor regulations and case law, both local and European, with the help of specialised external consultants.

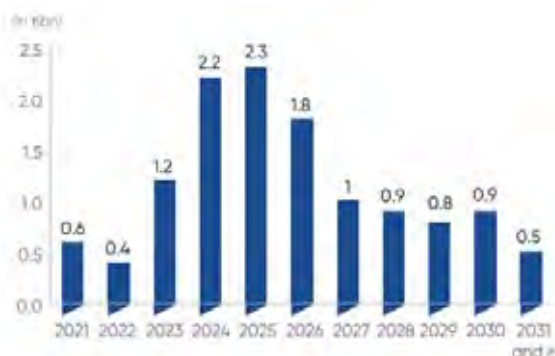
Risks	Control mechanism	Risk qualification
Risk of fraud, corruption (and associated offences), money laundering and associated legal and image risks		Moderate
● Covivio's activities, including sales, acquisition, leasing and development activities, involve significant capital movements as well as regular contact between Covivio employees and local service providers, intermediaries and/or public officials.	● Covivio has a structured Internal Control system, the operation of which is described in paragraph 1.11.6 ● Measures to prevent specific risks of fraud, corruption and money laundering are detailed in paragraph 2.6.2 of this document. This system is coordinated at the European level by the Group Compliance Officer.	
Fraud		
● Covivio could be the victim of internal or external fraud: use of privileged access, identity theft of an employee, an executive or a service provider in order to obtain a transfer to a third-party account in exchange for a real or fictitious transaction. ● This risk is exacerbated by teleworking as a result of the health crisis, in which fraudsters see an opportunity to hijack companies' internal control systems, thus increasing their attacks.		
Corruption and influence peddling		
● Covivio employees (employees, corporate officers), directly or via intermediaries, could be liable to commit these offences, in their own interest, that of a third party or that of Covivio. ● For example, employees could grant donations, subsidies, gifts or other miscellaneous benefits (recruitment of a relative, etc.) with a view to obtaining a contract, any other favourable decision by a public official, a company officer or other decision-maker in connection with a sale, acquisition or lease. ● Similarly, Covivio employees could be granted these same benefits in order to encourage the use of a service provider internally. ● In the event of proven corruption or influence peddling, in addition to the penalties provided for by law, Covivio could be criticised for the weakness of its risk prevention system as defined by law No. 2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of the economy and be subject to sanctions in this respect.		
Money laundering		
● Covivio could participate in or carry out transactions involving a violation of French or European laws and regulations relating to the freezing of assets or restrictive measures (embargoes). Likewise, Covivio could be penalised for failing to comply with the provisions of the French Monetary and Financial Code on anti-money laundering and terrorist financing obligations, for example by failing to carry out due diligence appropriate to the type of business operations (enhanced vigilance). ● In addition to the penalties (administrative, civil, criminal, etc.) and their financial impact, Covivio could, in the event of proven fraud, corruption or money laundering, see its image damaged, which would have the effect of limiting its ability to form business relationships and to implement its strategy of disposal of acquisitions, development or leasing.		

Risks	Control mechanism	Risk qualification
Unfavourable changes in health and safety regulations		Moderate
● Trends in environmental regulations applicable to Covivio in its capacity as real estate owner and property manager could lead to an increase in expenses which, in turn, would impact Group results. ● Given the nature of its activity Covivio is exposed to health risks (asbestos, legionella) and environmental risks (particularly soil and subsoil pollution), that could notably damage its image and reputation. These risks may incur significant remediation costs and lengthy additional delays associated with the search for and removal of toxic substances or materials when undertaking development or asset-renovation projects and lead to the civil and, potentially, the criminal liability of the company. ● Likewise, in its hotel scope, the diversification of Covivio's accommodation offering (with alternative solutions between traditional hotels and youth hostels) as well as catering services, mainly in its capacity as an operator, imposes on the company various obligations and responsibilities related to the health and safety of its customers, which were reinforced during the Covid-19 pandemic.		
(see above – "II Risk of pandemics")		
IV. Risks related to Covivio's growth		
Risks related to construction, property development or development operations: delivery delays, non-compliance with budget forecasts (construction costs, vacancy on blank operation) risks related to safety on construction sites		Moderate
● Covivio's share of development activities has increased considerably in recent years. The total tertiary development pipeline at the end of 2020 was €1.2 billion, i.e. 7.2% of the portfolio compared with 10.5% at the end of 2019. As a result, Covivio is particularly exposed to the risks related to the development of real estate assets: ● construction cost in excess of forecasts made prior to the project ● construction period longer than estimated (technical difficulties or delay in execution due to failure to obtain administrative authorisations) which may result in a delay in the collection of rent, and, in some cases, the payment of penalties to the future tenant, or even the lapse of the lease if the delay goes beyond a pre-determined period ● risk related to the leasing of assets ● significant Health/Safety risk on all construction sites. Covivio and its partners must implement appropriate measures to guarantee the health and safety of employees on construction sites in an environment that exposes them to risks of all kinds: falls, electric shocks, exposure to chemical products, noise, vibrations, etc. ● consideration of environmental protection standards in an increasingly stringent regulatory context. ● In line with thresholds defined by governance, developments are subject to a presentation and validation to the Executive Committee after review by Risk Management, then to the Strategic and Investment Committee, and finally to the Board of Directors. The risks, obstacles and opportunities are reviewed in detail during the validation procedure. ● Of the pipeline committed at the end of 2020, 43% were pre-let (compared to 41% at the end of 2019). ● The Group has implemented a procedure which specifies all of the studies to be carried out prior to the launch of any project, including a selection process for service providers, the monitoring of the period ranging from construction to the delivery of the asset and the market launch of "on spec" projects. ● Commitments to meet delivery deadlines are made with construction companies, including penalties for late delivery. ● In recent years, the development team made up of experts in their line of business has been strengthened to ensure a better management of projects. ● Specific audits on construction and development transactions take place every year and to date, they have not revealed any significant issues.		

Risks	Control mechanism	Risk qualification
Risks linked with external growth operations: over-estimation of values, poor valuation of liabilities, reversal of corrupt liabilities		
● In addition to the construction of real estate assets, Covivio's development strategy is also based on the acquisition of existing buildings or portfolios of buildings, either directly or through the acquisition of shares in companies, and as such this exposes the group to a number of risks. ● The volume of acquisitions during the year was €1.4 billion, of which €1.1bn related to the takeover bid for the German listed company Godewind. ● During such acquisitions, Covivio could overestimate the expected yield from such an operation, which would be realised at an excessively high price. ● Covivio could acquire assets – or securities of companies holding assets – with hidden defects, particularly in environmental matters, non-compliance that would not be covered by vendor guarantees or a corruptive liability that could lead to penalties under the Sapin 2 law.	● Due diligence analysis is conducted prior to each acquisition, with the assistance of external specialised consultants. These analyses are particularly intended to provide an understanding of the potential risks and to set up guarantees for Covivio as well as other precautions. ● Acquisitions are submitted for the approval of the Executive Committee, the Strategic and Investment Committee and the Board of Directors, in line with the thresholds set by governance. The risks, obstacles and opportunities are reviewed in detail during the validation procedure. ● In 2020, Covivio appointed a Group Risk Manager, a member of the Covivio Executive Committee, whose mission is to provide, in addition to a detailed risk analysis, an independent insight, for General Management, into the inherent risks of investment transactions, prior to their presentation to the governance bodies. The Group Compliance Officer is also involved in investment transactions by carrying out prior probity analysis of counterparties and target companies.	Weak

V. Financial risks

Risks linked to liquidity		Moderate
● Covivio's long-term and short-term borrowings at the end of 2020 amounted to €12 billion (in full) of which €0.6 billion due in 2021 and €6.7 billion by the end of 2025. ● Available cash at 31 December 2020 amounted to €1.2 billion. ● The Group is therefore exposed to the risk of insufficient liquidity to service its debt or to refinance debts that have reached maturity. ● Such a shortfall could lead to early repayment and, if the debt were secured, the re-possession by the lending institution of the assets concerned. The maturity schedule of Covivio's debts (in full) is presented in Section 3.2.2.2 of this Document.	● Covivio's policy of paying down debt, instituted several years ago, has minimised this risk. Thus, the ratio of net debt to asset value remained under control at 40.9% at the end of 2020. ● These risks are managed by tracking multi-year cash management plans and, in the short term, by using confirmed and undrawn lines of credit. ● 18-month liquidity forecasts are analysed every month by the Finance Department and are submitted to General Management. ● Covivio's Investment Grade BBB+, stable outlook rating from Standard & Poor's demonstrates that this risk is properly managed.	



Unfavourable change in borrowing rates		Moderate
● The Group's recourse to debt, i.e. €12 billion at the end of 2020, exposes it to the risk of an increase in interest rates that could lead to a significant increase in financial expenses. ● Higher financing costs would reduce Covivio's ability to finance its development. ● An increase of 25 bps in the 3-month Euribor would have an impact of 1.4% on the EPRA Earnings of the group.	● The average rate on Covivio's debt remained low at 1.29% at the end of 2020 (compared with 1.55% at the end of 2019). ● The average maturity of the debt is 5.7 years. ● The Group's companies use derivatives to hedge against their interest rate risk, primarily via cap and swap contracts. They carry out market transactions solely for the purpose of hedging their interest rate risk. ● At the end of 2020, Covivio's debt is hedged at 81% over an average duration of coverage of 6.5 years. ● Sensitivity to increases in the interest rate is described in paragraph 3.2.2.3 of this document.	

Risks	Control mechanism	Risk qualification
Non-compliance with banking covenants (LTV, ICR) due to losses in value and/or fall in revenues		Moderate
● The risks related to changes in values and rents are detailed in the section dedicated to risk <i>"Unfavourable development of the real estate market: decline or stagnation in values and rents"</i> (see above). ● In the event of non-compliance with a covenant, Covivio would theoretically have to repay all of its drawn debt. In practice, however, this risk appears unlikely, as banks generally prefer to renegotiate the existing financial conditions of the borrowers concerned, as was observed during the financial crisis of 2008.	● he systems for managing the risk of non-compliance with banking covenants (LTV, ICR) are essentially linked to the management of the following other risks: ● <i>"unfavourable development of the real estate market: decline or stagnation in values and rents"</i> ● <i>"default or insolvency of tenants"</i> ● <i>"liquidity risks"</i> ● <i>"unfavourable change in rates"</i>. ● At the end of 2020, Covivio's most restrictive LTV (Loan to Value) covenant stands at 60% for an effective ratio of 44.1% (bank LTV). As a result, the company could suffer a decrease in value of its assets of 26% before reaching its LTV covenant. ● At the end of 2020, Covivio's ICR (Interest Coverage Ratio) amounted to 600% for a covenant of 200%. For more information, please refer to in paragraph 3.2.2 of this Document. ● For more information, please refer to paragraph 3.2.2	
Failure of our financial and insurance partners		Weak
● The risk of default by counterparties to contracts with financial institutions (relating to hedging contracts or the use of credit lines) or with insurance companies could have a negative impact on Covivio's results, or one of its subsidiaries. At the end of 2020, the amount of undrawn credit lines was around €1.3 billion; in the event of default by the financial institution, it may not be possible to use these. ● In the event of a counterparty default, Covivio could: ● lose a significant portion of its deposits ● lose the benefit of its interest rate hedging contracts ● lose the amount of coverage provided by insurance contracts in the event of a claim.	● As Covivio, Covivio Immobilien and Covivio Hotels are structurally borrowers, the risk of default by the Group's financial partners is mainly limited to investments, undrawn credit lines and hedging contracts entered into by the Group. ● The Group favours the use of diversified and first-rate institutions in order to reduce this risk. IFRS 13 explicitly provides for the assessment of counterparty risk in the measurement of the fair value of liabilities. As such, this valuation was carried out by a specialised body and taken into account in Covivio's financial statements. ● In accordance with its diversification objective, the insurance policies from which Covivio, Covivio Immobilien and Covivio Hotels benefit are taken out with several leading insurers (see paragraph 1.11.5 of this Document).	
Specific risks related to the hotel business		
Covivio, through its 43.5% stake in its subsidiary Covivio Hotels, is directly exposed to certain risks specific to the hotel sector. The most significant risks are mentioned below and described more specifically above.		
Decline/halt in activity resulting from an unfavourable political and geopolitical environment, terrorism, social unrest or pandemics, etc.		Very High
Default or insolvency of hotel tenants resulting from a deteriorated global economic environment		Moderate
Theft and/or alteration of data, particularly personal data		Moderate
Unfavourable changes in health and safety regulations		Moderate

1.9.4 Financial risks linked to climate change

Covivio's sustainable development strategy, in particular its most significant climate-related issues, are described in chapter 2 of this Universal Registration Document (URD). It constitutes Covivio's Statement on Non-Financial (or Extra-Financial) Performance (SNFP). This report complies in particular with the requirements of the decree of 9 August 2017 adopted for the application of the ordinance of 19 July 2017 on the publication of non-financial information, as well as the provisions of Article 173 of the French law of energy transition for green growth and its decree of 29 December 2015. This report provides details of the objectives and actions that place Covivio's low-carbon strategy in line with the "2°C or 1.5°C" target of the Paris Agreement of 2015 and with the climate reporting framework published by the Task Force on Climate-related Financial Disclosures (TCFD).

Details for each business are provided on energy consumption and CO2 emissions relating to building use and affected by changing climate conditions. The Group's carbon trajectory published in this

chapter also includes development activities (construction, renovation) carried out in Europe. This specific report also falls within the scope of the 17 Sustainable Development Goals (SDGs) defined by the United Nations. Aligned with the recommendations of EPRA and the Sustainability Accounting Standards Board (SASB), it is audited by an independent third party. Chapter 2 also contains information on how the company takes the social and environmental consequences of its activity into account and an analysis of the consequences of climate change on its activity and the use of the goods and services that it produces.

The financial risks inherent to the effects of climate change and relating to the physical risk incurred by assets seem limited in the short term. They are subject to specific, more in-depth evaluation work to quantify their longer-term impacts. This information is also contained in the Covivio annual sustainable performance report available on its website (www.covivio.eu).

1.9.5 Insurance policy

1.9.5.1 General policy

Covivio has an insurance policy covering the Group's operating risks. The aim of this policy is to obtain complete cover on the insurance market appropriate to the activities carried out and the risks incurred by the company. These guarantees are taken out with leading insurers, all of which have a good financial strength rating and are part of the Group's risk management policy, which is actively and dynamically managed by the Covivio's Insurance Department. The main risks covered are property damage and acts of terrorism/attacks that could affect the Group's real estate portfolio, as well as civil liability that the company could incur in the course of its activities as a real estate professional, property owner and manager, as a coworking services provider, and also in the context of construction and real estate development operations.

Covivio has also taken out an insurance policy against cyber-risks that supplements its insurance cover against the risks of fraud and computer abuse.

Covivio's insurance conditions on 1 January 2020 are mostly identical to those applied by Covivio's insurers on 1 January 2019 following the call for tenders for the implementation of the new insurance programmes for the company.

1.9.5.2 Description of levels of cover

1.9.5.2.1 Insuring the real estate portfolio

The real estate portfolios are insured for their reconstruction value, with extended cover for "indirect losses" and "loss of rental income/operations". The contractual cover limitations on the policies taken out are all adapted to the specific features and value of the insured portfolio. In addition, the company receives advice and support from its insurers' engineering prevention services each year. Covivio makes every effort to comply with the recommendations of its insurers and thus maintain its assets in a constant state of safety with respect to fire hazards and insurability on the market. Covivio's insurance programmes apply for its assets located in the European Economic Area.

Covivio systematically takes out legal insurance coverage for all its real estate restructuring or new construction projects, such as "Constructors all risk" during the period of construction, decennial insurance guarantees post-delivery and "civil liability of the project owner/developer", in order to secure financially at each of its stages all its development operations.

1.9.5.2.2 Liability insurance

The financial consequences of any legal disputes arising from personal injury, damage to property and other types of damage suffered by third parties and attributable to misconduct in the performance of the company's activities, and the activities of its subsidiaries including Wellio, or arising from its real estate portfolio and all the equipment pertaining thereto, are insured under a specific insurance policy which provides a high level of cover in line with the scope of the portfolio and the activities carried out.

The personal civil liability of corporate officers and *de jure* or *de facto* executives of the company is covered in amounts appropriate to the financial importance of the Group as well as to all of its activities and subsidiaries.

1.9.5.2.3 Insurance of other risks

Covivio has taken the necessary measures to protect its interests and those of its shareholders with regard to exposure to financial risks resulting from acts of fraud, malfeasance or computer malpractice, by subscribing to a specific insurance programme offering the company a high level of guarantee. In response to heightened cyber-risks, Covivio has also taken out an insurance policy with an insurer enabling it to benefit from all cover currently available on the insurance market against cyber-risks.

In addition, in the event of events likely to affect Covivio's image and reputation, insurance coverage for certain incidents has been taken out, enabling it to finance the intervention of a communications firm specialising in crisis management. This financial solution is part of the plan established by Covivio in the event of its crisis response unit being activated.

1.9.5.2.4 Professional portfolio insurance (Offices, IT, vehicles)

Covivio's business assets, which include the walls of the offices the company operates, as well as their contents (furniture, fittings) and IT equipment, are insured under specific policies offering Covivio extended coverage for various events. The specific insurance contract for damage that could affect Covivio's information

systems includes additional coverage that has been adapted to the conditions and particularities of the company's Business Continuity Plan. Company vehicles are covered for all risks by a "car fleet" policy, the insurance characteristics of which are reviewed annually, and the personal vehicles used by employees on an occasional basis in the course of their duties are covered by a "Mission Car" policy.

1.9.6 Internal control, risk management and compliance

1.9.6.1 Internal control and risk management objectives, scope and guidelines

1.9.6.1.1 Objectives and limits

To respond to the potential risks, including those outlined in this section, Covivio has implemented an internal control and management system adapted to its activity in France, Germany and Italy. This system also serves as a tool for steering the Group's activities by improving the efficiency of its teams and making reporting more reliable.

In particular, it seeks to ensure that:

- activities comply with laws, regulations and internal procedures
- management acts correspond to the guidelines set by the corporate bodies
- assets, in particular buildings, are adequately protected
- the risks arising from the business are correctly evaluated and sufficiently controlled
- internal systems, which contribute to the establishment of financial information, are reliable.

Although this internal control system cannot, by definition, provide an absolute guarantee that all types of risks will be completely eliminated, it provides the company with a comprehensive tool that effectively protects against the major risks identified and their potential effects.

1.9.6.1.2 Scope under review

The internal control and risk management system applies, without exclusion of scope, to all activities covered by Covivio and its subsidiaries, in France and abroad, as well as to all controlled subsidiaries.

In 2020, Covivio made a significant number of acquisitions falling immediately within the scope of the internal control procedures.

1.9.6.1.3 Standards

Covivio abides by the reference framework recommended by the *Autorité des Marchés Financiers*. This AMF reference framework is based on that of COSO (Committee of Sponsoring Organisations of the Treadway Commission). It includes a set of methods, procedures and measures that should enable the Group to:

- contribute to the management and efficiency of its business activities and the efficient use of its resources
- appropriately take into account significant operational, financial and compliance risks.

1.9.6.2 Components of the internal control system

1.9.6.2.1 Structured organisation

In accordance with AMF recommendations, Covivio's internal control system is based, among other things, on known objectives, shared responsibility, and appropriate management of resources and skills.

1.9.6.2.1.1 Delegations of powers and responsibilities

Delegations and sub-delegations of powers have been put in place. They ensure better organisation of the company and a stronger correlation between the responsibilities of operational entities and the responsibilities of the executive. They are subject to regular reviews and audits.

1.9.6.2.1.2 High-performance and secure information systems

The features of the software applications used by Covivio employees are tailored to their various activities.

The security of the financial transactions conducted using the information systems is ensured by:

- separation of payment authorisation and the execution of payment transactions
- limits on the disbursements allowed for each employee and a dual-signature requirement when limits are exceeded.

These measures are updated in keeping with organisational changes.

The security of the Information System and its infrastructure is ensured by:

1. a contingency plan to mitigate any physical or electronic attack on the information systems. Daily back-ups are stored outside the building in which the main servers operate.
2. business continuity plan has been operational since June 2013. This plan was drawn up jointly by teams from the Covivio Information Systems and Risk, Compliance, Audit and Internal Control Departments, with the help of the global leader in business continuity solutions. The business continuity plan is described in a special procedure. In particular, it covers IT back-up in the event of an IT incident causing IT to fail to function for employees. Tests are performed annually with the service provider to ensure the efficiency of the system;
3. annual intrusion tests are performed by a specialist services provider to ensure that the information system is secure. All recommendations resulting from these tests are regularly monitored until their implementation

4. a cyber-risk mapping exercise, performed with the assistance of a service provider specialised in this domain. This highlighted that many management strategies were in place within the Group, and implementation recommendations are being taken into account.
5. all Group employees attend training on cyber risks, and awareness-raising sessions on the issue, to remind them of best practice and the conduct to adopt
6. a Computer Charter, disseminated throughout the Group and attached to Covivio's internal rules:
 - this charter is first and foremost a Code of Conduct laying down the principles for the proper use of IT and digital resources. It also outlines the penalties applicable in the event of any infringements
 - it defines the areas of responsibility for users and for the company, in accordance with legislation, to ensure the correct use of the company's IT resources and Internet services
 - it helps to protect the integrity of the IT system, particularly with regard to data security and confidentiality, as well as the security of technical equipment
7. the appointment of an external Information Systems Security Manager in 2018
8. the development in 2019 of an ISSP: Information System Security Policy.

1.9.6.2.1.3 Updated, validated and distributed procedures

In France, Germany and Italy, the procedures are drawn up by the Risk, Compliance, Audit and Internal Control Department, in close collaboration with operational staff.

The procedures describe the risks and control points of the sensitive and manageable processes.

The procedures are presented as flowcharts that highlight:

- the risks identified and the resources employed to control such risks
- the roles and responsibilities of each individual (processing, monitoring, validating, information, archiving)
- the control points exercised.

All procedures, whether they concern updates, renewals or terminations, are presented to an *ad hoc* Committee. The Committee includes representatives of the company's various business lines (operational and support staff) who are selected on the basis of their expertise and their knowledge of the company's operating methods. The procedures are then approved by the Management Committee.

To strengthen their validity and relevance, all procedures are also approved by the Risk, Compliance, Audit and Internal Control Department and by the member of the Management Committee responsible for the procedure.

The validated procedures can be accessed by employees on the company's Intranet in France, Germany and Italy.

1.9.6.2.1.4 Employee training

The Risk, Compliance, Audit and Internal Control Department organises training sessions called "Les Matinales du process". Training is mandatory for all employees in France, Germany and Italy and aims to train and raise awareness among employees about:

- the risks inherent in their activity
- new applicable regulations
- procedures specific to each department or business line
- the components of the internal control system, including internal charters (in particular, the Ethical Charter)
- the role of the Ethics Officer.

In 2020–2021, these training courses focused on the fight against fraud, cybercrime, corruption and the protection of personal data.

In addition, during their induction course all new employees of the Group meet the Risk, Compliance, Audit and Internal Control Department, which presents the department's role and the Group's procedures.

1.9.6.2.1.5 An established ethics approach

Covivio has made compliance with regulations, internal procedures, rules of professional ethics and moral ethics (the correct implementation of which is provided by the Group Compliance Officer and Ethics Officer) one of its values. The company uses a complete Europe-wide procedure that provides guidance on the regulations and proper conduct to be adhered to by the company, its managers and corporate officers, as well as all employees and partners.

This system is described in more detail in paragraph 1.11.6.2 of this document.

1.9.6.2.2 Constantly evolving risk management

1.9.6.2.2.1 Risk mapping

For over ten years, Covivio has been mapping risks to better understand the events which could have an impact on the company's results, monitoring changes to these risks and improving the way they are managed. Major risks are presented in sections 1.11.1 and following of this Document. In addition to the mapping of general risks, a corruption risk mapping is also carried out and updated in accordance with the Sapin 2 law.

1.9.6.2.2.2 Incident database

Incident databases have been set up in France, Germany and Italy. They make the mechanisms for managing potential risks more efficient, by recording past incidents, to prevent their re-occurrence and limit their consequences.

This incident database provides Covivio's employees with the means to assess risks in a quantitative and qualitative manner, by setting the following objectives:

- support employees in incident management, notably regarding incidents that have never been reported
- characterising these incidents by assessing their financial impact
- produce analysis and summary reports
- propose solutions to contain these risks and any occurrences or repeated occurrences
- allocating the necessary resources to do so.

1.9.6.2.2.3 The internal control manual

The internal control manual aims to improve the governance of internal control and risk management.

The manual highlights recent changes in the internal control system in terms of monitoring recommendations, implementing procedures and standards set by the AMF relating to governance, risk management and key information system elements.

1.9.6.2.3 Control activities proportionate to risks

The control activities in France and abroad are designed to mitigate the risks that could affect the achievement of the company's goals. The frequency of controls is adapted to the scale and nature of the risks.

1.9.6.2.3.1 Control of risks on investments, disposals and financing

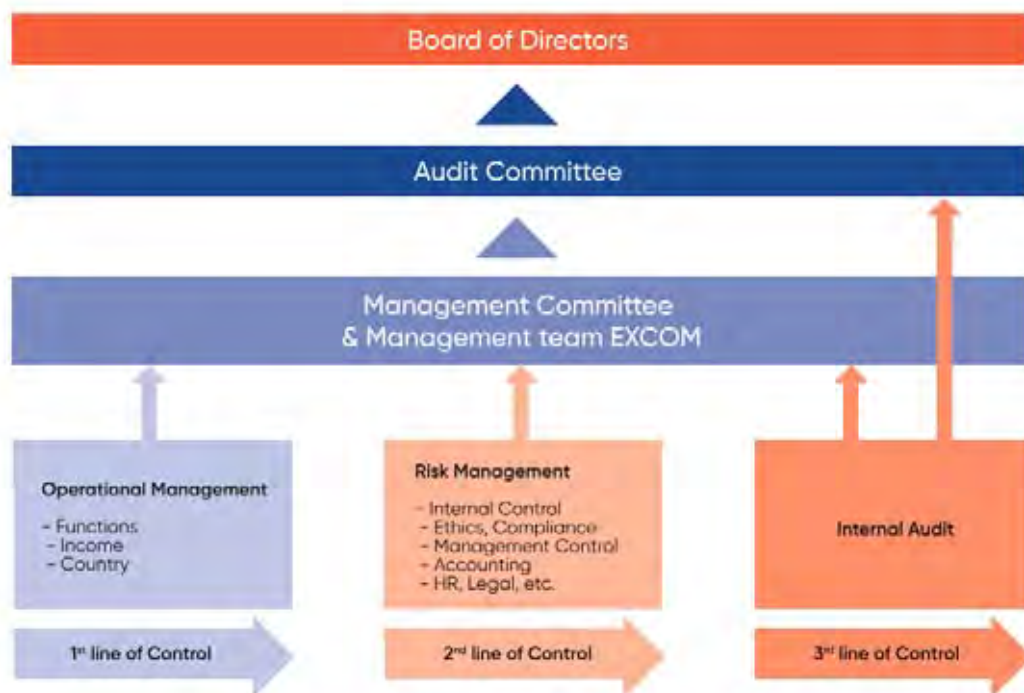
In accordance with the governance rules decisions relating to the greatest risks, above certain amounts, are placed under the control of the Board of Directors and its specialist Committees. They particularly involve:

- acquisitions and disposals
- medium and long-term financing
- business plans and budget objectives;
- principal strategic decisions.

1.9.6.2.4 Internal control and risk management system

1.9.6.2.4.1 Organisation of the internal control and risk management system

This system is based on the three lines of control set out in the diagram below:



Other risks fall under the control of the Chief Executive Officer. Once a month, the Directors concerned present their projects, developments and activity reports to the Chief Executive Officer.

In 2020, Covivio appointed a Group Risk Manager, a member of the Covivio Executive Committee, whose mission is to provide General Management, in addition to a detailed risk analysis, an independent insight into the risks inherent in the Group's operations prior to their presentation to governance bodies.

1.9.6.2.3.2 Control of Group activities

Control of proprietary companies, management companies and operational departments

Control points relative to operating activities concern actions needed to:

- deliver the budgeted receipts
- control operating expenses related to assets
- control direct operating expenses (personnel costs, appraisals, asset management, etc.).

Group Management Control is responsible for controlling compliance with the budgets.

The functional departments are controlled on a monthly basis with regard to cost management and budget compliance.

To ensure its permanent establishment in Italy, Covivio has complied with the provisions of Legislative Decree 231 of 2001, "Modello 231", and as such relies on a Compliance Committee, composed of two members appointed by the Board of Directors. It ensures that updates to the Modello 231 are applied and it monitors "sensitive activities" (corruption, insider trading, money laundering, employee health and safety, etc.). In this regard, it is mandated by all of the company's stakeholders regarding actual or suspected violations of provisions set out in the Ethical Charter.

1.9.6.3 Internal control of accounting and financial information

The internal control of the accounting and financial information of Covivio and its subsidiaries is one of the major elements of the internal control system. It is designed to ensure:

- the reliability of the published statements and the information communicated to the market
- their compliance with regulations
- the application of the instructions laid down by General Management
- the prevention and detection of fraud and accounting irregularities.

1.9.6.3.1 Scope

For the production of the Group's consolidated accounts, Covivio's scope of the internal accounting and financial control includes all the consolidated subsidiaries.

1.9.6.3.2 Actors

1.9.6.3.2.1 Governance bodies

As the consolidating company, Covivio defines and supervises the process of preparing the accounting and financial information published. The Accounting Department is responsible for the management of this process, under the responsibility of the Finance Director. Responsibility for the production of the corporate and consolidated financial statements of the subsidiaries is assumed by Covivio's Accounting Department, under the control of the relevant executive corporate officers.

Two persons are particularly involved:

- the Chief Executive Officer of Covivio is responsible for the organisation and implementation of the accounting and financial internal control and the preparation of the financial statements:
 - he/she presents the accounts to the Audit Committee and to the Board of Directors for its approval
 - he/she ensures that the process of preparing the accounting and financial information produces reliable data and gives a fair picture of the company's results and financial position
- the Audit Committee, as the representative of the Board of Directors, conducts the verifications and controls it deems appropriate. It presents its findings to the Board of Directors before the closing of the financial statements.

1.9.6.3.2.2 Production of accounting and financial information

In France, as abroad, the quality of the process of producing the financial statements is the result of, in particular:

- formalisation of accounting procedures
- a consolidation manual, adapted to the functionalities of the consolidation software
- the validation and updating of accounting schemes
- the justification of the balances and the usual reconciliations of validation and controls, in conjunction with the work of Management Control
- analytical reviews to validate changes in the principal balance sheet entries and the income statement with operations staff;
- separation of tasks between commitment powers and accounting activities
- review of consolidation reporting for each subsidiary
- review of the impact of taxes and disputes.

For every decisive event a specific note is drawn up analysing its impacts on the financial statements of the entities and on the consolidated accounts.

The reliability of processes enables Covivio teams to devote more time to control activities.

1.9.6.3.2.3 Production of the consolidated financial statements

For the preparation of the consolidated financial statements, the Accounting Department of Covivio has written a detailed consolidation manual that contains specific instructions for French and foreign subsidiaries.

The consolidated financial statements are prepared using a software package accessible to all of Covivio's accountants. This manual is updated regularly to comply with IFRS requirements and the specific characteristics of the various operational and financial activities of Covivio and its subsidiaries. The consolidated entities have a single accounting plan. The processed data is uploaded in the programme in data packages.

At each half-yearly and annual closing, the accountants of the various consolidation sub-levels receive detailed instructions prepared by the Accounting Department.

1.9.6.3.2.4 Control of the communication of financial and accounting information

The Chief Executive Officer coordinates the closing of the financial statements and conveys them to the Board of Directors, which also reads the report from the Chairman of the Audit Committee.

The Chief Executive Officer defines the financial communications strategy. The press releases about the financial and accounting information require approval from the Audit Committee and Board of Directors.

Covivio applies the EPRA Best Practice Recommendations, notably when presenting the financial statements and performance indicators. This presentation enhances readability and enables comparisons with real estate investment trusts (REITs) which publish in the same format.

1.9.7 Changes and outlook for 2021

As a follow-up to the actions rolled out in 2020, the Risk, Compliance, Audit and Internal Control Department will ensure the full and in-depth implementation of the year's audit plan in 2021. It also plans to improve the management, identification, understanding and hedging of risks within the Group. Risk management, as well as compliance with regulations on the protection of personal data as part of the Group's digital transformation, will also be major challenges in 2021.





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Consolidated statement of extra-financial performance

Each year, Chapter 2 of the Covivio Universal Registration Document (URD) reflects the company's sustainable development strategy. This chapter is part of the Statement of Non-Financial (or extra-financial) Performance (SNFP) of the Covivio group for the year 2020 and presents all the information required by Articles L. 225-102-1, R.225-104, R.225-105, R.225-105-1 and R.225-105-2 of the French Commercial Code. This SNFP was prepared with support from the Group's functional and operational departments. It is shared by the Executive Committee and then by the Board of Directors, which is particularly attentive to the social and environmental issues related to the company's business and Covivio's Purpose. Unless otherwise specified, the data presented in the SNFP is provided on a current basis. The reporting scope and methodology for the information in this chapter are presented in Section 2.7.1.

Chapter 2 also explains how Covivio's low-carbon strategy and objectives and initiatives align with the goal of limiting global warming to 2°C as enshrined in the Paris Agreement of December 2015. In particular, it presents energy consumption and CO₂ emissions related to building use corrected for climate conditions. Every year, Covivio presents an accurate report on greenhouse gas emissions for each activity, by describing the challenges associated with climate, in compliance with the provisions of Article 173 of the Energy Transition and Green Growth Act and its Decree of 29 December 2015. Covivio includes the recommendations made by the group of climate experts that make up the Task Force on Climate-related Financial Disclosures (TCFD).

Since 2017, this reporting has been aligned to the 17 Sustainable Development Goals (SDGs) defined by the United Nations. It contains information on how the company takes the social and environmental consequences of its activity into account, as well as an analysis of the consequences of this activity on climate change.

The financial risks inherent in the effects of climate change seem limited in the short term. However, since 2017, Covivio has conducted various specific and more in-depth evaluations to this subject. The action already taken, in coordination with key tenants, associations, initiatives (IFPEB, Sekoya, etc.), and organisations such as the Building Scientific and Technical Centre (CSTB) or MSCI, aims to control these risks.

In accordance with the GRI Standards framework, the SASB⁽¹⁾ framework and the EPRA 2017 Best Practices Recommendations on Sustainability Reporting, two reporting controls are carried out by an independent third party (2.8): the first relating to Green Bonds issued in 2016 and 2019 and the second relating to other aspects addressed in Chapter 2.

This information is also contained in Covivio's Annual Report on Sustainable Performance (www.Covivio.eu/fr).

⁽¹⁾ Sustainability Accounting Standards Board.

2.1 Editorial by the Chief Executive Officer: CSR, a lever for resilience in the face of the health and economic crisis

2020 will go down as the year of an international health crisis of unprecedented magnitude, with considerable social and economic consequences for several months and for a period that no one can determine. It is still too early to quantify the changes that this crisis will cause to our lifestyles and our businesses. For some, this shock is only a foretaste of the greater upheavals that our civilization will encounter due to climate change. Even if these two shocks are different, in practice, they have consequences that impact simultaneously and in an interlinked manner, the economy, society, the environment and public health.

Placing the health and safety of its customers, employees and suppliers at the centre of its concerns, Covivio has endeavoured to deploy best practices both internally and externally from the start of the epidemic. In order to ensure the safety of its customers' workplaces, Covivio has implemented a rigorous health protocol in its offices, supplemented by audits, which has resulted in a certification developed with Bureau Veritas, as part of the Covivio CARE program. In addition, in view of the urgency of the situation, Covivio has made several of its hotels available to serve as emergency accommodation, in particular to accommodate caregivers. As we started to come out of the crisis and as soon as its franchised hotels reopened, Covivio offered, among other initiatives, nearly 2,000 free overnight stays to hospital caregivers in Metz, the historical cradle of the company and a region particularly affected by the crisis.

This health crisis, which quickly became an economic and social crisis, once again confirmed the resilience of the Covivio model and the relevance of our CSR policy. This was enriched at the end of 2019 with the expression of our Purpose: "Building well-being and lasting ties". Covivio, as a responsible property developer and owner, with all its stakeholders, is devoted to this purpose, as well as to a number of commitments and concrete objectives expressed in a charter published on the company's website. In 2020, Covivio created a Corporate Foundation to bring together all of our initiatives promoting equal opportunities and environmental protection. In addition, in order to monitor, challenge and renew the commitments associated with our Purpose, Covivio has also decided to create a Stakeholders' Committee, bringing together customers, suppliers and partners, local authorities, urban planners, sociologists, etc. Each year, this Committee will make public the conclusions of its work.

The following pages provide an overview of the extensive work carried out by our Group in the area of sustainability over the past year, covering many of the United Nations 17 Sustainable Development Goals (SDGs) to be achieved by 2030: low-carbon construction and low energy consumption, health and safety, biodiversity, resilience, digital transition, circular economy, green finance, local roots and culture, ethics and transparency, our actions consistently cover all aspects of sustainable development, and help the Group progress every year in each of these challenges. These actions embody the values of our Group and are at the heart of our business model and our asset management policy, which they help to develop. At the end of 2020, 88% of our buildings were green, that is to say certified HQE, BREEAM, LEED etc. with performance levels still improving across all our portfolios.

This year, we conducted several studies on climate change and resilience, including an analysis of the portfolios based on IPCC criteria, as well as initial mapping focused on our European office assets portfolio, thus enriching our TCFD (Task Force on Climate-related Financial Disclosures) reporting. In 2020, we also created a map of the risks related to purchases and three European specifications: one concerning the CSR standards of our buildings, another one on life cycle analyses (LCA) in order to make them more comparable from one country and one product to another, and a third dedicated to BIM: work that will provide further structure to the ambitions of our projects and facilitate the achievement of our objectives in these areas.

The participation in initiatives concerning carbon and the circular economy, such as the "Low-carbon specifiers hub" and Sekoya, or the organisation of the "Air Quality challenge" in Europe, in partnership EDF; these are some of the examples showing the achievements made jointly with our stakeholders. It is the sum of these actions and the results obtained that reinforce the solidity and relevance of our sustainable development policy. This was once again praised this year by extra-financial rating agencies, with ratings still rising.

Covivio obtains the status of "Sector Leader" World from GRESB, in the category "Diversified portfolio of Offices/Residential - listed companies"; Vigeo-Eiris gives Covivio the highest rating of A1+ in the framework of its requested rating, thus ranking first among real estate operators and the fifth worldwide, all sectors combined. Similarly, the ratings obtained from MSCI (AA), ISS-ESG (top 5% worldwide), DJSI Europe and World (top 4%), EcoVadis (top 1% worldwide), and the A- rating awarded by the CDP for our policy and our results in terms of carbon, confirms Covivio's position among the world benchmark groups in terms of CSR.

In addition to these excellent results, we must face new challenges such as the acceleration of teleworking and the development of the use of shared office space (hot desking/desk sharing) or the development of demand for more flexible formulas in office rental. Our response is based in particular on our global approach, including our Wellio proworking offer, which enables us to offer tailored and flexible solutions to these new challenges. They will not distract us from our CSR concerns, on the contrary, since they are one of the keys to the response. More than ever, the fight against climate change, the ecological and digital transition and the fight against inequalities are major and structural challenges for a responsible player like Covivio.

It is in this context, involving uncertainties and major challenges, but also exciting projects, that Covivio is approaching the new decade, with renewed enthusiasm and ambition. It is essential that this decade be one which sees the advent of a circular and low-carbon economy, a sustainable and more responsible city, and more resilient and inclusive regions. Covivio, through its activity, its will and its history, is at the heart of these transformations!

Christophe Kullmann
Chief Executive Officer



With a portfolio worth over €25.7 billion (€17 billion Group Share), Covivio is the fifth largest Real Estate group in Europe. Its success is the result of its unique decision to expand in several countries at the same time and develop several products while retaining the agility that has enabled it to seize opportunities since it was set up

in the early 2000s. Active throughout the value chain, Covivio has managed to develop its unique assets and values, while capitalising on its financial and technical expertise, enabling it to anticipate changes in its clients and markets, to constantly adapt its buildings, services and know-how.

2.2 A long-term strategic vision

Covivio's activity consists of investing to hold real estate assets over the long term, while developing and renovating buildings to constantly improve the performance (technical, CSR, financial) of its portfolio. Covivio's business model is based on a long-term vision, which is organised along three main lines:

- a stronger presence in major European cities offering good market depth and attractive economic prospects;
- development projects as a source of growth, making it possible to constantly improve the quality of the portfolio and capture greater value creation

- a customer-centric approach aiming to anticipate customer needs, and market and regulatory developments.

Covivio's unique profile is particularly relevant at a time when flexibility is a priority in terms of real estate, with offers such as: flexible Offices; teleworking and nomadic work; co-working, co-living and new "home-style" hotel concepts. By placing people, health and safety and the service dimension at the centre of our projects, Covivio is supporting the implementation of all transitions (energy, climate, environmental, digital, etc.).

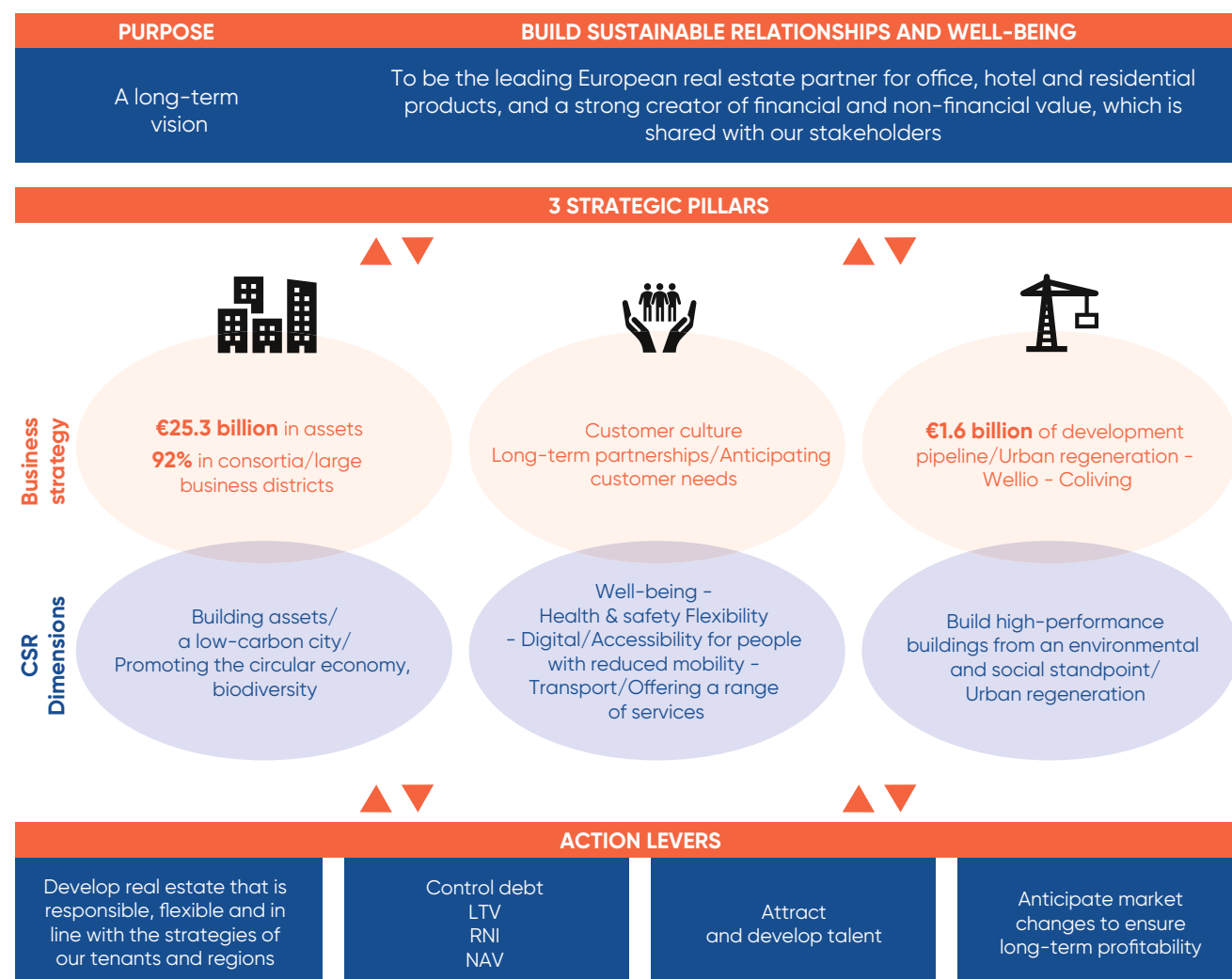
2.2.1 Assert a role of responsible real estate operator

Covivio has built its success by establishing itself as the preferred partner of key tenants, which it supports in their real estate strategies. As well as buying portfolios of buildings from major players (Orange, Telecom Italia, EDF, AccorHotels, etc.) under "sale and lease back" transactions, Covivio has successfully begun the development and refurbishment of buildings. Starting with its very first project in 2008, the Dassault Systèmes headquarters in Vélizy (Yvelines), Covivio opted for green and responsible real estate, a choice that was pioneering at the time, obtaining the HQE (*Haute Qualité Environnementale*) certification. Covivio occupies a unique position among major REITs, both in terms of its geographical allocation and European coverage and its positioning on three

products: Offices, Hotels and Residential. Thanks to its integrated expertise, Covivio is able to control the entire value creation chain.

The purpose of Covivio, expressed at the end of 2019, is part of this long-term vision and opens up the company's scope for action to integrate the financial and extra-financial ambitions and objectives arising from the interactions between the Group and all of its stakeholders described in section 2.2.3.2. Covivio's long-term vision is driven by the Group's mission, namely to build on strong know-how in long-term partnerships, and on its ability to create unique living spaces and to contribute to the emergence of more sustainable, resilient and inclusive real estate and cities.

A long-term vision based on extensive expertise

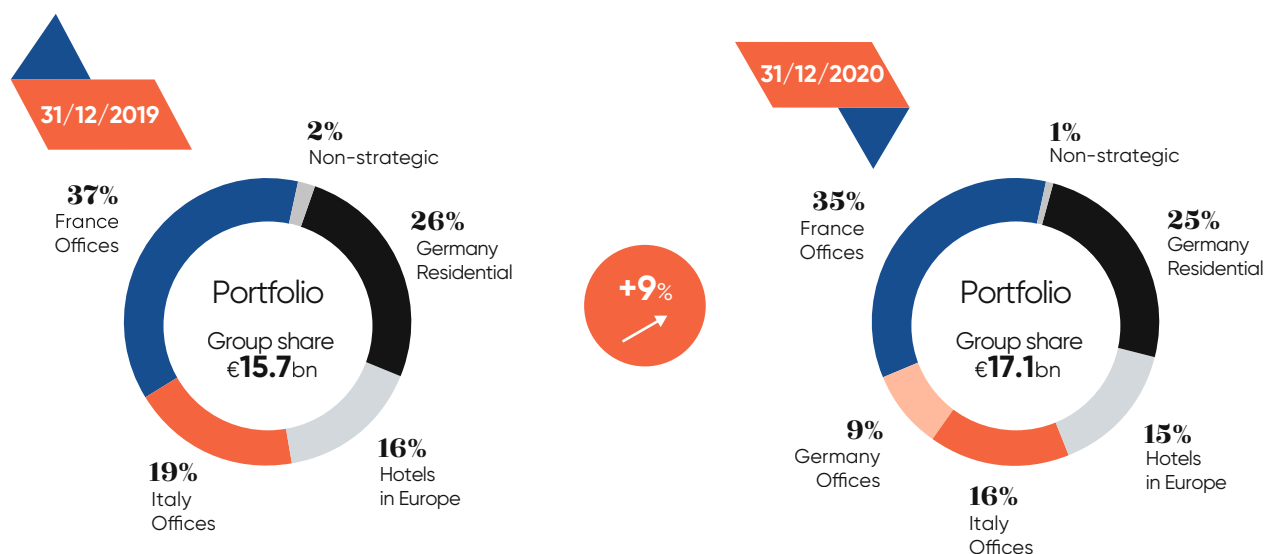


2.2.1.1 Covivio: three activities, 12 European countries

Covivio's strategic plan strengthens its European ambitions and its diversification, both in terms of countries and products, with a leading position in:

- the Offices in France, Italy and more recently in Germany, deep markets in which Covivio is developing real estate with the highest international standards
- Residential property in Germany, via Covivio Immobilien
- Hotels in Europe, via Covivio Hotels, which supports leading players in this sector.

This product diversity is accompanied by diversification of the offer: in Offices, development of an innovative pro-working solution under the Wellio brand; in Residential the implementation of a co-living solution; and in Hotels support for new concepts with brands such as NH Hotel Group and Meininger. Its areas of expertise in these three sectors complement each other and are driven by changes in lifestyles and work patterns and the convergence of services offered in these three categories of assets. As a major player in each of these three segments, Covivio benefits from a geographic diversification that allows it to depend upon various economic cycles and markets to optimise the balance of investments, reduce risks and support clients to expand internationally.



2.2.1.2 A sector at the heart of major transitions

Buildings and urban planning must respond to considerable challenges: revolution in lifestyles and technologies, environmental, climate and health emergencies, demographic explosion, etc. Climate change has a direct impact on regions: sea level rise, increasingly frequent hot days and heat waves, more and more storms and heavy rainfall, etc. Cities and buildings must become more resilient, in other words, able to offer appropriate responses to these situations. Which solutions should be chosen first to limit the acceleration of climate change and mitigate its effects on city life? How can we support the inhabitants, particularly the most vulnerable, to offer them solutions for accessing water or buildings where they can cool down during heat waves? It is imperative, on the one hand, to limit the factors contributing directly to the increase in outdoor temperatures (urban heat islands accentuated by the installation of equipment that discharges heat outdoors,

etc.) and, on the other hand, limit the contribution of buildings to climate change via their greenhouse gas emissions. Social, economic and environmental dimensions are inextricably linked. The city must therefore also become more inclusive, reducing the number of those left behind, by redesigning transport or making the most of the digital revolution.

As the owner of portfolios of real estate assets in cities and as a player in the reconstruction of urban spaces, Covivio endeavours to fight urban sprawl and to reduce the land take, by considering the conditions for implementing a "zero net land take" philosophy. A player in major transitions, Covivio designs and manages its buildings as part of an urban ecosystem in terms of climate, culture and society, as well as in terms of well-being, connectivity, mobility, biodiversity, etc. in partnership with associations, colleagues, consultants, suppliers, local authorities, etc.

2.2.1.3 17 Sustainable Development Goals to transform the world

So that public and private actors can provide tangible solutions to the aforementioned human and environmental challenges, in September 2015 in New York, the 193 member states of the United Nations adopted a sustainable development programme entitled **"Transforming our world: the 2030 Agenda for Sustainable Development"**. Effective since 1 January 2016, this programme is composed of 17 Sustainable Development Goals (SDGs), broken down into 169 targets. Their aim is to fight extreme poverty, inequality, exclusion, or address climate change and the erosion of biodiversity. The opportunities opened up by the SDGs represent important challenges in terms of employment (\$12 trillion of

opportunities every year by 2030 according to Better Business, Better World⁽¹⁾ and an increase in investments of \$5 to \$7 trillion, according to UNEP-FI).

Signatory of the Global Compact in 2011 and having reached the GC Advanced level in 2018, Covivio has explicitly referred to the UN's 17 SDGs since 2016, in particular in its various CSR publications: Universal Registration Documents, Sustainable Development Reports and, of course, as part of the Communication On Progress (COP), available on the UN website and on the Covivio website⁽²⁾. Covivio's multi-year CSR objectives presented in this document are consistent with the 17 UN 2030 SDGs to which they contribute, the 10 principles of the Global Compact, and the 2°C trajectory of the December 2015 Paris Agreement.



The study conducted internally in 2017 and added to in 2018 and again in 2020, based on an analysis matrix, made it possible to characterise the nine major SDGs for Covivio, given its targets:



The challenges represented by each of these objectives occupy an important place in Covivio's CSR policy and its business model. Each refers to the actions carried out within the portfolios of buildings developed and held by Covivio as well as internally, within the corporate scope of the company, as an employer.

(1) <http://www.globalcompact-france.org/actualites/objectifs-de-developpement-durable-comment-aller-plus-loin-dans-leur-integration-par-les-entreprises-103>

(2) <https://www.covivio.eu/app/uploads/2018/11/2018-Pacte-Mondial-des-Nations-Unies-Communication-sur-le-progrès.pdf>

2.2.1.4 Inventing new uses for real estate

Covivio is committed to a policy of innovation that permeates all of its business lines. This innovation strategy focuses investments and resources on projects that deliver value for its customers, in four areas: energy transition, customer relations, digital transformation and ecosystems. Each of these pillars is a major contributor to the Group's operational excellence.

The energy transition or how innovation contributes to producing more sustainable real estate

Covivio's innovation strategy is first and foremost at the service of all of the Group's operational departments, starting with sustainable development. By relying on new technologies as well as on the many innovative players, the impetus given makes it possible to test new solutions in terms of new materials, eco-design of buildings, energy management, the circular economy and the use of new technologies. All of these innovations have a concrete outlet for improving Covivio's environmental performance.

● Sensors to collect data on the energy consumption of buildings

Via the monitoring system deployed with Delta Dore on around twenty buildings in France, Italy and Germany, energy consumption is reported in real time on digital platform Powerbat. This digital innovation based on the Internet of Things (IoT) makes it possible to improve the management of facilities and the control of rental expenses.

● Air Quality Challenge, European call for projects to innovate in the area of indoor air quality

In mid-2020, Covivio launched a European call for projects with EDF and the support of our innovation partner Impulse Partners: "The Air Quality Challenge". The aim is to identify innovative solutions to improve indoor air quality while reducing energy consumption in buildings. The health crisis has made this initiative even more meaningful. The initiative has been a great success, with nearly 70 applications from around ten countries. Finally, nine companies were selected by a jury composed of experts in innovation, R&D, real estate and air quality. After evaluating the solutions proposed on the basis of criteria related to the improvement of indoor air quality and the energy efficiency of the proposed solutions, Covivio and EDF selected two companies: OCTOPUS LAB and ENERBRAIN. Testing of their solutions will take place in 2021.

The customer relationship or how innovation meets new customer expectations

- Covivio deploys, in most of its buildings, **a wide range of "à la carte" services**: catering, well-being, comfort, etc.
- Wellio, a pro-working offer, enables Covivio to offer its customers **a full range of flexible real estate solutions** that meet the new needs of companies.

Digital transformation or how innovation enables Covivio to meet the new needs of its customers and its teams

- Covivio and Wellio offer their customers **new digital experiences thanks to mobile applications**. These digital tools simplify the customers' experience and how they use facilities, by providing new practical services: living in buildings, organisation of work, mobility, interactions with colleagues, customers and partners, etc. Close to customers, Covivio teams are able to anticipate new uses and imagine new digital solutions that facilitate customer journeys.
- This digital transformation also involves **new ways of building and managing buildings**. Whether using Internet of Things (IoT) technology, digital modelling (BIM), or Big Data, Covivio has deployed many innovative initiatives to build and manage its buildings thanks to its use of these new technologies.
- Thanks to the European deployment of specific digital tools (cloud computing or customer relationship software, CRM), Covivio has equipped itself with high-performance tools focused on customer satisfaction and team performance.

Innovation ecosystems or how to create the conditions for the emergence of new ideas

Innovation is fuelled by openness. Internally, Covivio encourages the emergence of ideas and collective intelligence. Externally, it supports a network of players who enrich its approaches and provide new ideas.

- **Internally**: in addition to the "1,001 ideas" collaborative innovation approach rolled out in 2018 and 2019, and which allowed each employee to propose their ideas for the company of the future, the design of office buildings now includes specific innovation approaches such as "design thinking" which brings together co-workers, customers and partners. This approach is based on a co-creativity process involving feedback from future users. It offers stimulating opportunities to share perspectives and make the most of multidisciplinary.
- **Externally**: since 2016, Covivio has been resolutely committed to cooperation with innovative players in the real estate world. As such, its innovation strategy is designed to embrace co-creation, open innovation and partnerships, in order to adapt ever more quickly and better to new uses. This strategy is illustrated by several thematic partnerships developed: Impulse Partners in France for the sourcing of new players or support for specific events such as the "Air Quality Challenge"; Proptech One in Germany; the Politecnico di Milano foundation in Italy.

2.2.2 Promoting a resilient economic model

Since it was created, Covivio has invented a robust business model and occupies a pioneering position in how it develops its business lines. The Group has a recognised ability to build strong links with companies and local authorities which it supports in their real estate strategies (sale and lease back, modernisation, management, development, etc.). The quality of the partnerships established with key account tenants in Europe, combined with long-term leases, distinguishes Covivio from its peers.

The health crisis caused by the Covid-19 epidemic was a new opportunity to see the resilience of Covivio's business model: the diversification of its products and markets, combined with proximity to its stakeholders and in particular its tenants, made it possible to negotiate, under the best conditions, during the lock-down period and the economic tensions affecting in particular the hotel sector, unavoidable effects of the restrictions to people's movements.

Chapter 3 of this document provides comprehensive and transparent information on the company's economic and portfolio situation.

2.2.2.1 A policy of asset rotation to serve the Group's ambitions

From its main platforms, historically established in France, Germany and Italy, Covivio works in markets where the Group has a significant size and is continuing to develop. In 2020, Covivio acquired the company Godewind Immobilien, which holds a portfolio of ten prime office assets in major German cities, for a total value of €1.2 billion. Confident in its long-term hotel strategy, Covivio Hotels also finalised the acquisition of a portfolio of eight high-end hotels in major European cities, for a €573 million.

The year was also rich in disposals, in line with Covivio's strategy to refocus its activity on core assets in major European cities. The Group also sold mature assets with high environmental performance, sometimes following major renovation work carried out by Covivio in the past.



2.2.2.2 A business model that creates value in a sustainable way

The Covivio business model is a creator of value at every stage of the real estate cycle: acquisition or development, management and arbitrage. Profitable for stakeholders, this value creation takes place responsibly and is part of a long-term strategy. The illustration below summarises Covivio's model. It uses the six

capitals of the Integrated Reporting <IR> (IIRC⁽¹⁾) framework as well as the colour code. At the heart of the business model are the nine UN Sustainable Development Goals that are emphasised as part of its activities (2.2.1.3).

(1) International Integrated Reporting Council (IIRC).

The Covivio business model



The financial and non-financial indicators presented in the URD are closely and regularly monitored to optimise the benefits drawn from these six types of capital and to ensure the durability of the Covivio business model.

2.2.2.3 Cash flow secured over the long term

With an average occupancy rate of 94.7% at Group level, Covivio deploys an investment strategy that favours single-tenant assets (leased to a single user). The firm residual lease term, which was an average of 7.3 years at the end of 2020 (7.2 years at the end of 2019), provides Covivio with good visibility over its cash flows to come, with almost no structural vacancy. Securing of Covivio's revenue over the long term also involves **a pipeline of committed projects of €1.6 billion** (€1.2 billion Group Share), which will support European development over the coming years.

To continue to increase its rental income, Covivio selects buildings that have advantages in terms of location, accessibility and attractiveness and strives to improve the level of service and satisfaction of its tenants. When a building becomes vacant, Covivio restructures it to bring it up to the highest international standards. Covivio is developing environmentally-friendly, flexible and innovative real estate, which maximises its use and financial value.

In a low interest rate environment, the returns offered by the real estate sector continue to attract substantial capital flows. Despite the international economic crisis, Covivio shares remain highly attractive, offering a significant return.

The financial rating assigned to Covivio by the agency Standard & Poor's, BBB+, stable outlook, confirms the quality of the portfolio and the robustness of the economic and financial model.

Creating lasting value

Building performance, be it environmental (energy performance, etc.), social (well-being, services, etc.), or societal (culture, accessibility, etc.) is likely to create goodwill on the assets called **green value**, which is not currently isolated by real estate valuation experts.

For the tenant company, the gains in terms of comfort, well-being, and health and safety of its employees translate into a reduction in work stoppages and an increase in their concentration, creativity and ultimately productivity. This economic dimension is called **value-in-use**, or **immaterial value**. Since 2014, Covivio has been involved, together with Goodwill Management and several partners, in a working group (VIBEO) to analyse the correlation between productivity and themes such as well-being, biophilia, new layouts of premises, art and architecture, etc. Thesaurus VIBEO is a unique framework for responsible, sustainable and social building design. It is enriched within the framework of the working group. In 2020 it became the "VIBEO Value in Use Hub", created and run by Goodwill Management and the IFPEB, and supported by around ten members⁽¹⁾. The work carried out in 2020/2021 focuses in particular on the impacts of teleworking on changes in terms of organisation and company expectations⁽²⁾.

By integrating all aspects of CSR and innovation into its strategy, Covivio has an economic model that is creating long-term value – one of the most material issues for the Group.

Finally, in the context of creating and sharing value, Covivio measures the socio-economic impacts and territorial anchoring of its activities (2.4.1.2).

(1) As of 31 December 2020: BNP Paribas RE, Bouygues Construction, Bouygues Immobilier, Covivio, Dalkia, EDF, Ivanohé Cambridge Korus, Orange, Poste-Immo, and Sercib.

(2) https://www.ifpeb.fr/wp-content/uploads/2021/02/Rapport-teletravailV3_planche.pdf

2.2.3 A performance built jointly with stakeholders

To reach high levels of financial and non-financial performance, Covivio is attentive to its stakeholders and works in close collaboration with them to develop the most appropriate real estate solutions together. Since 2012, Covivio has carried out a materiality analysis, which has been regularly updated since then. This approach relies on a good understanding of its stakeholders and the challenges that each of them face.

2.2.3.1 A driving force at the heart of the sector

The building and real estate sector brings together extremely diverse business lines and expertise, benefiting the activity of each of them: architects, technical design Offices, communities, surveyors, bankers, suppliers, marketeers, legal professionals, client users, investors, associations, media – and of course employees and tenants.

Covivio is located at the heart of this relationship network. Aware of its economic weight and leadership role, the Group wants to be exemplary in the management of its activities and its relationship with its various stakeholders.

Positioning of Covivio in the building/real estate sector



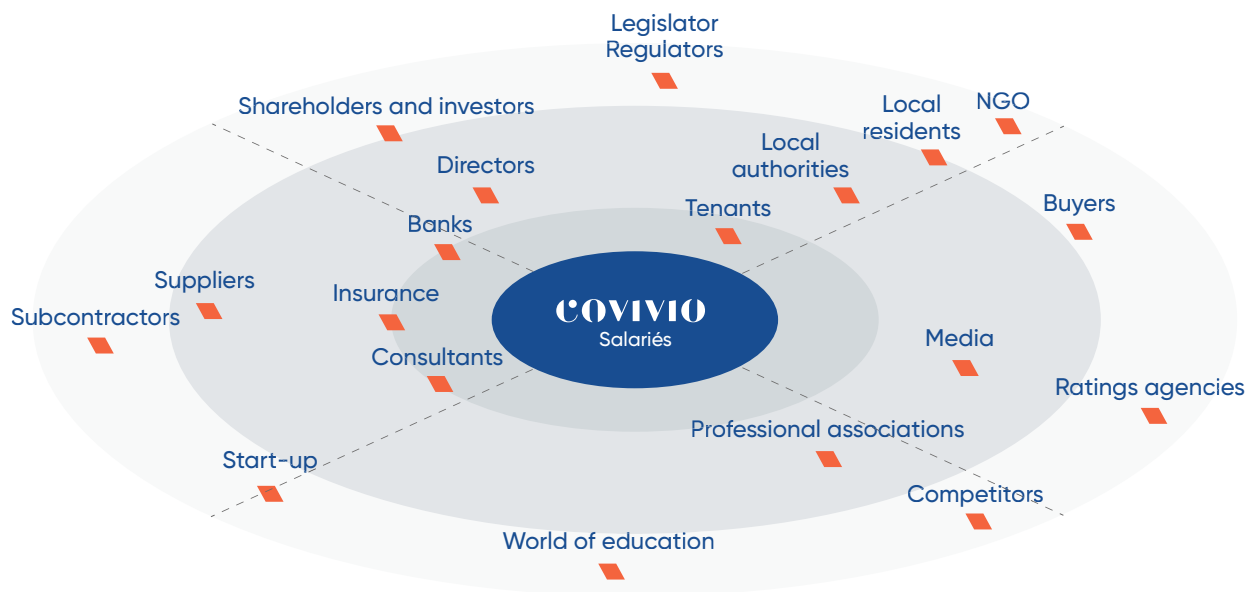
Covivio relies on the complementarity of its traditional lease and flexible contract offers, as well as on its service culture to provide ever more tailored solutions to its customers. Customer surveys, satisfaction surveys and design thinking workshops enable the Group to go further and involve its stakeholders in the design of the spaces and services of tomorrow that it develops (2.3.1.2).

2.2.3.2 Meeting stakeholders' expectations (GRI 102-40; GRI 102-42; GRI 102-43; GRI 102-44)

Since 2010, a mapping of the Group's stakeholders has made it possible to improve how their expectations are taken into account and create a materiality matrix.

The main stakeholders were first selected from among the commercial community (key account tenants, suppliers), the financial community (shareholders), Human Resources (managers, employees), public authorities (local governments), and civil society (associations, media). Interviews with internal and external stakeholders have identified their CSR expectations, constraints and priorities. These stakeholder groups were then ranked according to their interest and impact on the company's business, resulting in the mapping shown below as well as the introduction of appropriate tools for dialogue. They were reviewed and updated in 2015 and 2018.

Mapping of Covivio's main stakeholders



Shareholders and investors given the diverse range of main stakeholders identified and their expectations, Covivio has gradually introduced communication tailored to each stakeholder. To do this, the Group has used both internal and external communication methods, notably social networks such as tenant extranets, Twitter, LinkedIn, and Yammer.

As part of the expression of its purpose, Covivio has decided to create a Stakeholders Committee. Its objectives will be to monitor and renew the commitments made in line with the Raison d'être and to *reflect on the* future challenges facing Covivio and their inclusion in the strategy.

Composition of the Stakeholder Committee: Bertrand de Feydeau (Chairman of the Committee, Chairman of the Fondation Palladio and the Fondation des Bernardins), Sonia Lavadinho (Founding Director of Bfluid), Jean-Paul Viguier (Architect & urban planner), Siegrid Henry (Advisor to the French High Commissioner for Employment and Corporate Engagement at the French Ministry of Labour), Stephan de Faij (Chief Executive Officer of Grand Paris Aménagement), Patricia Savin (lawyer, Chairman of the Orée association, independent Director of Covivio) reporting to Jean Laurent (Chairman of the Board of Directors of Covivio), Christophe Kullmann (Chief Executive Officer) and Yves Marque (General Secretary).

Tailored communication methods

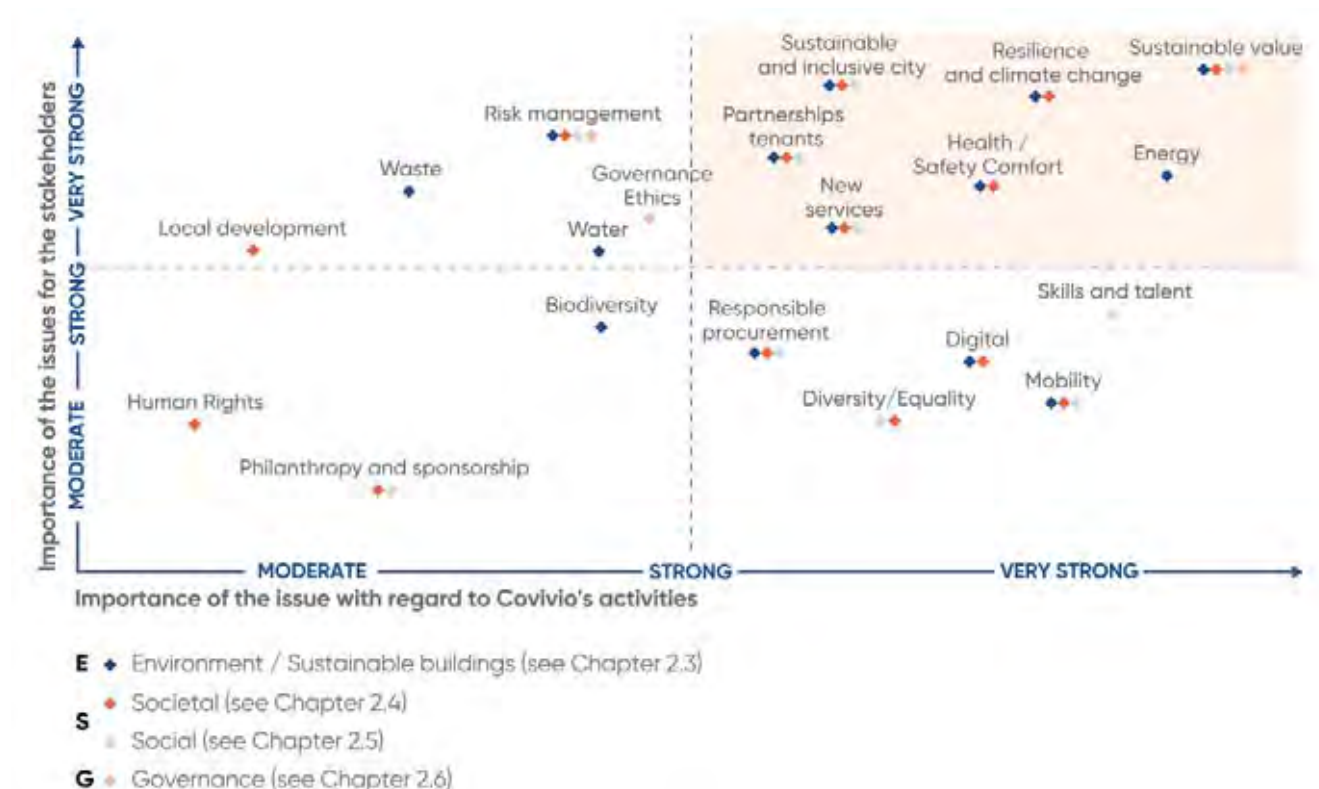
Main stakeholders	Expectations of stakeholders	Communication method	Chapter
Clients	Co-construction of innovative, tailored solutions to support each stakeholder's real estate strategy in the best possible way	Partnership Committees and Sustainable Development Committees	2.4.3
Shareholders	Visibility and longevity of the business model and profitability	Letter to shareholders, press releases, financial releases, road shows, investor days, website...	2.6.1.5
Ratings agencies	Transparency of financial and non-financial communications	Universal Registration Document (UCR) and Annual Sustainable Performance Report	2.6.1.1
Employees	Follow-up support for professional development and training	Intranet site and internal communications tools	2.5
Local authorities and non-profit organisations	Awareness of their socio-economic challenges	Sustainable Development Report Involvement in various collaborative projects, conferences, etc.	2.4.1.1
Suppliers	Fair business practices	White paper on supplier relations Responsible Purchasing Charter	2.4.2

2.2.3.3 Covivio's material CSR challenges (GRI 102-46; GRI 102-48; GRI 102-49)

The CSR issues identified by external stakeholders were ranked and cross-referenced with those of Covivio, to create the materiality matrix shown below. Reassessed each year to ensure that results remain relevant over time, this study enables Covivio to focus concrete actions on the most significant challenges for

Covivio and its main stakeholders. This approach is taken with a view to continuously improving upon our ability to respond to stakeholders. It has enabled policies and relevant performance indicators to be established based on GRI, IIRC and SNFP guidelines.

Covivio materiality matrix



This matrix evolves gradually as new concerns and issues emerge: digital, new services, resilience, inclusive and sustainable city, etc. Employee health and safety issues, whether in its own Offices or in buildings in operation or under construction, already occupied a high place in the matrix. The health crisis linked to the Coronavirus has highlighted the merits of this analysis. More generally, Covivio's CSR policy covers all issues present in this matrix, with greater emphasis on the most significant ones. The challenges identified here are consistent with the major CSR risks identified during the risk mapping exercise carried out in 2018 (2.2.4), demonstrating the alignment of the most material issues with the Group's business and strategy.

2.2.4 Identifying risks and seizing opportunities

Chapter 1.11 of this 2020 Universal Registration Document describes the risk factors which may have a significant effect on the financial and non-financial position of Covivio or on its results. The Governance Section (2.6) details the measures taken to identify and manage these corporate risks (all the risks that the Group must face structurally). The methodology and results of this work are presented in the Risk Factors and Internal Control section of the management report (1.11).

Corporate risk monitoring process



The CSR risks identified ranged from asset obsolescence to business interruption in exceptional circumstances (cybersecurity, pandemic, fire etc.). The corresponding action plans are periodically followed up on by General Management and the Audit Committee. In 2020, the implementation of health measures was facilitated by the implementation of an already operational continuity plan, the practice of teleworking, which is already widespread within the Group, the flexibility of IT tools and the strong commitment of teams and management.

As for human rights, Covivio is a signatory of the Global Compact (GC Advanced), respects its 10 principles and applies the eight fundamental conventions of the International Labour Organisation. In addition, the Group operates in countries with highly protective laws in this area; this issue is therefore limited when performing its activities, but Covivio remains attentive to these subjects. In addition, Covivio has an active policy in terms of philanthropy and skills-based sponsorship (2.4.1.3.3), which are now supported by its Corporate Foundation. The priorities in the matrix are cross-referenced with the GRI Standards in an annex in Section 3.7.5.

In accordance with the new French regulation on the transparency of non-financial information (2017) resulting from the transposition of the European Directive (2014), specific mapping of CSR risks was conducted internally at Covivio in 2018. In addition, and in addition to regulations, a mapping of risks related to purchases was carried out within the Group for the first time in 2020, with the support of a specialist advisor; it is presented in chapter 2.4.2.4.

2.2.4.1 Methodology for selecting and prioritising the main CSR risks

Conducted by the Sustainable Development Department in coordination with the Internal Audit and Control Department, CSR risk mapping was audited by the independent third-party body mandated to audit the Statement of Non-Financial Performance (SNFP), to ensure compliance with the framework defined for the SNFP. This study was conducted in 2018 with a panel of French, German and Italian Covivio managers in charge of operational or functional departments exposed to the identified risks. The first stage consisted of a series of interviews conducted internally with the panel to define the universe of CSR risks on a European scale. The second stage focused on the rating of the risks identified, according to three parameters: reputation, frequency and level of control.

The CSR mapping therefore distinguishes between:

- inherent risks, considered in absolute terms given Covivio's industry and activities
- residual risks, assessed after consideration of the actions conducted by Covivio to control those risks.

This map was verified by the Management Committee and communicated to the Board of Directors at its meeting of 21 November 2018. Since it failed to reveal any major deficiencies in controlling inherent risks, the study did not result in immediate corrective measures. In accordance with the requirements of the SNFP, specific interviews are conducted between the independent third party as part of its annual audit and the employees most affected by the nine risks identified.

2.2.4.2 List and description of the main CSR risks and opportunities

The risk mapping study revealed nine major CSR risks:

- asset obsolescence/green value/products anticipating societal changes (2.3.1)
- managing operating expenses (energy, waste, certifications) (2.3.2.)
- security/environmental safety/regulatory compliance (2.3.3.)
- integration into the sustainable city (2.4.1.)
- responsible supply chain (2.4.2.)

- quality of relations with external stakeholders (customers, suppliers, etc.) (2.4.3.)
- skills/attractiveness/diversity (2.5.2.)
- fraud/corruption/ethics (2.6.2.)
- data protection/smart building (2.6.3.).

Issues such as resilience, climate risks or well-being and health are characterised by several of these nine risks, which is why they do not appear as such.

Summary of Covivio CSR risks



The Task Force on Climate-related Financial Disclosures (TCFD) recommends the quantification, financial or otherwise, of certain carbon-related risks. The report based on the TCFD is presented in the introduction to Chapter 2.3.

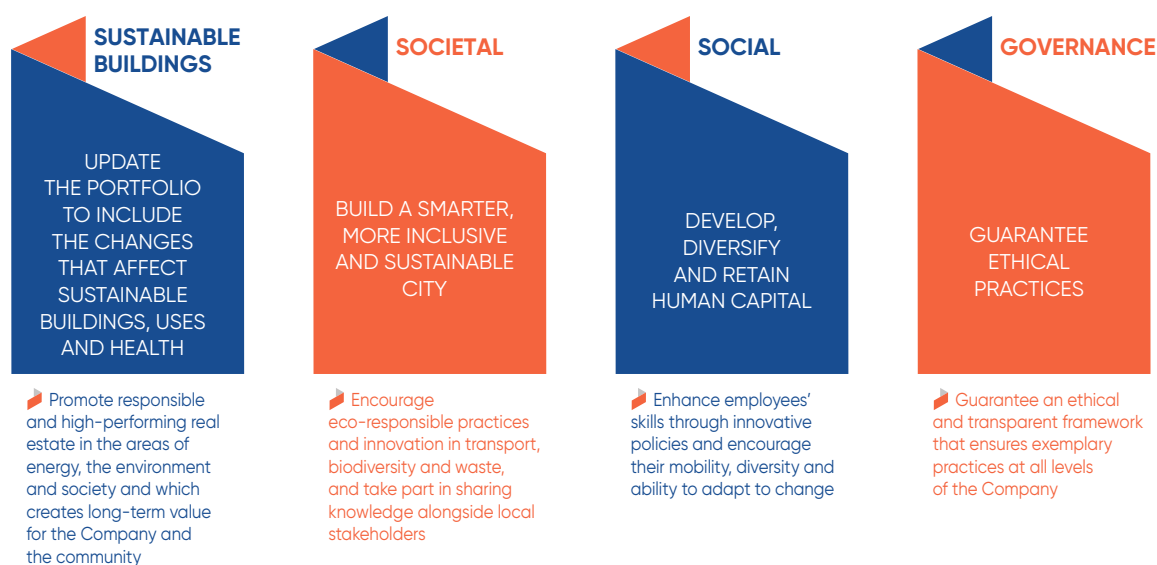
2.2.5 Putting CSR at the heart of the business model

By communicating its mission statement at the end of 2019, Covivio confirmed the importance placed on social and environmental issues and innovation at the core of its corporate and portfolio strategies. By developing its economic model, Covivio goes beyond the mere search for profit, considering that this objective must form part of a broader mission including all those participating in the success of the company.

2.2.5.1 A comprehensive and European Sustainable Development strategy

Covivio's sustainable development strategy covers all its activities in Europe and all levels of the company. Built on the experience from the analysis of its material issues and CSR risks, this strategy sets out an action plan (2.2.6) that echoes the various objectives conveyed by the mission statement.

The four components of this CSR strategy are common to each of the activities: Sustainable buildings, Societal, Social and Governance.



2.2.5.2 European planning and coordination of Covivio's CSR strategy

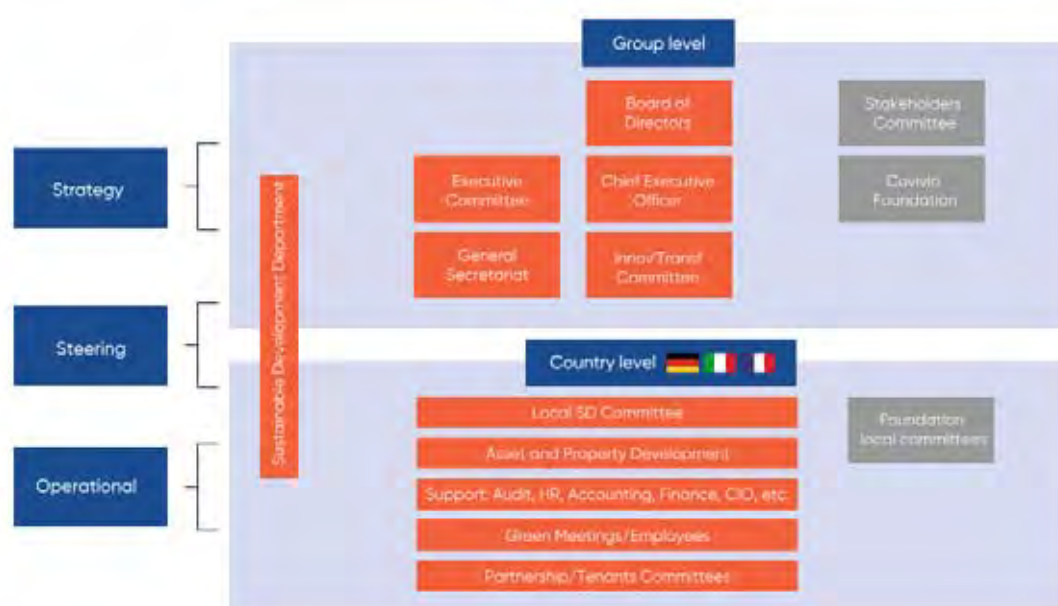
The Sustainable Development Department proposes and coordinates initiatives across the Group's various business activities, with the support of General Management. It is closely monitored by the Board of Directors. This dedicated, interdisciplinary team engages with all of the Group's business lines, providing technical expertise to their various departments, and playing an instrumental role in terms of innovation, raising awareness and reporting. Christophe Kullmann, Chief Executive Officer, and Patricia Savin, Environmental lawyer and President of the Orée Association, Director, bring CSR issues to the Board of Directors.

The operational deployment of the CSR policy is based on several mechanisms. The **Sustainable Development Committee**, which brings together, on a monthly basis, Christophe Kullmann, Yves Marque (Chief Operating Officer (COO)) and Jean-Éric Fournier (Director of Sustainable Development), produces a progress report on the CSR action plan, notes the measures to be taken in order to implement the sustainable development strategy and give these decisions the necessary profile within the **Executive Committee** and **Board of Directors**. The **Innovation-Transformation Committee** aims to share ideas on innovation topics and approve certain operational choices and tools, in particular on sustainable development (carbon trajectory, etc.), digital technology (BIM, BOS, etc.) or services (implementation of solutions); it brings together Olivier Esteve (CEO), the managers of Development, Asset Management, IT, Wellio, Innovation, Sustainable Development and the Chief Digital Officer.

In each country, "**Green Committees**" enable actions and achievements to be noted by the CEO and local managers, in coordination with the business lines and support functions, and with the support of awareness-raising actions (e.g. **Green Meetings**) and training (led by HR). In order to apply the strategy at the operational level, the Sustainable Development Director is in charge of a network of nearly **thirty representatives within** the Group. In France, in connection with the environmental annexes, he jointly chairs the **Sustainable Development Partnership Committees** with the asset manager and technical manager of the asset, as well as the representatives of the key account tenants involved.

In addition to this organisation, 2020 saw the creation of a **Stakeholders Committee**, chaired by Bertrand de Feydeau, as well as the **Covivio Corporate Foundation**, whose Board of Directors has eight members: Jean Laurent (Chairman), Alix d'Ocagne (Vice-Chairman-independent Director), Géraldine Lemoine (Chief Communication Officer), Tugdual Millet (Chief Financial Officer), Giovanna Ruda (Chief corporate officer Italy), Daniel Frey (CEO Germany) and three external members: Marion Chapulut (Founder of CitizensCorps - a consultancy for the development of charitable associations), Guillaume Rossignol (Director of JRS France - a refugee support group) and Anne Lhuillier (head of corporate philanthropy - Fondation Bettencourt). In France, Germany and Italy, **Local Committees** guarantee a strong local presence, good responsiveness and long-term leadership. Each is composed of four employees from different Covivio business lines and has a wide variety of profiles: expertise, seniority length of service, etc.

Managing Sustainable Development at Covivio



2.2.5.3 A calibrated and reliable performance

The tables presented in Section 2.7 provide an overview of the indicators used by Covivio to measure its environmental and social performance, particularly with respect to the targets that have been set. These indicators have been chosen based on international standards: the GRI Standards and its sector specific supplement CRES⁽¹⁾, EPRA's Best Practices Recommendations on Sustainability Reporting (SBPRs) as well as annual questionnaires such as the Carbon Disclosure Project (CDP) and the Global Real Estate Sustainability Benchmark (GRESB). The reporting scope for each business activity is detailed in Section 2.7. Covivio's CSR reporting undergoes two verifications by an external, independent third party (EY). The first confirms that Covivio's reporting is in line with the regulations (decree of 9 August 2017), the recommendations of the EPRA (SBPR), and the GRI and SASB Standards frameworks. The second verification relates to the Green Bond: allocation of funds, adherence to asset selection criteria, environmental performance monitoring, etc. The two letters of assurance are reproduced in chapter 2.8.

2.2.5.4 A CSR strategy recognised by the non-financial ratings agencies

For many years, Covivio's sustainable development policy has been recognised internationally by non-financial rating agencies. The success of the Green Bonds issued in 2016 and 2019 (2.3.4) is another example of the value of this policy and its results.

Covivio is also part of the DJSI World and Europe indices, Euronext Environment CDP, Ethibel Sustainability Index, FTSE4Good, Gaia de

Ethifinance (second out of 230), MSCI (AA rating), STOXX Europe Sustainability and Global ESG Impact, Vigeo-Eiris 20 France, 120 Europe, 120 Eurozone, 120 World, and has an A- rating from the CDP. In 2020, Covivio was awarded Global Sector Leader status by GRESB in the "Portfolio diversified Office/Residential" category. Lastly, in October 2020, Sustainalytics awarded an ESG risk rating of 8.5 (inverse scale of 0 to 100), considering Covivio's risk of significant financial impacts related to ESG factors to be negligible.

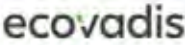
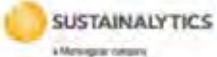
In addition, Covivio regularly receives awards in the various CSR compartments: "Best Non-Financial Performance Statement for the environment" at the Grand Prix Entreprises et Environnement 2018; Grand Prix AGEFI for corporate governance; Special jury award at the General Meeting Grand Prix in 2018 and the Compliance Grand Prix in 2020. Lastly, Covivio again received two EPRA Gold Awards in 2020 for its financial and non-financial reporting.

Covivio obtained the best corporate rating (A1+) from Vigeo-Eiris

At the end of its sustainability rating that was sought from Vigeo-Eiris, Covivio obtained the maximum rating of A1+. Vigeo-Eiris (acquired by Moody's) assesses and analyses the risks and sustainability performance of companies based on more than 330 indicators. Covivio is therefore Sector Leader for the second year in a row, with the highest rating obtained by a company in the "Financial Services - Real Estate Europe" sector and the 5th in Europe and worldwide, all sectors combined.

(1) CRES: Construction and Real Estate Sector Disclosures.

Change in non-financial ratings 2019-2020

		2019		2020
	VIGEO-EIRIS First ESG rating requested in 2019	A1+ Sector rank: 1/84 World: 7/4,869	►	A1+ Sector rank: 1/86 World: 5/4,823
	Carbon Disclosure Project Participant since 2012	A-	►	A-
	ISS-ESG Prime rating since 2015	C+	►	B-
	GRESB Green Star since 2013	80/100 (Group)	►	85/100 (Global Sector Leader)
	DJSI World Index since 2013, Europe Index since 2016	68/100	►	73/100
	Gaia RATING Included in the index since 2013	88/100 Rank: 2/230	►	89/100 Rank: 2/230
	Ecovadis Gold since the first participation in 2018	81/100	►	81/100 Top 1%
	MSCI	AA	►	AA
	Sustainalytics ESG Risk Rating (scale reversed from 0 to 100, where 0 qualifies as zero risk)	12.1	►	8.5 Sector rank: 10/953 World 37/12,820

2.2.6 An ambitious European CSR action plan

The CSR Europe 2015/2020/2025 action plan for Covivio's various activities is presented below. It is based on the major risks revealed by the CSR risk mapping conducted in 2018, in accordance with the SNFP framework. The actions performed for risks deemed a lower priority but still important are also traced.

This action plan details, by activity, the main multi-year objectives and gives updates on the level of achievement of each of them. The various objectives are reported internally and are monitored at all levels of Governance of the Group.

FAMILY OF RISK	RISK	COMMITMENT	OBJECTIVES		
SUSTAINABLE BUILDINGS	AREA 1: REDUCE PROPERTIES' ENVIRONMENTAL FOOTPRINT, MAINTAINING THEIR ATTRACTIVENESS AND RETAINING THEIR VALUE				
Obsolescence of stock, energy and carbon transitions, and resilient city	Asset obsolescence/ Green value/Products anticipating societal changes	Improve the portfolio's environmental performance    	Hold green assets at:	100% 	
			Develop and restore green assets at:	100% N/A	
		Guarantee customer well-being  	Develop assets labelled for well-being	100% 	
	Managing operating expenses (energy, waste, certifications)	Improve energy performance and reduce CO ₂ emissions  	Reduce energy consumption in the portfolio as a whole	-15%	
			2008/2020: -40% - Objective: 295 kWhpe/m ² GIA/year	2010 / 2030 -50%	
			2015/2020: -15% - Objective: 165 kWhpe/m ² GIA/year	2015 / 2030 -30%	
			Target: 194 kWhpe/m ² Nutz/year	2017/2025 -15%	
			2008/2020: -40% - Objective: 415 kWhpe/m ² /year	2010 / 2030 -50% (hotels)	
			Reduce CO₂ emissions:	2010 / 2030 -34% 	
			2008/2020: -20% - Target: 20 kgCO ₂ e/m ² GIA/year	2010 / 2030 -50%	
			Objective: 20.5 kgCO ₂ e/m ² GIA/year	2015 / 2020 -50%	
			Objective: 29 kgCO ₂ e/m ² Nutz/year	2017 / 2025 -15%	
			Objective: 33.8 kgCO ₂ e/m ² /year	2008 / 2020 -50%	

Energy and water consumption, carbon emissions and tonnages of waste registered significant reductions in the various portfolios in 2020. With regard to office buildings, it is difficult to distinguish the part attributable to the improvement in their intrinsic performance from that inherent to the impact of teleworking and containment

measures. In this context of increasing working from home, the reduction in energy consumption and GHG emissions observed in the German residential scope must be highlighted.



Challenge



Objective in progress



Objective met or exceeded

SCOPE	MATURITY	2020 ACHIEVEMENTS	PROGRESS	REFERENCE
Core European assets	2025	Total portfolio: 88.1% green buildings at the end of 2020 (compared to 83.8% in 2019)	◆ ◆	2.3.1.4.1
		France Offices: 99% of core buildings green at the end of 2020 (compared to 90.4% in 2019 > the target will be achieved at the beginning of 2021)	◆ ◆	
		Italy Offices: 88.7% green buildings at the end of 2020 (compared to 72.5% in 2019 > target of 80% achieved)	◆ ◆ ◆	
		Germany Offices: 36.4% green buildings at the end of 2020 (first year)	◆ ◆ ◆	
		German Residential: 100% of buildings certified HQE Exploitation by the end of 2019 (target 100% achieved)	◆ ◆ ◆	
		Hotels: 72.5% green buildings at the end of 2020 (compared to 56.8% in 2019 > target of 66% achieved)	◆ ◆ ◆	
Commercial portfolio	2025	100% of buildings delivered or renovated in 2020 received HQE or BREEAM or LEED certification: 13 green assets delivered, i.e. 91,460m² and 108 rooms	◆ ◆ ◆	2.3.1.4.2
German Residential	2025	Completion of a first pilot operation for development of 106 housing units in Berlin (HQE certification)	◆ ◆	2.3.1.4.1
Offices	2020 / 2030	Covivio is experimenting with WELL labels on the Flow operations (Montrouge) and Symbiosis D (Milan), Osmoz for the renovation of the rue Jean Goujon building in Paris, and Fitwel following the renovation of Art&Co. (Paris). Its well-being labelling policy will be determined based on this experiment.	◆ ◆	2.3.1.3
Group	2019 / 2030	234 kWhpe/m² in 2020		2.3.2.2
France Offices	2030	261.1 kWhpe/m² in 2020 -46.7% compared with 2008	◆ ◆ ◆	
Italy Offices	2030	130.9 kWhpe/m² in 2020 -33.2% compare with 2015	◆ ◆ ◆	
German Residential	2025	204.3 kWhpe/m² in 2020 -10.4% compared with 2017	◆ ◆ ◆	
Hotels in Europe	2020	228.8 kWhpe/m² in 2020 -66.8% compared with 2008	◆ ◆ ◆	
Group: construction, operation, renovation	2030	Carbon trajectory (Scope 1, 2, 3) approved by the SBT initiative: -34% by 2030 compared with 2010	◆ ◆	2.3.2.3
France Offices	2030	11.1 kgCO₂e/m² in 2020 -55.6% compared to 2008	◆ ◆ ◆	
Italy Offices	2020	15.5 kgCO₂e/m² in 2020 -62.2% compared to 2015	◆ ◆ ◆	
German Residential*	2025	29.1 kgCO₂e/m² in 2020 -14.9% compared to 2017	◆ ◆	
Hotels in Europe	2020	17.8 kgCO₂e/m² in 2020 -68.8% compared to 2008	◆ ◆ ◆	

* Representative panel



Objective linked to Covivio's purpose (see Annexe)

FAMILY OF RISK	RISK	COMMITMENT	OBJECTIVES		
Obsolescence of stock, energy and carbon transitions, and resilient city	Managing operating expenses (energy, waste, certifications)	Lead the eco-transition  	Keep water consumption below:	$\leq 0.5\text{m}^3/\text{m}^2\text{SHON}/\text{year}$ $\leq 1\text{m}^3/\text{m}^2\text{GLA}/\text{year}$ $\leq 1.5\text{m}^3/\text{m}^2\text{Nutz}/\text{year}$ $\leq 2\text{m}^3/\text{m}^2/\text{year}$	
			Reduce the production of waste from directly managed assets.	2019 / 2030 - 5%	
			Cut waste and promote recycling across 100% of the portfolio and 100% of development and renovation projects	100%	
Health, safety, well-being	Security/Environmental safety/Regulatory compliance	Control health and safety related risks    	Manage health and environmental risks	NA	
			Health and safety	NA	
			Hold assets accessible to people with reduced mobility at:	80%	
SOCIETAL AREA 2: CONTRIBUTE TO THE DISSEMINATION OF ECO-FRIENDLY PRACTICES AND TAKE AN ACTIVE ROLE IN CITY LIFE IN PARTNERSHIP WITH STAKEHOLDERS					
Sustainable and inclusive city	Responsible supply chain	Communication with suppliers and clients  	Obtain signatures on Responsible Purchasing Charter from all of our key suppliers		
			Innovate with our suppliers on Group values		
	Quality of relations with external stakeholders (customers, suppliers, etc.)	 	Optimise tenant satisfaction 		
			Innovate with our clients 		
	Integration within the sustainable city	Action for a sustainable city  	Participate in initiatives to boost the regions		
			Co-construct a consistent and collaborative urban space with our stakeholders 		
Promote human rights and equal opportunities 					

 Challenge
  Objective in progress
  Objective met or exceeded

SCOPE	MATURITY	2020 ACHIEVEMENTS	PROGRESS	REFERENCE
France Offices	2025	0.27 m³/m² in 2020 -35.7% compared to 2008	  	2.3.2.4
Italy Offices	2025	0.68 m³/m² in 2020 -26.9% compared to 2015	  	
German Residential*	2025	1.24 m³/m² in 2020 +5.3% compared to 2016	 	
Hotels in Europe	2025	0.95 m³/m² in 2020 -58.7% compared to 2008	  	
Group	2030	83% of buildings under direct management benefit from waste reporting 7.2kg/m²/year in 2020 (vs. 16.2kg/m²/year in 2019)	 	2.3.2.5
Group	Permanent	100% of assets are fitted with selective waste collection systems	  	
Group	Permanent	100% of sites are monitored and checked. - Pilot resilience audit of the capacity to resist main potential environmental shocks	  	2.3.3
Directly managed and corporate buildings	Permanent	- Air Quality Challenge in 2020 to identify and test innovative indoor air quality solutions - Care programme certified by Bureau Veritas guaranteeing compliance with a health protocol in buildings under direct management	  	2.3.3.3.3
France Offices	Permanent	Compliance with each restructuring operation 83.5% (in Group share value) of offices accessible at the end of 2020	  	2.4.1.5.2
Italy Offices	Permanent	Compliance within the framework of each restructuring operation 99.9% (in group share terms) of the offices directly managed by Covivio in Italy were accessible at the end of 2020	  	
Group	2025	- Responsible purchasing policy launched on the French scope in 2010 and fully updated in 2018 - Experimentation launched on the Italian scope in 2019 - In 2020: European mapping of procurement risks	 	2.4.2
France Offices	Permanent	- Participation in various working groups in conjunction with our suppliers: energy flexibility, carbon, intangible value, etc. - In 2020: completion of the Air Quality Challenge in partnership with EDF and Impulse Partner	  	2.4.1.1
Group	Permanent	In 2019: completion of a tenant satisfaction survey in office space (France + Italy)	 	2.4.3.1
Group	Permanent	- Development of new service concepts: Continued development of Wellio: deliveries of Wellio Gobelins in Paris and Wellio Dante in Milan - Covivio Immobilien application in Germany - Launch of the MonBuilding application on multi-tenant office buildings	 	2.4.3.2
Group	Permanent	Study on socio-economic impacts for all Group activities in Europe 15,100 jobs provided in 2018	  	2.4.1.2.1
Group	Permanent	- Making our projects real parts of the city integrating different urban uses: co-working, connectivity, etc.: Symbiosis in Milan, Euratlantique in Bordeaux, Euromed in Marseille - Creation of a Stakeholders Committee - first actions in 2021	 	2.4.1.3.1
Group	Permanent	- Adherence to the principles and values of the UN Global Compact: GC Advanced level since 2018 - Creation of the Covivio Corporate Foundation in 2020 bringing together all actions in favour of equal opportunities and environmental protection	  	2.2.1.4

* Representative panel



Objective linked to Covivio's purpose (see Annexe)

FAMILY OF RISK	RISK	COMMITMENT	OBJECTIVES	
Sustainable and inclusive city	Integration within the sustainable city	Turn each site into a biodiversity driver 	Participate in the integration of biodiversity in cities and conduct innovative initiatives on the subject R	
		Own assets with good accessibility  	100% of assets located within a 10-minute walk from public transport	
SOCIAL				
AREA 3: ADOPT INNOVATIVE POLICIES TO ENHANCE EMPLOYEES' SKILLS, MOBILITY, DIVERSITY AND CAPACITY TO ADAPT TO A CHANGING ENVIRONMENT				
Skills/Attractiveness/ Diversity	Skills/Attractiveness/ Diversity	Develop human capital   	Attract, develop and retain talent	
			Promote diversity and equality	
			Improve the quality of life at work and achieve work-life balance	
			Measure the well-being of teams every two years R	
		Be exemplary in the application of our CSR values 	Cut CO ₂ emissions generated by our employees	
			Make every employee a player in sustainable development	
Involve employees in the Group's commitments R				
GOVERNANCE				
AREA 4: GUARANTEE AN ETHICAL AND TRANSPARENT FRAMEWORK TO ENSURE EXEMPLARY PRACTICES AT ALL LEVELS OF THE COMPANY				
Effective and ethically-aware governance	Fraud/Corruption/Ethics	Conduct effective governance  	Optimise the performance of the Board of Directors	
			Remain the leader in terms of the transparency of our business activities reporting	
			40% women on the Board of Directors	
		Promote ethical values 	45% of Board of Directors independent members	
	Disseminate and share ethics/anti-corruption best practices with all employees			
	Data protection/Smart building		Improve the connectivity of buildings 	Develop innovation and undertake forward-looking studies with a view to value creation
Provide a high level of connectivity in our buildings R				
Carry out pilot tests relating to the introduction of systems for the remote monitoring of consumption (smart metering)				



Challenge



Objective in progress



Objective met or exceeded

SCOPE	MATURITY	2020 ACHIEVEMENTS	PROGRESS	REFERENCE
Group	Permanent	First European mapping exercise of the Group's business impacts on biodiversity. More than 75% of the sites studied at more than 1 kilometre from areas of ecological interest		2.4.1.4
		230,000 m² of offices have the BiodiverCity or EcoJardin label. Starting 2020, all new development projects will have green spaces (terraces, patios, roof tops, urban agriculture, etc.)		2.4.1.4.2
Group	2025	99.1% (in value) of the portfolio located less than 10 minutes on foot from public transport: 100% France Core Offices/99.9% Italy Offices/96.6% Hotels Europe/96.6% German Residential (representative panel)		2.4.1.5.1
Group	Permanent	969 employees (50.2% women and 49.8% men) of which 92% on permanent contracts		2.5.2.1
		Sharing know-how and knowledge at Group level and multiplication of cross-functional projects between the three European entities		2.5.2.5
		Quality of Life at Work Agreement in France, Senior Agreement in 2020. Implementation of teleworking since 2018 - Generalised since the start of the Covid crisis		2.5.3.1
		Employee satisfaction survey conducted in 2019 at Group level		2.5.2.4
Group	2020	First corporate carbon footprint study conducted at Group level in 2017. 2,7tCO₂e/employee in 2019. Not updated in 2020 due to the international health crisis and its impact on travel and office life		2.5.3.3.1
Group	Permanent	Numerous actions organised using video-conferencing in 2020: organisation of green meetings, sustainable development week		2.5.2.3.3
Group	Permanent	Employee involvement in different actions: Palladio, Article.1, Passerelle, etc. From 2021, employees will be able to dedicate, each year, one solidarity day to take part in a societal project identified by the Foundation in order to expand the Group's commitments		2.4.1.3.3
Covivio	Permanent	Assessment of the members of the Board of Directors annually and, formally, every three years. 7 Directors (i.e. 47 %) have CSR skills/expertise		2.6.1.2
		Observation of the best international benchmarks: EPRA, Afep-MEDEF, GRI, SASB, etc. Strong recognition from non-financial rating organisations (ratings still rising in 2020)		2.6.1.1
		40% female members on the Board of Directors since 2017		2.6.1.2.1
Covivio	Permanent	60% independent members on the Board of Directors since 2017		2.6.1.2.1
Group		In 2019: update and distribution of the Ethics Charter to all Group employees. 100% of employees trained in these principles		2.6.2.1
Group	Permanent	Studies carried out in partnership with the non-profit organisations SBA, Orée, Alliance, HQE-GBC, IFPEB, etc. on various topics: BIM, BOS, biodiversity, AVC, energy flexibility, carbon, etc.		2.4.1.3
Group	Permanent	Riverside in Toulouse, the first building to receive the R2S label in France. All Wellio sites have the R2S or WiredScore label. Wellio Dante first WiredScore labelled building in Italy		2.6.3.1
Group	2022	Implementation of the PowerBat Supervision system on core tertiary buildings under direct management. In 2020/2021: completion of 21 pilot projects in France, one in Germany and two in Italy		2.6.3.1

* Representative panel



Objective linked to Covivio's purpose (see Annexe)

2.3 Sustainable building

More than ever, buildings may be confronted with the risk of obsolescence, with a resulting loss of value, if they do not meet the challenges related to ecological and digital transformations or do not sufficiently take into account societal changes or the need for flexibility and services (2.3.1). In addition to these challenges which affect the attractiveness and liquidity of buildings, CSR risk mapping carried out in 2018 at Covivio underscored the importance of properly managing operating expenses (energy, waste, certifications) both in terms of property operating costs (such as reducing the consumption of energy, water, etc.) and reducing the asset's environmental footprint (2.3.2). The third risk covered by this section concerns the environmental safety dimension, and in particular regulatory compliance with respect to asbestos, legionella, soil pollution, etc. (2.3.3).

For many years, Covivio's asset management strategy has incorporated these three risks, so as to transform them into opportunities (2.2.4) in the development, ownership and management of its buildings. As at 31 December 2020, the value of assets held by Covivio amounted to €25.7 billion (€17.1 billion Group Share). The Group is fuelling its growth through an active portfolio rotation policy, with investments of €1.9 billion and disposals of €1 billion in 2020, as well as a pipeline of committed projects reaching €1.6 billion at the end of 2020 (€1.2 billion Group Share). It is composed of major development operations, renovations and even roof-raising work, in relation to portfolios in operation and existing assets. This constant renewal of the property portfolio has enabled a shift towards low-carbon real estate, taking into account emerging issues, including digital technology, new energies, biodiversity, soft mobility, sustainable and resilient cities and the circular economy.

As part of the implementation of its pipeline, Covivio is working to adapt its portfolio to a trajectory compatible with the 2°C scenario set forth in the Paris Agreement of 2015, and if possible, 1.5°C. For this, Covivio has set itself ambitious objectives and action plans consistent with its activities in Europe, which consider the risks related to climate change. The climate risk was also the subject of particular attention in 2019, with the production of a dedicated report, discussed below in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2020 various studies completed this reflection, in particular to measure these impacts on the portfolio, in quantitative and financial terms, and to anticipate the criteria being defined in the framework of the European taxonomy (2.3.4.1).

Alignment with the recommendations of the TCFD

Governance

The governance and organisation of Covivio is organised so as to strategically address climate issues:

- the **Board of Directors** controls the risks and opportunities related to climate change by monitoring the CSR performance of the company, and the strategic policies given to the Group. The Chief Operating Officer is responsible for the issues of sustainable development and climate change on the Board, as well as an independent member, Patricia Savin, a lawyer specialising in environmental law and sustainable development,

particularly in the areas of pollution and nuisances, real estate, renewable energies, protected species, water, ICPE etc. (2.6.1.2)

- the **Sustainable Development Department** proposes and coordinates, with the support of General Management, initiatives concerning the fight against climate change in the Group's activities. The Sustainable Development Department is, together with the "Europe" Executive Committee, in charge of deploying the Group's strategy to implement the Group's objectives in climate matters (2.2.5.2).

Strategy

Climate-related risks

	Risks	Description of risks	Potential financial impact	Covivio's strategy	Indicators monitored
Physical risks	Extreme (medium-term)				
	Climatic phenomena: ● storms ● hail ● fires ● flood ● drought.	Material destruction, including the destruction of assets. Disruption of transport. Difficulties in the supply of water and power.	Construction: ● loss of assets ● costs of repair or replacement ● construction delays. Operation: ● loss of assets ● loss of value ● interruption of activity.	Gradual adaptation of the portfolio Targeted resilience studies Choice of location Switching assets	Reporting on environmental risks
	Temperature variations: ● heat wave ● cold wave.	Loss of thermal comfort. Risk to the health of tenants	Construction: ● dimensioning heating/cooling installations ● additional costs Operation: ● increase in operational costs ● drop in occupancy rates ● drop in rents.	Analysis of the dimensioning of equipment/installations Regulatory monitoring and anticipation	Share of certified assets Energy consumption CO ₂ emissions
	Chronic (long-term)				
	Increase in temperatures	Drop in air quality. Proliferation of insects. Destruction of green spaces.	Operation: ● operational costs.	Biodiversity Charters BiodiverCity label Green spaces objective	Energy consumption CO ₂ emissions
	Rise in water levels	Submersion of assets	Operation: ● loss of assets ● business interruption.	Switching assets Choice of location Targeted resilience studies	Study on the submersion of the portfolio/statistics
Risks of transition	Political and legal (medium-term)				
	Fossil fuel/carbon taxation	Implementation of carbon taxation on construction, on carbon-emitting buildings and fossil fuels.	Construction: ● increase in costs. Operation: ● increase in costs.	Low carbon construction policy Calculation of the CO ₂ impact of the choice of materials	Percentage of green buildings
	Regulatory developments	Risk of non-compliance	Operation: ● legal risks leading to penalties and excess costs.	Calculation of the CO ₂ impact of energy efficiency actions	Amount of penalties
	Development of the market (long-term)				
	Obsolescence	Loss of attractiveness of the portfolio	Operation: ● increase in operating costs ● drop in liquidity.	Refurbishment policy	Percentage of green buildings
	Economic slowdown	Drop in purchasing power	Operation: ● inability to pay rent.	Diversification policy	Revenue per activity/ per country, etc.
	Demand for 'green' buildings	Reputational risk	Operation: ● loss of attractiveness of assets.	Certification of buildings	Percentage of green buildings

The labels and certifications obtained by Covivio represent medium-term opportunities by making Covivio's assets more competitive and attractive in a market facing climate change and strong changes in demand. They anticipate the subject of

taxonomy (the definition of "green" assets, eligible for sustainable finance mechanisms) by providing transparency and comparability on criteria shared at the international level by the profession and by the SRI (Socially Responsible Investment) sector.

Risk management

In 2018, Covivio updated its risk mapping at the Group level, including all its subsidiaries and activities. The results were presented to, and shared with the Covivio Audit Committee in September 2018. This presentation enabled the company to take stock of the improvements made in terms of risk management for which specific action plans had been defined and implemented.

The Sustainable Development Department, in coordination with the Audit and Internal Control Department, carried out a CSR risk mapping in 2018, validated by the Management Committee, to identify the inherent and residual risks affecting Covivio's activities. Then in 2020/2021, a mapping of the risks attached to purchases (2.4.2.4).

Of the risks identified, the "Asset obsolescence/Green value/Products anticipating societal changes", "Control of operating expenses" and "Safety/Environmental safety/Regulatory compliance" risks are related to climate risks. The plans to manage these risks are specified in their respective sections.

In December 2020, Covivio commissioned MSCI to conduct an MSCI Real Estate Climate-Value-at-Risk® study on its Offices portfolio in Europe. This tool was designed to calculate the financial impact of physical and transition climate risks using a series of recognised scientific models. Climate Value-at-Risk® represents the discounted costs up to 2100, expressed as a percentage of the value of the asset or portfolio.

For this first study of the financialisation of the costs related to climate change on the value of assets, Covivio decided to submit its portfolio of Core Offices in Germany, France and Italy, i.e. 188 assets. For the study, MSCI used data specific to Covivio's assets (location, surface area, building type, energy consumption and CO₂ emissions).

For each asset, the model analyses the main physical risks (coastal and river flooding, extreme cold, extreme heat, cyclones) and the cost of transition risks. The study confirms that few Covivio assets are exposed to significant physical risks, so that the challenge at the portfolio level is more at the level of transition risks. By 2100, physical risks account for 0.04% of the value of the assets analysed and the main risks identified are extreme heat and river flooding. Almost all of the financial risk is therefore based on transition risks (which are inherent to the need to reduce greenhouse gas emissions and taking into account expected changes in terms of demographics, energy mix and carbon costs) amounting to 2.92% of the value, due to the efforts required to align with a 2°C trajectory. This represents an annual effort to reduce emissions by 3.7% over the next 15 years.

The Climate Value at Risk® is therefore 2.96%, based on the values of the 188 assets analysed (representing more than €7 billion in Group Share of assets, i.e. €10.5 billion in total). According to MSCI, this level is below the sector average of 6.6% (based on proxies for a sample of pan-European open funds in June 2020).

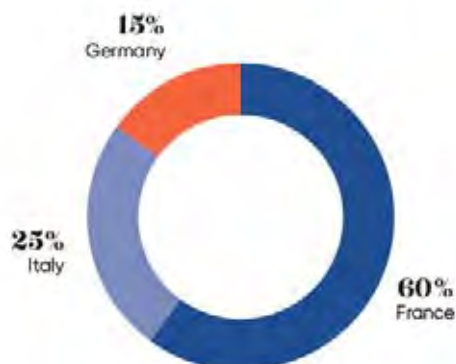
Indicators and Objectives

Covivio's various CSR objectives are presented in the CSR action plan in the introduction to this document (2.2.6). The state of progress of these objectives is detailed in the parts concerned, notably the main indicators related to Covivio's strategy for the fight against climate change:

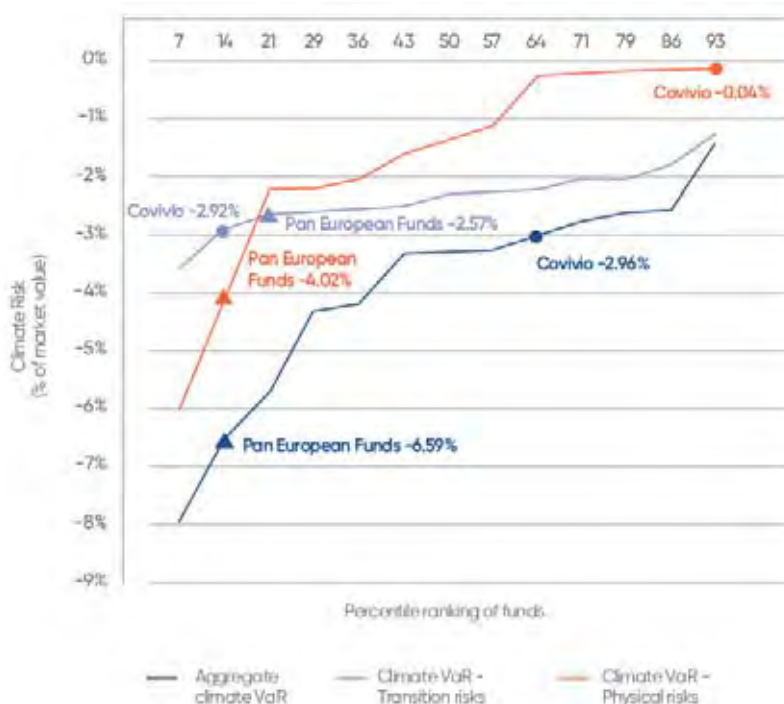
- energy intensity of the portfolio (2.3.2.2): 234 kWhpe/m² at 31/12/2020 - Target -15% by 2030 (vs 2019)
- carbon intensity of the assets (2.3.2.3): 61 kgeqCO₂/m² (scopes 1, 2, 3 including construction, renovation and operation), i.e. -20% compared to 2010 - Target -34% by 2030)
- greening of the European portfolio (2.3.1.3): 88% of green buildings as of 31/12/2020 - Objective 100% by 2025.

Fundamental for the activity of the Group, the work carried out to prepare the 2030 carbon trajectory and the objectives arising from it are presented below.

Allocation by country of Covivio offices (value June 2020)



Breakdown of the MSCI climate risk value of Covivio Offices and pan-European real estate funds - June 2020



Carbon footprint of the activity

The priority of Covivio's climate strategy consists of reducing its residual carbon footprint and that of its tenants in compliance with the "2°C scenario". This strategy will soon be supplemented by work on carbon neutrality, without waiting for 2050, when it will be mandatory.

The Work carried out with the CSTB in 2017/2018 enabled Covivio to calculate its carbon trajectory for all its activities in Europe (Offices, Hotels, Residential). Covivio's carbon objectives cover both new buildings (development), work carried out on the existing assets (renovation/refurbishment) and portfolios in operation (multi-year work plans and the energy consumption of buildings). In 2018, the Science Based Targets (SBTi) initiative approved these targets, in line with the "2°C scenario" of the Paris Agreement. This initiative is the result of the collaboration of the CDP (Carbon Disclosure Project), the United Nations Global Compact, the WRI (World Resources Institute) and the WWF (World Wide Fund for Nature).

Two prospective scenarios for 2030 were constructed, in order to take into account the changes likely to impact Covivio's carbon

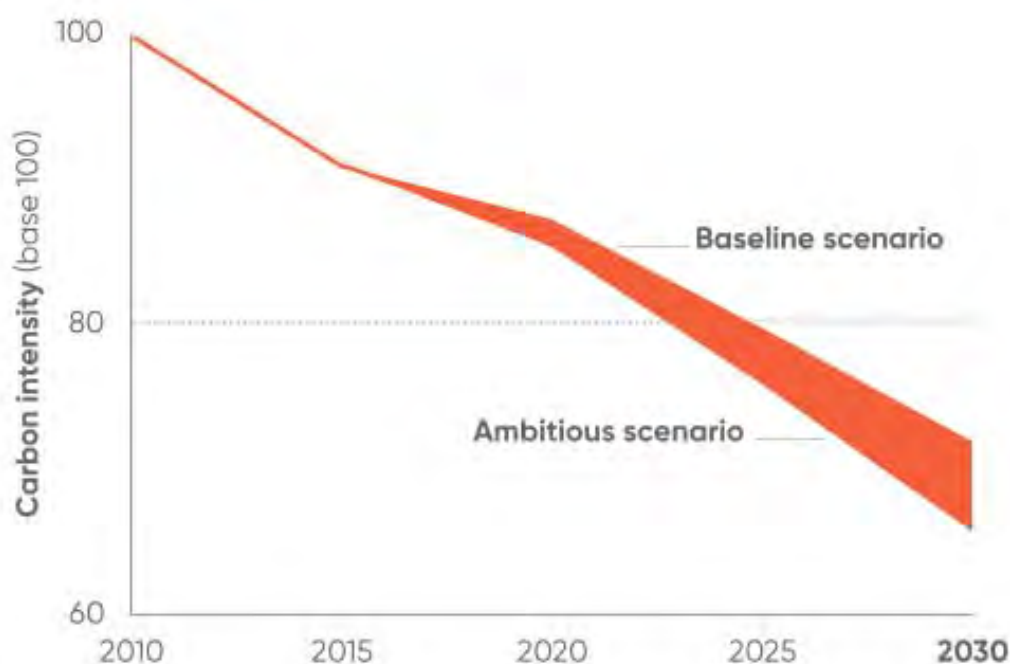
performance, whether they be internal or external. This was done by modelling in seven large areas: roadways, pipes, conduits and cabling; infrastructure; superstructure; building shell; finishing work; equipment; and local energy production. An innovative approach to modelling carbon intensity has been adopted in order to monitor the Group's carbon performance by comparing it to a composite square meter, all countries/all products.

This work has led to the definition of an ambitious commitment to reduce greenhouse gas emissions:

- reduce greenhouse gas emissions per square meter directly managed by Covivio (Scopes 1 and 2) by 35% by 2030 compared to 2017; at 31 December 2020, the carbon intensity of the portfolio under direct management (scopes 1 and 2) fell 8 compared to 2017
- reduce greenhouse gas emissions by 34% over a scope extended to the construction and operation of the entire European portfolio (Scopes 1, 2 and 3) by 2030 compared to 2010; at 31 December 2020, Covivio's total carbon intensity (scopes 1, 2 and 3) was 61 kgCO₂e/m², i.e. -20.1% compared to 2010

2030 trajectory of average carbon weight per m² (construction + restructuring + operation)

(Summary of Covivio's various business lines in Europe)

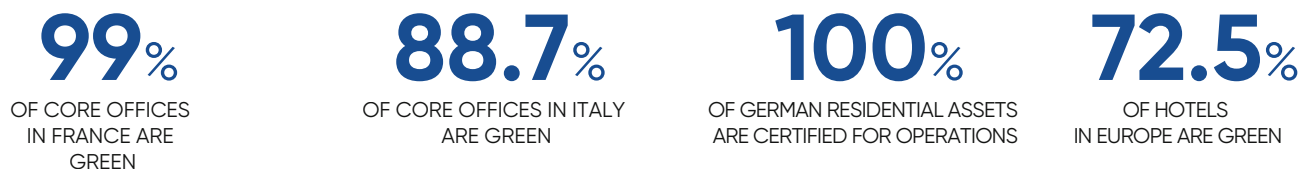


Innovative tools designed for Covivio by CSTB

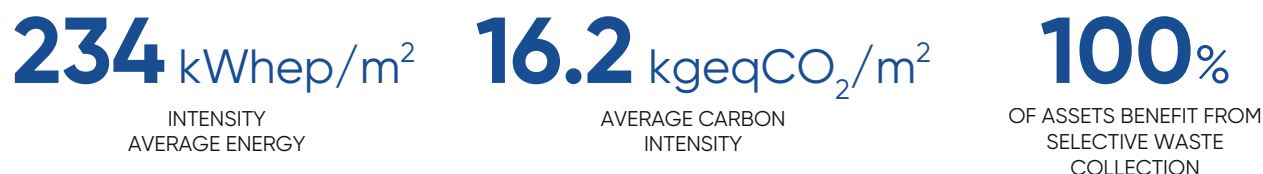
Tools have been developed for the managers of buildings and the Technical Department to calculate the financial and carbon impact of energy efficiency actions carried out on the portfolio. These two tools make it possible to monitor the real performance of the portfolio compared to the 2°C trajectory. The first, "ACV Express", relates to construction and renovation, designed for Covivio by the CSTB to estimate sensitivities (impact of the choice of materials, etc.) and the second concerns the operational phase of the buildings (maintenance or refurbishment work which has an impact on the company's carbon footprint).

Key performance indicators for sustainable buildings (at 31/12/2020)

"ASSET OBSOLESCENCE/GREEN VALUE/ PRODUCTS ANTICIPATING SOCIETAL CHANGES" RISK



"MANAGING OPERATING EXPENSES" RISK



"SECURITY/ENVIRONMENTAL SAFETY/REGULATORY COMPLIANCE" RISK



2.3.1 Asset obsolescence/Green value/Products anticipating societal changes

Combating the obsolescence of Covivio's portfolio involves a high level of ambition concerning the design and management of buildings. To this end, Covivio is developing buildings with excellent accessibility and meeting high standards in terms of connectivity, comfort and well-being. The buildings are designed to offer maximum flexibility to accommodate different types of users and organisations and assist tenants with their changing needs over the long term. Open to the city, their gardens and terraces have been created to act as real drivers of biodiversity. Eco-designed and then eco-managed, the buildings developed or renovated by Covivio provide solutions tailored to each user, while ensuring greater integration of the building into its environment.

Identified as a major inherent risk as part of the CSR risk mapping exercise (2.2.4.2), the "Asset obsolescence/Green value/Products anticipating societal changes" topic covers a range of challenges that are central to the company's concerns and portfolio strategy. If these challenges are not met, the company could be exposed to myriad adverse impacts, including owning certain assets with little potential for creating value; loss of the portfolio's attractiveness or the need for additional work due to a lack of maintenance and upkeep; and competitive disadvantages due to a lack of certification or poor locations. To respond to the potential risks and better anticipate their impact, Covivio anticipates regulatory changes and meets the highest international standards in terms of construction and service, with strong long-term partnerships that rely on a good understanding of each and every client, their needs and those of the market (2.2.3.1). By managing the entire value-creation chain, Covivio ensures that the quality of its buildings meets both client and market expectations. Lastly, by

putting people and CSR at the centre of each project, Covivio optimises the value of its assets and the company's reputation whilst participating in the transition towards a more circular, low-carbon economy and factoring in resilience issues (2.3.3.1) to better adapt its portfolio to climate change.

2.3.1.1 Co-inventing new commercial and residential real estate

In several programmes developed by Covivio, emphasis has been placed on mixed functions: Offices, co-working areas, residential, ground-floor shops, hotels and co-living. This new market trend is reflected in Covivio's numerous operations: N2 Batignolles in Paris, Symbiosis in Milan and Alexanderplatz in Berlin. These programmes are designed for the purpose of cooperation with stakeholders and contribute to strengthening the attractiveness and influence of the districts in which they are built.

Flexibility First!

In 2020, Covivio asked Opinion Way to conduct three waves of studies on a representative sample of French employees and managers in the private sector in companies with 250 employees (in February, July and October 2020) in order to define the office issues for the coming years. Published under the name "Flexibility first!", it shows that employees and managers have shared expectations and requirements for the evolution of the office as a physical space and a collective destination. Employees strongly

express their desire to preserve the social dimension of the workspace and thus increase their level of requirements in terms of flexibility, and also the working environment and the provision of varied spaces which are well adapted to all working set-ups. Flexibility is thus a new priority for all in the approach to real estate; to the famous phrase "location, location, location", we must add "flexibility, flexibility, flexibility".



This study is public on the Covivio website: https://www.Covivio.eu/fr/wp-content/uploads/sites/2/2020/11/Kit-presse_-sondage.pdf

Towards greater flexibility and service for customised projects

By capitalising on the experience of its subsidiary Wellio, a specialist in flexible pro-working spaces launched in 2017, and on its skills acquired in the hotel industry, Covivio continues to develop its solutions to better meet the needs of its customers. Convinced that flexibility and services will in the future be decisive in the collective performance of organisations, Covivio is combining its leases and service contracts in order to offer mixed offers. The Group is also adapting its processes in order to involve users as early as possible in the design of projects developed through design thinking workshops or work sessions with innovative partners, particularly in the field of services.

This approach, specific to Covivio, is illustrated by early examples, such as the Gobelins building in the 5th district of Paris, a 4,500m² asset restructured after the departure of Orange. Its sole occupant benefits from a service contract of 58 months and will settle in spaces designed during dedicated workshops where teams and management were able to express the company culture and the specific needs essential to their activity (spaces, design, services, etc.).

The Stream Building, combining Covivio's know-how

Winner of "Réinventer Paris", this future 16,000m² building in the Clichy-Batignolles development zone (Paris 17th) is designed as a mixed-use unit, both in terms of working methods and as a real service platform for residents. PCA-Stream's aim is to create a highly modular building that is able to adapt quickly and easily to the future needs of its occupants. A surface area of 9,500m², including 4,500m² of Wellio "proworking", will be reserved for Offices, alongside a hotel with 109 rooms and a 5,600m² event space, not to mention the 1,200m² vegetable garden on the roof. The project has exemplary environmental qualities. It has the HQE Exceptional and BREEAM Excellent certifications, and the BBKA and E+C- rating, and it will also be made of mixed materials with one half having a wooden frame and concrete floor, and the other solid wood panels.

In addition, Covivio Immobilien launched a co-living offer in 2017. Between a hotel and a traditional flat-share, the co-living apartments offer a "home-like" experience. Facilities include a fully equipped kitchen, modern decoration, quality furniture and Wi-Fi. Covivio Immobilien now manages 200 rooms under the Covivio to Share brand.

2.3.1.2 Improving client satisfaction

Proximity and personalised customer relations are part of Covivio's DNA. To continually meet customer expectations and develop the Group's offering, services and processes, Covivio regularly conducts satisfaction surveys on various topics. Action plans are rolled out following these surveys, ensuring that customers are listened to and that their needs are rapidly taken into account. The service offering emphasises a simple and fluid experience as well as flexible and personalised spaces for an ever-changing experience throughout the day. Each of the rented office buildings is designed specifically for the well-being of its occupants.

The surveys were carried out to measure the level of satisfaction on the following topics: services in buildings; customer relations; the responsiveness and relevance of the solutions provided or the adaptations implemented in the context of the current health crisis.

These surveys highlighted very positive feedback from customers (2.4.3.1).

2.3.1.3 Beyond construction standards

For many key account tenants, energy and environmental performance has become a prerequisite that impacts on their choice of location. In addition, new criteria contributing to the well-being of their employees are becoming increasingly important to their choice of location (user-friendliness, services, connectivity, accessibility, etc.). Covivio incorporates these new expectations

into the buildings it develops, manages and renovates by exceeding construction standards, with the use of certifications and labels (23.1.4), as well as innovative solutions that go beyond legal obligations and anticipate changes in regulations.

For Covivio, the building of tomorrow is both sustainable and smart and must simultaneously display the following five features:



These characteristics were defined in 2017 by a dedicated internal working group composed of representatives of the Technical, Innovation, Sustainable Development, Asset and Property Management departments. A grid showing the innovation criteria constituting the building of tomorrow was created. Each renovation or development project is compared with these standards by the Investment Committee, to ensure compliance with the strategic and essential criteria defined by Covivio and to incorporate, where appropriate, additional features in terms of sustainability.

In 2020/2021, CSR specifications are drafted in coordination with the European teams, in order to define the types and levels of labels and certifications used for Covivio's developments and renovations; this framework is intended to be shared internally with the technical teams (and management given its educational nature) and externally with architects and engineering consultants, in order to inform them of the company's standards.

These labels make it possible to measure and improve the human factors considered during the construction (WELL, OsmoZ) and management (Fitwel) of a building.

In addition to building and/or operation certifications, the international health crisis linked to the Coronavirus has led Covivio to strengthen prevention and hygiene practices in its office buildings under direct management (multi-tenant). The certification developed with Bureau Veritas, as part of Covivio's CARE programme, includes the drafting of a strict health protocol and the performance of audits to ensure its proper deployment on site. It also takes into account the training of operational teams. The health protocol is shared with the tenants of the sites as well as all service providers working on the buildings.

Commitment to the well-being of clients

People in the northern hemisphere spend 90% of their time in an interior environment. A building has an impact on health and well-being, due to its temperature, indoor air quality, the quality of its lighting, noise and the amount of green space. By aiming for better construction standards, Covivio seeks to optimise the comfort and well-being of building users. In accordance with the objectives set out in Covivio's mission statement, from 2020, all new office development projects will aim for a well-being-related label.

List of projects undergoing certification:

- WELL: Montrouge - Flow (23,500m²) and in Milan: Vitae (8,400m²), Unione (4,200m²) and Symbiosis D (18,600m²), which also has the WELL Health & Safety rating
- OsmoZ: Paris Jean Goujon (8,500m²) and St-Ouen So Pop (30,000m²)
- Fitwel: Art&Co (13,600m²) and CB21 (68,000m²).

Accelerating the transition to the circular economy

The design and management of Covivio's buildings address the challenges posed by the circular economy as ways to consistently implement its CSR policy. The aim of a circular economy⁽¹⁾ is to separate economic growth from the depletion of natural resources by creating innovative products, services, business models and public policies. According to the French Circular Economy Institute, this includes "extending the life of materials (reuse, recycling) and products (eco-design without in-built obsolescence) throughout the life of a product or service".

Awareness-raising actions are carried out with the teams, in order to integrate the challenges of the circular economy into the activities and day-to-day operations of the company. The use of sustainable and more easily recyclable materials is now widespread in Covivio's practices, in line with the environmental certifications targeted by the Group. For example, as part of Covivio Immobilien's renovation projects, glass wool and other recyclable materials are systematically used to insulate facades and roofs. In addition, all of these priorities are covered by targets set out in the certifications Covivio hopes to obtain for its development projects, such as HQE Target 3: "Low-impact work site", with respect to optimising waste management, minimising on-site noise and other forms of pollution and reducing on-site resource consumption.

(1) http://www.institut-economie-circulaire.fr/Qu-est-ce-que-l-economie-circulaire_a361.html

For example, as part of the So Pop project in Saint-Ouen, a site vacated by Citroën, Covivio organised the demolition of this 20,000m² building by using blockchain for the contractualisation of the works contract before launching the construction of over 30,000m² of Offices. Also, a specific audit of all equipment that could be reused or recycled was carried out before clearance. The list of equipment was uploaded to a dedicated online platform (Cycle Up) to be sold, in order to give it a second life. This prevented equipment that was still in working order from being thrown away and promoted employment and supported local organisations (associations, start-ups and local authorities). During the construction phase, it is planned that 3,000m³ of suspended ceiling will come from the circular economy sector, i.e. 10% of the total covering.

For low- nuisance site charters drafted by Covivio for all its certified developments in France, targets in this area are set to ensure that all stakeholders on the site comply with a high level of environmental performance. For example, for the IRO project in Chatillon, the target for recycling site waste was set at 85%, including 50% material recovery. Precise monitoring of waste by stream is also specified in these charters, also recalling the best practices to be adopted.

In Italy, a partnership with *Politecnico di Milano* (2.4.1.3) has resulted in the creation of a database that contains a wide range of sustainable building materials. Available on the University's Intranet site, the database is constantly updated with new sustainable materials, bringing them to the attention of the technical teams.

In addition, Covivio conducted a "Cradle to Cradle" (C2C) study (pilot site: Motel One Porte Dorée). The concept of "cradle-to-cradle" underlies the idea that in the future, raw materials used in the construction of new buildings will be largely taken from deconstructed buildings. This study resulted in a C2C guide that is used to select virtuous, healthy materials that provide added value by protecting the health of the building's occupants. To continue to make progress towards a circular economy, Covivio takes part in projects with organisations (Orée, IFPEB, etc.), suppliers and universities. This work paved the way for the study conducted jointly with the CSTB on the carbon trajectory of Covivio's strategic portfolios (2.3 – introduction).

SoPop, pilot site of the MFA method

In 2020, So Pop took part in the HQE *Performance Economie Circulaire* test organised by the HQE-GBC Alliance and the material flow analysis (MFA) experiment, which consists of counting the material flows involved in the operation of a territory. It has the advantage of a transversal and integrated approach to the use of resources at the regional level. The AFM makes it possible to calculate the circularity indicators for the life of a building, based on an LCA and existing indicators in the FDES (Environmental and Health Declaration Forms) and PEP (Product Environmental Profile).

Optimising the management of development and operation through BIM (Building Information Modelling)

BIM builds a comprehensive and consistent 3D building database and maintains it throughout the lifetime of a project: design, completion, operation, and deconstruction. BIM also improves operational management of the building by facilitating interior design and access to fixtures (geolocation of equipment). As part of a circular economy approach, BIM is also a tool that enables traceability of materials and equipment so they can be reused. Covivio already owns buildings constructed using BIM and

most of its recent development projects now use this technology.

At the end of 2020, 78% (by surface area) of development operations over 10,000m² in France, Germany and Italy were implemented with the help of BIM i.e. eight operations representing more than 150,000m².

In 2020/2021, with the help of an external consultant and in conjunction with the various technical, asset and property management teams, a European BIM specification was drawn up in order to better characterise Covivio's needs in this area and the profile of BIM environments that will be created as part of future projects in France, Germany and Italy.

Laying the groundwork for the "Smart City" of the future

Buildings will gradually become part of the energy grid. As both generators and consumers of energy, smart buildings will form an integral part of smart grids at the neighbourhood, town and city levels, therefore having a role as part of larger networks. Covivio is actively involved in energy flexibility studies, in particular FlexEner, in partnership with IFPEB⁽¹⁾, RTE and Enedis, in order to lay the groundwork for the smart city of the future.

In 2020, Covivio tested R2S-4Grids, a label created by the Smart Building Alliance (SBA) and supported by Certivea, as part of its Toulouse office building "21 Marquette", which is the first building to be labelled with the R2S (2018) label. R2S4Grids is a label focused on energy management and demand response.

Connectivity, an issue boosted by teleworking

The buildings developed and renovated by Covivio are designed to meet the needs of demanding users, particularly as regards digital technology and connectivity. Tenants are responsible for having the necessary wiring installed depending on their business and needs. However, the building must provide every facility in this regard and not limit the tenant to only one operator. New labels have been added to characterise the connectivity of buildings in order to meet users' expectations in this area: WiredScore and R2S (Ready to Service).

Covivio has set itself the goal of obtaining one of these labels on several of its sites under development or renovation (R2S on So Pop or Jean Goujon, Wiredscore on Alexanderplatz or Flow for example), and on 100% of its Wellio sites. As a result, its first Wellio site in Milan (Dante) is also the first WiredScore site in Italy.

(1) The French Institute for Building Efficiency (IFPEB).

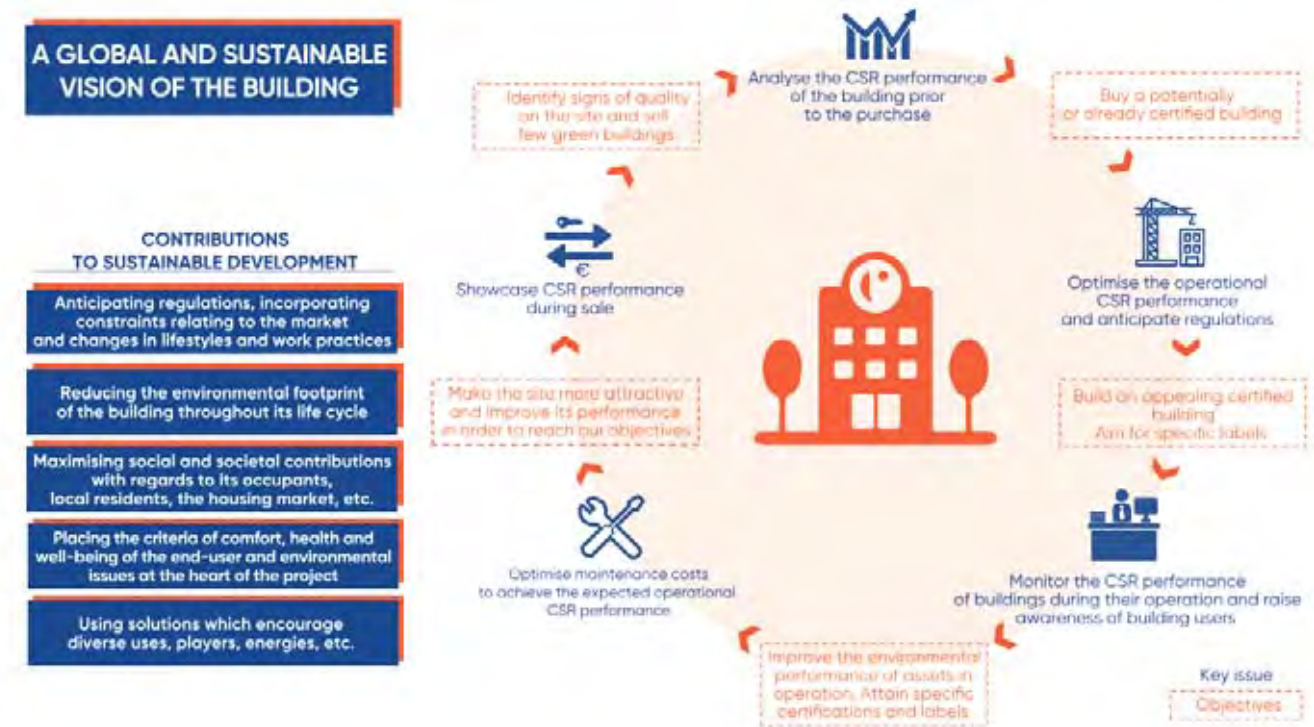
2.3.1.4 Towards 100% certified buildings

Since its first development project, the Dassault Systèmes headquarters completed in 2008, Covivio has chosen to measure the performance of its new buildings through global, internationally recognised certifications, such as HQE, BREEAM or LEED. Likewise, in order to improve the performance of its assets already in operation, Covivio has the HQE Exploitation, BREEAM In-Use and ISO 50001 certifications to highlight the quality of its energy management. Furthermore, certain tenants use labels that are particularly suited to their activities, notably in the hotel sector.

In addition to helping to create certain labels, Covivio is also a pioneer in testing new standards, such as Level(s), which was

launched in 2017 by the European Commission to promote sustainable construction and the transition to the circular economy. An investor at the European scale, Covivio is one of the few players who are testing this new system, which is based on various indicators (energy, water, carbon, etc.) and on a common language. At the end of 2020, this label was still at the experimental stage.

For Covivio, the reliance on certifications and labels meets a dual requirement of transparency and accountability. For Covivio, these markers are part of its global and sustainable vision of for buildings.



2.3.1.4.1 Greening of assets at 31 December 2020

The "greening" rate is the proportion of buildings certified for their construction (HQE, BREEAM, LEED) or their operation (BREEAM In-Use, HQE Exploitation, etc.).

Covivio has set itself the objective of holding 100% green Core assets by the end of 2025, following the 2010-2020 objectives for each business line (88.1% at 31 December 2020 vs 83.9% at the end of 2019):

- 100% of the France Offices portfolio by the end of 2020: at the end of 2020: 99%
- 100% of the German Residential portfolio: since 2019
- 66% of the Hotels portfolio by the end of 2020. at the end of 2020: 72.5%
- 80% of the Italy Offices portfolio by end of 2022 - by end of 2020: 88.7%
- 100% of the Germany Offices portfolio by the end of 2025 -: at the end of 2020: 36.4%.

By exceeding regulatory standards, Covivio is helping to create an offer that meets new market expectations. These global

certifications are known to the chain of players in the sector: builder, advisors, real estate company, tenant, banker, shareholder. Nevertheless, the framework for defining green products is set to evolve under the impetus of the European Green Taxonomy (2.3.4.1).

In addition to these global certifications, new labels have been created that focus on a building's performance in terms of specific issues, namely energy with BBC renovation, Effinergie+, E+C-; carbon footprint with BBCA (2.3.3.3); biodiversity with BiodiverCity (2.4.1.4); connectivity with R2S or WiredScore (2.3.1.3); and well-being and health with Well, Fitwell or OsmoZ. Covivio is regularly a pioneer in the experimentation of these labels, even collaborating in the drafting of some of them.

Changes to the greening rates of the different portfolios

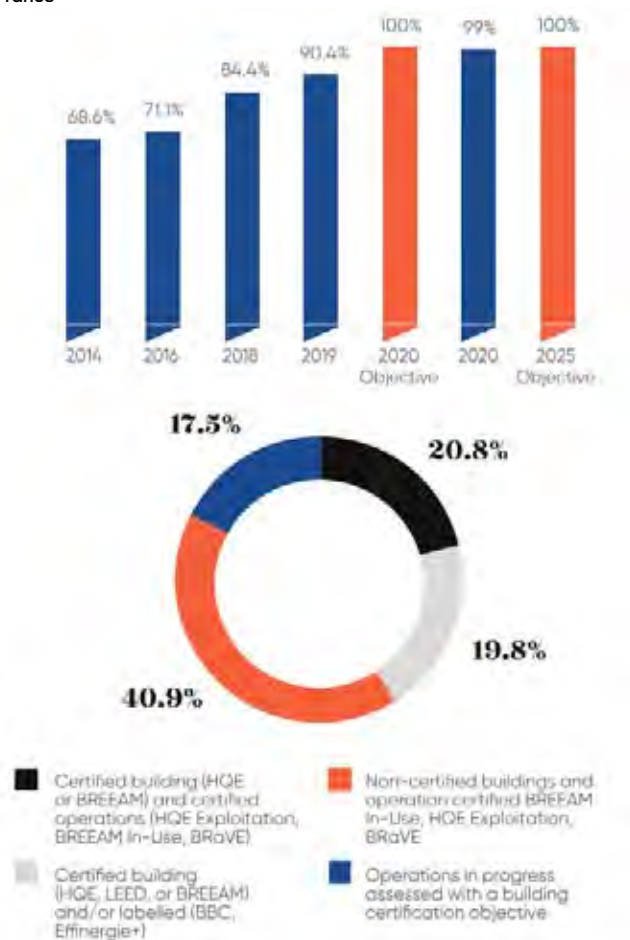
Performance against this indicator is monitored as part of monthly internal CSR reporting and plays a decisive role in development, upgrade and asset replacement policies. This indicator is also used in calculating the variable share of the remuneration of the corporate officers and managers concerned.

Offices

Share of green buildings and distribution by type of certification

(Group Share value at 31/12/2020)

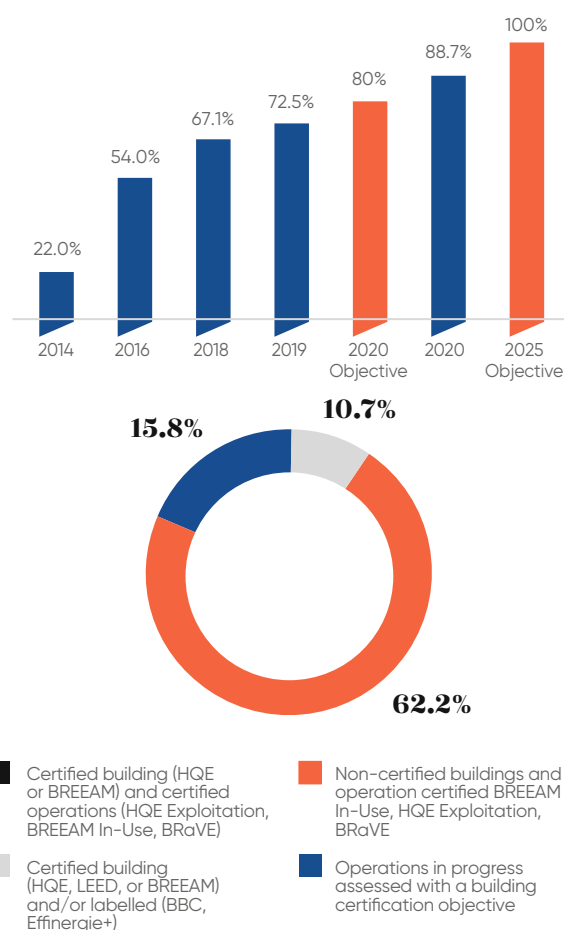
France



The portfolio of 15 German office buildings included this year has already achieved a greening rate of 36.4% due to the presence of two DGNB or LEED certified assets and three ongoing development projects aiming for such certification. A specific action plan will be defined to certify the entire portfolio by 2025, in line with the Group's objective.

The objective of 100% for the France Offices scope was not fully achieved at the end of the year due to the difficulties encountered this year in the certification of two assets in the portfolio, which it should be possible to audit in the course of 2021.

Italy



Engaging stakeholders on the construction site: the "clean" or "low nuisance" construction site charter.

As a developer, Covivio engages its stakeholders on a project by means of a strong partnership relationship and detailed procedures and documents. For all certified projects: four key documents detail technical and environmental performance: environmental notice, management system of the operation, assessment of the environmental quality of the building (HQE or BREEAM), low nuisance site charter. The latter commits all those involved in the project and details the environmental principles to be followed as well as specific objectives adapted to each project. It draws up a list of recommendations on the following subjects (at least): waste, acoustics, consumption of resources, communication with local residents, materials, communication, social aspects (comfort, safety, well-being). The charter explains each person's roles and sets specific objectives: for example, aiming for an 85% recovery of construction waste, limiting the maximum noise level on the construction site to 80 dB (A), using 80% of PEFC or FSC certified wood, etc.

German Residential

In 2018, Covivio Immobilien began a process of certification of the whole of its residential portfolio according to the standard NF Habitat HQETM which can qualify the environmental performance of assets. This approach establishes a management system that is regularly assessed and based on four commitments: Responsible management relating to the organisation of the project owner; Quality of life; Respect for the environment; Economic performance. Certification of the entire portfolio was achieved in December 2019 following 481 site visits and a management audit which revealed very good quality of the portfolio and its management. A new audit report was produced at the end of 2020 following the second stage of the certification

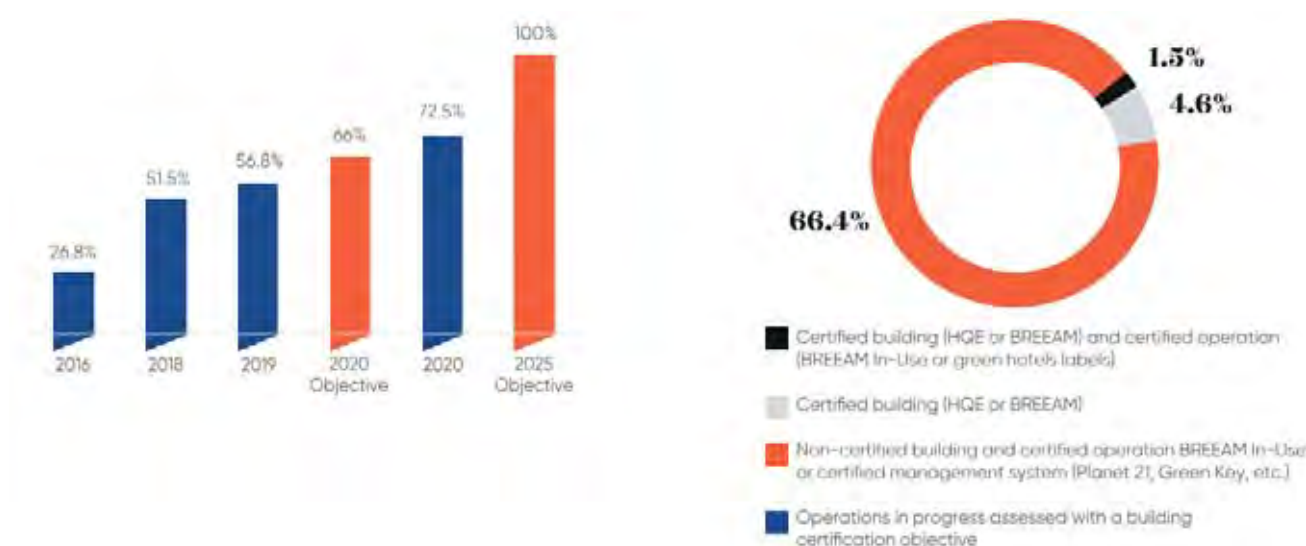
process (around 500 other sites visited in 2020). Covivio Immobilien has implemented Cerway's initial recommendations, notably by modifying its framework contracts with its suppliers to include more sustainable aspects and to use more resource-efficient products.

Covivio Immobilien is also testing the HQE Sustainable Building certification for the Berlin Biesdorf development. With very good access to public transport and numerous green spaces nearby, this project consists of 106 housing units over four new buildings with ground floor and two or three floors in a residential zone where Covivio already owns eight buildings. At this stage, the project aims for a status of "Exceptional" and should be delivered by the end of 2021.

Hotels in Europe

Share of green buildings and distribution by type of certification

(Group Share value at 31/12/2020)



The greening of the hotel portfolio is aided by the environmental commitment of the tenants, who are large operators developing their own Sustainable Development strategies. Most have established systems equivalent to environmental operation certifications, like Planet 21 for Accor or Green Engage for IHG, or use labels specific to hotels (Green Key, Green Hotel) and leisure (Green Globe). Moreover, and without this being taken into account in the calculation of the greening rate of Covivio's assets, it should be noted that 27% of the hotels owned have the Green Leader status of TripAdvisor.

BREEAM In-Use certification of the hotel portfolio in the United Kingdom

At the end of a process that took approximately one year, Covivio Hotels obtained BREEAM In-Use certification at the end of 2020 for its 12 hotels located in the United Kingdom (i.e. 2,228 rooms), thus characterising the environmental performance of these 4 and 5 star hotels operated by IHG.

The various evaluations carried out received an average rating of 56% on the building component and 61% on the operation/maintenance component, i.e. the "Very Good" level in both cases. These very good results are due both to the strong involvement of IHG's technical teams and the quality of the buildings and the technical management of the buildings, which meet high internal standards.

The details of Covivio's various development projects in progress are available at [Covivio.eu/fr](https://covivio.eu/fr) in the Projects section.

2.3.1.4.2. Profile of the environmental certifications obtained and targeted for the commercial assets

The table below presents the various levels of certification obtained or targeted for the projects developed by Covivio. The certifications used for the construction or renovation phase are mainly HQE, LEED, DGNB and BREEAM. One asset has also been ITACA certified as level Good in Italy. These certifications cover various themes concerning integrating environmental and social issues into development projects.

Summary of certifications obtained and targeted for the Group's tertiary assets or projects

HQE	Level	Good	Very good	Excellent	Outstanding	Total
Construction 543,807m²	Number of assets	2	6	20	6	34
Operation 103,951m²		-	1	2	-	3

BREEAM	Level	Pass	Good	Very Good	Excellent	Total
Construction 566,924m²	Number of assets	5	9	12	6	32*
Operation 1,188,060m²		14	58	18	3	93

* Including 17 assets also HQE certified for their buildings.

LEED	Level	CERTIFIED	SILVER	GOLD	PLATINUM	TOTAL
Construction 214,301m²	Number of assets	-	2	5	8	15

2.3.2 Managing operating expenses (energy, waste, certifications)

The CSR risk mapping carried out by Covivio in 2018 underscored the importance of managing operating expenses, especially owing to the implications in terms of client satisfaction. The expenses relate to energy, water, waste and certifications for buildings in operation. They intersect on these points with broader environmental challenges that also affect both cities and regions.

As Covivio is both the owner/landlord and often the developer of its own buildings, issues concerning operating expenses are addressed from the beginning of the project, and then for any asset replacement which is carried out during its construction and, of course, during the management phase. Obtaining environmental certification (HQE, BREEAM, LEED) for 100% of projects under development enables high levels of performance to be achieved, notably in terms of consumption of energy and water. Covivio also often chooses to supplement these certifications with specific labels, notably on energy with effinergie+, E+C- or ISO 50001 for buildings in operation. In addition, these initiatives reduce the financial consequences that might arise if a carbon tax is introduced. In return, the in-use certification process generates costs through property and facility management fees and auditing and certification fees (certification

body, support services). Nevertheless, these certifications are a sound investment as energy and water prices can be expected to continue to rise. In addition to energy, carbon and water performance, in-use certifications (HQE In-Use, BREEAM In-Use) also cover other issues, namely the environment, quality of life, responsible management, etc. As early as 2010, Covivio believed that these certifications were a tool relevant to monitoring and improving its portfolio's CSR performance. The feedback is very positive, in terms of the momentum created with tenants and suppliers, recognition from analysts and the world of finance, and of course the improvement of the environmental performance of buildings.

2.3.2.1 Improving the portfolio's environmental performance

Improving the portfolio's environmental performance aims to reduce its footprint in terms of energy (2.3.2.2), carbon (2.3.2.3), water (2.3.2.4), and waste (2.3.2.5), as well as to increase its occupants' comfort and well-being, through the choice of materials, the quality of space and air in the building and the care given to issues such as proximity to nature and services.

A proactive works policy

When carrying out work in buildings (upkeep, equipment replacement, modernisation, etc.), the solutions adopted play a role in improving the environmental and energy performance of the portfolio.

For example, for the portfolio of Offices directly managed by Covivio in Italy, the following amounts were committed to carry out renovation and maintenance work (in € Thousand)

Thermal insulation (walls and façades)	Windows	BMS	Heat pumps/HVAC	Air conditioning	Photovoltaic panels
43	1,333	93	571	230	99

In France, operating expenses related to energy efficiency amounted to more than €1.8 million. Given the volume of residential assets held in Germany, the energy renovation programmes for buildings are spread over several years in line with the Group's targets for reducing energy consumption and greenhouse gas emissions. In 2020, the value of renovations improving the environmental performance of assets reached €15 million. In concrete terms, this work plan resulted in the replacement of energy-intensive equipment, the installation of double or triple glazed windows, the insulation of façades or roofs and of course

the switch to LED in the common areas. In addition, the German teams systematically choose to connect to the urban heating network as soon as conditions allow. This is one of the priorities identified last year (368 buildings concerned in 2020 for a total cost of €2.8 million) and is included in the renovation plans for the coming years. When the use of district heating is not technically feasible, the teams opt for modern boilers that consume less energy (a 15% reduction in the capacity of the equipment installed thanks to improved performance).

2.3.2.2 Energy trajectory

The energy and environmental mapping study of the assets, carried out with the CSTB in 2009/2010, is updated every year. Based on a set of twenty indicators, this mapping enables Covivio to set out its objectives in terms of its portfolio's energy and carbon performance (3.2.6).

2.3.2.2.1 Main indicators at the Group level

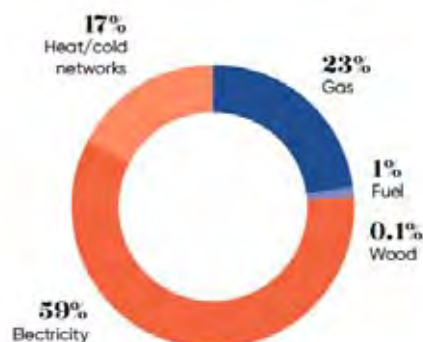
Reporting scope: 2,500,873m²

Final energy consumption: 337,499,489 kWhfe⁽¹⁾

of which share of renewable energy: 8.8%

Primary energy consumption: 584,845,220 kWhpe

Energy intensity of the assets: 233.9 kWhpe/m²



2.3.2.2.2 Change in the energy consumption of the various portfolios

In France, after a ten-year wait, the so-called "tertiary" decree was published in July 2019, in line with the ELAN law⁽²⁾. The tertiary decree imposes, for any building, part of a building or real estate complex of at least 1,000m² of floor space, a reduction in energy consumption of 40% by the year 2030, a 50% by 2040 and 60% by 2050. This decree was supplemented by the so-called "method" order of 10 April 2020 and the "absolute values" order of 24 November 2020, published on 17 January 2021, which defines the consumption thresholds, for 2030, of final energy (by type of building, geographical area, etc.) which may be targeted alternatively at -40%. Covivio has anticipated these measures and, in particular via the related environmental Committees, shares with these tenants the implementation of these new obligations. In addition, at the end of 2020/beginning of 2021, a newsletter was distributed to all tenants to inform them of the implementation of this system. The latter will be supplemented by the obligation on both lessor and lessee to report energy

consumption annually on the OPERAT platform (Observatory of Energy Performance, Renovation and Tertiary Actions), with the lessor reporting common expenses and the lessee reporting those generated in tenant areas.

To continue to make progress, in 2019, the Group began to set up a monitoring platform, the Delta Dore PowerBat portal, which collects consumption data in real time. The analysis of these data will be carried out with the help of a single energy manager, initially for the portfolio in the first development phase: a pilot site in Germany (Covivio's Offices in Berlin), two in Italy (the first two buildings delivered under the Symbiosis operation) and the 19 buildings managed directly by Covivio's property management teams in France. In addition, in anticipation of future German regulations for the residential sector, which should require landlords to communicate their home's energy consumption to all tenants, Covivio Immobilien is working on the automation of data reporting and has launched a smart metering pilot operation with a German specialist company on a residential building in Hamburg.

(1) By extrapolating the consumption of the representative panel to the entire German residential portfolio, energy consumption would amount to 499,600,388 kWhpe, or an energy intensity of 182 kWhpe/m² (2.7.1.4).

(2) The law of 23 November 2018 on changes to housing, development and digital matters, or the ÉLAN law.

In France, two initial energy performance contracts were signed for two flagship assets, which contribute to providing innovative and concrete solutions to mobilise the chain of actors to reach the multi-year objectives that the Group has set itself.

Like the La Défense district, the CB21 Tower is being renewed

As part of our CB2021 project, the interior spaces were completely redesigned with the help of Saguez. The works program (2019-2021) provides for the renovation of the tower's service base in order to provide occupants with a Premium service right up to the completely recreated interior gardens; the project also targets the WiredScore and Fitwel labels. Energy management occupies a central place: in addition to the widespread use of LEDs, the modernisation of lifts has made it possible to install an energy recovery model, allowing an electrical saving of 30% and also to restore the energy produced to supply common parts areas. Finally, the implementation of the supervision project and the Energy Performance Contract contributed to the continued decrease in expenses (compared to the reference year and after climate correction: -26% in 2019 and -15% in 2020).

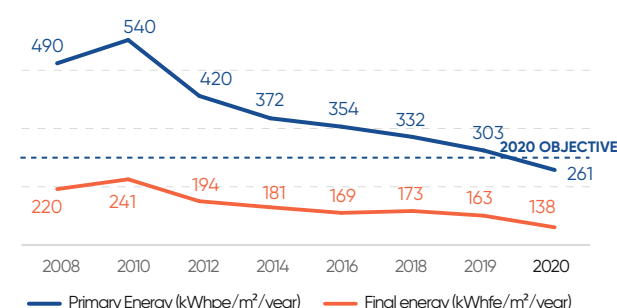
In Italy, Covivio has appointed *Politecnico di Milano* to conduct an advanced energy audit of the portfolio, based on site inspections and a review of the various pieces of energy equipment. The audit report of the first six representative assets selected showed the energy efficiency of each site and highlighted areas for improvement, which could thus be included in work plans. In total, 54% of the core portfolio has been subject to an energy audit and an internal energy manager is responsible for reducing and rationalising the energy consumption of the portfolio under direct management.

The graphs below show the energy consumption history of the four portfolios analysed.

Energy consumption showed a decline in 2020 across all four portfolios. Changes in the number of visitors to buildings by their end-users, due to the health measures linked to the Covid pandemic, do not allow us to measure the share of the improvement in the performance of buildings in the reductions in energy consumption and carbon emissions in 2020. As regards the residential portfolio in Germany, consumption returned to the level of 2018, under the combined effect of management measures resulting from the HQE Exploitation certification and the multi-year works programme.

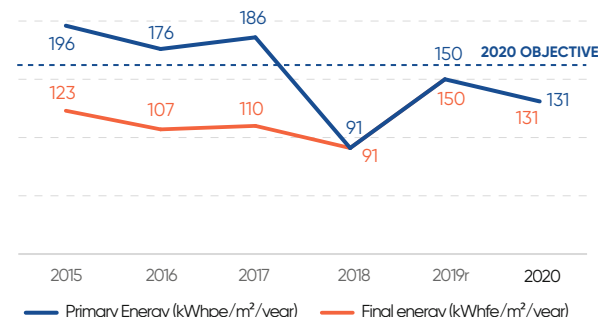
France Offices

2008/2020 Objective: -40% (ie 295kWhpe/m²)
Achieved 31/12/2020: -47% (ie 261kWhpe/m²)
New target 2010/2030: -50% (-51.6% au 31/12/2020)
Perimeter: 80 buildings, 763,029m²
(of which 218,516 m² under operational control)
Collection rate: 88% (100% on the operational control perimeter)



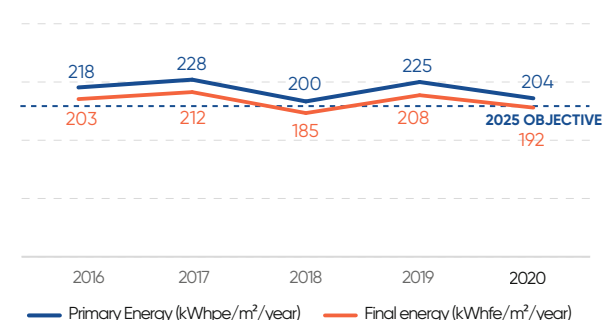
Italy Offices

2015/2020 Objective: -15% (ie 165kWhpe/m²)
Achieved 31/12/2020: -33,2% (ie 130.9 kWhpe/m²)
New target 2015/2030: -30% (-33.2% at 31/12/2020)
Perimeter: 10 buildings under operational control, ie 87,178 m²
Collection rate: 81%



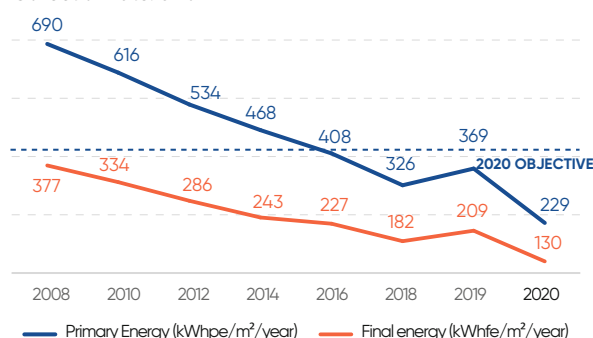
German Residential

2017/2025 Objective: -15% (ie 194kWhpe/m²)
Achieved 31/12/2020: -10,4% (ie 204.3kWhpe/m²)
Perimeter: Representative panel of 198 buildings, ie 111,264 m²
Collection rate: 86% (170 buildings)



Hotels in Europe

2008/2020 Objective: -40% (ie 415kWhpe/m²)
Achieved 31/12/2020: -67% (ie 229kWhpe/m²)
New target 2010/2030: -50% (-67% at 31/12/2020)
Perimeter: 267 buildings, ie 1,511,694m²
Collection rate: 82%



Change in energy consumption on a like-for-like basis for the portfolios (in kWh/m²)



2.3.2.2.3 Energy performance diagnostics

In accordance with the European Directive on the energy performance of buildings and its transposition into national law in the countries where Covivio operates, the Group ensures that energy performance diagnostics are carried out on its buildings (*Energieausweis* in Germany, *Attestato di Prestazione Energetica* in Italy). As the methodologies adopted by each country are different, it is difficult to make comparisons between performance levels. Particular attention has been paid to the change in the score obtained following a renovation, to assess the gain in energy performance.

Rate of diagnostics performed per activity

France Offices: 99.7% by value/99.3% by surface area

Italy Offices: 99.8% by value/99.3% by surface area

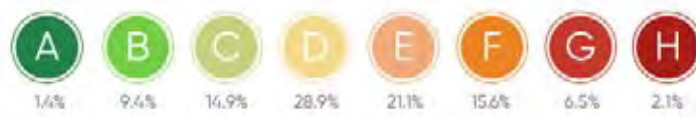
German Residential: 94.8% by value/95.7% by surface area

Hotels Europe: 75.4% by value (93.9% for hotels in France) / 65.5% by surface area (81.6% for hotels in France)

Focus on the *Energieausweis* of the German residential portfolio

At 31 December 2020, 37,537 housing units were subject to an *Energieausweis* (Energy Performance Certificate) and in total had the following scores:

Share of housing units per score obtained in the Energy Performance Certificate (by number of housing units)



Ultimately, just over 55% of housing units that were subject to the diagnostic obtained a score of between A+ and D.

2.3.2.3 Low-carbon transition

The greenhouse gas emissions presented below are inherent to energy consumption in the operation of buildings, while the data presented in the introduction to 2.3 cover the whole of their life cycle. The variations take into account the energy mix and conversion coefficients assigned to each energy type. By setting ambitious objectives, which are in line with the Group's strategy, and reiterated in connection with its mission statement, Covivio's aim is to continue its activity within the trajectory of a maximum 2°C rise (2.3), and where possible 1.5°C. To achieve this, after calculating its carbon trajectory in 2017/2018, Covivio developed two tools in 2020, again in coordination with the CSTB: cf. 2.3 "Innovative tools designed for Covivio by CSTB".

In addition, Covivio participates in various working groups, in particular:

- the hub of low-carbon specifiers, directed by the IFPEB(1)(1), with the support of Carbone 4, pools analysis resources for those choosing low-carbon solutions in the building sector. Two tools are already available to participants in the platform:
 - an analysis database from the E+C- observatory: how are high-performance buildings constructed today?
 - a tool for analysing materials: which materials should be chosen to lower the carbon footprint while limiting the extra cost?

(1) <https://www.ifpeb.fr/2019/11/25/hub-de-prescripteurs-bas-carbone/> Pas nécessaire à mon avis: HUB key messages (April 2020)
https://www.ifpeb.fr/wp-content/uploads/2020/04/HUB-prescripteurs_bas_carbone-Avril_2020.pdf

- in particular, the Hub for low-carbon specifiers launched the Call for Low-Carbon Concrete Innovation in 2020, in order to provide an overview of the sector and provide an overview of innovative solutions to reduce the carbon impact of buildings; this may concern the concrete product itself, construction processes, support services, or any other area that reduces concrete-related carbon emissions
- the Sekoya platform, launched by Eiffage and Impulse Partners, which brings together players such as Gerflor, GRDF, Legrand, Saint-Gobain, Vicat, USH and CSTB. This carbon & climate platform, dedicated to low-carbon materials and processes, has enabled Covivio to identify new suppliers, such as Circouleur, 70% of whose paint is made up of leftovers and unsold goods, thus reducing Covivio's carbon footprint, as well as the VOCs released.

The So Pop project promotes the recycling of acrylic paint. The leftovers and unsold products, i.e. 28 million litres of paint, were sent for incineration each year, i.e. nearly 150,000 tonnes of CO₂ that can be avoided in the atmosphere. Using recycled paint reduces the carbon impact of this item by a factor of twelve.

In addition, the positive impact on VOCs and indoor air quality should be noted: paint that is already open has lost much of its harmfulness. While class A+ requires less than 1,000 micrograms/m³, these products emit less than 30 micrograms.

Lastly, sorting is carried out by people who are re-entering the workforce, as part of a Social and Supportive Economy approach.

2.3.2.3.1 Main indicators at the Group level

Reporting scope: 2,500,873m²

Total GHG emissions: 40,500 teqCO₂⁽¹⁾

Of which corporate emissions: 541 teqCO₂

Scope 1: 1,762 teqCO₂

Scope 2: 3,144 teqCO₂

Scope 3⁽²⁾: 35,594 teqCO₂

Carbon intensity of the assets: 16.2 kWhpe/m²



Breaking down the intensity of 16.2kgeqCO₂ by type of GHG gives: CO₂=14.68; CH₄=1.289; NO₂=0.086; HFC=0.001; PFC=0; SF₆=0.003; NF₃=0; Other GHG=0.136.

2.3.2.3.2 Change in the greenhouse gas emissions of the various portfolios

The ratios set out below have been calculated using energy consumption data collected from Covivio's various portfolios. These calculations include greenhouse gas emission ratios specific to each country and climate adjustments to allow data to be compared between years (2.7.1). Reporting scopes for each portfolio are the same as those referred to in the section on energy (2.3.2.2).

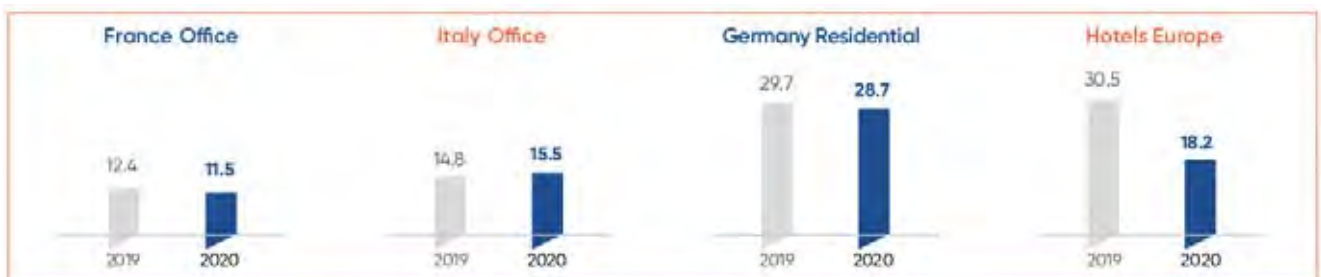
For the France Offices and German Residential portfolios, reductions are fairly proportional to those observed in energy consumption. As for hotels, some of them were closed during the lockdown, including establishments with sub-optimal energy mixes which had a negative effect on the figures in 2019. This situation, coupled with the fall in energy consumption due to the reduction in economic activity, explains the very heavy fall registered in 2020. In Italy, the growing number of new developments using community heating (less favourable than green electricity) explains the slight decline in the energy mix, and the slight uptick in greenhouse gas emissions in 2020.

(1) By extrapolating consumption from the representative panel to the entire German residential portfolio (2,746,046m²), total GHG emissions would be 71,154 tCO₂, or a carbon intensity of 25.9 kgCO₂/m².

(2) Scope 3 here relates exclusively to emissions related to energy consumption from environmental reporting (non-operational scope), and does not include maintenance/construction/renovation operations that are included in Covivio's carbon trajectory (intro 2.3). When emissions from construction and upstream activities are included, scope 3 represents 98% of the Group's total emissions.



Change in GHG emissions on a like-for-like basis for the portfolios (in kgCO₂e/m²)



2.3.2.3.3 Harnessing renewable energy

Renewable energy has great potential to reduce the carbon footprint of a building. In the different countries in which Covivio operates and in its various projects, the use of renewable energy has been carefully studied to determine the opportunities it provides taking into account environmental specificities and the regulatory context.

The choice to sign a green energy contract is made in conjunction with the tenants, on a certain number of Group assets, notably in France for the CB21 Tower, in La Défense, or in Italy, where Covivio has, since December 2015, chosen green electricity for all its assets under direct management.

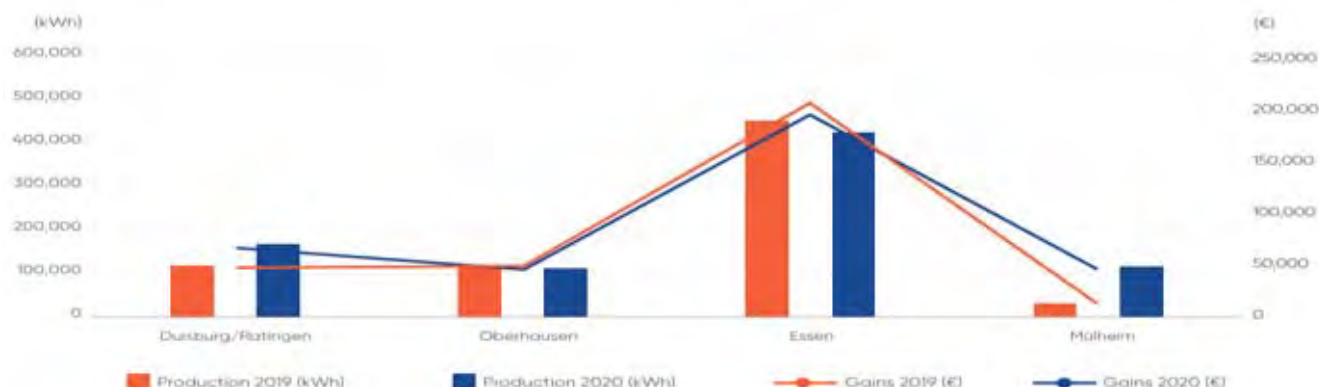
Several sites were also equipped with thermal solar panels (domestic hot water) or photovoltaic panels (production of renewable energy). Use of geothermal energy is also widespread,

through innovative initiatives such as Massileo© in Marseille, a warm water system managed by Dalkia, which supplies the buildings with hot and cold water based on 100% renewable energy from ocean thermal energy conversion.

Photovoltaic production in the German residential portfolio

47 residential buildings are equipped with photovoltaic panels in Germany. An investment made by Covivio since 2012 (with an average cost of €436/m² excl. VAT, depreciated over nine years on average) which has enabled development of know-how in the field, and anticipated the shift in regulations towards passive buildings. 22 pieces of new equipment were installed in 2019, mainly in Mülheim. A total of 910,220kWh was generated this year, an increase of more than 10% compared to 2019.

Evolution of production and gains related to photovoltaic production for the German residential portfolio



Covivio's technical teams systematically examine all possible solutions, in particular heating and cooling networks. Since 2014, Covivio Immobilien has chosen, when possible, to connect its buildings to urban heating networks that use co-generation. This solution is particularly viable in cities such as Berlin, Oberhausen and Mülheim, where Covivio owns numerous assets. These renovations also provide an opportunity to implement new solutions, like the Tours Garibaldi in 2010, which were equipped with 804m² of photovoltaic panels on the façades and solar water heaters on the roof.

2.3.2.3.4 Life Cycle Analyses (LCA)

Covivio has carried out Life Cycle Analyses (LCA) since 2010 in order to quantify the environmental impact of projects at each stage of their life cycle (extraction and manufacture of materials, operation and ultimately deconstruction). These LCAs are carried out by analysing six modules (materials, energy, water, travel, building sites and waste). In 2013, Covivio commissioned France's first LCA on a property renovation (Steel building, Paris 16th arrondissement) and in 2014, France's first LCA on a hotel (B&B Porte des Lilas). These studies were added to the HQE Performance programme and thereby contributed to the construction of a database used for purposes such as BBCE (low carbon building) certification.

2.3.2.4 Water transition

Water is likely to become a major issue in Europe as climate change starts to be felt. Over the past 10 years, Covivio has prepared reports in this area, enabling it to monitor the objectives set for the operation of its assets. Water is mainly consumed by tenants, for cleaning the common areas and watering green spaces and, where applicable, by the operators of company restaurants or hotels. For each of its components, measures are adopted, which aim for greater frugality in the use of water.

2.3.2.4.1 Main indicators at the Group level

The figures below are calculated using the tables presented in 3.7.1.

Reporting scope: 2,411,646m²

Total water consumption: 1,831,615m³

Water intensity of the assets: 0.76m³/m²

Following the HQE Performance-ACV Rénovation test carried out in 2017 in order to calculate the impacts related to the renovation of buildings, the HQE-GBC Alliance is coordinating a program in France organised under the aegis of World GBC aimed at identifying a method to increase the performance of existing buildings throughout the life cycle and highlight effective levers for reducing carbon emissions. This is the **NZC Renovation project**, which aims to identify the best levers for reducing carbon emissions in existing buildings. One of the seven pilot buildings of this operation is the "Jean Goujon" asset, owned by Covivio. This project will end with the publication of a report and communications intended to enable a wider European public to take ownership of the lessons learned.

To capitalise on these experiences and continue to make progress in analysing the performance of its buildings, Covivio commissioned CSTB to draw up LCA specifications that can be used in various European countries and for its three activities: office, residential and hotel. This document will enable Covivio to facilitate the comparison of its buildings and monitor its 2030 carbon trajectory. It will also make the LCA Express more reliable (2.3 "Innovative tools designed for Covivio by the CSTB").

2.3.2.4.2 Change in the water consumption of the various portfolios

A building consumes water during its construction (concrete, cleaning, etc.) and then during the period of its operation (housekeeping, watering, company restaurant, etc.). Within Covivio's portfolio, reducing the water footprint involves the systematic use of water-saving installations (aerator taps, 3 litre/6 litre toilets, etc.), and closely monitoring consumption. Most of Covivio's new developments collect rainwater for watering plants, keeping the collected water out of the water infrastructure system and hence out of rivers and seas, ultimately helping to replenish water tables. Considering that water intensity levels tend towards a minimum threshold, Covivio has opted for this indicator not to use a performance target, in particular given the floor reached for Offices in France (around 0.27m³/m²/year) and hotels in Europe (around 0.95m³/m²/year).

Water consumed by the assets in operation and during development comes exclusively from the municipal water networks. Covivio does not have to directly draw groundwater. On construction sites, water consumption is also monitored and measures are put in place to reduce it in the context of environmental certifications (2.3.1.3).

In 2020, water consumption fell significantly across all portfolios, following a drop in the use of buildings due to the Covid crisis. In Italy, this reduction is less significant insofar as the occupancy rate has increased for certain buildings that had vacant space.

Targets and changes in water consumption for the various portfolios (in m³/m²)



Change in water consumption on a like-for-like basis for the portfolios (in m³/m²)



Transforming grey water into energy: the case of the Meininger Porte de Vincennes hotel

As part of the Meininger Porte de Vincennes development project, Covivio has opted for the installation of a heat pump to recover thermal energy contained in gray water. Given the high environmental performance aimed for with this hotel and the extent of the water consumption related to the hotel activity, this technology has great advantages. This heat pump covers 100% of the production of domestic hot water and recycles the heat contained in waste water. As a general rule, the installation of the system provides a 40% reduction in energy consumption compared to a system without recovery, thus reducing the CO₂ emissions from operating the building. This hotel is one of the pilot assets that is testing the European LCA specifications (2.2.2.2).

2.3.2.5 Waste transition

Collecting data on waste removal is made difficult by the lack of weighing in most of the countries where Covivio operates: the concession operators appointed by the municipalities do not provide any data. The only data available concerns buildings for which a private service provider has been appointed to collect paper, cardboard, confidential paper and other non-hazardous industrial waste. In the absence of information on the amount of waste collected, Covivio has systematically implemented selective waste collection (100% of selective collection in 2019 and 2020).

Covivio has also set itself the target of reducing waste production by 15% between 2019 and 2030 on its direct management portfolio. Private companies are responsible for waste removal on certain

sites, making it possible to monitor waste by tonnage, by type and the percentage of waste recycled (2.7.1). Also, development and renovation operations are subject to rigorous control for the treatment of waste. Dedicated procedures are therefore put in place on construction sites to ensure recycling in accordance with the low pollution construction site charters put in place for the environmental certification of development projects.

In 2018, Covivio Immobilien employed waste managers for a number of its buildings, who work with tenants to raise awareness of recycling and improve waste sorting. These measures resulted in a reduction in the number of collection containers. Other initiatives have also been launched for the portfolio, particularly in terms of the circular economy (2.3.1.3) and the fight against food waste.

Combating food waste: the example of CB21

In France, 29kg of food is wasted every year per inhabitant, 25% of which is still packaged. At the La Défense business district level, we estimate that daily waste ranges from six to nine tonnes. Suez, the tenant of the Tour CB21 at La Défense, created a best practices guide in 2016, which listed the actions put in place in partnership with restaurant operators. The guide had a real impact and resulted in a joint operation with the five large tenants of the neighbouring towers, which decided to create the association "La Défense des Aliments". Six months after the first campaign of weighing food waste, waste was reduced by 23% thanks to the various awareness-raising actions put in place. The actions carried out at CB21 include: food donations with the association Le Chaînon Manquant, "gâchimeter" ("waste-meter"), poster campaign, sales by weight in the restaurant, etc.

Summary of the consolidated environmental reporting of a construction site

ORLY BELAIA

Office space (in m ² floor space)	23,342m ²
Energy consumed	740 MWh of which 435 MWh of electricity
Water	3,543.1m ³ of which 1,870m ³ related to the site facilities

Waste reporting at end of construction site	Of which% recycled/reused	Of which% incinerated for energy recovery	Of which% sent to landfill/waste disposal facility	Of which% managed by the local authority	TOTAL
Non-hazardous waste - (NHW)	80.4% (510t)	14.2% (90t)	5.4% (34t)	-	634 tonnes
Green waste	-	-	-	-	0 tonnes
Non-hazardous waste - Steel	100% (20.7t)	-	-	-	20.7 tonnes
Inert waste	80.4% (39t)	13% (6.3t)	6.3% (3.1t)	-	48.4 tonnes
Wood waste	100% (46.6t)	-	-	-	46.6 tonnes
Cardboard waste	100% (6.3t)	-	-	-	6.3 tonnes
TOTAL Non-hazardous waste	82% (622.6t)	13% (96.3t)	5% (37.1t)	-	756 tonnes
Hazardous waste					0.18 tonnes

2.3.3 Security/Environmental safety/Regulatory compliance

The “Security/environmental safety/regulatory compliance” risk has been identified as a top priority considering Covivio’s operations. Security flaws in buildings or a lack of asset resilience might make Covivio unable to manage major crises that may result in a loss, accident, health risk or liability. Covivio implemented suitable procedures and indicators for its operations in Europe to deal with this risk several years ago. Health and environmental risks are monitored and managed on a daily basis through effective tools and dedicated teams, going beyond regulatory requirements. Underlying this risk, the issue of the portfolio’s climate resilience is key and requires long-term thinking, in line with the Group’s strategy.

Three factors must be considered to assess the regions’ vulnerability *i.e.* regional interdependence, demographic growth and urbanisation and climate change challenges facing the regions under consideration.

The issue of urban resilience is relevant on various regional levels, namely buildings/blocks/neighbourhoods/cities/regions. A region is resilient provided that each one of its parts is strongly committed to such resilience, by providing the best solutions in terms of eco-design, accessibility, circulation, biodiversity, biomimetics, management of networks (energy, wastewater and rainwater) and communication systems.

Covivio’s response to the challenges of resilience are to **reduce its environmental impact** and **adapt to climate change** by anticipating its consequences. For the eco-design of its buildings in Europe, Covivio makes every effort to opt for low-carbon building solutions (materials, systems), to insulate its buildings and protect them with awnings/blinds/glazing/green roofs and façades to enhance the night-time cooling effect, etc.

Resilience can also be improved by adapting how the building is used, through the involvement of users in the choice of leasehold improvements, adoption of a public transport policy, working from home, flexitime, videoconferencing, Green IT solutions, etc. Covivio

relies on these various solutions in its own operations and encourages its stakeholders to adopt them as well.

Lastly, managing and optimising the building facilities is based on striking the right balance between control over operating expenses and the occupant’s health and comfort. These challenges have taken on particular importance with the international health crisis. Covivio immediately adopted strong measures in its buildings in operation and in its own premises; similarly, tenants have taken measures to protect their employees and customers, such as Accor, which launched the “Allsafe⁽¹⁾” label with Bureau Veritas to guarantee cleanliness and compliance with hygiene measures in its hotels. At the end of 2020, more than 60% of Accor assets held by Covivio had this label.

In order to assess the capacity of buildings to withstand the consequences of climate change, Covivio had a resilience analysis carried out in 2019 and 2020 on two emblematic assets in the portfolio. Through several adaptation scenarios, the building is screened in relation to a list of climate risks according to the location of the site and its main characteristics. This study resulted in several recommendations and an assessment of the potential impact on rental value depending on the adaptation scenario adopted.

The diagram below illustrates the main challenges of resilience and a few examples of performance drivers which can be implemented.

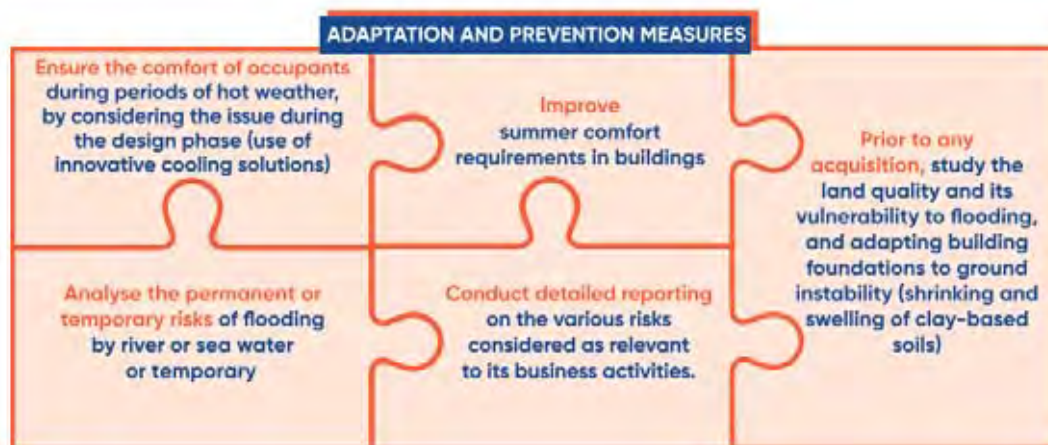


(1) (<https://group.accor.com/fr-FR/Actualites/2020/05/allsafe-cleanliness-prevention-label>).

2.3.3.1 Adapting to the consequences of climate change

In addition to compliance with the local regulations (e.g. in France: ERP – Inventory of risks and pollution), Covivio has identified the main uncertainties which could impact its activities and put in place prevention and adaptation measures which are described in

the following diagram. The TCFD reporting presented in the introduction to this chapter also provides an overview of the strategy implemented by Covivio to address the consequences of climate change.



In 2020 Covivio tested the PREDICT model developed by EY in order to better assess the exposure of the portfolio of buildings held by Covivio to climate change. This study covered all commercial assets included in its 2019 environmental reporting, with two objectives:

- measure the share of assets directly affected by certain climate change risks
- equip and protect the Group's buildings to cope with this.

Based on the IPCC scenarios, the model made it possible to determine that, on average, Covivio's portfolio should face an average increase in temperature over the period 2015-2050 compared to the period 2005-2014 of 0.8 degrees (scenario SSP3-7.0, intermediate). Over the same period, 14% of the assets analysed (in surface area) should face an increase of more than one degree. The model also addresses two major hazards given the location of the Group's assets: heat waves (five consecutive days at a temperature five degrees higher than the historical average) and intense precipitation (over 20mm/m²/day). Also calculated on the basis of the SSP3-7.0 scenario of the IPCC, 29% of the assets analysed could face a heat wave of 20 days (respectively 13% in the event of a heat wave lasting 25 days), and 13% could experience ten days of intense precipitation on average per year.

These initial results reinforce the relevance of Covivio's strategy in terms of location choices and the fight against global warming.

In addition, Covivio conducted an internal risk mapping exercise to visualise a sea level rise of more than a metre, in order to identify which assets might be affected by such a risk. The results of the mapping indicated a very low risk Change to "of up to 2% (in value) of the assets analysed across all the commercial portfolios and a representative sample for the German residential portfolio (SASB 450a.1).

2.3.3.2 Fighting urban sprawl and the land take

Covivio strives to avoid urban sprawl by integrating its developments within redevelopment projects that encourage "rebuilding the city on the city". The economical use of land reflects the Group's determination to limit land sealing, avoid the use of agricultural land for new buildings, and take flood risks into consideration. Throughout Europe, the projects completed by the Group meet this requirement allowing for effective participation in protecting areas with high biodiversity potential.

In 2017, Covivio added a "polluted sites and soil" module to the Provexi platform dedicated to asset risk management. This module provides a complete overview of all the information in the assessments by summarising the topics analysed (identifying potential sources of pollution, summary of the completed analyses). Employees can access all of this information, as well as interactive data maps. Sites on which special monitoring may be necessary are identified, and management of the required actions is simplified.

2.3.3.3 Managing health and environmental risks

In 2020, as in 2019, Covivio was not subject to any proceedings that ordered it to clean up or remove pollution from any of its sites in operation, nor was it subject to any court ruling for non-compliance with environmental regulations.

As a precautionary measure, Covivio decided to provision €2.5 million in the event it would have to cover clean-up costs for a site owned in conjunction with a non-strategic activity.

Anticipating changes in regulations and aware of its environmental impact, the Group is keen to move towards projects with "net zero reallocation of natural land to urbanisation", with a significant portion of its operations (54% of ongoing France Offices operations) consisting of restructuring and upward extension projects.

2.3.3.3.1 Regulatory compliance

Property acquisition and management require certain assessments which may be mandatory depending on the date of construction of a building. These assessments cover asbestos, pest status depending on the municipality (termites), mining and technological risks status (including flood risks, mudslides, coastal submersion and Seveso risks).

In France, Covivio's Environment Department oversees compliance with the regulations on structures classified for environmental

protection (ICPE). Some risks may also be subject to additional testing (soil pollution, etc.), periodic monitoring (asbestos, for example) or specific analyses (legionella, etc.) Comparable regulations are also in place in both Italy and Germany. For each one of its locations, Covivio relies on dedicated environmental safety teams to ensure that the required assessments are carried out and monitored. The team is involved in the analysis of acquisitions, during the management period, and in the creation of data rooms in anticipation of a sale.

As an example, the table below outlines the risks considered relevant to Covivio's Offices segment in France and Italy.

Number of sites concerned Risks	France		Italy	
	2019	2020	2019	2020
Subsidence	29	28	0	0
Earthquake	1	1	227	187
Flood	52	44	1	1
Thermal effect	1	1	0	0
"Storm surge"	1	1	0	0
Toxic effect	1	1	0	0
Drought	4	4	0	0
Avalanche	0	0	0	0
Forest fires	0	0	0	0
Exceptional precipitation*	N/A	N/A	227	187
Cyclone	0	0	0	0
Rise in groundwater levels	1	1	8	8
Volcano	0	0	1	1
Mining	0	0	0	0
Other mining risks	0	0		
Other natural risks	23	20		

* Definition in line with Italian regulations, outside the scope of the inventory of risks and pollution in France.

Area	Diagnostics implemented			
	2019		2020	
Inventory of risks and pollution – number of cases examined ⁽¹⁾	205	100%	186	100%
Cooling towers – number of sites involved ⁽²⁾	0	-	0	-

(1) Inventory of established risks.

(2) Sites where the tower's operator is the owner.

In Germany and Italy, Covivio's technical teams use internal tools to monitor the risks to which buildings are exposed. In Germany, special attention is also paid to the consideration of health and environmental risks. Mining risks are particularly closely monitored. 195 sites are located in areas considered to be at risk by authorities. In addition, following an analysis conducted by Covivio Immobilien's insurance company, the risk of flooding was considered negligible for the portfolio as a whole. In accordance with legislation, in 2017 and 2018, smoke detectors were installed in residential units in North Rhine-Westphalia, Hamburg and Berlin. In addition, carbon monoxide detectors have been installed in all gas-heated apartments.

In Italy, environmental risks are monitored by the Property Management department. All due diligence in the acquisition phase now includes a sustainable development chapter to cover the main environmental risks concerning the asset: biodiversity, adaptation to climate change, energy efficiency, floods, health and well-being, transport, management of water and waste, for example.

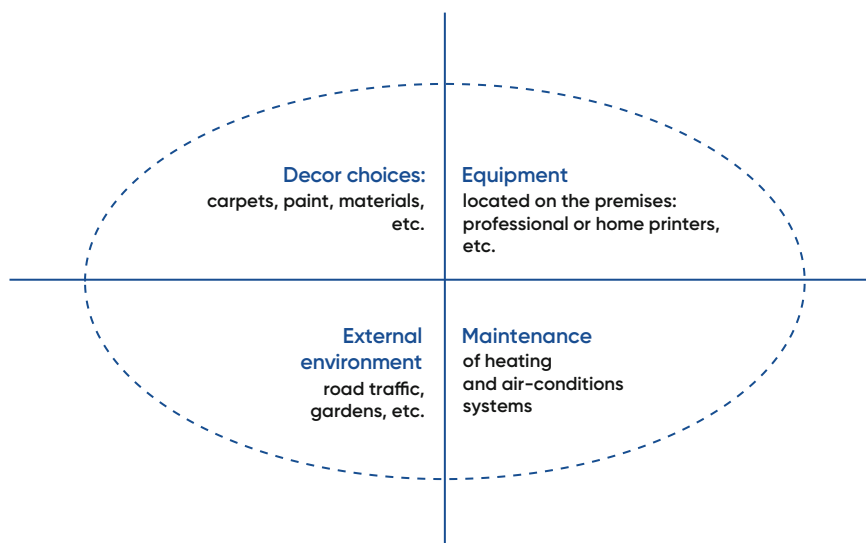
In the case of buildings owned by Covivio Hotels, environmental health and safety risks are monitored in the Environment Department within Covivio's Technical Department, France. Investigations covering topics such as asbestos and ground pollution are carried out when an asset is either purchased or sold. The leases of Covivio's hotels systematically stipulate that the tenant retains control of and responsibility for environmental risks, and that the user or the site manager is responsible for the premises' compliance with regulations governing environmental risks.

2.3.3.3.2 Limiting noise pollution

Noise can cause stress and is harmful to concentration and creativity, and hinders productivity. User comfort and well-being is a central concern for Covivio as we strive to develop buildings that provide optimum acoustic conditions for occupants (choice of materials, décor, space layout, etc.) against a backdrop of increasing demand for flexible premises. As part of its development and renovation projects, Covivio also makes every effort to reduce the exposure of tenants and local residents to noise pollution from construction sites.

2.3.3.3.3 Indoor air quality, a health issue

Air quality is a growing public health challenge as fine particle pollution alone, generated by human activities, is said to be responsible for 48,000 deaths⁽¹⁾ in France each year. In addition, the harmful effects on health caused by this pollution annually is thought to cost between €20 and €30 billion⁽²⁾. Regulations are gradually becoming more stringent across Europe, especially with regard to transport and buildings. Indoor air quality in buildings is related to various factors:



It is to respond to these challenges that Covivio, EDF and the Impulse Partners incubator decided in 2019 to join forces to conduct the "Air Quality Challenge" call for projects. The aim is to identify innovative solutions to improve indoor air quality while reducing energy consumption (3.4.1.4). The winners, Octopus Lab and Enerbrain, will be able to test their innovative solutions on Covivio and EDF buildings in 2021.

For its development and renovation projects, Covivio pays careful attention to all of these factors that can improve air quality, for example by using low-VOC (A+ rated) products and materials (paint, carpets, etc.) for the health and comfort of occupants. The specifications for Covivio's various business activities have factored in these issues.

In the absence of regulatory obligations, Covivio conducts annual studies of the quality of the air in most of its multi-tenant buildings in France. These studies are focused on the microbiological parameters of the air (germs, flora and mould among others), and may include physical parameters (including humidity, VOCs and CO₂).

In Italy, a one-year trial is being carried out of the air quality of Covivio's head office in Milan. It was preceded by a survey of employees to question them on their feelings before the installation of five measuring units in the Offices.

(1) 2016 Report "Impact of chronic exposure to fine particles on mortality in mainland France and analysis of health benefits associated with various scenarios for reducing atmospheric pollution" – Public Health France.

(2) Report from the Environmental-Economic Accounting Commission Health and quality of outdoor air. French Ministry of Ecology, Sustainable Development and Energy (MEDDE), Department for the Economics, Assessment and Integration of Sustainable Development (SEIIDD), June 2012.

2.3.4 Participate in the implementation of sustainable finance

Finance can be qualified as sustainable when it takes into account ESG criteria (Environment, Social, Governance); it brings together socially responsible investment (SRI), solidarity finance and green finance⁽¹⁾. Since 2018, investors have increasingly taken ESG criteria into account in their analysis and investment choices. Covivio regularly organises road shows focusing on financial and ESG topics, or even exclusively ESG.

Sustainable finance is a necessary lever to boost the transition to a carbon-neutral economy likely to limit global warming. A number of public and private international initiatives have emerged in recent years to encourage it. At the European level, the "Financing sustainable growth" action plan aims to provide a major boost to promote responsible investment. The first of the ten measures identified is the creation of a European Taxonomy ("EU Taxonomy"), whose objective is to provide a framework for the market for "green" or "sustainable" financial products.

2.3.4.1 What compliance with the European "green" taxonomy?

This Taxonomy is intended to become the foundation on which future regulations on sustainable investment will be based, as well as the new European green label. While the final texts remain under discussion within the European bodies at this stage, Covivio is concerned by four "sectors" on the list defined by the Taxonomy, namely: construction of new buildings; renovation of existing buildings; individual measures and professional services; (divided into 4 sectors in the draft delegated act to differentiate between energy efficient equipment, electric vehicles, measuring and controlling the energy performance of buildings, renewable energies) acquisition and holding of real estate assets.

For each of these sectors, the company may declare that it exercises a green activity within the meaning of the Taxonomy if it simultaneously complies with the three conditions listed in the first column of the table below.

At the end of 2020, the green portion of assets held by Covivio was 88.1% in value (including one third for their buildings), and 86.3% of gross rental income. This rate, which is based on levels of environmental certification, contributes to expressing Covivio's commitment to the climate transition, by reducing its own footprint and that of its assets, and by adapting its portfolio and its business model, in a process of permanent progress.

In accordance with its commitments, Covivio's entire tertiary pipeline, *i.e.* €1.2 billion as of 31 December 2020, is made up of projects aiming for global environmental certifications (HQE, BREEAM, LEED) with a minimum level of "Very Good" or equivalent. Among the acquisitions of the year, the hotel portfolio was the subject of preliminary studies with a view to certification of its operations, while the German office portfolio already has a certified property percentage of 36.4%.

The subject of operating expenses is presented in detail in the section "Control of operating expenses" (2.3.2), which details the measures taken to improve assets' energy efficiency.

At this stage of the discussions, only the objectives "Mitigation" and "Adaptation" to climate change were covered by the preliminary texts. To meet the taxonomy, at least one of the six objectives listed in the table below must be met, without prejudice to the other objectives. The definition of the concept of "green" is based on different criteria under the Taxonomy. The table below shows how Covivio plans to meet these conditions.

(1) <https://www.novethic.fr/actualite/finance-durable.html>

The three conditions for compliance with the Taxonomy

Three conditions to respect	Examples of Covivio actions	Chapter	Indicators monitored
The activity must contribute substantially to one of the six environmental objectives, detailed below.			
1. Climate change mitigation	Construction and renovation of certified buildings with high levels of environmental performance European LCA specifications to make LCAs more comparable Installation of high-performance equipment and materials (HVAC, façades, insulation, etc.) Installation of terminals or spaces for electric vehicles on new projects Reporting on environmental risks	2.3.2.3.4	Greening rate Multi-year works plan
	Annual reporting and target to reduce the fleet's energy consumption Carbon trajectory	2.3.2.2	Energy intensity Carbon intensity
	Raising tenant awareness and environmental certification of assets in operation	2.3.1.4	
2. Adaptation to climate change	Gradual adaptation of the portfolio through the delivery of buildings to the highest standards and energy renovation of the portfolio	2.3.1.4	Greening rate Multi-year work plan
	Monitoring of environmental risks and work on the resilience of assets Deployment of a supervisory system and generalisation of BMS on assets Environmental due diligence for acquisitions	2.3.1.3	Percentage of sites covered
3. Sustainable use and protection of water and resources	Water consumption Own site charters for certified projects	2.3.2.4	Water intensity
4. Protection and restoration of biodiversity and ecosystems	Biodiversity Charters for construction and operation, biodiversity mapping, etc.	2.4.1.4	Percentage of sites analysed Area given biodiversity label
5. Pollution prevention and control	Reporting on environmental risks Specific procedures on construction sites for the treatment of pollution	2.3.3	Percentage of sites monitored for health and environmental risks
6. Transition to a circular economy	Works on circular economy: HQE Performance programme; reuse of materials, etc.	2.3.1.4 2.3.2.3.4	Greening rate
The activity must not significantly harm any of the other environmental objectives.			
Comply with performance criteria or standards and regulations	Use of certifications and labels for buildings and/or operations	2.3.1.4	Greening rate
	Low-carbon construction - ACV	2.3.2.3.4	SBTi approved carbon trajectory
	Analysis of the dimensioning of equipment/installations	2.3.1.3	
	Compliance with recognised international standards for both financial and extra-financial aspects	2.7.3/4/5	EPRA sBPR/ TCFD/GRI/SASB
	Choice of location	2.4.1	
	Targeted resilience studies	2.3.3.1	
	Regulatory watch	2.2.1.1	



Three conditions to respect	Examples of Covivio actions	Chapter	Indicators monitored
The company must respect the minimum social guarantees: compliance with the eight “fundamental conventions” of the International Labour Organisation.			
The eight fundamental conventions are as follows:			
The Freedom of Association and Protection of the Right to Organise, Convention no. 87, 1948	As a signatory of the Diversity Charter and the Global Compact, in which it has attained GC Advanced (Global Compact - advanced level), Covivio is committed to observing the eight fundamental conventions of the ILO and ensuring that its suppliers comply with them.	2.7.3	<i>Publication of an annual Communication on Progress (COP) on the Global Compact website</i>
Right to Organise and Collective Bargaining, Convention no. 98, 1949			
Forced Labour Convention No. 29, 1930 + its protocol of 2014			
Abolition of Forced Labour, Convention, no. 105, 1957			
Minimum Age, Convention, no. 138, 1973			
Worst Forms of Child Labour, Convention no. 182, 1999			
Equal Remuneration, Convention no. 100, 1951			
Discrimination (Employment and Occupation), Convention no. 111, 1958			

2.3.4.2 Already 14% of Covivio's debt is “green”

At the end of 2020, Covivio had already issued two Green Bonds: the first in May 2016, with a value of €500 million (maturity 2026 - fixed coupon of 1.875%), and the second in September 2019 (maturity 2031 - fixed coupon of 1.125%). The success of these issues rewarded Covivio's ambitious sustainable development strategy across all of its activities in Europe. These two Green Bonds have enabled Covivio to significantly expand the circle of players that finance it, with great diversity at the international level.

As part of its second green issue, Covivio has chosen to modify its “Green Bond Framework” to make the eligibility criteria for green projects more readable and compatible with international standards. The detailed information relative to two Green Bonds issued by Covivio is available on its website in the section “Financial strategy/Debt”. In accordance with the Green Bond Framework, the selected projects comply with the following criteria:

- recent green buildings: the eligible projects are (i) projects under development (for which a projected delivery date has been communicated) or (ii) buildings in operation delivered less than three years prior to the date of issue; in practice, these are buildings under development or refurbishment

- minimum level of certification to be achieved: HQE Very Good, BREEAM Very Good, LEED Gold or other equivalent standards; in short, the selected assets are all aiming for HQE Excellent or BREEAM Excellent or LEED Platinum levels
- energy efficiency: the projects must achieve a high level of energy performance, characterised by a level P or TP in target four of the HQE standard, or other equivalent standards
- access to public transport: the projects must be located less than 10 minutes away on foot from a public transport network
- relationships with tenants: the projects must be the subject of an environmental annexe in France or a Memorandum of Understanding in Italy for new leases signed with tenants.

Projects are selected and evaluated by the Green Bond Committee, composed of representatives of the main functions within the Group (Financial department, Operations Department (Asset and Property Management), Sustainable Development Department, etc.). This Committee also has to select the buildings intended to come within the Green Bond, when it is being formed or in case of the disposal of one of the assets, in accordance with the Green Bond Framework criteria published on Covivio's website.

2.3.4.3 A proven performance

In addition to the checks carried out internally to ensure compliance with the eligibility criteria, Covivio has again called on Vigeo-Eiris to give a Second Party Opinion. The purpose of this external audit is to make sure that the Green Bond Framework is aligned with the Green Bond Principles of the International Capital Market Association. Following its work, Vigeo-Eiris expressed a reasonable level of assurance (the highest level achievable) concerning Covivio's commitments and the potential contribution of its Green Bond to sustainable development, and more particularly to SDGs 7, 11 and 13 (2.2.1.3).

As for its first green issue, Covivio undertakes to call on an independent third party annually to audit the correct allocation of funds in accordance with the principles laid down in the Green Bond Framework, as well as the environmental performance indicators. The independent third-party audit report is published on Covivio's Internet site, as well as in this document in Chapter 2.8.2. This report covers both Green Bonds. As the assets in the second portfolio are undergoing work, the audit of the operating report covered only the first portfolio.

The indicators selected for the Green Bond and audited by the independent third-party are aligned with the GRI Standards indicators and the recommendations of the Green Bond Principles and are separated into two main categories:

- reporting indicators for the portfolio: rate of coverage of reporting (in m² and number of buildings), total energy consumption (in kWhfe), energy intensity (in kWhfe/m²/year), total GHG emissions (in tCO₂e), carbon intensity (in kgCO₂/m²/year), total water consumption (in m³), water intensity (m³/m²/year), distance of assets from public transport (accessible parts of buildings)
- reporting indicators per project: delivery date, location, environmental annex, total surface area of building (in m²), levels of certifications and labels obtained, energy efficiency (expressed by the energy target of the certification standard concerned), percentage of financing, percentage allocated to joint-venture assets.

2.3.4.4 Highlights concerning the first Green Bond in 2020

Following the disposal of a building from the portfolio in 2019, the composition of the scope has changed, with the inclusion of the Quai 8.2 asset located in Bordeaux. This asset, delivered at the end of 2019, offers attractive environmental performance, having obtained dual HQE (Excellent)/BREEAM (Very Good) certification and respecting all the criteria laid down in the 2016 Green Bond Framework.

2016 is the baseline year for carbon emissions in addition to water and energy consumption for this property portfolio. As with the reporting for the entire portfolio (2.7.1), buildings being developed or renovated or those that have been bought or sold during the year are not taken into account. Although the Green Bond was issued in April 2016, the reporting with respect to this portfolio covers the 2016 full calendar year, in order to obtain an accurate comparison with consumption for the following years. As in previous years, 100% of the consumption data was collected on buildings within the reporting scope defined i.e 8 buildings. For confidentiality reasons, especially as regards single-let buildings, the breakdown of consumption by building has not been reported in this document. However, these details were verified by EY as part of its assignment. Summary tables can be found in Section 2.7.1.2.

Adjusted for weather and on a like-for-like basis, this data shows a decline in the carbon emissions ratio between 2019 and 2020, dropping from 7.7 to 7.1 kgCO₂e/m²GIA/year. This decline is the result of a 8.6% reduction in energy consumption on a like-for-like basis, dropping from 119.4 to 109.1 kWhfe/m²GIA/year. These two lower percentages are not the same as the energy mix that varies from one building to another. Lastly, water consumption was significantly down at 0.27m³/m²GIA/year (against 0.40 in 2019).



The table below provides a summary of the eligibility criteria that the selected assets fulfil under the 2016 Green Bond Framework.

2.3.4.5 Summary – Compliance with the criteria

Assets	Fontenay Le Floria	Metz Le Divo	Velizy Hélios	Vélizy Europe	Paris Passy Steel	Issy les Mx Edo
Company	Covivio	SCI Pompidou Metz	Covivio	SCI 11 Place de l'Europe	Technical	Covivio
Ownership	100%	100%	50%	50.1%	100%	100%
Delivery date	2012	2014	2014	2015	2015	2017
Surface	9,175m ²	5,286m ²	46,749m ²	33,268m ²	3,681m ²	10,938m ²
HQE profile	12/14	9/14	11/14	14/14	11/14	10/14
BREEAM	-	-	Very Good	-	-	Very Good
Amount allocated: €500 M	€27 M	€12 M	€45 M	€37 M	€30 M	€72 M
Amount used: €475 M at 31/12/2020	€27 M	€12 M	€45 M	€37 M	€30 M	€72 M
Energy accreditation	BBC	BBC	-	BBC	BBC	-
Target 4 (Energy) E or VE	VE	VE	VE	VE	VE	E
Environmental annexes	✓	✓	✓	✓	✓	✓
Target 3 (Construction site) E or VE	VE	VE	E	VE	VE	VE
Water management	✓	✓	✓	✓	✓	✓
Waste management	✓	✓	✓	✓	✓	✓
Installation of a BMS	✓	✓	✓	✓	✓	✓
Health and safety clauses	✓	✓	✓	✓	✓	✓
Combating urban sprawl	✓	✓	✓	✓	✓	✓
Accessibility for disabled people	✓	✓	✓	✓	✓	✓
Accessibility to public transport (< 1km)	✓	✓	✓	✓	✓	✓
Dialogue with tenants and stakeholders	✓	✓	✓	✓	✓	✓
Eco-management (≥ 3 E or VE on 4 targets)	✓	✓	✓	✓	✓	✓
Comfort (≥ 2 E or VE on 4 targets)	✓	✓	✓	✓	✓	✓

* Pending signature of the lease.

Levallois Thais	Toulouse 21 Marquette	Bordeaux Quai 8.2 E	Montrouge Flow	Montpellier Orange	St-Ouen So Pop	TOTAL	Nanterre Respiro	Nancy O'rigin
Covivio	BGA Transactions	SCI Factor E	Avenue de la Marne	Covivio	6 rue Fructidor		Covivio	Covivio
100%	100%	35%	100%	100%	50%		100%	100%
2017	2018	2019	2020	2021	2022		2015	2017
5,555m ²	10,854m ²	10,425m ²	21,204m ²	16,500m ²	31,300m ²	204,935m ²	11,173m ²	6,437m ²
12/14	12/14	12/14	Target: 14/14	Target: 12/14	Target: HQE 2016 Excellent	12-14 average	-	12/14
Very Good	Very Good	-	Target: Excellent		Target: Excellent		Excellent	Excellent
€30 M	€31 M	€36 M	€100 M	€43 M	€37 M	€500 M	€49 M	€17 M
€30 M	€31 M	€36 M	€88 M	€30 M	€37 M	€475 M	€49 M	€17 M
-	-		Effinergie		E+C-		BBC Effinergie+	-
VE	E	VE	VE	VE	C	100%	74%	VE
✓	✓	✓	*	*	*		✓	✓
VE	VE	VE	VE	VE	M2	100%	86% (Waste)	E
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	✓	100%	✓	✓
✓	✓	✓	✓	✓	M2	100%	✓	✓
✓	✓	✓	✓	✓	3 stars	100%	✓	✓



Portfolio of assets selected for the Green Bond of April 2016

The Green Bond issued in 2019 allows the financing or refinancing of four office projects under development, including two redevelopments.

Assets selected for the Green Bond of September 2019

Building	Paris – Jean Goujon	Lyon – Tour Silex2	Châtillon – IRO	Milan – The Sign
Surface	8,460m ²	29,900m ²	24,600m ²	25,200m ²
Delivery	2021	2021	2020	2020 (A)/2021 (B-C)
Pre-lease rate	0%	53%	37%	100% (A)/97% (B-C)
Main certification	HQE Excellent	HQE/BREEAM Excellent	HQE TB/BREEAM Excellent	LEED Platinum
Labels	Osmoz/R2S/Biodiversity	R2S	Wiredscore/Biodiversity	Biodiversity
Amount allocated: €500 M	182	138	74	106
Amounts used: €413 M	144.9	91.5	74	102.6

2.4 Accelerating regional transformation

In an effort to address climatic, environmental, social and digital challenges, Covivio makes sure that its portfolio is consistent with local needs, equipment, infrastructure, culture and customs, as well as local expertise and markets.

Each building must fit in the most relevant way possible with the various requirements for transport, energy, communications networks, biodiversity, etc. The CSR risk mapping carried out by Covivio in 2018 highlighted “Integration within the sustainable city”, an issue where the Group is able to capitalise on its acknowledged expertise in the area of long-term, value creating partnerships. This multi-stakeholder involvement is central to the response to two other societal issues raised by the mapping, namely “Responsible supply chain” and “Quality of relations with external stakeholders (including customers and suppliers)”.

With a European development pipeline worth €1.6 billion at the end of 2020, Covivio is participating in the emergence of more sustainable and inclusive cities. The Group has focused its investment strategy on European cities and capitals. These cities will have to face major challenges in terms of population growth and the environment as they seek to limit urban sprawl, protect biodiversity and improve the quality of the air, housing and public transport. They will continue to look to attract businesses and talents, host the best training facilities and enjoy a significant share of innovation and growth. In this competition, to ensure their attractiveness, the regions must take account of the emergence of new digital tools, robots and artificial intelligence. By relying on new digital tools, the “smart city” will facilitate the advent of a carbon-neutral society, by eliminating the use of fossil fuels, no later than 2050.

Real estate plays a central role in this major upheaval, which involves the environment, the economy and social cohesion.

The demand from tenants is mainly for buildings that enable them to rationalise their occupancy and expenses and adapt to the changes in their organisations and business segments. The international health crisis linked to Covid-19 has only accelerated these trends. The projects developed by Covivio, whether for new or renovated buildings, promote cross-functionality, flexibility and services to users. The new digital tools have, at least partially, erased the frontier between work and personal life, and paved the way for “nomadism” by providing extensive flexibility. Throughout

Europe, the quality of the location (in terms of accessibility, shops and safety among other issues) remains the decisive factor in tenant's choices, especially when it comes to Offices, homes and hotels.

Under the leadership of the Board of Directors, Covivio's Purpose is the result of extensive internal consultation over several months within dedicated working groups. This innovative collective reflection process has enabled a large number of employees from the company's different business lines to express their views. Covivio's CSR policy has thus been strengthened, through the commitment of employees and the degree of shared ambition on objectives across all company levels.

Covivio's Purpose is resolutely focused on its various stakeholders, in particular through three initiatives:

- the establishment of a Stakeholder Committee (composition: see 2.2.3.2)
- the creation of a Foundation that will bring together all actions in favour of equal opportunities and the preservation of the environment
- the opportunity for teams to contribute to increasing social commitments and links with the regions, by dedicating a solidarity day each year to support a societal project proposed on the “Socovivio” platform.

Key societal performance indicators (at 31/12/2020)

€1.6 bn

EUROPEAN COMMITTED DEVELOPMENT PIPELINE
(IN 100%)

"INTEGRATION WITHIN THE SUSTAINABLE CITY" RISK

15,100

JOB'S SUPPORTED THROUGH
THE GROUP'S ACTIVITIES (2018)

1

BIODIVERSITY MAPPING
WITH A EUROPEAN DIMENSION

99.1%

SITES ACCESSIBLE
BY PUBLIC TRANSPORT

146

SUPPLIERS HAVE SIGNED THE NEW
VERSION OF THE RESPONSIBLE
PROCUREMENT CHARTER

"RESPONSIBLE SUPPLY CHAIN" RISK

81/100

COVIVIO SCORE IN THE ECOVADIS
SUSTAINABILITY LEADERSHIP AWARD

1

PURCHASING MAPPING
WITH A EUROPEAN DIMENSION

68

SUPPLIERS WHO RESPONDED
TO THE CSR SURVEY HAVE BEEN AUDITED

"QUALITY OF RELATIONS WITH EXTERNAL STAKEHOLDERS" RISK
(CUSTOMERS, SUPPLIERS, REGIONS, EDUCATION SECTOR, ETC.)

92%

OF OFFICE TENANTS IN FRANCE ARE
SATISFIED WITH THE RESPONSES GIVEN
TO THEIR REQUEST

Number 1

PRIVATE COMPANY IN THE GERMAN
RESIDENTIAL SECTOR IN THE FOCUS
MONEY 2020 SURVEY

100%

OF FRANCE OFFICES LEASES >2,000m²
ARE COVERED BY AN ENVIRONMENTAL
ANNEXE

2.4.1 Integration within the sustainable city

The city of the future will be low-carbon and interconnected, and contribute to the circular economy. To limit the need for commuting and to provide more user-friendly living spaces, the buildings of the future will need to take into account the challenges associated with mixed use; namely, enabling city-dwellers to use these areas for everyday life, work and relaxation.

By anticipating these changes, Covivio is able to better manage the risks that could adversely affect the appeal of its assets if the Group did not make every effort to work very closely with its stakeholders, especially major cities. The "Integration within the sustainable city" risk has been identified as a major risk with regard to Covivio's activities in Europe.

The integration of a building within its environment is a major challenge in terms of the urban landscape and biodiversity, energy and transport networks, as well as its acceptability to local residents and public authorities. Its successful integration within the city also has social and economic dimensions in terms of employment and culture.

2.4.1.1 Understanding local areas and strengthening cooperation with stakeholders

Backed by the strong partnership-based approach that has underpinned the company's success, Covivio's cooperation with its stakeholders has been given new impetus through its Purpose manifesto.

To work in close contact with its stakeholders, in addition to its premises in Paris and Metz, Covivio has four regional Offices in France (in Lille, Lyon, Bordeaux and Marseille). In Germany, Offices and branches have been opened in cities including Berlin, Dresden, Hamburg and Leipzig to supplement the teams historically located in Oberhausen. In Italy, the teams are based in Rome and Milan. Elsewhere, in 2017, Covivio opened an office in Spain and appointed a Country Manager to support its local development and build a close relationship with partners.

Covivio strives to boost the outreach of the local areas in which its assets are located, in particular by supporting numerous public relations events.

Anticipating and understanding new trends, particularly in terms of user needs and expectations, are at the heart of Covivio's strategy and that of its subsidiary Wellio. Studies, surveys and polls (available at www.Covivio.eu) are conducted on a regular basis. They enable the teams, customers and stakeholders to fully appreciate the challenges facing the sustainable city and better meet end-user expectations. They include studies into the appeal of large cities: *"The sharing economy and work spaces: the viewpoint of European employees"*, *"What if Offices made work appealing again?"*, *"Expectations and customs of European employees"*.

Symbiosis and Vitae, at the heart of the city's renewal

The ambition underlying Project Symbiosis developed by Covivio in Milan is to transform a historically industrial district into a new commercial destination that becomes a benchmark for smart working. Symbiosis is a unique proposition for the market in Milan: around ten new generation office buildings, marketed as they are completed and forming a centre of business excellence. Symbiosis perfectly meets the needs of innovative companies seeking sustainable buildings and offers flexible spaces for working better together. Located in a booming neighbourhood, opposite the Prada Foundation and near the Bocconi University, Symbiosis has become a showcase for new high-performance office concepts.

A key part of the Symbiosis project is a large "eco-friendly" square in the business district, which was inaugurated by the Mayor of Milan, Giuseppe Sala, in September 2018. This central square is destined to become a cultural and social space where people can share experiences and skills and create synergies. After the inauguration of the first building in September 2018, the construction of the other buildings is underway, including the design of a school for the ICS International School and the project of urban redevelopment Vitae, designed by the Italian architect Carlo Ratti for Covivio and winner of Reinventing Cities. This prestigious international competition is organised to accelerate urban and environmental regeneration. It is led by collective of cities committed to the climate. Vitae is at the cutting edge of innovation and sustainable development: technology integrated in the exterior walls to regulate the level of light according to solar exposure, a Nearly Zero Energy Building with a wooden framework, a sustainable restaurant concept on the ground floor combined with a hydroponic greenhouse and a vineyard on the rooftop, etc. The project will also comply with Milan's new urban plan, which is part of a process of carbon neutrality.

Covivio wins the tender for the acquisition of Porta Romana in Milan in cooperation with Prada and Coima SGR

The consortium plans to develop a mixed-use project combining Offices, housing, services and an urban park of 93,000m² by 2026. The site is an industrial area of 87,000m² surrounding the former Porta Romana railway station in the south-east of Milan, close to Symbiosis and the Prada Foundation. The district will also host the Olympic Games athletes' village in Milan. Covivio will be in charge of the Offices section (68,000m²) and will develop buildings open to the city and with high environmental performance, in line with its strategy and its Purpose.

An entire section of the city is thus the subject of an urban regeneration project, ambitious in terms of its societal and environmental objectives.

2.4.1.2 Quantifying regional socio-economic anchoring

2.4.1.2.1 Measuring the socio-economic impact of the activities on a European level

Aware of its economic weight and its presence in several major European cities, Covivio wanted to measure its contribution to local economic development. Covivio has been committed to characterising and quantifying the socio-economic consequences of its France Offices and Italy Offices activities since 2014 and 2016 respectively. In 2018, Covivio extended the scope of its study to all of the Group's activities in Europe by measuring the impacts of its Residential business in Germany and its Covivio Hotels subsidiary. These studies are performed with the company Utopies and use the LOCAL FOOTPRINT® methodology.

The LOCAL FOOTPRINT® model

The LOCAL FOOTPRINT® model is based on national trade statistics tables of exchanges between industries, in particular from Input-Output Eurostat tables (sources: Eurostat and Eora) and research on regional economics from the University of Bristol. Based on real or modelled purchasing, payroll and tax data of companies, LOCAL FOOTPRINT® is used to simulate the socio-economic benefits of a business in a given area.

The analysis conducted in 2019 and presented below covers all of the sites under development, undergoing renovation and in operation. It is based on the data collected for the period from 1 January 2018 to 31 December 2018 for Offices (France and Italy) and German Residential activities. Covivio also wished to conduct an exploratory study into the socio-economic impacts of the hotels it owns and operates. To do so, the cash injected by these economic players was modelled using national statistics such as those published by INSEE, the French national office of economic statistics.

As the year 2020 is atypical due to the health and economic situation in Europe, the figures presented below are those published in the Universal Registration Document 2019.

The main results of the socio-economic consequences of Offices, residential & hotels activities

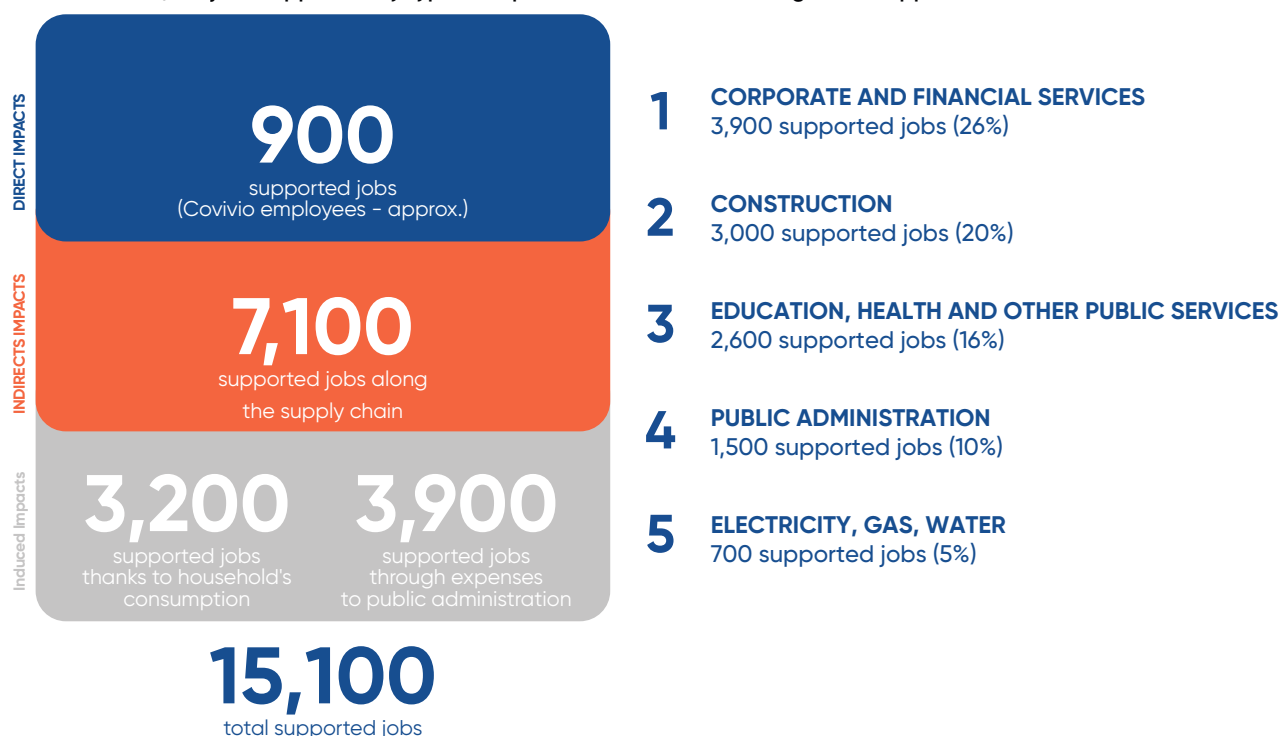
Direct impacts: these are related to Covivio's presence in France, Germany and Italy through its **922 employees** (full time equivalent at the end of 2018).

Indirect impacts: these translate the economic benefits generated by purchases or investments. Covivio spent €520 million on purchasing goods and service and this generated economic activity for its service providers and suppliers. This activity has repercussions for the full supply chain. As a result, Covivio helps to support 7,100 jobs in France, Germany and Italy, which break down as follows: 4,000 (56%) for direct (tier 1) suppliers and 3,100 (44%) for tier 2 suppliers and below. In France, this means 3,100 indirectly supported jobs, 3,000 jobs in Germany and 1,000 in Italy.

Induced impacts: these correspond to the capacity to encourage other economic players to spend money on consumables. Household consumption, supported by the salaries paid to Covivio employees, as well as those paid by other players in its supply chain, contribute towards maintaining or creating **3,200 jobs** in France, Italy and Germany. Furthermore, payments made to public administrations (generated by the taxes paid by Covivio and those of its supply chain) help to support **3,900 jobs** in the 3 countries. A total of 7,100 induced jobs are thus supported: 3,400 in France, 2,500 in Germany and 1,200 in Italy.

Total impacts: these correspond to the sum of direct, indirect and induced impacts. Through its Offices and Residential businesses, Covivio thus supports **15,100 jobs** in the three countries where it operates (6,800 in France (45%), 6,000 in Germany (39%) and 2,300 in Italy (16%)), generating **€900 million of GDP**. Therefore, for **one job** at Covivio, **15 additional jobs** are supported.

Details of the 15,100 jobs supported by type of impact and main business segments supported



Source: Utopies

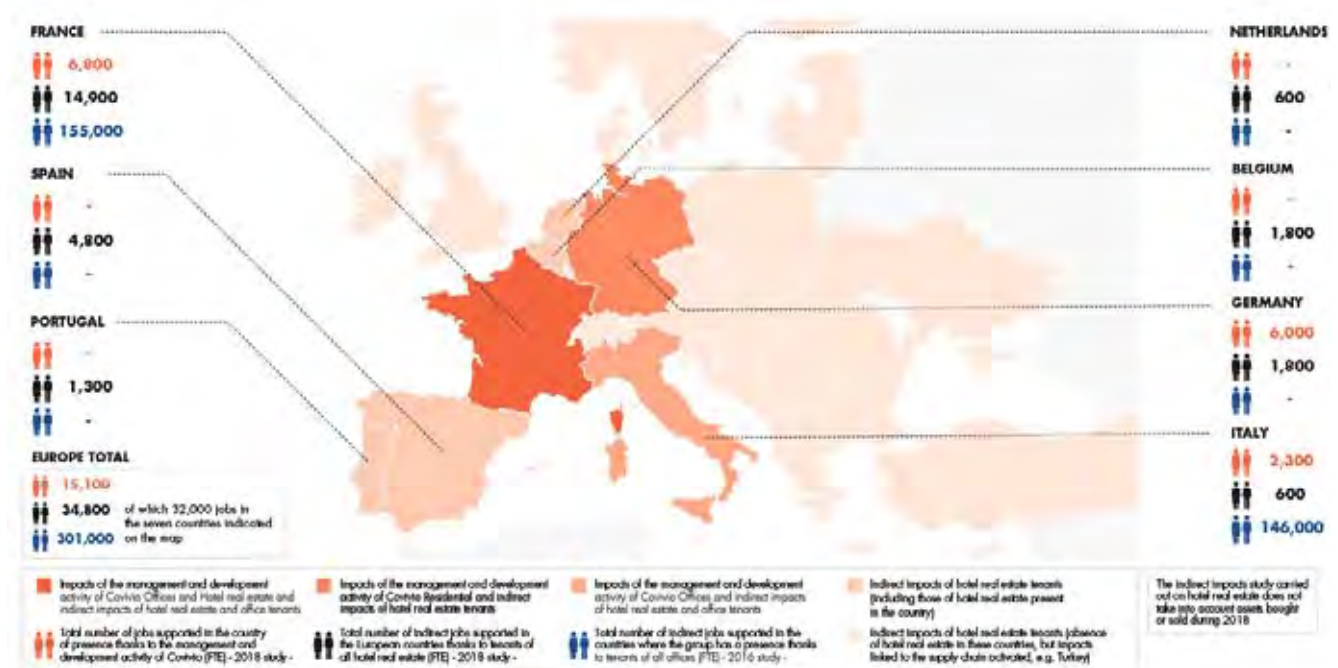
Catalytic impact of almost 400 hotels in asset base

With a portfolio valued at €6.5bn (€6bn at the time of the study), Covivio Hotels, a subsidiary of Covivio, is the main real estate partner of hotel operators in France and in Europe, particularly in the most dynamic European cities.

Covivio undertook to evaluate the gross economic value from the operation of its hotels. Accordingly, it was estimated in early 2019 that the hotel operators holding leases with Covivio contribute to the economic life of Europe by generating some 34,800 jobs (direct, indirect and induced). As this contribution is not directly attributed to Covivio, but to its tenants, it cannot be added to or compared with the economic impacts of Covivio's management and development activities, described above.

Summary of the socio-economic impacts of Covivio in Europe

Through its management and development activities, Covivio supported a total of 15,100 jobs in 2018 across the three countries where its teams are based – France, Germany and Italy. The companies that lease hotels, Offices and private residential properties have economic activities that have consequences on a pan-European basis. As such, it is estimated that, to date, 34,800 jobs are supported by portfolio hotels in Europe, and 301,000 jobs inherent in occupying portfolio Offices in France and Italy.

Socio-economic impact mapping of Covivio in Europe**2.4.1.2.2 Optimising regional impact**

A socio-economic footprint assessment is a tool that helps provide a better understanding of the broad impact of a business, and helps Covivio identify potential opportunities to optimise the economic benefits created for the regions in which it operates. This optimisation may happen either by increasing the quantity of impacts (notably the number of local jobs supported), or by improving the quality of the impacts (including the nature and types of jobs supported and working conditions).

Accordingly, Covivio identified two main drivers for maximising its local impact and intends to focus on these increasingly going forward:

- the "Employment" approach: using local organisations who hire disabled people (protected workers) or long-term unemployed people (insertion companies)
- the "Procurement" approach: promoting local suppliers and subcontractors in the supply chain.

The signature by Christophe Kullmann, on 17 December 2019, of the Plaine Commune company-Territory charter in favour of employment, the local economy and the circular economy is part of this dynamic. It relates in particular to the Saint-Ouen – So Pop project. The project should deliver many benefits in terms of employment, the local economy and the circular economy:

- 10% of total working hours required to complete the project are reserved for unemployed people
- local businesses are given preferential treatment for 25% of the total amount of works and services contracts
- reuse of technical floors, use of recycled paint (from unsold items), use of crushed concrete to make aggregates (used to build roads), etc.: these initiatives significantly reduce the building's carbon footprint
- participation in the HQE-Performances programme and experimentation with the MFA method.

2.4.1.3 Disseminating and sharing knowledge

Since 2008, Covivio has developed a partnership and collaborative policy with the world of education, focused on equal opportunities, relying in particular on skills-based sponsorship, which helps to promote internal know-how.

2.4.1.3.1 Training future real-estate industry decision-makers

The Palladio Foundation was created in 2008 by entities in the real estate industry, including Covivio, to address the huge challenge of urban planning. Covivio supports the Foundation, a place for meetings, exchanges, debates and reflection, via financial sponsorship and the involvement of its managers and teams in the projects and events of the Palladio Foundation. In 2020, the Foundation awarded grants to 15 students with innovative research projects.

Since 2012, Covivio has also been participating in job forums organised by higher education institutions such as HEC (*École des Hautes Études Commerciales de Paris*), ESSEC Business School, ESCP Europe, EDHEC, ESTP and Paris Dauphine university in France, as well as *Politecnico di Milano* and *Università Bocconi* in Italy. For Covivio, they provide special opportunities for interchanges with potential future candidates.

In addition, a number of Covivio employees do presentations often centred on sustainable development – at various institutions such as ESTP and Dauphine University in Paris. Every year, in Italy Covivio shares its practical knowledge and offers advice to students taking courses in real estate.

2.4.1.3.2 Promoting equal opportunities

Through the Article 1 association (resulting from the merger between Frateli and Passport Avenir), Covivio has been involved since 2015 in a financial and skills-based sponsorship initiative, focusing on solidarity and equal opportunities. Article 1 develops and supervises the sponsorship of young high-potential scholars by industry professionals. The objective is to reveal the talents of students coming from disadvantaged backgrounds by providing them with tools, methods, access to networks and the confidence to pursue their goals. The association also provides accommodation in university residences to scholars, selected through an interview process. This programme, aimed at creating a community of mutual support and learning, is based on three main pillars: "live together", "do together" and "learn together". A number of Covivio employees are mentors and provide support for students on under- or post-graduate courses for two or three years, even helping them at the start of their careers.

In 2020, and despite the health crisis, Covivio carried out various actions with Article 1:

- at the start of the lockdown, in March 2020, several Covivio employees volunteered as part of the *Réussite Virale* initiative. Launched by Article 1 and the FAGE (federation of general student associations), this mechanism enabled contacts between sixth-formers and students, and students with professionals, in order to provide effective support during a difficult time
- in April 2020, Covivio responded favourably to the call for the mobilisation of companies launched by Article 1; this support was expressed through financial donations from employees
- in November 2020, Covivio took part in the job interview week, organised by Article 1; several employees took part in the simulation of job interviews with students in the programme. In March 2020, several other employees had also conducted mock interviews with students

- 2020 also marked the beginning of the partnership with JobReady, an online platform created by Article 1 enabling students to assess their transferable skills. In 2020, Covivio also signed the manifesto *Soft Skills*, recognising the role of the latter in the recruitment and support of young people. Covivio's Human Resources Department took up this issue in 2021 by launching training/awareness-raising workshops for Covivio interns and work-study students, as well as their tutors.

The *Passerelle* programme, which Covivio has been running since 2008 in partnership with the Lycée Louise Michel de Bobigny (Hauts-de-Seine), located in priority education zones (ZEP), is continuing and is another skills-based sponsorship initiative. It allows students of BTS or preparatory classes to meet professionals working in different professions at Covivio. In a period of their lives when they need to make long-term choices, more than 1,500 pupils and students from this establishment have benefited from various initiatives since 2008 – such as job interviews, CV workshops, intake of trainees, round table discussions on jobs, and visits to buildings – thanks to more than 55 volunteers from the Group.

Under the Article 1 and *Passerelle* programmes, students also had the opportunity to benefit from summer jobs or six-month internships at Covivio.

2.4.1.3.3 Investing in urban life

In 2020, Covivio commissioned Opinion Way to conduct a study to better identify the challenges in terms of Offices for the coming years. Published under the name "Flexibility first!" This study is described in chapter 2.3.1.1 and is public on the Covivio website. As a long-term partner of the French Association of Real Estate Directors (ADI), Covivio supports and participates in various events in the aim of jointly thinking about buildings, their uses and associated transport. The Group is also involved in studies carried out by the Association. Since 2015, Covivio has contributed to a number of white papers. The most recent, "Barometer of service sites in France", was produced in partnership with EY and published at the end of 2019.

Covivio is also involved in local authorities, particularly in public planning establishments (EPAs) such as Bordeaux Euratlantique and Marseille Euromed, bringing together public and private players to participate in the sustainable urban development of the region.

In Italy, Covivio has developed strong ties over a number of years with the *Politecnico di Milano*. In 2018, a partnership agreement was thus signed with the *Politecnico di Milano* Foundation for a period of three years and a total of €70,000. It includes the University contributing its expertise to innovative projects being carried out by the Group.

Covivio also works alongside the city of Paris by committing to the Paris Climate Action network, which launched the Paris Climate Action Charter. The Paris Climate Action Charter invites companies to commit to the fight against climate change and the Climate Plan. It was updated in 2018 and signed again, at Gold level, by Covivio, which is committed to adopting an operational action plan by 2030 and contributing to Paris's carbon neutrality trajectory.

In 2019, the PropTech Joint Research Center (JRC) was launched by *Politecnico di Milano* in partnership with Covivio and other companies operating in Milan (BNP Paribas RE, Bosch, Accenture, Edison and Vodafone). This project is dedicated to launching research into new technologies that could change the real estate professions and, most importantly, the real estate market.



In Germany, Covivio Immobilien is heavily involved in the life of the districts where its buildings are located, participating in cultural activities and running projects for the elderly and/or people with disabilities, in collaboration with local non-profit organisations, mainly in Berlin and the Ruhr (2.4.1.5.2). Covivio Immobilien also supports other social and societal causes, including making temporary accommodation available for war refugees; participating in the financing of corporate sponsorship programmes for schools, crèches and retirement homes; and, supporting the renovation of housing for elderly people and a social project for homeless people in Berlin. In early 2020, Covivio approached the Malteser association to offer support to its elderly tenants. In line with the Group's principles, the association helps people in emergency situations and brings together around 50,000 volunteers in Germany.

Since 2008, Covivio employees have been invited every year to participate in the "Foulées de l'Immobilier" race organised by students from Paris-Dauphine University's Master of Real Estate Management (Master 246) programme.

Over the Christmas period, Covivio collected toys from its employees for the benefit of the Rejoué Association. This operation brought out the best in terms of employee generosity (2.5.3.3.3).

2.4.1.4 Turn each site into a biodiversity driver

In May 2019, a group of international biodiversity experts (IPBES⁽¹⁾) made a stark statement: "Nature is deteriorating globally at rates unprecedented in human history – and the rate of species extinctions is accelerating". Around 1 million animal and plant species are now threatened with extinction, "many within decades". Researchers warn that the sixth mass extinction is under way.

For the past 10 years, Covivio has included the protection of biodiversity as a major qualitative aspect of its portfolio strategy, by ensuring that each of the sites built, managed or renovated by it constitutes a biodiversity lever. This commitment was expressed in particular by the signature of the charter "Objective 100 hectares of "green walls and terraces", set up by the Mairie de Paris. This commitment continues to be asserted in the Group's Purpose manifesto, which provides for the inclusion of green spaces (including gardens, green walls and terraces) in Covivio's new projects.

2.4.1.4.1 Biodiversity, a key focus of Covivio's Purpose

Biodiversity may be defined as "all interacting living things, including micro-organisms and services provided by ecosystems". Biodiversity is the foundation of life and carries major global challenges. It poses a challenge in the construction and management of buildings, as well as on the sites where raw materials are extracted and in the manufacturing sites of the materials and equipment used in buildings.

Although its property portfolio is mainly located in urban areas, Covivio has a direct and indirect impact on biodiversity. The development of real estate remains one of the most significant sectors contributing to the loss of biodiversity. At each phase of a building's life cycle, from the extraction of raw materials to demolition operations, this sector plays a role of some kind in the five major causes of the erosion of biodiversity identified by the Convention on Biological Diversity (CBD): overexploitation of

natural resources; destruction/disturbance of species and natural habitats and the fragmentation of habitats; pollution; introduction and spread of invasive exotic species; climate change.

Based on this observation, Covivio's biodiversity policy is broken down into six points:

- eco-design of developments and renovations by taking biodiversity into account before the start of a project: eco-friendly corridors, stakeholders' expectations taken into consideration and materials chosen so as to promote a circular economy
- creation of green terraces in urban environments that contribute to mitigating the urban heat island effect
- planting of native plant species to limit the need for watering and preserve the local fauna
- environmentally-responsible management of green spaces: modifying lawn-maintenance schedules, striving to limit the use of plant protection products, etc.
- enhancing the functions of green spaces for building users
- participating in research and innovation.

To ensure that biodiversity-related issues are taken into account, two internal charters dating back to 2014 were updated in 2019:

- a charter governing the creation of green spaces – for projects involving the development or total renovation of green spaces – and promoting compliance with labels such as BiodiverCity®
- a charter governing the management of green spaces – for projects in operation – and making it easier to obtain a label such as BiodiverCity Life®, Eve® or EcoJardin.

A total of 230,000m² of Covivio office space under development or already delivered will have a BiodiverCity® or Eco-jardin label.

In order to implement this policy further, Covivio is currently studying the best conditions for implementing a "positive biodiversity" indicator on sites under development or restructuring. For example, in the case of the renovation of the Gobelins building (Paris – 5th arrondissement), in which Orange has kept a few technical premises as infrastructure and on the ground floor and returned the rest of the building, the technical premises vacated in the courtyard were destroyed to free up space in the ground, thus making it possible to create a genuine interior garden complementing the planted terraces. Beyond the preservation of biodiversity in the city, the landscaping project has made the views of the garden from the Offices and from the glass elevators much better. In total, this operation made it possible to develop 369m² of planted spaces, of which 63m² in the open ground, i.e. a gain of 34% compared to the initial situation, which, in a highly urbanised neighbourhood, is an excellent result.

In addition, and for several years, Covivio has commissioned a regularly updated European study to characterise its potential impacts on biodiversity. The results presented below are those of the analysis conducted in 2019/2020, based on the GRI indicators.

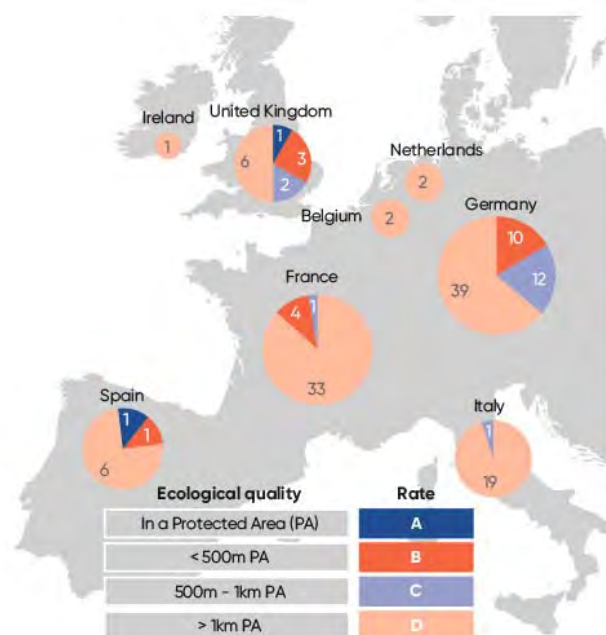
(1) IPBES: Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

2.4.1.4.2 European mapping of the impacts

At the end of 2017, Covivio carried out a mapping exercise, updated in early 2020, of its building construction and operation activities to measure its indirect impacts on:

- Biodiversity: use of space, destruction and fragmentation of natural habitats, "artificialisation" of environments, soil sealing, and impacts on rainwater infiltration;
- "Ex situ biodiversity" i.e. the effect on biodiversity of the extraction of raw materials and the manufacture and use of construction materials.

Mapping of Covivio sites in or adjacent to protected areas



2.4.1.4.3 An analysis based on GRI Standards indicators

Covivio's real estate portfolio has changed since it was first mapped in 2017. In 2019, Covivio therefore commissioned a third party, Gondwana, to update this mapping in compliance with the Standards of the Global Reporting Initiative (GRI), based on a sample of 144 sites owned by the Group in Europe. These include:

- 44 directly managed office buildings (multi-let) – 24 in France and 20 in Italy
- the 50 largest assets in a representative sample of residential assets located in Germany
- the 50 largest assets in the European hotels portfolio (Germany, Belgium, Spain, France, Ireland, the Netherlands and the UK).

Four performance indicators for biodiversity were analysed and are presented below. The study fed into a comprehensive report summarising the results, as well as factsheets for sites located less than 250 metres away from a protected area.

Operational sites held, leased or managed in, or adjacent to, protected areas or areas of high biodiversity value (Disclosure GRI 304-1)

- This indicator aims to describe the location and size of the land owned, leased or managed by the organisations in, or adjacent to, protected areas and areas of high biodiversity value.
- The study was conducted with the help of *Système d'Informations Géographiques* (SIG) on the 144 sites described above. All protected areas (Natura 2000 and biotope protection orders) and areas of high biodiversity value (ZNIEFF – Natural zone of ecological interest, fauna and flora- type I and II) were taken into account and identified within radii of 0.5, 1, 2 and 5km of the sites concerned.
- The result showed that 75% of the sites were located more than one kilometre away from an area of interest, 11% were in a "potentially sensitive" area within a radius of 0.5 to 1km of a protected area, and 12.5% were in a "sensitive" area less than 500 metres from a protected area or one with ecological value. Two assets (i.e. less than 1.5% of the assets covered by the study), in Spain and the UK, are located in areas of ecological interest, as defined by the GRI Standards (see below). The first site, in Spain, had already been identified in 2017 as located in a protected area and had undergone an ecological study.
- Given the nature of the activities carried out on these sites and the layout of the landscaped areas, the impact of so-called "sensitive" sites can be considered low in these areas of ecological interest.

Conclusion: on the 304-1 criterion, Covivio's activity can be considered "Effective".

Description of the impact of activities on biodiversity (Disclosure GRI 304-2)

- This indicator covers the direct and indirect impacts on biodiversity caused by Covivio's activities.
- The analysis of the company's complete real estate portfolio value chain showed that Covivio's activities have an effect on the five major causes of the erosion of biodiversity.
- Upstream of a building's value chain, construction materials can have impacts on biodiversity ("ex situ biodiversity") through the extraction of raw materials and the production and use of materials. The operating impacts mainly relate to the design and management of the buildings and green area.

- Covivio has implemented a number of initiatives aimed at reducing the severity of these impacts (2.3.3.2).

Conclusion: on the 304-2 criterion, the activity of Covivio can be considered "Effective".

Protected or Restored Habitats (Disclosure GRI 304-3)

- This indicator is used to measure the surface area and location of protected or restored habitats on sites influenced by the company's activities.
- Out of the 144 sites analysed, two are located within a protected area:
 - The first site is a hotel in Spain. The entire right-of-way of the hotel is located within a protected area. The protected area was designated to halt the disappearance and degradation of wetlands. Given the location of the hotel in an urban environment and the nature of the activities, the asset's impact on the protected habitats can be categorised as low. An ecological diagnostic of the site was also carried out following the first mapping in 2017.

The second site – a hotel in the UK – is located within an “Area of outstanding natural beauty”, protected through specific measures. Given the surface areas of the hotel’s green spaces and the nature of the activities performed there, the impact of the site on protected habitats can be considered as low.

- In France, for several years now, Covivio has been participating in the environmental restoration of an old 117-hectare quarry in the Plaine de Bièvre nature reserve (Department 38) alongside the nature protection association “Le Pic Vert”, as the site is on one of the main flyways for birds migrating to south-eastern France. Actions undertaken include the setting up of bird hides for observation, the creation of bodies of water to house wildlife and encourage the presence of newts (amphibians that are endangered in the region), and the construction of a nesting facility for sand martins (the first of its kind in France). Today, thanks to the efforts made, the biodiversity reserve boasts numerous species of birds (128), mammals (23), amphibian reptiles (14), butterflies (17) and dragonflies (8).
- In Germany, the teams work with the Leipzig association for the conservation of nature (NABU – *Naturschutzbund Deutschland e.V.*) to install artificial nests for swallows at the residential Mannheimer Straße complex.
- Three of the four buildings in the portfolio covered by the Green Bond issue of September 2019 will aim for the BiodiverCity® label, including The Sign in Italy (2.4.1.1). Vitae, which should host a vineyard in Milan, is also expected to obtain this label.

Conclusion: on the 304-3 criterion, Covivio’s activities can be considered to be “Effective” to “Very effective”.

Impact of sites on species appearing on the IUCN’s Red Lists (Disclosure GRI 304-4)

- This indicator assesses, by level of the risk of extinction, the total number of threatened species on the IUCN Red List and its national equivalent and whose habitats are in areas affected by Covivio’s activities.
- No animal or plant species on the IUCN Red Lists have been observed on the sites subjected to ecological diagnostic tests or environmental inventories. This impact can therefore be considered nil.

Accessibility of public transport

At 31 December 2020 (in Group Share value)



Conclusion: on the 304-4 criterion, the activity of Covivio can be considered “Very effective”.

2.4.1.5 Accessibility of the buildings as a driver of inclusion

2.4.1.5.1 An asset with good connections to public transport

Reducing carbon footprints involves choosing sites that encourage the use of public and environmentally-friendly modes of transport (such as walking and cycling) by employees and tenants.

Covivio has set itself the objective of having at least 90% of the buildings it owns at the end of 2020 no more than 10 minutes away on foot (1km) from public transport (trains, suburban trains, underground systems, buses and trams). This objective – which has been part of Covivio’s CSR action plan for several years – is now reasserted as part of the Group’s Purpose manifesto: in 2025, at least 95% of Covivio’s buildings will be less than 10 minutes on foot from public transport (99.1% at end-2020 vs 98.7% at end 2019).

A growing number of large cities in which Covivio operates are focusing on the issue of atmospheric pollution, which has major impacts on health and well-being. As of 2013, Covivio’s teams in Italy have benefited from free recharging stations and four electric vehicles are available in Milan and Rome. In Germany, Covivio provides its employees with charging stations for electric vehicles as well as bicycles and has equipped workers based in Oberhausen with electric vehicles.

To ensure that its portfolio has good access in terms of public transport, every year Covivio conducts a mobility study for all its European assets (including a representative sample for residential assets in Germany). The study shows that the objective of having more than 90% of assets accessible at less than 10 minutes on foot has once again been achieved. The following graphs show the results for the different portfolios at 31 December 2020.

The in-depth study carried out in 2020 made it possible to further qualify the accessibility of the Offices to the transport networks. 93.7% of the office buildings owned by Covivio in Europe are located within a ten-minute walk of at least one urban or regional rail network and 52% even had the same access to both the urban and regional rail networks.

2.4.1.5.2 Making buildings accessible for people with disabilities

Covivio pays particular attention to the accessibility of its buildings and removing architectural barriers in public spaces. The legislative framework of the countries in which Covivio operates provides for technical parameters to be guaranteed: minimum width of doors, characteristics of the staircases (in particular to

favour their use for the first floors rather than the lifts), size of the lifts, access ramps, toilet characteristics, etc. Covivio's developments and renovations comply with the strictest accessibility standards.

The following graph shows the accessibility scores of office buildings for people with reduced mobility.

Office accessibility for people with reduced mobility

At 31/12/2020 (in Group Share value)



Various solutions have been deployed for new buildings and those in operation, in order to improve the quality of life of people with visual or hearing disabilities, in particular with the installation of sound signals or light markings.

In Germany, major work has been carried out to adapt existing housing for persons with disabilities whenever technically possible, including widening of doors, installing access ramps, additional lifts or stairlifts.

The *Probewohnen* project, launched in 2015, aims to offer people with mental disabilities the opportunity to test their autonomy in adapted housing. The *Wohnen im Pott* project consists of opening an outreach office in Oberhausen for people with disabilities to learn about the rights and solutions they can take advantage of in respect to housing. This multi-purpose room is open to all inhabitants and encourages residents of the neighbourhood to socialise with one another.

2.4.2 Responsible supply chain

Covivio was one of the first European real estate companies to adopt a Responsible Procurement Policy. The policy, rolled out in 2011, covers the whole of the supply chain for the development and management activities of the France Offices portfolio, as well as the company's overheads.

Having a "responsible supply chain" is crucial for the Group, as its impact in terms of Covivio's business continuity and reputation can pose a major risk. This includes the issue of building site accidents, and more generally the monitoring of measures put in place by suppliers to protect the health and safety of people working on building sites.

In 2020, Covivio received recognition from CDP as a leader in terms of supplier engagement (CDP Supplier Engagement Leader A-List), being part of the top 7% worldwide on these aspects among all CDP respondents. Covivio also obtained a score of 81/100 Gold level, stable rating in its third EcoVadis assessment (as in 2019), placing itself among the top 1% of companies rated by this body and thus benefiting from the Platinum level.

2.4.2.1 One policy, four tools

Covivio's Responsible Procurement Policy is deployed by means of four tools:

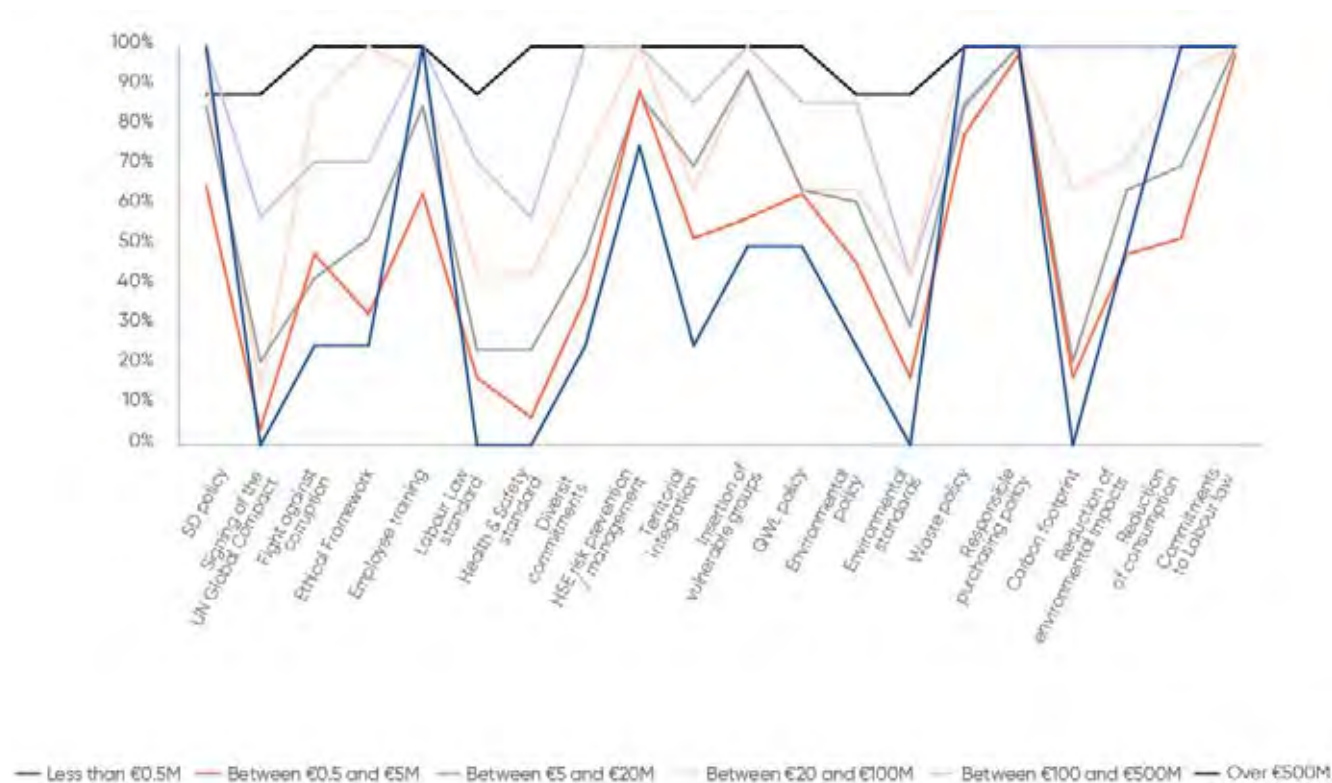
- the Responsible Procurement Charter drawn up by Covivio promotes the principles of the UN Global Compact, the Diversity Charter, the International Labour Organisation and its own Code of Ethics (2.6.2.1). The latter aims in particular to fight against corruption and money laundering, anti-competitive practices, as well as bad environmental (products used) or social practices (non-compliance with regulations). The Responsible Procurement Charter sets out how Covivio's CSR actions correspond to the UN's 17 Sustainable Development Goals (SDGs) for 2030 and the 10 principles of the Global Compact. At the end of 2020, nearly 150 suppliers had signed the new version of the charter, i.e. more than 30% of the suppliers in the France panel targeted by the Responsible Purchasing policy. In terms of expenses, the charter covers 25% of expenses for the year in France (excluding the exclusions below). In 2018/2019, it was also translated into Italian and German so that it could be applied in these two countries (primarily in the context of new development). The Responsible Procurement Charter was updated in 2019 to include the GDPR regulation and in 2020, in particular to take into account the provisions relating to the BREEAM-In-Use certification.

- a CSR clause making it possible to contractualise the CSR commitment of suppliers, in the contracts and specifications for maintenance and works contracts. In Italy, the Property Management team has incorporated green clauses into maintenance contracts, including waste management, the use of environmentally friendly materials and cleaning products, etc. Similarly, in Germany, the vast majority products referenced (materials, equipment, etc.) by Covivio Immobilien benefit from a demanding German label, guaranteeing respect for the environment and the health of users. These guidelines were reviewed in 2020, in particular to incorporate the environmental recommendations linked to the portfolio's HQE certification for buildings in use (HQE Exploitation). Finally, a clause on the fight against corruption has been included in the new contracts and specifications signed in France
- a survey questionnaire on suppliers' sustainable development practices, was updated in 2018/2019 and sent to all French suppliers taking one or more orders of over €200,000 before taxes in any 12-month period. The following are excluded from this process: insurance, banking, joint ownership, tax, notaries, duties and royalties. A rating is calculated on the basis of the responses, weighted according to the number of employees of the respondent company. The 49 questions cover topics ranging from governance (fight against corruption, existence of a Code of Ethics, etc.) to the consideration of environmental risks (toxic emissions, waste policy, etc.) through social/societal issues (workers' rights, health/safety at work, etc.). The updated version of the questionnaire has been distributed since the second half of 2019, and yielded over 110 responses at end-2020
- a verification of the questionnaire responses of around ten suppliers each year: at the end of 2020, nearly 70 suppliers and consultants had been assessed by an independent consulting firm specialising in purchasing. This check makes it possible to ensure the quality of the responses to the questionnaire and to examine certain subjects in greater depth: actions taken by the audited company regarding specific subjects examined each year, such as the management of subcontracting, accidents or carbon trajectories for example (2.4.2.2).

The graph below shows the percentage of positive responses to a number of topics dealt with in the questionnaire. It shows a correlation between the level of CSR commitment of suppliers and their economic weight, expressed in number of employees, based on best practices, as detailed below.

Percentage of positive responses to the CSR questionnaire topics by revenue category

At 31/12/2020

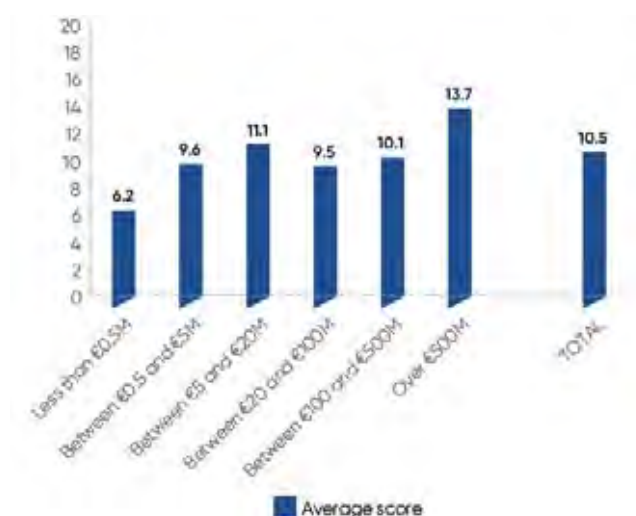


The graph below shows the average scores obtained by suppliers on the basis of the first 112 responses to the questionnaire and after weighting according to the number of employees (less than 50, between 51 and 250, more than 250). The results show a correlation between the size of the companies and the scores obtained, due to different levels of maturity in terms of CSR, but also to heterogeneous financial and human resources.

It should be noted that these results need to be qualified, due to a greater number of respondents from the small companies (66 vs 23 medium-sized and 23 large companies). As mentioned later in this document, the average scores of the different categories of companies tend to become more consistent due to the increasingly high scores obtained by the smallest companies.

Average scores by revenue category

At 31/12/2020



Since 2015, Covivio has been a signatory of **the Responsible Supplier Relations charter** (RFR - national initiative led by the State) confirming the maturity of this approach. Signing this charter is a milestone in improving relations between customers and suppliers and promotes the dissemination of ethical purchasing practices in relation to suppliers. An internal mediator, the Sustainable Development Director, represents the Group in managing any potential disputes with suppliers. None arose in 2020.

2.4.2.2 Annual audit

In 2020, a panel of ten suppliers was surveyed as part of the annual audit carried out by a specialised and independent third party (BuyYourWay) on the basis of the responses to the questionnaire presented above. At the end of 2020, no serious anomalies had been identified and no suppliers were de-listed. Nevertheless, this exchange with the supplier or the consultant

makes it possible to identify areas for improvement and then give rise to recommendations in the form of a personalised summary.

The responses of 68 suppliers have thus been audited by this specialist body since 2015; these have been followed up followed up with recommendations.

These new verifications concerned various sectors: engineering, construction, energy, etc. The companies interviewed obtained scores on the questionnaire that ranged from 3.5 to 15.5/20. These scores depend on the ability of suppliers to document their responses (the smallest often find it difficult to identify their actions as being able to respond to CSR issues even when they are acting in the field), their sector of activity and whether they belong to a larger group. It should be noted this year that the ratings of the smallest players, even in the tertiary sector, show a positive development and a better consideration of the issues of Social Responsibility. As a result, SMEs see their average approaching that of the largest companies. Smaller companies are becoming better at identifying the challenges they face, and are increasingly creating formal frameworks for their practices.

Covivio does not intend to conduct or initiate on-site audits. In France, for example, on-site inspections are performed by the Health and Safety Coordinator (*Coordonnateur SPS*) or by the Labour Inspectorate (French government body) for worker registration, working conditions etc. Equivalents of the SPS coordinator⁽¹⁾ also exist in Italy and Germany. Accidents are subject to specific monitoring (2.4.2.3).

2.4.2.3 Construction site accidents

Covivio has implemented monitoring of accidents across all its development and renovation operations. The following table presents the data collected at the sites of investment properties under development during 2020. Across all the sites of properties under development in Europe, there were no deaths in subcontracting companies in 2020.

In Italy and Germany, there were no serious accidents in the developments led by Covivio in 2020.

The accident statistics for the France Offices portfolio are presented in the following table.

Accidents on developments and renovations in France in 2020

(Supplier data)

Total number of hours worked on the sites	497,407
Number of lost-time occupational accidents	4
Number of lost working days	42
Accident frequency rate	8.04
Severity rate	0.84

The average figures for the construction industry as calculated by the French National Health Insurance Fund, are 29.3 and 2.6 for frequency and severity respectively. The data published by Covivio was taken from three sites that were completed in 2019 and 2020.

(1) Health and Safety Coordinator.

2.4.2.4 Supplier CSR risk mapping

In 2020, a study was initiated to determine the main CSR risks of the Covivio supplier panel in France, Germany and Italy. This is the first real European project on the subject of purchasing!

Poorly managed purchases, or even a supplier chain, could have negative impacts in terms of reputation and business for Covivio, but also for its stakeholders: tenants, suppliers themselves, etc.

Methodology:

Several purchasing categories were determined in each of the three countries, based on the expenditure for the 2019: nine in France, seven in Italy and six in Germany. The categories common to each country are: telecommunications, maintenance, design/consulting, major works and insurance. The small equipment, major equipment purchase families are specific to France, and occupant services and operating expenses are specific to France and Italy.

For each of these families, two separate analyses were carried out:

- an analysis of the context of the purchasing family: risk of supply chain disruption, possibility of alternatives, possibility of influence of suppliers, media exposure, expectations of the main stakeholders, etc.
- macro CSR risk analysis:
 - environmental: energy consumption, CO₂ emissions, biodiversity, pollution etc.
 - social: health/safety, quality of life at work, respect for human rights, etc.
 - tenant: well-being, data security, etc.
 - ethics: corruption, money laundering, etc.
 - regional: nuisance for local residents, economic development, etc.

The risks analysed are the residual risks remaining after the implementation of specific actions and measures. The interviewees had to quantify these various risks on a scale ranging from non-existent to critical, including limited, significant and major, based on their feelings as buyers.

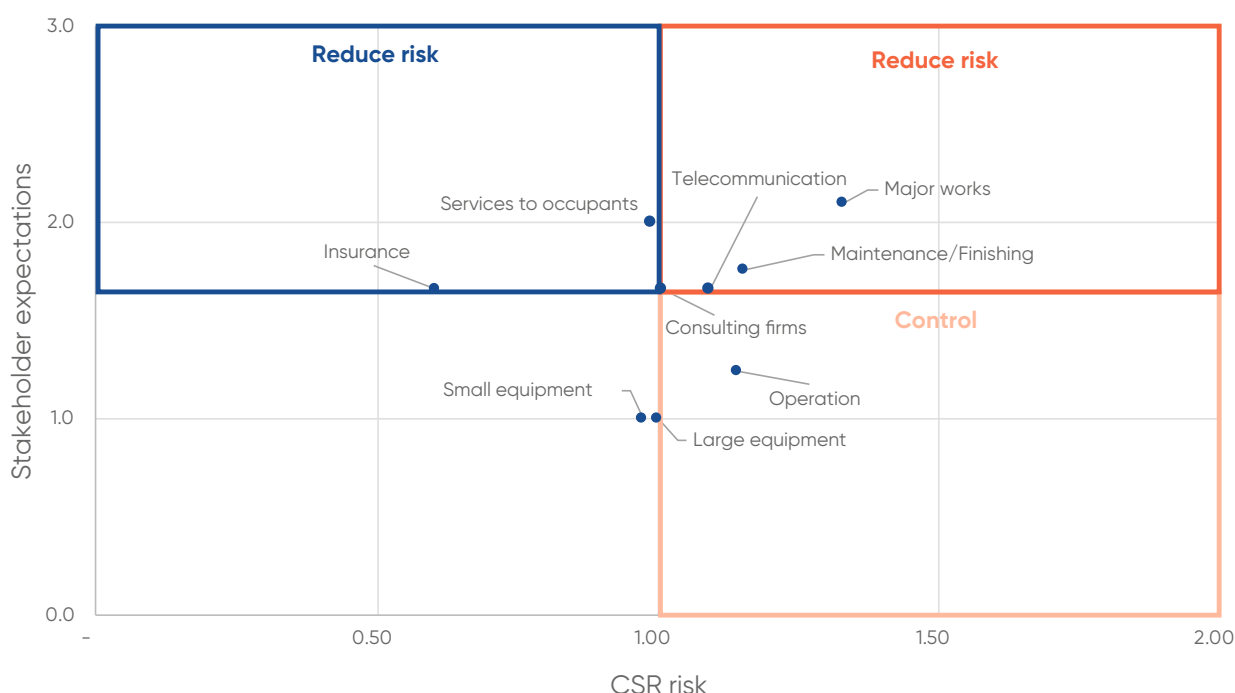
This study has already produced the following results: in France, perceived CSR risks are generally limited because they are managed internally. The environmental risk is the most significant overall. Social and tenant risks are also not to be neglected, respectively for the major works and BET/consulting families. In Germany, it is the risks related to business ethics that are perceived as the most important and in Italy those related to local development. Perceptions therefore differ from one country to another.

The chart below shows the categories of purchases studied according to their respective levels of CSR risks (average of each of the risks mentioned above), by cross-referencing them with the expectations of stakeholders with regard to each of categories. The higher the point on the right, the more significant the expectations and risks.

The higher the expectations of stakeholders, the greater significance of the final risk to be managed, because it will not only affect Covivio, but also its ecosystem.

The Major Works and Maintenance purchasing families are identified as the most at risk in terms of CSR and those on which stakeholders have the most expectations. The risks are mainly environmental (waste, pollution) and social (including health and safety of people). Ethical risks were also raised, as well as risks for tenants (notably related to on-site maintenance, for example). These categories give rise to specific actions. The other families identified as having risks to reduce are insurance and BET/consulting, requiring specific actions.

Prioritisation matrix/CSR risks and stakeholder expectations



2.4.3 Quality of relations with external stakeholders (customers, suppliers, etc.)

Covivio has grown by building and developing strong ties with its main stakeholders. Its business necessitates a multitude of relationships with different stakeholders, both private and public, and of varied sizes and sectors (2.2.3.1). As the Group's success is at least partly based on the quality of relations with external stakeholders (including customers and suppliers), these are now deemed to constitute a risk, which has been analysed and found to be very well managed. Specific strategies have been put in place to better meet expectations (2.2.3.2) in particular those of customers, suppliers and advisers (2.4.2). Above and beyond the quality of these relationships and the trust that is built through structural partnerships, Covivio sees cooperation with its external stakeholders as a driver of innovation and growth.

2.4.3.1 A long-term strategy based on partnerships

Covivio favours a long-term partnership strategy with its tenants, shareholders, suppliers, and in the context of its initiatives with local authorities and non-profit organisations.

Always seeking to enhance customer satisfaction, Covivio makes every effort to understand its customers' strategic issues and anticipate how these will evolve in order to improve the "customer experience". Complete control of the real estate chain and the service-based approach, creating "on demand" properties, enables Covivio to improve the customer and user experience.

In support of its Purpose, Covivio has set itself qualitative objectives relating to the well-being of its customers:

- starting in 2020, all new projects will aim to obtain a well-being certification
- all customer requests will be dealt with within 24 hours; satisfaction will be measured on a regular basis and reflected in the teams' remuneration.

The survey conducted in Italy on 131 tenants in 2019 also revealed an excellent satisfaction rate, with 31.3% of tenants totally satisfied and 68.7% quite satisfied.

Beyond these periodic measures, the tenant Partnership Committees remain an excellent way for the teams to identify customer needs and adapt their offering accordingly. These Committees meet at least twice a year in France and in Italy, for all of the buildings.

In Germany, Covivio Immobilien has close knowledge of its customers' expectations thanks to around thirty local branches and a telephone line available to tenants so they can report any requests or malfunctions concerning their accommodation. An emergency number is also available seven days a week, in order to implement the appropriate solutions as quickly as possible. In 2019, an app was rolled out for German tenants, giving them access to information related to their home as well as a number of online services.

To achieve its objectives, Covivio relies on the experience of its teams and its partnership-based DNA, which has enabled it to establish a relationship of trust with its customers. The Covivio Customer Culture is based on five pillars: the customer journey, services, well-being, digital and ongoing adaptation. Companies and their employees seek engaging experiences in the workplace and expect reversible and adaptable common spaces. The health crisis has acted as a catalyst for trends, particularly in health aspects. By offering connected collaborative spaces, a diversified and innovative range of services, Covivio intends to increase the well-being of occupants by adapting to their needs. To ensure this, the range of services offered is jointly defined with customers and varies according to the surrounding neighbourhood in order to simplify the daily lives of users by offering, for example, concierge services or sports and cultural activities. Covivio has deployed the MonBuilding application on its multi-tenant buildings and is carrying out satisfaction measurements. Wellio is of course also part of the range of services offered by Covivio (2.3.1.1).

In addition to the major satisfaction survey conducted in France in 2019 on 1,300 end users in order to better define the services offered in its buildings, Covivio regularly conducts targeted satisfaction surveys on its customers directly in conjunction with the Customer Relations teams. In 2019, the survey conducted among 127 customers of the 27 core multi-tenant buildings of Offices in France related to the availability of the teams, the quality of the responses and interventions of the facility managers, as well as the use of the extranet. The results were very satisfactory, with 90% of respondents acknowledging the availability of the Customer Relations teams. In 2020, the survey focused on the availability of Covivio teams during the lockdown. Of the 143 tenants in 20 multi-tenant buildings, 93% of respondents rated the availability of Covivio contacts as Fairly or Very Satisfactory, as well as the quality and relevance of the action plans and health communications deployed in the buildings.

In 2020, Covivio Immobilien was recognised by the specialist magazine "Focus Money"⁽¹⁾ as the fairest private company in the residential sector, achieving the highest possible score for the third year in a row following the survey conducted by the ServiceValue on 1,390 tenants from 26 German real estate companies. In this online survey, tenants were asked about their experience with their landlords over the last 24 months, covering six categories: estate agency, technical support, services, costs, building quality, sustainable development. This year, Covivio obtained the highest possible score for each category, compared to five out of six in previous years.

Covivio also holds regular meetings with customers and prospects to talk with them about the problems encountered and get their feedback. These meetings are essential for Covivio in order to inform its discussions and better define its service offering.

(1) https://www.focus.de/finanzen/news/studie-fair-zum-mieter_id_10131786.html

2.4.3.2 Proximity and art at the heart of the customer approach

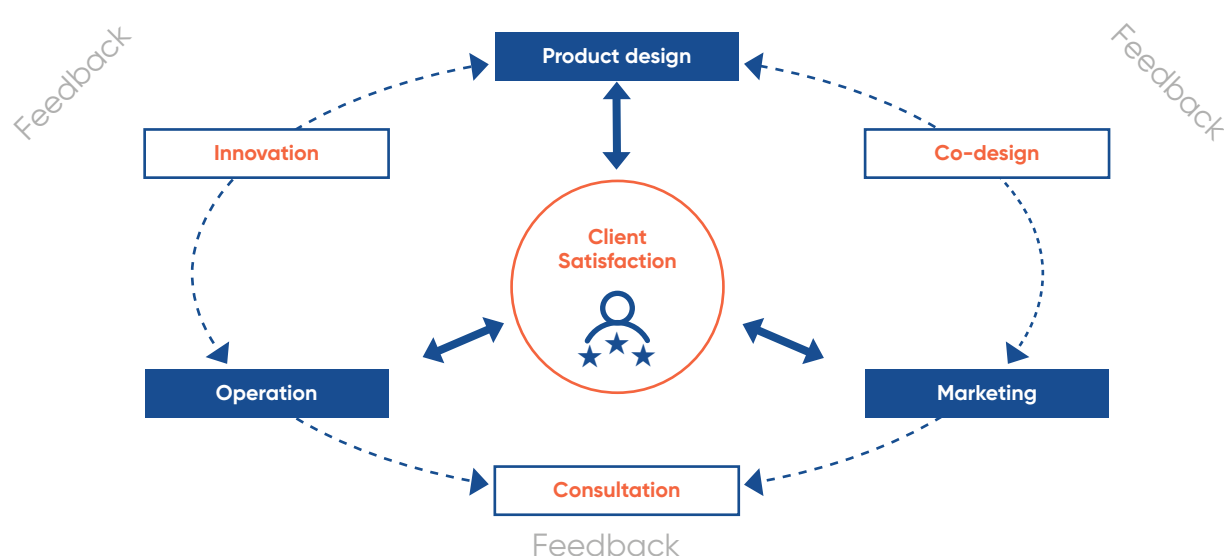
Real estate is experiencing an unprecedented change due to new technologies and new customer needs and practices. For Covivio, innovation is both a source of enhanced competitiveness and a way of opening up new markets. To accompany the trends that drive its markets, Covivio implements its innovation-driven approach on a pan-European basis through various means:

- developing synergies with innovation players: Covivio has set up partnerships with incubators (such as Impulse Partners) to identify real estate innovations developed by start-ups at an early stage, and with Maddynews, the magazine for start-ups

and innovation that promotes Covivio's actions with regard to its ecosystem

- create innovation partnerships with key account tenants (e.g. Sekoya 2.3.2.3, Air Quality Challenge 2.3.3.3) in order to accelerate the transformation of real estate for the benefit of the customer experience, as with the Orange group in the context of the restructuring of the Paris-Montmartre building
- Instilling a culture of innovation in all employees: as innovation is cross-functional and collaborative, actions have been initiated in all Group entities to identify and work with new players in the world of real estate.

Bringing innovation into the heart of the customer experience



For example, Covivio called on the start-up Facilio to digitise its customer relationship for its German residential portfolio. Facilio developed the application "Covivio #home" and made it available to all Covivio housing customers in Germany, making it possible to post service requests for the portfolio, digitise administrative documents related to the rental of housing units and allow customers to track requests in real time.

The AR4CUP project (Augmented Reality for Collaborative Urban Planning) in collaboration with *Politecnico di Milano* also illustrates this collaborative approach. The AR4CUP project aims to promote the marketing of a new SAAS (Software As A Service) product that

will allow the on-site presentation of urban projects through Augmented Reality, so citizens and decision-makers can work with architects and developers in a virtuous creation process. This new product was tested on the Vitae project, winner of the international Reinventing Cities competition.

As innovation is part of Covivio's DNA, it has an integral place in the Expression of its Purpose, with the aim of offering a wide range of services accessible via a mobile application in all multi-tenant buildings. This application, already deployed in its main buildings, offers centralised access to all building services and improved information flow.

Another strong lever of the Covivio Customer Culture, and underlined in its Purpose, is art, which helps to improve the well-being of users. By signing the "One building, one work" charter at the initiative of the French Ministry of Culture in 2015, Covivio committed to promoting art in its buildings⁽¹⁾. The works of art already installed in the portfolio (ten works at the end of 2020) are intended to enhance or extend the spirit of the place and to create an interaction with the occupants but also with local residents in some cases. Covivio has chosen to extend this approach to Germany and Italy. For example, with the "A-FENCE" project in Berlin, Covivio is taking part in one of the city's largest street art projects. During the construction of the second Alexanderplatz tower, artists will be able to use the 240 metre construction fence as a canvass (more details on <http://www.a-fence.eu>).

(1) The press kit can be found at the following link: <https://www.Covivio.eu/fr/profil/activites/art-et-immobilier/>

2.4.3.3 Making a success of the environmental transition together

Covivio is fully aware of the need to involve its partners to ensure the success of its actions in terms of environmental transition, particularly for its 2030 carbon footprint target (2.3). Build sustainable relationships and well-being: Covivio's Purpose reflects this goal and its expertise in the field.

By putting in place different actions, such as environmental annexes and sustainable development Partnership Committees, Covivio has laid the foundations for a relationship based on effective and constructive dialogue, in order to optimise the environmental performance of its buildings.

As part of its special relationship with each tenant, Covivio has been organising Sustainable Development Committees in France since 2010. The Committees have facilitated and anticipated the inclusion of environmental annexes in 100% of leases for more than 2,000m² of office or retail space in France. Other leases, which are not subject to this requirement, also benefit from annexes, and this formalises the parties' commitment to CSR including energy, carbon, water, waste, transport, biodiversity, etc. These exchanges make it easier to obtain HQE certification for buildings in use (HQE Exploitation) or BREEAM In-Use certifications, selected in collaboration with tenants. Looking ahead, the framework provided by the environmental annexe will facilitate application of the service sector decree of July 2019. Given the exceptional situation in 2020, the majority of the Sustainable Development Committees were postponed, but these issues were of course raised during the regular meetings between the Customer Relations teams and the tenants.

In 2017, in Italy, Covivio drew up a Memorandum of Understanding (MoU) containing environmental clauses for tenants who wished to sign up. As such, the parties are invited to cooperate in order to identify any solutions and measures that could be deemed useful, appropriate and/or necessary for the purpose of improving the building's energy efficiency throughout the term of the lease. This document is now available to all new tenants, supplementing the "green clause" on the energy efficiency of buildings included in all leases. In 2020, 16 new MoUs were signed (i.e. 80% of leases signed in 2020).

To assist the residents of Covivio buildings in Germany and raise awareness, a welcome booklet is provided to them when they move in and is available on the German website (www.Covivio.immo/mieterhandbuch/). This booklet contains information on aspects such as the proper use of the heating system and waste sorting, as well as tips to reduce the energy consumption of the housing unit.

The tenants of the Covivio Hotels portfolio have all implemented proactive policies to reduce their expenditure on water and energy, reduce the amount of waste they generate and their ecological footprint, strengthen their ties with their stakeholders, and be acknowledged as responsible and committed players when it comes to the major environmental and social challenges. Their customers, both private and professional, are also increasingly demanding in terms of organic, healthy food and virtuous products and services.

2.5 European human capital that creates value

Convinced its success is based on an ambitious and future-oriented human resources policy, Covivio strives, on a daily basis, to create an environment where its women and men can develop their full potential.

In 2020, in the context of an unprecedented health crisis, Covivio took action to protect the health of its employees and enable them to continue working in the best possible conditions. The actions undertaken concerning employee health and safety during this period are detailed in section 2.5.1.

In the different positions and jobs within Covivio, levels of expertise and skill play a decisive role at all levels. Attracting the best talent is not enough, however, as such talent must also be retained and developed, which involves monitoring the career path of each person.

The health crisis in 2020 did not prevent Covivio from continuing its ambitious training programme which accompanies and supports this system, in line with the company's strategy, in a dynamic that gives full place to diversity in various forms.

All these actions hedge the "Skills/Attractiveness/Diversity" risk. They are described in detail in section 2.5.2, with additional insights in section 2.5.3 concerning employer-employee dialogue and the company's carbon footprint.

The Human Resources (HR) policy developed by Covivio revolves around four action areas that are essential to the momentum of the 2015-2020/2020-2025 objectives detailed in Section 2.5.2, namely:

- professionalisation and the pursuit of excellence at every level
- a fair remuneration policy, directly linked to performance and achievements
- exemplary management at the local team level
- a transparent and constructive social climate.

As of 31 December 2020, Covivio employed 972 people: 301 in France, 94 in Italy, 574 in Germany, two in Luxembourg and one in Spain. The report presented below concerns the 969 employees located in the Group's main countries: France, Germany and Italy (Luxembourg and Spain-based employees are operationally attached to these main entities).

While some aspects are handled locally (including recruitment and the negotiation of agreements) in view of local practices and regulations, others reflect shared values across the Group and are similarly deployed in all three countries. Diversity, social dialogue, professional development, quality of life at work, work/life balance and prevention of all forms of discrimination are among the common concerns that underpin Covivio's HR policy on a pan-European basis.

In France, a survey measuring the impact of teleworking on the state of mind of Covivio employees during lockdowns

In France, a survey on the impact of teleworking was initiated in April 2020 during the first lockdown. Despite the special situation, Covivio employees gave their working conditions a score of 7.7/10. This is partly due to the comfort provided by the IT tools made available, with an average satisfaction rating of 8.2/10. For 36% of French employees, working from home allows them to concentrate on certain tasks and avoid transport fatigue.

However, the results show that combining family life with childcare and teleworking is not so simple. Available for several years, employees were reminded of the existence of the "Pro-Consult" number (occasional telephone support provided by certified psychologists) in order to prevent or contain the psychosocial risks related to confinement and continuous teleworking. Specific training sessions were also organised on the topics of the right to disconnect and mindfulness, in order to better experience teleworking (22 participants).

In Germany, a survey was carried out in August 2020. The results are similar to those observed in France. Covivio employees appreciated the responsiveness of the IT teams and most of them saw the opportunity to establish a better work/life balance.

In terms of well-being at work, the Commitment Barometer carried out in 2019 by Kantar TNS already showed positive scores in the three countries, whether in terms of material working conditions (86% satisfaction), work/life balance (73%), the content of work (91%) or the opportunity for everyone to develop their skills (72%).

Key social performance indicators (at 31/12/2020)

969

EMPLOYEES IN FRANCE, GERMANY AND ITALY

"SKILLS/ATTRACTIVENESS/DIVERSITY" RISK

92.4%

EMPLOYEES ON PERMANENT
CONTRACTS (+1.7%)

32

INTERNAL MOBILITY

84.6%

FULL-TIME EMPLOYEES

50%/50%

MEN/WOMEN PERMANENT
EMPLOYEES IN EUROPE

22

PARTICIPANTS
IN EX-AEQUO PROGRAMME

3.1%

STUDENTS ON APPRENTICESHIP
CONTRACTS

100%

OF EMPLOYEES COVERED
BY A SECTORAL AGREEMENT

115

PEOPLE RECRUITED ON PERMANENT
CONTRACTS (+6.5%)

2.5.1 Health, safety and well-being at work: a year marked by the management of the health crisis

2.5.1.1 Covid-19: crisis management focused on employee health and maintaining business activity

The top priority for Covivio in 2020 was to protect the health and safety of all Group employees. While the teams have adapted to the government directives in their country, a consistent response has been provided through the sharing of best practices across Europe.

Covivio did not use any form of furlough or downsizing in 2020 and does not foresee any restructuring plan leading to redundancies for 2021 in France, Germany or Italy.

The practice of teleworking, which came into force in 2018 within the company, has enabled the successful transition to continuous teleworking. In France, 80% of employees had already used teleworking on a regular or occasional basis. The transition to full-time teleworking could thus be anticipated before the announcement of the lockdown by the government. The Information Systems Department provided employees with the IT equipment needed to carry on working. Thus, all employees who had never used teleworking were equipped from the first few weeks. In Germany, 200 employees who were initially equipped with a desktop computer were equipped with a laptop and 300 headsets were distributed in March 2020. In Italy, 41 laptops were distributed to enable all employees to work from home.

In order to ensure the health of employees when returning to the office has been possible, a precise and strict protocol has been put in place in France, Germany and Italy: wearing a mask, providing free masks and hand gel, providing bins for sensitive waste at crossing points, reinforced cleaning of risk areas and points of contact (door handles, lifts, coffee machines, toilets, etc.), management of flows within Offices, possibility of staggered schedules, setting up occupancy gauges by department, restriction or even elimination of domestic and international travel, creation of an isolation room in each building, provision of a thermal camera and dissemination of a best practice guide to ensure that physical distances are respected.

In France, the Management Committee met very regularly in order to build and develop, in real time, the action plan best suited to these exceptional circumstances. The DUER (Single Document for the Evaluation of Occupational Risks) and the health protocol were updated in line with the risks identified throughout the year, in partnership with occupational health. In Germany, the equivalent of the French DUER has also been modified in view of the evolution of the epidemic and government directives, and in close collaboration with Management, General Management, the occupational safety expert and the occupational doctor. In Italy, the first country in Europe to be massively affected by Covid-19, a Safety Committee has been set up to better manage the impact of the epidemic on employees and work organisation. Occupational medicine and the prevention and protection service mandated by the State were part of this Safety Committee, which notably contributed to the drafting of the health protocol and the creation of an email address to answer questions and respond to employee alerts. All the documents listing the health measures are available on the intranet for employees in the three countries.

Covivio and its subsidiaries cultivate a permanent, transparent and constructive dialogue with employee representative bodies. Employer-employee dialogue intensified in 2020 to enable employee representative bodies to be regularly contacted in order to co-construct the company's health protocol. In France, seven extraordinary CSE meetings and five meetings of the Health, Safety and Working Conditions Committee (CSSCT) were organised remotely in 2020. In Germany, several extraordinary meetings were organised and a company agreement on remote working arrangements was concluded with employers and unions in September 2020. In Italy, employee representatives were part of the Safety Committee, which met daily at the start of the epidemic, then monthly.

There were also several initiatives to maintain social ties, such as the communications made by General Management during the Covivio Talk, the photo contests organised on Yammer, and the special attention paid to the most isolated employees. In Italy, the CEO of the Italian subsidiary spoke to his teams every month via videoconference. In addition, Covivio allowed certain isolated employees to come to the office if they felt the need to do so, and the Human Resources Department also made regular contact with at-risk populations.

2.5.1.2 Other health and safety issues made further progress

Each of the entities of the Covivio group applies the eight conventions of the International Labour Organisation (ILO) concerning: freedom of association, effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour and elimination of discrimination in employment, remuneration and occupation.

Health and safety are very much part of Covivio's employee policy and numerous initiatives are carried out to support employee health, such as flu vaccinations (in France and Germany), skin cancer prevention measures, specific office layouts (variable

height desks, adjustable stands for additional computer monitors) for employees who have musculoskeletal problems, and the holding of awareness meetings concerning screen work. An ergonomist doctor is regularly called upon in the French premises. Yoga classes are also offered to the Berlin teams, and a partnership with a national gym chain allows employees to benefit from preferential rates. In France, the Works Council partially finances the sports activities of employees who so wish and a chatbot was set up to allow everyone to enjoy the benefits of yoga through exercises applicable to all workstations.

In terms of work safety, Covivio is committed to meeting and exceeding French statutory requirements, with 5.3% of employees being certified workplace first-aiders. The prevention of electrical risks is also taken into account through the H0-B0⁽¹⁾ accreditation of all employees exposed to this type of risk within the Real Estate Engineering and IT Departments. In Germany, a majority of employees were made aware of workplace safety in 2020, through workshops lasting an average of 30 minutes. In Italy, first aid training was provided to seven employees, for a total of 60 hours, and twelve employees received training in firefighting, for a total of 66 hours.

More generally, the Health and Safety Committees (CHSCT) in France, and the equivalent national bodies in Germany and Italy, verify the compliance and comfort of the facilities provided to the employees, and are informed of all refurbishment projects and preliminary schedules for any work. In Italy, this Committee meets at least once per quarter and an "Employee Safety Manager" is, in addition, responsible for making sure that the organisation complies with security and safety principles.

The rate of workplace accidents with lost time is very low, at 1% in France, 1.7% in Germany and 1.08% in Italy. The absenteeism rate also remains low, at 2.2% in France, 1.7% in Germany, and 2.4% in Italy. At Group level, Covivio has set a target of less than or equal to 2.5% absenteeism and a workplace accident rate of less than 1.7%.

(1) The H0-B0 electrical accreditation concerns all activities performed in electrical rooms and all electrical work carried out on a professional basis.

2.5.2 Skills/Attractiveness/Diversity

Covivio conducts its business in an industry in which human capital is a key factor to the success of the company. The challenges related to skills, attractiveness and diversity were identified in the CSR risk mapping as major issues for the company. The different initiatives in these domains are described below, with an overall approach set at the European level that preserves local autonomy, in order to guarantee better flexibility and responsiveness for these three entities: Economic and Social Unit (ESU) France (Offices and Hotels), Italy (Offices) and Germany (Residential and Offices).

The risks associated with human capital are related to potential losses of skills and know-how in the event of high turnover or low capacity to attract and retain talent; a lack of development of existing skills in the event of a lack of investment in training; psychosocial disorders (unease at work, occupational illnesses) if not prevented or treated; or discriminatory practices in the

absence of awareness-raising and whistle-blowing mechanisms, leading to a high reputational risk.

2.5.2.1 A recruitment policy that supports the strategy

Covivio's European headcount was down slightly compared to 2019 (-2.5%), with a total of 969 employees at 31 December 2020, compared with 994 at the end of 2019. This decrease is mainly due to the outsourcing of Property Management on behalf of third parties in Italy (60 people transferred to Revalo), a decision made before the crisis. This decrease in headcount was largely offset by the continued recruitment momentum in Germany, where the overall headcount increased by 10.4% compared to 2019, partly due to the acquisition of Godewind Immobilien AG and the integration of 11 employees.

Revalo and Godewind: workforce adjustment and skills in line with the strategy

In Italy, the integration of Revalo in 2017 made it possible to internalise the know-how and knowledge of the Covivio portfolio via the Property Management teams. In 2020, Covivio decided to retain this competitive advantage by legally integrating Revalo employees dedicated to the Covivio portfolio (22 employees). Wishing to develop third party activity in a more aggressive manner, the Revalo management is simultaneously acquiring its independence by buying its own activity, with the support of Covivio. The management of Revalo and its 60 employees thus left the payroll in 2020.

In Germany, as part of the reinforcement of the office property market, Covivio took on 11 employees of the real estate company Godewind Immobilien.

2.5.2.1.1 An ambitious recruitment policy

Recruitment needs are studied and determined by General Management according to the priorities and multi-year business challenges. Mid-year and end-of-year appraisal interviews as well as "people reviews" are used to measure both employees' workloads, the depth of skills required, their long-term allocation, and any changes in skills that need to be addressed. These components are used to outline a recruiting plan, which is reviewed monthly in all three countries.

In France, 16 staff were hired on permanent contracts in 2020, with half of these being new jobs. The recruitment policy is supporting the development of Wellio's coworking activity with the recruitment of two coworking site managers, a Customer Experience Manager and an Assistant. Coworking is thus further consolidating its position as a product in its own right within Covivio's strategy. Covivio's recruitment strategy, driven by the creation of new activities, incorporates the desire to acquire and develop new skills in order to put them, through synergies and cross-functional knowledge sharing, at the service of all business lines, in particular in the area of services and B2C activities (coworking, hotel asset management), and of course digital, supported by the recruitment of a Smart Building Manager, 80% dedicated to coworking. In Germany, 98 permanent staff were hired in 2020. More than 25% of new hires correspond to the integration of Godewind Immobilien into the Covivio workforce, thus enabling the acquisition of know-how in office space (asset management, property management) and the strengthening of cross-functional functions (HR, legal, IT etc.).

With its long-standing focus on developing talent, Covivio continues to boost its "incubator" policy through the recruitment of young people (under age 30) under open-ended contracts (50% on open-ended contracts) and apprenticeships. Covivio's presence in student forums was once again significant in 2020 (ESTP, HEC, ESSEC, EDHEC), and the continuation of a specific partnership with ESTP allows the Group to be present with students from the moment they join at school (sponsorship of the

integration seminar, for example) and during partner meetings. In Italy, Covivio took part in the virtual forums organised by *Politecnico* and the *Università Bocconi*. In Germany, 16 people under the age of 30 were recruited (double the figure for 2019, representing almost 16.3% of permanent hires), bringing this age group to 15.2% of the workforce at the end of 2020 (compared to 3.6% at the end of 2017), and allowing for continuous generation rotation within teams. The Graduate Program, created in 2019, materialised in 2020 with the hiring of two young graduates on permanent contracts. Young people on the Graduate Program benefit from an 18-month course consisting of three rotations, one of which must be in another Group country. As an integral part of Covivio's recruitment and development policy, the programme reflects Covivio's strategy of generating an incubator of talent that is entirely European.

In addition, Covivio is pursuing its work-study policy despite the effects of the crisis, enabling 30 students to benefit from an apprenticeship or professional training contract within the Group. In Germany, four young apprentices completing their training in 2020 were hired on permanent contracts. In Italy, one internship student was recruited into the Communication team.

The quality of the recruitment and integration process is a focus of attention. Through four interviews, intended to be discussions, candidates have the opportunity to obtain a practical overview of the company and its strategic challenges. An interview with the General Management is organised at the end of the recruitment process, designed as the first step of a true working partnership. An English test is conducted during the process, in line with the Group's requirements for European integration. A personality questionnaire is also offered to candidates to serve as a starting point for discussing their behavioural skills during the HR interview. Summaries of their personalities and motivations are automatically generated after completing the questionnaire. In 2020, the Germany HR Department set up a new recruitment platform to improve the candidate experience on the career website.

Once recruited, each new employee meets three members of the Management Committee, including the Chief Executive Officer, during their integration. In Germany, in order to ensure the smooth integration of new hires and trainees, tours of new properties or

cities with interesting features for the residential sector are regularly arranged. In France, new employees are given priority on site visits organised every quarter for the Group's employees.

The integration process is enriched with new systems

Convinced that supporting employees during their first months in the company is essential, Covivio decided to expand its integration system in 2020. In France, in addition to the induction day involving representatives from each department who came to present the essential aspects of their business, the astonishment report made to two members of the Management Committee, and a breakfast discussion with the Chief Executive Officer, in 2020 an e-learning module "120 minutes to understand real estate" and a sponsorship programme were added. The objective of the latter, called the "Buddy Programme", is to pass on the know-how and personal skills essential to the successful integration of the new employee, to create social ties and also to answer the newcomer's questions concerning the operations and strategy of Covivio.

In Germany, the time between the signing of the contract and the first day of the employee is the subject of special attention with the sending of a welcome card. Then, during the first week, the employee receives training (GDPR, security rules). Lastly, an exchange is also organised with the HR representative during the first week and regular follow-ups are carried out during the first months.

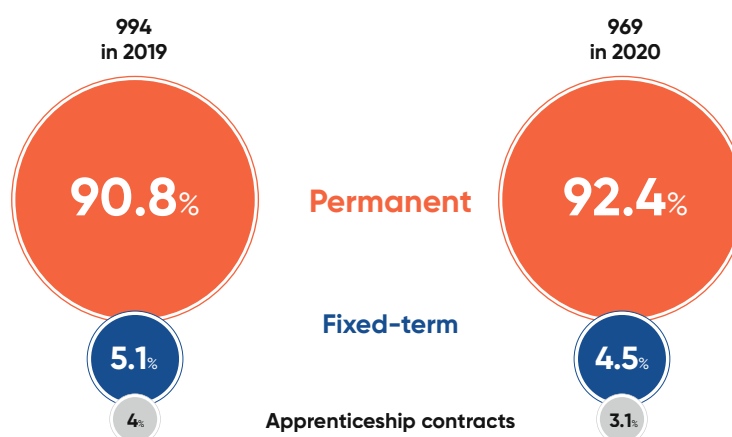
The Employer Branding policy implemented in 2019 as part of the change of identity continues and takes on a European dimension. In 2020, a second wave of ambassadors appointed from among the teams was trained for this role during a dedicated day in France and Italy (planned for Germany in 2021). Lending their image and voice to the Covivio Employer Brand, these employees represent the Group and its business lines on social networks as well as in forums organised by schools. The communication agency ZComme, a partner of Covivio in the organisation of the Ambassadors Days, received the Bronze award in the commitment category during the 2020 HR Creativity Grand Prix organised by the Association of Communication Consulting Agencies (ACCE)

thanks to the Employer Brand project conducted with Covivio. Recruitment and sourcing tools, publications and advertisements match the Covivio brand that is now deployed across Europe.

HR procedures in France related to employee career paths were updated in 2020 in order to address the risks identified (financial risks, fraud, image, lack of efficiency or breach of personal data protection regulations). Rules also applicable to non-corporate personnel/service providers (external service providers, IT maintenance, Covivio employees of foreign subsidiaries) who may have access to certain resources (tools, applications, equipment, badges) have been identified.

2.5.2.2 Strategic HR guidelines for performance

Change in the number of employees



In 2020, the number of employees on fixed-term contracts in France still represented a small proportion of the workforce (1% at 31 December). Two thirds of fixed-term contracts correspond to absences and one-third to increased activity. In Germany, the use of temporary contracts is traditionally more frequent, but is still limited (7% of the workforce at 31 December 2020). The proportion

of employees on open-ended contracts thus continued to grow (accounting for 92.4% of the total workforce at end-2020) testifying to the emphasis placed on talent retention and supporting the Group's future growth. In Italy, the proportion of fixed-term contracts was down sharply (1% compared to 6% in 2019).

The turnover of permanent departures in France is 7%. Retention risk, which is high in the real estate sector and is identified clearly in our CSR risk mapping, has been addressed by strengthening an aggressive HR policy in terms of career development (see below regarding the introduction of career development interviews since 2019), mobility, promotion, remuneration and quality of life at work. Turnover due to resignations alone (excluding retirements and termination of the trial period) was 4.2%. In Italy, turnover was down at 4.1%, from 6.8% at end-2019. In Germany, restated for departures related to the Godewind operation, employee turnover was down to 8.5% compared to 9.6% at the end of 2019.

Covivio is pursuing its youth employment policy despite the effects of the crisis. Ten internship contracts were added in France during the year to the 30 apprentices already existing in Europe at 31 December 2020. This was in addition to 67th students in Germany on fixed-term contracts of 20 hours per week maximum, in accordance with German legislation (not included in the workforce figures). These students are systematically assigned a supervisor within the company, who is a professional recognised in their field, and they are monitored throughout the year by the Human Resources Department. In addition, the Human Resources Department ensures the proper progress of apprenticeships in terms of tasks assigned, integration into the company and workload through a mid-year interview with each apprentice. In 2020, Covivio received the "Happy Trainees" certification issued by the organisation "Choose My company" based on an anonymous survey sent to all trainees and apprentices. With a recommendation rate of 84.6% and an overall score of 4.18/5, Covivio obtained the certification for the second consecutive year.

To promote Covivio's openness to more diversified profiles, and make a concrete contribution to equal opportunities, the Group is committed alongside the Article 1 association, which supports high-potential students from modest backgrounds (e.g. 2.4.1.3.2). Some of these young people have a mentor among Covivio staff.

2.5.2.3 Providing skills development

Covivio considers the development of individual and collective skills as key factors in providing the best possible service to its customers and partners and in ensuring a suitable and motivating career path for each employee. Each of the three countries defines its annual training plan, depending on multi-year priority focuses. Since 2017, digital technology and English-language proficiency have been strategic priorities for skills development.

2.5.2.3.1 A training policy that supports the strategy

For skills development, Covivio continues to align the training plan with the company strategy and the individual development of each employee. The training plan has two main objectives: to support the company's strategy through the definition of collective training courses in line with strategic challenges and changes in context (new market opportunities, legislation, etc.); and to support the development of individuals through training on the business lines, fluency in English, use of digital tools or training related to professional and personal development, both with a view to developing Covivio's skills capital, and also to retain employees who are increasingly concerned about their development and employability.

Every year, meetings are organised with each activity Director, to determine the changes that could impact business activities and require training to allow employees to improve their skills. The

People Reviews conducted for each business activity also enable multi-year priorities for training to be defined. The annual interviews then identify individual needs in the field, based on the overall list of requirements, and refine them on an individual basis through discussions with and observations from the employees and local managers.

Covivio pays particular attention to developing the skills of its employees by offering group or individual training, carried out within or between companies, or more rarely internally. The number of employees trained this year fell slightly in 2020 due to the cancellation of several training sessions during lockdown periods and the withdrawal of certain employees who preferred to postpone their training to 2021 in order to benefit from it in person. A certain number of training courses were held remotely, such as health and safety training. Nevertheless, each French employee trained received 18 hours of training, an increase of three hours compared to 2019. This increase can be explained by the success of the English-language training sessions (21 hours on average), which were initially planned remotely and therefore continued during periods of continuous teleworking.

3.95% of the payroll was invested in training in France during 2020.

Covivio's objective is to be able to train 70% of its employees every year.

In France, 68% of employees received at least one training course this year, targeting as a priority the business aspects which account for 44% of training actions (GDPR, service design and customer experience, real estate fundamentals). Next comes language training (20% of training), which is part of Covivio's European development strategy. In the context of the health crisis, Covivio wanted to offer more training related to occupational health (eight times more than in 2019), three quarters of which focused on teleworking and mindfulness (22 employees concerned). In addition, as every year, retirement training is systematically offered to support employees concerned who so wish.

The Italy HR Department once again invested in business and technical training with, in 2020, training related for example to the Smart Building or the new Milan urbanisation plan in partnership with Assolombarda (Association of industrial groups of the Milan metropolis). In 2020, 59% of Italian employees received training. Despite the cancellations of many training courses due to the pandemic, the training effort in English continued, with 546 hours of training via Teams (compared to 350 hours in 2019).

In Germany, almost half of the training hours were dedicated to learning or improving English. 16% of employees completed more than half a day's training in 2020, averaging 16 hours. In late 2019, individual lists of training needs were compiled for the first time through discussions between managers and their teams. On this basis, a skills development plan was drawn up in 2020. It consists of several actions including training to develop behavioural and leadership skills, team building sessions, and internal and external co-development workshops with real estate professionals, in order to facilitate the sharing experience. Eight employees from technical and sales teams in Hamburg also benefited from collaboration and leadership coaching.

In France, 18% of the training catalogue (*i.e.* 41 training courses) is devoted to certifying training. In 2021 a catalogue dedicated to these training courses will be offered to enable identified employees to develop their soft skills, their business expertise and their employability. In 2020, Covivio contributed to the financing of work-study training to the tune of more than €260,000 (including apprenticeship tax).

2.5.2.3.2 Integrated and dynamic career management

From a collective point of view, the key moment in Covivio's talent management cycle in France is the people reviews, cross disciplinary meetings that provide an overview of a business line's talent "pool" and the keys to employee retention, development and recruitment, based on the business line's development, the company's objectives and the relevant job markets. One People Review was conducted in 2020 within the scope of the Information Systems Department (DSI). Feedback was provided to employees with follow-up with managers set for early 2021, in order to sustain the skills management process initiated. The People Review dedicated to Young Talents aged 30 and under, initially planned for the end of 2020, has been postponed until the first half of 2021.

On an individual level, the annual meeting between employees and their managers, along with various interviews conducted by the Human Resources Department, lie at the heart of the professional development programme for every employee. In 2020, 100% of employees present had their annual appraisal with their manager, as well as a mid-year appraisal to discuss progress on achieving objectives and updating them, where appropriate. Discussions are based on two separate components in the annual interview. The first part is devoted to performance, evaluating attainment of objectives, measuring the employee's main results, both quantitative and qualitative, and setting the objectives for the following year. The second part is devoted to skills development and training.

In Italy, annual performance meetings, introduced in 2015 based on the French model, combine performance evaluation, skills development, establishing training needs and any request for a change, and are now offered to all employees. In 2020, 86% of appraisals were completed. A mid-year interview was instituted in 2019 to review the annual goals at the mid-way point. Given the health and economic situation in Italy in March 2020, these interviews were, exceptionally, not held.

In Germany, an increasing portion of the workforce takes part in end-of-year appraisals (64% in 2020 compared with 62% in 2019). Initially considered as optional, the number of appraisals carried

out is increasing. They enable employees and managers to take stock of the past year, to make decisions about variable compensation more objective, and to jointly define progress objectives. These appraisals are also an opportunity to discuss the training needs or wishes of each employee.

Every year, Covivio promotes mobility within the Group. In 2020, eight transfers were made in France. Among these types of mobility, there were three promotions, two of which involved women promoted to the position of Project Director following the reorganisation of the Service Projects Department. In Italy, three transfers took place, including two promotions to managerial positions. In Germany, 21 transfers were recorded, including three promotions. At the European level, the mobility rate reached 3.3%.

Promoting European career paths

Convinced that the sharing of best practices and the strengthening of links between countries must be carried out by everyone at all levels, Covivio strives to encourage the European mobility of its employees, in particular by setting up both mobility schemes for young people and HR coordination at the European level, led by the European HR Committee.

In 2020, two employees were able to benefit from this policy. The first, coming from France, joined the Berlin teams for two years, in order to contribute to the development of the Offices activity in Germany. The second, from Germany, joined the Asset Management and Acquisitions France Division as Asset Manager.

Since 2019, discussions on the employee career development path have been taking place through a specific "career development review" conducted at least every two years. This is an opportunity for a healthy dialogue between manager and employee about the employee's expectations. All managers were trained in 2019 in conducting this review, which requires a different attitude from that of the end-of-year interview and needs a "coach manager" approach. This career development review may be followed by a human resource interview to assess the feasibility of any proposal and to put in place the necessary support (covering skills assessment, individual training account, career transition, professional development advice, coaching, job training etc.). If a move is requested in the short term (one year) or medium term (three years) during this interview, an additional exploratory interview will be scheduled with the HR team to search for short-term growth opportunities through internal postings.



KEY MOMENTS IN CAREER MANAGEMENT



2.5.2.3.3 Digital transformation

Covivio is continuing its digital transformation, structured by its digital roadmap launched in 2019, which outlines the ambitions and milestones to accomplish this transformation.

In terms of working methods, remote working applications (Office 365 and in particular Teams) were very popular throughout the periods of lockdown and continuous teleworking in France, Germany and Italy, thus enabling the emergence of a "Smart Working" philosophy based on technology and team spirit between employees. Team building sessions were also organised remotely, such as the *Bimbi in ufficio* (translated as "Children in the office") and the Christmas party.

A new European intranet was created in 2020. This Digital Workplace, in Covivio's colours, centralises clearer information. Corporate news and business lines, HR space, document library, Directory, simplified access to Yammer and to Microsoft 365 tools, links to social networks are all features available on this new platform that promotes exchanges, information sharing and social bonds. In addition, there is the bimonthly European newsletter "Covivio Inside" distributed by email to all Group employees.

Covivio continues to adapt its HR services and user experience. Meal vouchers are now all digital thanks to a dedicated application and for the first time French employees were able to sign their free share allocation letters by affixing their electronic signature.

Digital coaching accessible to all

Covivio participates in the democratisation of coaching and offers all French employees who so wish remote coaching with its partner MoovOne. This tailor-made offer allows employees to be supported during eight sessions by a video-conference coach. An HR meeting is scheduled in advance to define with the employee his or her development priorities. Once this step is completed, the employee can choose their coach on the MoovOne platform and start their coaching. The discussions, which are strictly confidential, result in the creation of action plans at the end of each session, and tool sheets are also made available. At the end of the course, an interview with the HRBP (human resources business partner) and the line manager provides an overview of the coaching. MoovOne thus supported seven employees in 2020 and seven other employees signed up in 2021 to follow this coaching.

Digital technology also provides employees with tools to prevent psychosocial risks and prioritise well-being breaks. The MyMentalEnergy Pro app, in operation since 2018, offers videos and tips to better manage stress. A training session on the right to disconnect and a chatbot entitled "Chatbot Yogist", enabling chair yoga sessions, were offered in the second half of 2020.

2.5.2.4 Talent retention

2.5.2.4.1 Commitment to the well-being of employees

2020 was marked by the health crisis and the health and safety of employees was a constant concern (3.5.1). Covivio remains committed to Quality of Life at Work (QVT), particularly as part of the Quality of Life at Work agreement signed in 2014 and renewed in 2018, which allowed the introduction of many tools in France:

- an *ad hoc* Committee composed of elected CSSCT (Health and Safety Committee) members, trade union representatives and management representatives (which met five times in 2020)
- telephone counselling exclusively by qualified psychologists and available twenty-four hours/seven days a week via a free-phone number
- work load monitoring meetings each half-year.

In Germany, the Human Resources Department put in place a conflict management procedure, in collaboration with employee representatives. This strictly confidential procedure provides for mediation support for the person or people concerned, led by the Human Resources Director and supported by an employee representative. The existence of this procedure was widely communicated to employees and has been a tool for resolving disputes.

In 2018, Covivio instituted teleworking through a collective agreement that allows all eligible French employees (those on open-ended and fixed-term contracts with six months' seniority) to telework five days per month from home or another location, either on a fixed basis (one set day during the week) or a flexible basis (at the employee's discretion with 24 hours' notice). At the end of 2019, 76% of the eligible population was working from home (up from 64% at the end of 2018) – the range for all private companies offering telework is between 30% and 60% – for an average of 3-4 days of teleworking per month. In 2020, teleworking has become the preferred way of working in view of the health crisis, and its long-term integration into operating methods is no longer debated. Part of the minutes of the 2020 Obligatory Annual Negotiations (NAO), a new agreement will be signed in 2021 to extend the practice of teleworking to two days per week.

In Italy, teleworking will be set up permanently for one day per week from the end of the health crisis. The arrangement exists in Germany and helps facilitate better work-life balance; employees are eligible for teleworking on a case-by-case basis by mutual agreement with their manager.

In France, a subsidy (up to 50% and up to a limit of €100) was granted to each employee for any purchase of office equipment (chair, desk, screen, keyboard, etc.). A headset of their choice will also be distributed to each employee in early 2021 to make every-day teleworking more comfortable. In Germany, a contribution of €60 was proposed to enable employees to better equip themselves. In total, more than 200 employees have benefited from this assistance.

In France, employees benefit from an additional health cover (mutual) 75% financed by Covivio for non-managers and 65% for managers, and their salary is maintained from the first day of absence for sick leave. In Italy, employee health insurance now includes new services such as ambulance transport.



Workload monitoring meetings

The mid-year appraisals in France, introduced under the agreement of 25 November 2014 on the reorganisation and reduction of working time, are an effective way of raising the alarm in the event of work overload, in line with measures laid down for the prevention of stress and psychosocial risks. In 2020, 37% of meetings reported a work overload at one time or another during the year, and 10% on a regular basis, which was less than in 2019. The Human Resources Department shares, with staff representatives on the QVT Commission, a summary of the alerts identified, their level of severity, and action plans put in place.

The interviews with the Human Resources Department or management also gave some employees an opportunity to bring up personal obligations that could impact their work lives, particularly issues related to taking care of ageing parents on a regular or ongoing basis. Through a social security-healthcare costs platform, employees can access all the information and social institution contacts that are appropriate in this type of situation.

2.5.2.4.2 Performance-based pay

In France and Italy, the bonus pay policy is incorporated into the concept of individual performance, based on the extent to which job objectives determined during the annual interviews are achieved. The challenge is to make this measurement of an employee's contribution to the Group more objective and more transparent to employees. In France, 100% of employees on permanent contracts are eligible for variable compensation. In Italy, bonuses concerned 77% of the workforce in 2020.

In Germany, a new employee remuneration model was put in place in 2017. This includes the option of receiving bonus remuneration, and joining the policy for performance-based remuneration already existing in Covivio. This agreement was negotiated and approved by staff representative bodies. Employees can choose to join this new model or remain covered by the previous collective bargaining agreement. In 2020, 80% of employees received variable compensation. As of 31 December 2020, 92.5% of the workforce was covered by one of these two collective agreements; only four executive managers are not covered due to their different contractual status.

Employee incentives, profit-sharing schemes and savings agreements have been rolled out within the France ESU as part of existing collective agreements. An average incentive of 9.76% of annual salary averages was paid to employees in 2020 based on their performance in 2019. 90% of these beneficiaries opted for a partial or total investment under the Group Savings Plan, and 84% opted for an investment in Covivio shares, this investment giving rise to an additional contribution from the Group, in order to encourage employee share ownership.

In 2020, 87% of employees Europe-wide were also eligible to receive free company shares.

2.5.2.5 Promoting diversity and equality

As a signatory to the Diversity Charter in 2010 and the Global Compact in 2011, Covivio's HR policy is consistent with the objectives of these agreements, in particular by analysing wage gaps between people performing the same job, starting with any wage that is 5% below the median. Two staff members were affected by an adapted salary measure following this review in

2020. Covivio received a score of 93 on the Gender Equality Index implemented in France in 2020. A similar procedure for reviewing potential inequalities was put in place in Italy in 2017: the only differences identified were a difference in average seniority of service between men and women, involving a wage gap as per the rules set out by the collective agreement.

In France, the gender breakdown in the workforce remained stable, with 56% women at 31 December 2020. Women are now more numerous in the managerial population: 51.7% of managers were women on 31 December 2020, and the proportion of women on the French Executive Committee of Covivio is 40%. In Germany, the workforce was nearly equally split between men and women, representing 52% and 48% of employees respectively. The proportion of female managers rose (34% of managers are women), in line with the progress that started in 2016, rising 11 percentage points since then. In Italy, the workforce is 52% male, and women represent 41.7% of managers.

The Executive Committee of Covivio, a European management body, comprises 36% women, up compared to 2019 following the departure of Marcus Bartenstein and the appointment of Barbara Pivetta.

The aim of the Ex-Aequo programme is to promote gender equality on a pan-European basis

In 2017, Covivio launched the *Ex-Aequo* programme with the goal of fostering the development of women within the Group. It consists of two main components:

raising employee awareness about gender equality through surveys and information meetings

a mentoring programme designed to support and guide women seeking guidance on their professional career through the support of a mentor who is a member of the European Management team. Today, 22 French, Italian and German women benefit from this programme.

In terms of recruitment, the review of applications and invitations for job interviews are being reviewed to ensure diversity among the candidates' profiles considered for each job. In the Group as a whole, all recruitment processes must present at least one candidate of each sex, and the recruitment guide for Human Resources and managers sets out the principles of non-discrimination in hiring as well as regulations in this area. Recruiters within the French HR Department undergo training every three years on combating discrimination in hiring. In Germany, following a decision of the German Constitutional Court, Covivio added the term "Other" in its job advertisements "Job title (Man/Woman/Other)". Covivio thus affirms its goals in terms of combating discrimination, here against transgender people.

In the case of equally qualified candidates, Covivio promotes the recruitment of candidates with disabilities. At 31 December 2020, employees with disabilities made up 1.3% of Covivio's workforce in France, 4% in Italy (compared to 2.7% in 2019) and 4.3% in Germany. Covivio also promotes indirect employment of people with disabilities by calling on ESATs (establishments and services providing assistance through work) or companies that specialise in employing people with disabilities for events (group meals, waste audits, etc.). A Disability action plan for 2021 was designed following the intervention of an external firm at the end of 2020 and two disability contacts have already been appointed within the HR Department and the Sustainable Development Department.

No complaints related to discrimination issues were submitted to the Ethics Officer in 2020. The whistleblowing system in place also covers all types of harassment and discrimination, and protects whistleblowers. In response to the 2017 French Labour law, two sexual harassment officers were also appointed (one on the Works Council and the other in the Human Resources Department), increasing the number of available reporting and response channels.

In Germany, special attention is paid to family life. Irrespective of whether the employee is the mother or the father, parents can benefit from a working time arrangement during their parental leave and opt for part-time work. 100% of employees return to their positions at the end of their parental leave and can benefit, if they wish, from an adjustment to their work hours. Working from home can also be implemented on a case-by-case basis, depending on the employee's situation. Work schedules can also be made flexible for parents of children under 16 years of age.

In France and Italy, where the national environment is more favourable to collective childcare and where there is a greater offering, systems are put in place as needed to promote the balance of times of life, such as the Flexicrèche emergency service in the event of a child care problem, limited to 15 days per year. The partnership with Flexicrèche continued in 2020 via the "Summer Camps" offer dedicated to childcare during the summer. In France, maternity leave is 16 weeks and may be supplemented by a 14-day sick leave. From July 2021, paternity leave will be increased to 28 days and Covivio has already confirmed that the salary of the men concerned will be maintained at 100% for the duration of this leave. In addition, parental leave allows parents of a child younger than three years old to work part-time until the child turns three, or to suspend their full-time employment contract

for as long as they would like. Any parents who choose this second option return to their positions at Covivio at the end of their parental leave. When parents wish to continue to work part-time after their children turn three, they may apply to do so. At Covivio, all these applications have been granted. In Germany, a plan called BUK reconciles family life with work life by helping employees find childcare solutions or support for ageing parents.

In France, employees returning after an absence of more than three months (illness, maternity leave) are supported to facilitate their return. In particular, an HR interview is organised to discuss their working conditions and pace. Following this interview, the employee's schedule can be adjusted or an appointment can be made with an ergonomist in order to meet the needs of the employee.

With regards to support provided to the senior workforce, Covivio introduced a systematic interview with the Human Resources Department in the year of each employee's 55th birthday. This interview, which can be held for employees each year at their request, examines issues relating to their job, any desired changes and measures to be taken in terms of ergonomics, for example. In 2020, 100% of seniors were invited to this interview and 33% responded favourably (senior employees in general hope to have this interview every two years rather than annually). In addition, Covivio allows employees over 55 to work part-time while maintaining their retirement contributions based on full-time employment. In 2020, four employees took advantage of this provision, nearly 13% of eligible senior employees. An agreement on seniors promoting the retention of older employees and the preservation of their working conditions was signed in 2020. A Senior Time Savings Account (CET) for employees aged 55 and over will enable them to anticipate their retirement.

2.5.3 Other issues identified in the CSR risk mapping

Even if they are not considered as major risks in the risk mapping (2.5.2), the subjects considered in 2.5.1 and 2.5.3. are important issues for Covivio. In particular, the richness of employee-employer dialogue, or the challenges relating to the reduction of the Group's environmental footprint.

2.5.3.1 Ensuring transparent social dialogue

Covivio and its subsidiaries maintain permanent, transparent and constructive dialogue with employee representative bodies.

In France, collective agreements are negotiated by Trade Union Representatives, and three unions were represented within Covivio in 2020 (CFE CGC, CFDT and CFTC). The Employee Representatives are responsible for any individual questions and issues. All elected representatives are "protected" by labour law, including after the end of their term of office, and may only be subject to sanctions with the authorisation of the State. They enjoy great freedom of speech and time devoted to their responsibility as elected officials.

The Social and Economic Committee (CSE)

The CSE is composed of 11 full members elected by the staff. It has been in office since 1 January 2020 and in addition to the missions of the former Works Councils, it includes the missions of the "Employee representatives" and the CHSCT, thus making it their representation to General Management more understandable for employees. The Social and Economic Committee manages and independently decides how to allocate a budget equivalent to 2% of the total payroll to fund social and cultural activities for Covivio employees.

In France in 2020, during seven meetings of the Social and Economic Committee, employers and unions were informed and consulted on the health measures related to the pandemic as mentioned in section 2.5.3.1, and also on the Group's employee policy, the economic and financial situation, as well as on strategic orientations and their impact on jobs (changes in business lines and skills in particular). A fixed-term agreement on emergency measures in terms of paid holidays, working hours and rest days to deal with the economic, financial and social consequences of the spread of Covid-19 was signed in March 2020.

For the past several years, Covivio has reached salary agreement with Trade Union Representatives under the Mandatory Annual Negotiations (NAO). The negotiations must cover the fields defined by law: mainly the remuneration and the sharing of added value, but also working time, gender equality and quality of life at work. In 2020, several measures were signed or renewed in this context, including the collective allocation of free shares despite the crisis, to reward the involvement of teams. As part of measures promoting work-life balance, in 2020 it was decided that 31 December would not be a working day. A fixed-term agreement on the payment of an exceptional purchasing power bonus of €1,000 was also decided in January 2020.

At the same time, two other agreements were signed: an agreement on the implementation of a paid on-call system, now extended to the entire UES (corporate entity), and an agreement on Seniors, promoting the retention in employment of older employees and allowing them to anticipate their retirement thanks to a CET (Time Savings Account).

In Germany, the social dialogue is organised through different channels. As in France and Italy, the German Constitution (Article 9) guarantees companies and their employees the freedom to join or abstain from joining a professional association or union. Every month, a meeting is held to discuss different topics and is attended by management, the Human Resources Director and employee representative bodies. Department managers are responsible for relaying information about potential changes to working conditions. All information related to collective bargaining agreements, ethical principles, major divestments and acquisitions made by the company and the Covivio group's strategy and news updates are made available to employees via the intranet. In 2020, three collective agreements were signed in Germany: a regulatory agreement for the test phase of the use of the Lanes & Plans IT tool, which makes it possible to book hotel rooms and flights as well as the reimbursement of travel expenses, an agreement on the implementation of new IT systems and an agreement on remote working. In Germany, collective bargaining on wages (20% of the scope) was concluded in August 2020.

2.5.2.3 Advancing together

Covivio strives to be exemplary in its day-to-day operations, applying best practices to reduce the environmental footprint of all its own Offices. This dynamic is an integral part of the Group's sustainable development policy and relies on the support of each employee.

2.5.2.3.1 Annual assessment of greenhouse gas emissions

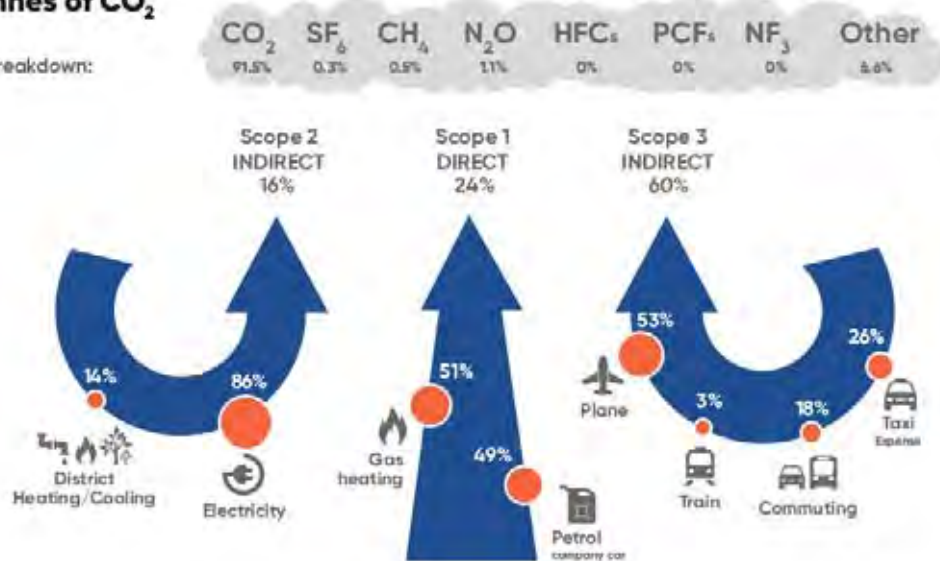
Slowdown of activity in buildings, teleworking, reduced travel and the international health crisis had a significant impact on the elements used in the calculation of the greenhouse gas (GHG) balance sheet in 2020. In order not to present results that are distorted by these exceptional conditions, the GHG accounting presented below relates to 2019. It is calculated on the basis of ADEME's V7 carbon footprint balance sheet table.

The results are presented according to the three emission scopes distinguished by the GHG Protocol, an internationally recognised standard:

- scope 1 - direct emissions from the combustion of fossil fuels used for company buildings or vehicles. For Covivio, this corresponds to natural gas consumption (90 tCO₂e/year) and fuel in service vehicles and company cars provided by the company (372 tCO₂e/year)
- scope 2 - indirect emissions from purchased electricity, heating, and cooling: for Covivio, this corresponds to the consumption of electricity (308 tCO₂e/year) and the heating and cooling networks (197 tCO₂e/year)
- scope 3 - other indirect emissions, in particular passenger transport. For Covivio, other indirect emissions come primarily from transport inherent to the business (435 tCO₂e/year), as well as commuting to work (1,324 tCO₂e/year). Commuting emissions take account of the mode of transport of each employee, the type of energy of all motor vehicles used, as well as their precise mileage.

Total: 2,726 tonnes of CO₂

Covivio emissions breakdown:



For the second consecutive year, the Group's average carbon footprint per employee in Europe was down in 2019, to a level of 2.74 tCO₂e (2.88 tCO₂e in 2018). To reduce its carbon footprint, Covivio has put in place several measures including the creation of mobility plans in France and Germany, making electric vehicles available in Germany and Italy and reducing building consumption.

For their commuting and business travel, French employees have been educated about and encouraged to use public transport, with, for example, the company covering 80% of the cost of the "Navigo transit pass" for employees in the Paris region. Business trips requiring less than three hours by train cannot be made by plane and those of more than 250km cannot be made by car. For travel by taxi, an agreement was signed with the company G7 to encourage the use of hybrid or electric vehicles; G7 has teamed up with non-profit organisation Reforest'Action and committed to planting one tree for every 10 journeys (G7 Green). The reimbursement of mileage allowances for employees commuting to the office by bicycle and the provision of secure bike storage in Paris and Metz also help to encourage employees towards more environmentally-friendly modes of commuting to work.

2.5.2.3.2 Exemplary premises

In its most recent establishments, in France and Germany, Covivio uses flexible arrangements emphasising well-being and user-friendliness, that foster collaborative and creative work.

In France, in 2017, an agricultural greenhouse was constructed in the centre of premises occupied by Covivio at 30, avenue Kléber, in Paris. The company Topager was put in charge of urban agriculture, both for the design and implementation of different crops planted and sown and for monitoring and maintenance. This greenhouse is, in addition, a great tool for raising awareness of the challenges facing nature in the city. Awareness meetings were held with Topager to present the planting and first harvests and explain the importance of urban biodiversity to employees.

In addition, to help boost employee well-being, a concierge service manages the Paris and Metz sites. Fruit baskets are also made available to employees in France and Germany.

Employees increasingly demand tangible actions from the company to support the environment and society in general. Covivio's commitment to sustainable development relies on the active involvement of all employees, both in their work and through civic-minded action which is gradually becoming automatic.

Many initiatives taken in this area contribute to employees' pride in working for the company:

- environmental certifications for headquarters buildings: HQE for the Le Divo building in Metz, BREEAM In-Use for the buildings at 30 and 10 avenue Kléber in Paris and BRaVe BB for Milan Cornaggia
- 100% green electricity contract for the Italian sites and photovoltaic panels on the headquarters in Oberhausen (Germany)
- renovation work to improve the buildings' energy efficiency: more efficient heating and cooling systems, LED lighting, motion detectors in common areas, etc.

- installation of devices to measure air quality at the Milan headquarters
- waste sorting and recycling of all paper and cardboard, collection and recycling of coffee capsules, collection of printer toner, batteries and plastic caps for recycling, phasing in of sorting of other waste (metal, plastic, etc.)
- food waste avoided by redistributing uneaten food to employees after meetings
- increased use of maintenance and cleaning products with an Ecolabel
- water savings through the use of dual flush toilets
- elimination of plastic water bottles and installation of water fountains
- distribution of recycled plastic bottles
- In line with its Paper Policy, launched in 2013, all paper used in Covivio printers is PEFC certified (paper from sustainably managed forests), and has the European Ecolabel label (taking into account the product's entire life cycle, its quality and its use). This Paper Policy applies to all printouts and external publications related to administration and marketing.

A waste audit of the premises hosting Covivio's teams in Paris was carried out in December 2019, with the help of Cèdre, a company employing 74 disabled people (which provided work for the equivalent of just over one disabled employee during the audit period, which lasted one week).

This analysis revealed the potential to recycle an additional 30% in volume and 10% in weight. Awareness-raising actions for employees on selective sorting and food waste were held in 2020, supplementing actions on this topic that were conducted during European Sustainable Development Week 2019. An internally produced guide to sorting waste on a daily basis was distributed to employees in 2020.

2.5.2.3.3 Informed employees

The process of change relies on a set of comprehensive actions. Examples of these are the awareness-raising articles *regularly distributed* on the Group's intranet, or the bi-monthly Covivio ("Green" or "Innovation") Meetings for raising awareness and providing information on sustainable development, through various subjects related to Covivio's business lines. Experts (start-ups, engineering firms, attorneys, non-profit organisations, local authorities, etc.) on CSR (low-carbon construction, digital tools, new labels, biodiversity, resilience, etc.) and innovation topics (new uses, artificial intelligence, etc.) come to present innovative solutions, new concepts and results of studies commissioned by Covivio (energy flexibility, carbon trajectory, etc.).

In 2020, these Covivio meetings were held by videoconference; in 2019 and 2020, the topics covered Parisian regional resilience with the Paris Town Hall, the labels relating to the quality of life at work/health/well-being and carbon, the 2020 Environmental Regulation, sustainable finance, etc., with large audiences (from 50 to more than 100 participants).

In 2020, the Sustainable Development Week was transformed into a Fortnight and took place in September/October, instead of the traditional month of June. The situation did not allow the organisation of physical events, as in previous years, but numerous articles to raise awareness on various subjects (climate resilience and biomimicry in particular) were published.

In general, each new employee is made aware of CSR, particularly during the induction day, which they take part in during the weeks following their arrival.

One-off educational and engagement actions for employees are also held throughout the year, including:

- community collection of toys organised at the Paris sites with the Rejoué non-profit association, which employs workers on a social inclusion programme. 24kg of toys were collected in late 2020 (15kg in late 2019) in time for Christmas, the third consecutive year this initiative was held
- collection for Restos du Cœur
- collection of stuffed animals and of donations to Pièces Jaunes
- planting of 924 trees in 2019 with Reforest'Action for Covivio's first anniversary in June 2019 (924 represents the number of Group employees at the time of this action; according to Reforest'Action, this offsets 534,996km driven)
- actions related to national/European/international weeks: for example, during the week of waste reduction, initiatives in 2019 relating to composting in the agricultural greenhouse, and in 2020, distribution of a guide on waste sorting
- partnership with Bilium, an organisation that gives a second life to materials as part of the recycling of advertising banners from the Silex2 project. 140 kits were produced in this way in 2019
- events at the Wellio space in Marseille: including showcasing of local organisations or start-ups through afterworks, such as Plastic Odyssey and Lemon Tri, the collection of toys and a joint bookstore, etc.

- in Italy in 2019, site visits by the children of employees in Rome and Milan, with an educational event on sustainable development led by an NGO
- also in Italy, participation in September 2019 in an international campaign, Clean Up the World, and in cleaning around schools in districts where Covivio operates and around schools (two in Milan and two in Rome).

2.5.2.3.4 Exemplary IT solutions

As part of its digital transformation, Covivio is adopting innovative IT solutions to help smooth the flow and increase the reliability of information Europe-wide with the aim of bringing the three countries where it operates closer together. User-friendly collaborative tools (such as SharePoint, Teams and Onenote) have been adopted by all the sites. Video-conferencing equipment has been modernised, on the one hand facilitating exchanges between the various departments/entities, and also promoting a reduction in the number of trips. Similarly, the shift towards the cloud and the pooling of certain resources on a European scale are helping to reduce the Group's energy and carbon footprint.

In France, multifunction printers were replaced in 2018 by more modern and more environmentally-friendly equipment. Their total number was reduced and individual printers were eliminated. A number of processes have already been made paper-free. A report on printing initiated in 2012 tracked the impacts of initiatives carried out in this area and showed a 22% decrease in the number of pages printed in 6 years.

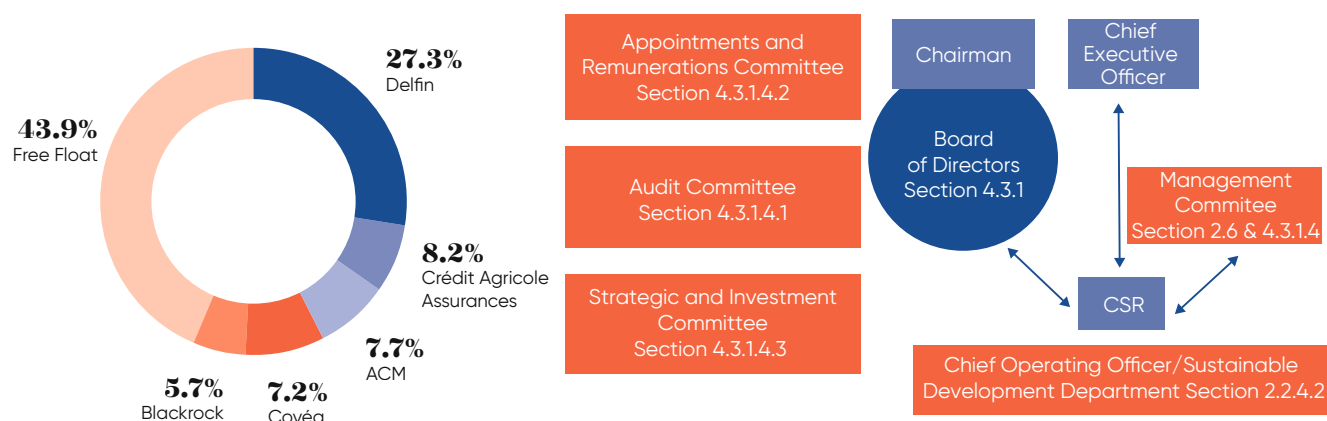
Data security is identified as a major risk in the 2018 risk mapping study (2.6.3). Finally, a business continuity plan has been put in place and is tested periodically (2.6.3.1).

In early 2021, the Information Systems Department is also implementing a new anti-phishing plan (cyberattacks aimed at recovering and exploiting personal data) in the form of a document enabling employees to identify this type of attacks and, ultimately, to avoid them.

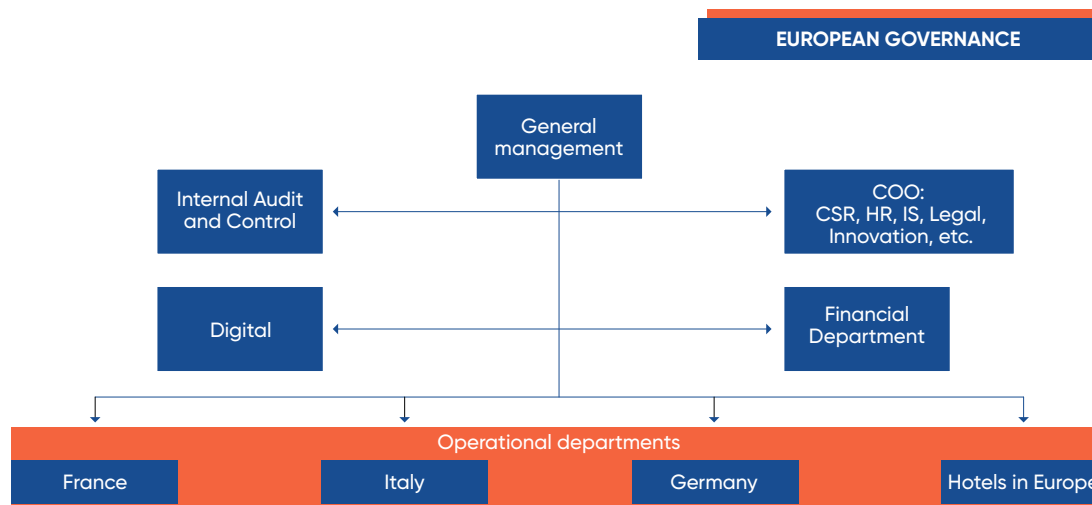
2.6 Governance based on ethics and transparency

For several years now, Covivio has been one of the European leaders in its sector, a position strengthened in particular by the merger-absorption of its Italian subsidiary Beni Stabili, completed on 31 December 2018, which resulted in the creation of a branch in Italy and the admission of its shares for trading on the MTA (*Mercato Telematico Azionario*) market of the Milan stock exchange, in parallel with the listing of its shares on compartment A of Euronext Paris. Covivio's governance has adapted to this status in order to be able to respond effectively to the challenges it presents. The analysis of the CSR risk mapping does not place the risks relating to governance among the most sensitive risks for the Group. However, Covivio intends to continue to benefit from effective governance adapted to the company's strategy. Thus, Covivio's executive and non-executive management is constantly evolving and adapting to the evolution of the company and its subsidiaries, with the aim of high performance and agility. It is summarised in the following diagramme.

Shareholders and organisation of the Board of Directors and its Committees



Simplified organisation chart of the European Executive Management



This chapter 2.6 focuses on the organisation of the company's governance, as well as its main requirements, which are ethics and transparency. Other governance risks that fall outside the scope of CSR are detailed in Chapter 1 of the Universal Registration Document.

Strong commitment from governance bodies during the health crisis

To deal with the crisis, exceptional organisation has been developed at both the Board of Directors and General Management levels. In 2020, the Board held three extraordinary meetings (April, June and December) dedicated to managing the crisis, in addition to its ordinary meetings, with an average attendance rate of 93.3%.

Following the unanimous decision of the Board, the Directors decided to donate all of their compensation related to these extraordinary meetings to the Covivio Foundation. The budget of this Foundation has also been increased from €300,000 to €500,000 for 2020 to support initiatives in favour of people made vulnerable by the crisis (2.4.1.2).

In addition to the support measures deployed for its directly affected customers (2.2.2) and for caregivers, the members of the Executive Committee have also given up a week of leave for the benefit of the Covivio Foundation.

Governance key performance indicators (at 31/12/2020)



2.6.1 Effective governance tailored to the corporate strategy

Placing CSR at the heart of its business model and development strategy, Covivio's governance bodies integrate the various social and environmental challenges facing the company's activities. The CSR risk mapping has highlighted the importance for Covivio of efficient and stable governance.

2.6.1.1 An effective governance structure, in line with the recommendations of the Afep-Medef Code

In November 2008, Covivio adopted the Afep-Medef Code as a reference framework for its corporate governance. The company continues to refer to this Code, in its updated version published in January 2020, and draws on the work of the High Committee on corporate governance, as well as on the various recommendations of the *Autorité des Marchés Financiers* (French Financial Markets Authority), the EPRA and the Code of Ethics of the French Federation of Real Estate Companies (*Fédération des Sociétés Immobilières et Foncières* – FSIF).

Since 2013, Covivio has increased the percentage of independent Directors and the number of female Board members, while strengthening the Board's competencies in real estate, legal, environmental/CSR and financial matters, international experience and experience in managing listed companies.

An overview of the skills and expertise of the Directors is provided in paragraph 4.3.2.1.3, Chapter 4.3 of this Universal Registration Document.

These developments have enabled Covivio to embrace an open, transparent and ethical governance that is tailored to its share ownership structure and with the aim of serving the long-term interests of the company, its shareholders, tenants, stakeholders and employees.

These efforts have been applauded by analysts and rating agencies and widely recognised, in particular through the award of AGEFI's "2018 Grand Prix for corporate governance" and "2020 Grand Prix for Compliance".

The Board of Directors regularly endeavours to adapt its Internal Regulations to the governance changes introduced by the Afep-Medef Code, the provisions of which were updated in 2020, in particular in order to integrate:

- the Board's setting of gender diversity targets for the governing bodies and decide on the procedures for presentation to the Board of their implementation by General Management and the results obtained
- the determination of a selection process by the Board of Deputy General Managers to ensure that at least one person of each gender is among the candidates.

2.6.1.2 The Board of Directors at the centre of corporate governance

2.6.1.2.1 Composition and operation of the Board of Directors and its Committees

The governance of Covivio is based on a Board of Directors structure, with separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, thus guaranteeing an effective balance of powers between, on the one hand, the Chairman, who oversees the proper functioning of the Board of Directors, and on the other hand, the Chief Executive Officer, who ensures the executive management of the company. The Chairman of the Board of Directors, who is also an independent Director, ensures that the Governance bodies are transparent and effective. His ongoing discussions with the Chief Executive Officer, who is also a Director, help strengthen the functioning of the Board and the efficiency of its meetings.

The Board of Directors, which approves the Group's strategic policies and oversees their implementation, pays special attention to the monitoring of CSR performance. The Board's composition brings together individuals with complementary experiences and skills, with a preponderance of independent Directors and broad international perspective.

The Board's strategic seminars, held since 2015 in Berlin, Milan and London, have enabled the Directors to get a better grasp of the local specificities of certain products and markets.

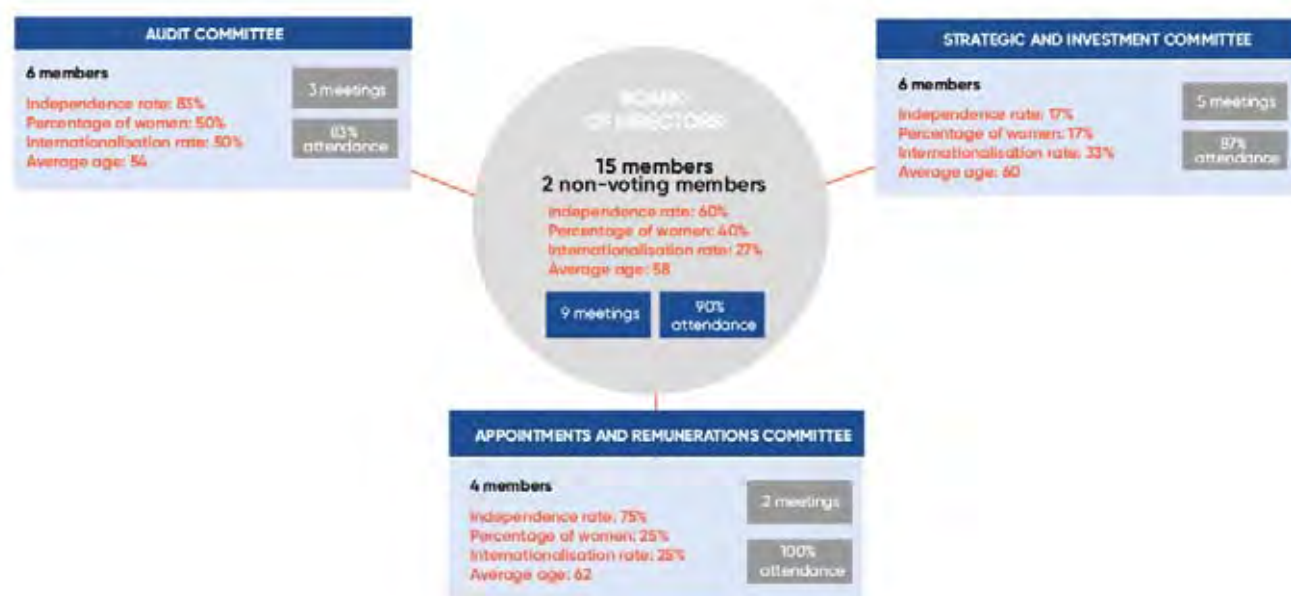
The Social and Economic Committee appointed two of its members to represent it at the meetings of the Board of Directors. These members attend all of the Board's meetings in a consultative capacity and receive the same documents as those issued to Directors.

Subject to the approval by the General Combined Meeting of 20 April 2021 of the resolutions relating to the renewal of the term of office as Director of Predica, represented on the Board by Jérôme Grivet, as well as independent Directorships of Sylvie Ouziel and Jean-Luc Biamonti:

- the composition of the Board of Directors of Covivio would remain the same, it being specified that the reappointment of Jean-Luc Biamonti is proposed for a limited period of two years beyond which he would lose his status as an independent Director in application of the rule set out in article 9.5.6 of the revised Afep-Medef Code
- the proportion of independent Directors would be maintained at 60% (Jean-Luc Biamonti, Christian Delaire, Sigrid Duhamel, Jean Laurent, Alix d'Ocagne, Sylvie Ouziel, Olivier Piani, Patricia Savin and Catherine Soubie)
- the proportion of women on the Board would be maintained at 40% (Sigrid Duhamel, Stéphanie de Kerdrel, Alix d'Ocagne, Sylvie Ouziel, Patricia Savin and Catherine Soubie).

The Board is supported by three specialised Committees set up within it.

Three specialised Committees



The detailed composition of the Board and its Committees, as well as the list of mandates and functions exercised by each Director in office as of 31 December 2020 are presented in section 5.3.2.1. of the Universal Registration Document.

2.6.1.2.2 An efficient Board of Directors

- Every year the Board of Directors discusses its operations and that of its Committees and formally assesses, at least every three years, its ability to meet the expectations of shareholders, periodically reviewing its composition and that of its Committees, its organisation and working methods. Three formal assessments were carried out at the end of the 2013, 2016 and 2019 fiscal

years. This confirmed that the Board of Directors is deemed well-balanced, efficient, with a positive momentum, and with all the required tools to perform its duties. The year 2020 was used to continue the positive momentum and work on the areas for improvement proposed by the Directors. The Compensation and Appointments Committee presented various proposals to the Board of Directors concerning the composition of the Board, the content of the discussions and the coordination between the Committees, which decided to implement them. The details of these proposals are presented in paragraph 4.3.2.2.6.3. of the Universal Registration Document.

- Through the application of the Board's Internal Regulations, the company strives to prevent the occurrence of conflicts of interest, in particular when presenting investment opportunities submitted to the Board and/or to the Strategic and Investment Committee. Under these regulations, all Directors are required to make every effort possible to determine in good faith whether or not a conflict of interest exists. They must report this to the Chairman as soon as they are aware of any situation that may constitute a conflict between the company and themselves, the company which they represent, or any company of which they are employees or corporate officers. The system for preventing conflicts of interest is presented in paragraph 4.3.2.2.6.1 of the Universal Registration Document.

This applies in particular when, for any transaction being considered or undertaken by the company, a member of the Board or a company of which a Director is an employee or corporate officer might have competing interests or interests opposed to those of the company or the companies within its Group. In such a case, the Board member in question must refrain from participating in the discussions and deliberations of the Board and/or Strategic and Investment Committee and, more generally, observe a strict duty of confidentiality.

- For their work with the Board, Directors and the non-voting members receive a remuneration, the amount of which is determined by the Board of Directors based on a maximum overall annual amount of €800,000 approved by shareholders at the Combined General Meeting of 19 April 2018. The remuneration includes a fixed component and a variable component linked to attendance at meetings and effective contribution to the work of the Board and its Committees.

2.6.1.2.3 A Board of Directors attentive to CSR issues

CSR matters are regularly referred to the Board in order to incorporate them in the company's strategic guidelines. The actions undertaken by the company in this area are presented annually to the Board of Directors. The latter examines the company's performance in terms of environmental, social and corporate responsibility, monitors the progress made in relation to established objectives, approves major opportunities for improving CSR performance and compares the progress of the companies within the Group with that of peers in Europe.

The Board of Directors also examines non-financial information published by the company, with a particular focus on social and environmental matters. It also analyses the ratings issued by non-financial rating agencies. Lastly, it ensures that the ethical rules set out by the Group are applied and assesses sponsorship and philanthropic policies and actions carried out.

The progress made in relation to the objectives in each of the four areas of Covivio's sustainable development policy is regularly presented to the Board of Directors.

In addition to the overall mapping of the risks and the special analyses conducted annually on matters that may represent specific risks (such as Cyber risks, the risks of Fraud and Corruption and CSR risks), in 2020, Covivio carried out a review of the action plans put in place to address the main risks identified (2.2.4.2) and approved the 2021 audit plan and risk management policy.

2.6.1.3 An Executive Committee attentive to CSR performance

The Executive Committee, which met several times a month in one of the major cities in which the company operates, and on a total of 50 occasions in 2020, has a European dimension, approves every decision or significant operation concerning the monitoring of subsidiaries and holdings, the financial policy and the asset rotation policy. It also addresses issues of organisation, CSR, tools, etc.

At the close of the 2020 fiscal year, the Executive Committee, whose composition is presented in section 4.3.1.4 of the Universal Registration Document, brings together 11 members, including representatives of all Covivio "country" and "product" activities.

The diversity of this Committee, in terms of gender, age, experience, nationality and skills, helps it support the Group's strategic challenges. The Covivio Executive Committee is responsible for approving all investments and disposals whose value exceeds €5 million. Its members are in charge of implementing the CSR objectives of the Group within their area of responsibility and in coordination with the Sustainable Development Department. The results achieved in this domain are now systematically incorporated into the criteria for determining the variable portion of the remuneration of Committee members. The following objectives are therefore taken into account when calculating the variable compensation of the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Executive Committee: improving the portfolio's environmental performance, proportion of women on teams; talent attraction and retention. These objectives are then rolled out operationally to the Group's managers, according to their operational responsibilities, and are communicated during individual appraisals.

2.6.1.4 General Meetings

Since 2013, Covivio has provided its shareholders with an online resource enabling them to receive their meeting invitation and obtain details and input voting instructions prior to the General Meeting.

At the close of its General Combined Meeting of 17 April 2015, Covivio maintained the principle of "one share = one vote". This was approved by the shareholders, thereby waiving the automatic assignment of double voting rights provided by the Florange law of 29 March 2014.

The results of the votes at General Meetings are published on the company's website within two business days of the meeting.

One or more shareholders satisfying the conditions specified in Article R. 225-71 of the French Commercial Code or the associations of shareholders fulfilling the conditions set out in Article L. 22-10-44 of the French Commercial Code are entitled to request the inclusion of items and/or draft resolutions on the agenda of the General Meeting.

Requests for the inclusion of items or draft resolutions on the agenda must be received by the company by means of a registered letter with acknowledgement of receipt, along with a certificate attesting that they are a registered shareholder, no later than the twenty-fifth day preceding the date of the General Meeting, and which may not be sent more than twenty days after the date of publication of the notice in the *Bulletin des annonces légales obligatoires* (BALO) (the French Legal Gazette).

2.6.1.4.1 Minutes of the General Combined Meeting of 22 April 2020

This shareholders' Meeting was exceptionally held behind closed doors (excluding the physical presence of shareholders and other persons entitled to attend) at the headquarters of the administrative department, in accordance with the provisions of Article 4 of Decree no. 2020-321 of 25 March 2020, applying article 11 of emergency law no. 2020-290 of 23 March 2020, due to the measures imposed by the Government by the decrees of 23 March and 14 April 2020 prohibiting, on French territory, any gathering, meeting or of more than 100 people and limiting travel until 11 May 2020.

It was an opportunity to present, to shareholders, the CSR policy developed by Covivio. The policy was praised on several occasions by non-financial rating agencies, and its main strategic focuses are:

- "Sustainable Buildings" through the continued greening of the portfolio, the reduction of carbon emissions and the accessibility of assets by public transport

- European human capital through a proactive Human Resources policy in favour of professional equality and focused on strengthening gender equality within teams, the launch of the employer brand to reinforce the attractiveness of Covivio, and the expression of the company's Purpose and the adoption of its Manifesto
- relations with stakeholders, including the implementation of societal measures aimed at contributing to the collective effort during the Coronavirus crisis
- ethical and transparent governance.

Shareholders were offered the option of sending their questions (traditionally asked during debates in meetings) by email until 20 April 2020 (at 3pm) in addition to written questions sent no later than the fourth working day before the date of the General Meeting in accordance with Articles L. 225-108 paragraph 3 and R. 225-84 of the French Commercial Code. However, no written questions were sent to the company.

General Meeting statistics

	Combined Annual General Combined Meeting of 22 April 2020		Change 2019/2020	
	Ordinary resolutions	Extraordinary resolutions	Ordinary resolutions	Extraordinary resolutions
Number of shareholders represented or having voted by post	1,300	1,303	-10.96%	-8.82%
Number of votes cast	67,429,807	67,430,164	+2.01%	+2.08%
Attendance rate	77.56%	77.56%	-2.04 points	-1.98 points
Resolution approval rate	97.85%	99.35%	+2.68 points	+1.50 points

2.6.1.4.2 shareholder consultation on "say on pay"

The shareholders at the Annual General Combined Meeting on 22 April 2020 voted on the compensation policy applicable to the Chairman of the Board of Directors, the Chief Executive Officer, the Executive Vice-Presidents and the Directors in respect of the 6th, 7th, 8th and 9th resolutions (*ex ante* "say on pay"), and on elements of individual compensation paid or allocated in the 2019 fiscal year under the 10th, 11th, 12th, 13th and 14th resolutions (*ex post* "say on pay", "global" and "individual"). The average approval rates for the

resolutions relating to the *ex ante* and *ex post* "say on pay" are 97.45% and 94.62% respectively, thus confirming the good balance and effectiveness of the compensation policy. The *ex post* "say on pay" resolution concerning the Chief Executive Officer, approved with a lower score than the others, gave rise to a specific analysis by the Compensation and Appointments Committee, then by the Board of Directors.

Details of the results of the "say on pay" resolutions

	Ex ante say on pay	"Global" ex post "say on pay"	"Individual" ex post "say on pay"
Corporate officers			
Jean Laurent, Chairman of the Board of Directors	99.85%		99.72%
Christophe Kullmann, Chief Executive Officer	95.34%		84.62%
Olivier Estève, Deputy General Manager	94.61%	99.27%	94.23%
Dominique Ozanne, Deputy General Manager	94.61%		95.23%
Directors	99.98%		N/A

The amounts resulting from the implementation of these remuneration policies and paid or allocated for the fiscal year ended 31 December 2020 will be submitted to the approval of the shareholders at the General Combined Meeting to be held on 20 April 2021 as part of the approval of the 9th to 13th resolutions (*ex post* "say on pay").

2.6.1.5 Addressing shareholder concerns and ensuring the transparency of financial information

Covivio does its utmost to provide institutional investors and individual shareholders with quality information regarding its business and strategy. It is conducting substantive work to consolidate its long-term relationship of trust with the financial community and to develop its market transparency.

The company is also helping to raise the level of professionalism within the industry and to issue high-quality information by means of its active involvement with the IEIF (Real Estate Savings Institution), the FSIF (*Fédération des Sociétés Immobilières et Foncières*), and EPRA (European Public Real Estate Association). Covivio participates annually in around ten conferences for international investors and organised by renowned brokerage firms (such as Bank of America and Goldman Sachs).

Covivio also takes a proactive attitude in dealings with institutional investors. As such, management holds some 400 meetings every year with their main representatives, particularly when the annual

and semi-annual results are released in the major European and US markets, and sets up around fifteen site visits of representative assets in its portfolio for these groups.

2.6.1.5.1 Covivio listening to individual shareholders

Covivio publishes an annual newsletter for its 10,000 individual shareholders, sent by post. Covivio provides them with a dedicated section on its website, a documentation service as well as a shareholders' freephone number (0 805 400 865).

2.6.1.5.2 A policy recognised by the 2020 EPRA Awards

The quality and transparency of Covivio's financial and non-financial reporting were recognised at the 2020 EPRA Annual Conference with two awards. Covivio received two EPRA Gold Awards: one for the financial part of its 2019 Reference Document, and the other for the quality of its non-financial reporting included in that document and its compliance with EPRA's Best Practices Recommendations.

These awards highlight the relevance of Covivio's integrated model, which is rolling out best practices across Europe.

2.6.2 Ethics and the fight against fraud and corruption, foundations of Covivio's governance

Promoting fair and ethical practices with all of the Group's stakeholders is a major challenge for Covivio and represents a response to the "fraud/corruption/ethics" risk identified in the CSR risk mapping. A breach of the professional ethics rules and of the Group's internal procedures, or insufficient control of commercial (negotiation, contracting, invoicing, etc.) and financial processes could lead to significant risks: negative reputational impact, loss of stakeholder confidence, financial losses, an obstacle to the development of activities, etc. To remedy this, Covivio has implemented numerous risk management actions, in accordance with the regulations of the various countries in which it operates and according to the most recognised international standards in the sector. Its Ethics charter, updated in 2018, is now binding on its employees and covers all of the ethical issues that Covivio may be faced with.

Covivio signed the Diversity Charter in 2010 and has been a member of the UN Global Compact since 2011. It incorporates the 10 principles of the Global Compact into its strategy and practice and promotes them to its stakeholders, in particular its suppliers, through its Responsible Procurement Charter and yearly publication of a Communication on Progress (COP), made at the behest of the UN. Since its 2018 COP, Covivio has reached the highest standard, GC Advanced, which demonstrates the fact that the Group is embracing the SDGs (Sustainable Development Goals) to a greater extent and highlights the connections between them and Covivio's CSR strategy.

Covivio's COPs are published on its website:

<https://www.Covivio.eu/app/uploads/2018/11/2018-Pacte-Mondial-des-Nations-Unies-Communication-sur-le-progr%C3%A8s.pdf>

and on the Global Compact website: <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/422170>

2.6.2.1 An Ethics charter for greater responsibility

A fundamental element of Covivio's ethics and compliance approach, its Code of Ethics is adapted, from a common base, to the specific legal and regulatory requirements of each country; it covers all of the Group's French, German and Italian employees. It is available on the Covivio website and intranet (<http://www.Covivio.eu>). The Code of Ethics defines the ethical principles that all employees must follow as part of their professional practices and in their behaviour with external contacts. The core principles set out in this charter are as follows: respecting laws and regulations (prevention of insider trading, combating money-laundering, bribery and similar crimes); respect for the environment and individuals (health and safety in the workplace, prevention of discrimination, respecting third parties); protecting the company's assets (reputation, property, resources) and transparency of information provided; protection of personal data. The charter has been revised twice: the first time in 2015 with the implementation of a whistleblowing system, and then again in 2018, as part of the roll-out of the anti-bribery system stemming from the Sapin 2 law of 9 December 2016.

Since it is legally enforceable against Group employees, the Ethical Charter is henceforth interpreted as a Code of Conduct within the meaning of the Sapin 2 law. As such, any breach of the rules laid down therein, and notably any proven incident of corruption, could, in addition to legal sanctions, be subject to heavy penalties leading to the possible termination of the employment contract or mandate of the person responsible.

The charter also restates Covivio's "zero tolerance" approach regarding corruption and influence peddling, as well as the possibility for all stakeholders (internal and external) to signal any conduct that contravenes the principles of this charter, via an alert system (alerte@covivio.fr). In 2020, no employee was subject to disciplinary measures related to non-compliance with the Ethical Charter. Moreover, there were no complaints or convictions against Covivio on these grounds.

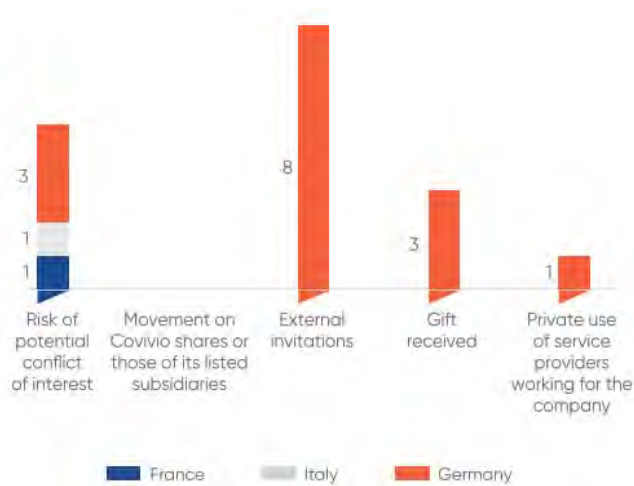
Employees aware and trained

The Internal Risks, Compliance, Audit and Control Department has put in place regular and compulsory training courses for all of its employees. These training sessions called "Process Mornings" focus on ethics, compliance and internal control. Initially launched in France, this practice has been generalised to involve all of the Group's employees in Germany and Italy. Each new employee is given a copy of the charter upon being hired by the Group.

The Ethics Officer

The Ethics Officer reports only to General Management. This function has been deployed in France, Germany and Italy. They have a duty of confidentiality with regard to information forwarded to them. Its mission includes several aspects: advising employees on conflicts of interest, gifts and other benefits received or offered; reminder of stock market law rules; monitoring the application of ethical rules; regulatory monitoring in terms of ethics. In 2020, 54 notifications were received and processed by the three Group Ethics Officers. In addition, they recorded 279 declarations of gifts received for which the cumulative annual value may not exceed €150 (43 in France, 71 in Italy, and 165 in Germany) in accordance with the Group's Gift Policy.

Number of requests from compliance officers in 2020



The Group Compliance Officer

This function was created in 2018. The Group Compliance Officer coordinates the compliance activity at the European level with the support of local officers: the Compliance Officer Germany and the Compliance Officer Italy. As part of their duties of ensuring Group compliance with the rules and ethical principles applicable to it, the Group Compliance Officer:

- contributes to the drawing up of the Code of Ethics and its updating
- ensures its dissemination to all employees whenever it is updated and forwards it to all new employees when they take up their positions
- is in charge of its implementation: in this respect, they ensure that each department puts in place the necessary means to satisfy the provisions that apply to it, and draws on the support of the Audit function to conduct the checks deemed necessary

- maps and updates the corruption and influence peddling risks and ensures the proper implementation of the resulting recommendations
- conducts due diligence with regard to third parties
- in the event of failure to comply with these rules, ensures implementation of appropriate measures.

2.6.2.2 Preventing the risk of fraud and corruption

In compliance with the tenth principle of the UN Global Compact, Covivio has strengthened its risk prevention system in the areas of fraud, corruption and related infringements, such as influence peddling.

2.6.2.2.1 Fraud risk management

The separation between scheduling (ordering) and launching (payment) operations, as well as procedures related to competitive bidding thresholds, significantly reduce the risk of fraud. During the "Process Morning" sessions, the company makes employees who handle transactions aware of the risks of fraud and corruption and reminds them of the Group's zero tolerance approach. "Anti-fraud" audits are carried out regularly within the Group and have revealed no significant dysfunction. These measures are the subject of internal control and assessment procedures under the audit plans validated by the Audit Committee.

2.6.2.2.2 Prevention of corruption risks

Covivio has implemented eight measures to prevent the risks of corruption and influence peddling as governed by the Sapin 2 law.

1) Corruption risk mapping

The cornerstone of the corruption risk prevention system, Covivio's corruption risk map was updated in 2020 to reflect changes in the Group's activities. The recommendations resulting from the mapping are implemented at the European level by the Group Compliance Officer and are regularly monitored by the Audit Committee and the Management Committees in each country.

2) 3) Procedures for assessing the situation of customers and suppliers and accounting control procedures.

With regard to the major risks identified by the mapping, Covivio pays particular attention to the integrity of its main customers and suppliers by carrying out appropriate analyses, and implements specific accounting reporting aimed at detecting any acts of fraud and corruption in its accounts. Transactions that are deemed sensitive – such as acquisitions, sales of assets or companies, construction and renovation work – are guided by appropriate procedures, especially regarding links with intermediaries.

4) 5) Code of Conduct and disciplinary regime

The Covivio Code of Ethics has been updated in accordance with the requirements of the Sapin 2 law to act as a Code of Conduct. In France, it is appended to the company's Internal Regulations; it has similar binding force in Germany and Italy. Failure to comply with the provisions contained therein, and more particularly any proven act of corruption or influence peddling, would give rise to strict penalties, which could go as far as the termination of the employment contract or of the mandate of the person implicated.

More information in section 2.6.2.1. of this Document.

6) Whistleblowing system

Covivio introduced a whistleblowing system in 2015. Its operation has been amended in order to take into account the provisions of the Sapin 2 law. The alert system can deal with several types of incident: crime or offence, serious and manifest violation of a national or international regulation, serious threat or prejudicing the general interest, etc. It also enables all employees to notify failure to comply with the principles defined in the Code of Ethics and, more generally, in the following areas: finance, accounting, banking, fighting corruption, unfair competition, tackling discrimination and harassment in the workplace.

The whistleblowing system is made available to Group employees and all stakeholders. It is the subject of an internal procedure disseminated and explained at European level. Partners and suppliers are made aware of its existence through its publication on the Covivio website while it is also mentioned in the Responsible Procurement Charter (2.4.2.1) rolled out in France. A specific email address has been created in each country (in France: alerte@Covivio.fr).

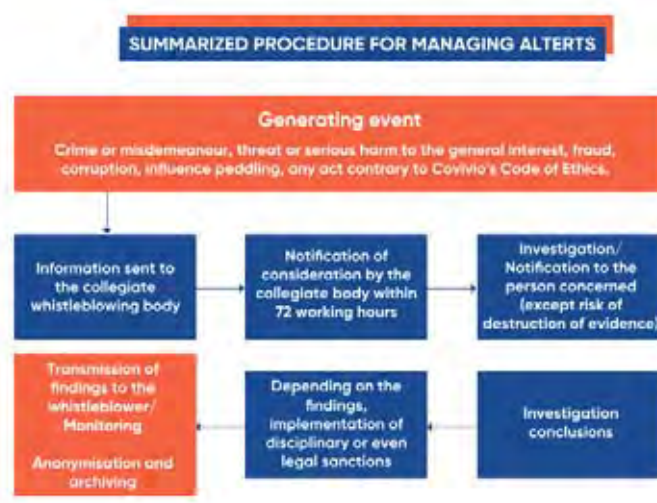
Covivio undertakes to protect the whistle-blower:

- by maintaining confidentiality about their identity (and the identity of the person who is the subject of the report) and the acts reported during the notification investigation phase
- against possible victimisation, disciplinary action or legal proceedings, provided that the system is not used in an abusive manner and that it is employed in good faith.

The changes made to the whistleblowing system in 2018 also provided the opportunity to open the system to anonymous reports. These are now processed where the severity of the facts is established and the factual evidence is sufficiently detailed.

After completing an internal inquiry into a notification that does not lead to any legal and/or disciplinary proceedings, Covivio anonymises all the data gathered after a period of two months.

In 2020, two alerts were recorded, one in France and one in Germany. None of them concerned acts of corruption or influence peddling.



7) Employee training

Covivio employees are regularly made aware of the risks of corruption as part of the morning sessions of the process (see paragraphs 1.11.6.2.1.4 and 2.6.2.1 of this Document). The most exposed employees receive more in-depth training on these risks.

8) Monitoring and evaluation of the measures implemented

The Audit Department carries out regular checks on the proper implementation of measures to prevent corruption risks (see paragraph 1.11.6.2.1.4) as part of the annual audit plans approved by the Audit Committee.

2.6.2.3 Guaranteeing fair competition

Covivio, in its business activities and more specifically in its sales, acquisition and construction work, complies with competition provisions and regulations in force in each country. The company

has therefore implemented specific procedures: a competitive bidding process is mandatory above a certain threshold and the bidding framework includes procedures that have been put in place and validated by General Management.

Depending on the amounts and types of transactions, several companies must be consulted. In the same manner, the company uses a procedure for opening bids involving a minimum of two employees and the drafting of the opening of bids minutes for some tender processes in order to ensure the widest degree of transparency and fairest competition possible. Audits are performed each year on certain development transactions in order to ensure proper compliance with the procedure. These audits revealed no significant issues.

The risk of anti-trust behaviour is limited within the framework of Group activities as there are many owners of real estate assets.

2.6.2.4 Combating money laundering

Covivio, as a real estate operator, is bound by regulations on: combating money-laundering in its real estate leasing activity; registered office service; purchase and sale of buildings; transactions regarding business assets; and shares or holdings in real estate companies which might conceal one or more money-laundering activities subject to criminal sanctions. Undertaking capital transactions, it is also obliged to notify the French Public Prosecutor of any suspicious transactions of which it is aware.

Covivio and its subsidiaries have introduced a system for combating money laundering and the financing of terrorism (LAB/LFT) – in keeping with each country's legal and regulatory requirement – in the form of a procedure that lists and describes actions to be taken by the employees concerned. The Group Compliance Officer and the Risks, Compliance, Audit and Internal Control Officer are LAB/LFT (anti-money laundering and financing of terrorism) Managers as well as TRACFIN (French Ministry of Finance's anti-money laundering agency) Contacts and Registrants.

This system is based on vigilance when initiating business relationships and in relation to the third parties involved. The implementation of the LAB/FT system is supported by regular training campaigns during the "Process Mornings".

2.6.2.5 Association with, or membership of, domestic or international organisations

Covivio actively contributes to the French government's building policy through its strong commitment within working groups and professional associations. Covivio is a member of the sustainable development commissions of EPRA and of the *Fédération des Sociétés Immobilières et Foncières* (FSIF), whose CSR commission is chaired by Covivio Sustainable Development Director Jean-Éric Fournier. He is also Vice-Chairman of the French HQE-GBC Alliance, a member of the Sustainable Building Plan Office and Coordinator of the RICS France Professional Sustainability Group. Covivio's contribution to the promotion of sustainable real estate is evidenced by its involvement in various working groups alongside associations (including Orée and SBA-Smart Building Alliance), in the Immowell Lab start-up incubator, with scientific bodies (*Politecnico di Milano*), as well as its participation in studies at a national level (Palladio and IFPEB, etc.) and Europe-wide level (EPRA, RICS, etc.), and its commitment to initiatives such as the Global Compact and the Paris Climate Action Charter.

2.6.2.6 Supervision of donations, memberships, contributions and lobbying activities

Covivio benefits from a specific procedure covering the following activities:

- participation of companies in donations (including sponsorship, philanthropy), memberships of or contributions to professional or non-professional associations or foundations
- Lobbying/Public Relations operations carried out using specialised firms.

This procedure reiterates the principle that, while respecting the commitments of its employees who, as citizens, participate or wish to participate in public life in a private capacity, Covivio does not finance any public official, political party, public office holder or candidate for such office, nor any trade union or religious organisation that is not recognised as being of public interest.

Donations, philanthropy, sponsorship and similar operations

related to the protection of the environment or equal opportunities are intended to be carried out via the Foundation created on the occasion of the publication of Covivio's Purpose. All other actions are centralised by the Communications Department, which submits the request to the Compliance Officer in order to carry out due diligence prior to definitive approval of the project by General Management.

Membership of professional associations by Covivio employees (whose contribution is covered by the company) is also subject to internal validation processes. The Compliance Officer may be asked to carry out a prior probity investigation.

Concerning **lobbying actions**, Covivio does not directly exercise interest representation, within the meaning of the Sapin 2 law as amended by law no. 2018-727 of 10 August 2018 aimed at promoting trust in public administrations (ESSOC law).

Covivio may nonetheless join professional associations carrying out such activities or call on specialised firms which are subject to particular vigilance and whose use is strictly governed by Covivio's procedures.

Therefore, any request for recourse to such a firm is addressed to the Director of Institutional Relations, who, with the support of the Compliance Officer, performs the following procedures:

- he verifies the Firm's adherence to the rules and ethical principles laid down by law. no. 2013-907 of 11 October 2013 on the transparency of public life
- he obtains, from the proposed Firm, any document certifying compliance with these rules, in particular by signing a Code of Ethics (e.g. Charter of the *Association Française des Conseils en Lobbying et Affaires Publiques*)
- he verifies the correct registration of the Firm in the Directory of Lobbyists provided to the French authority for transparency in public life
- as part of the contract, he formalises the Firm's missions and establishes a compensation structure based on an hourly rate: written activity reports and formal meeting reports
- he ensures that the contract includes the obligations stipulated by Article 18-5 of the law no. 2013-907 of 11 October 2013 on the transparency of public life, and more particularly the prohibition of:
 - giving gifts, donations or benefits of significant value to a public official
 - paying a public official to take part in a conference
 - attempting to obtain information by fraudulent means
 - sell the information or documents it obtains from a public official.

If it deems it necessary, the Compliance Officer may initiate a probity survey of the envisaged Firm, the results of which will be submitted to the General Management, the only body authorised to sign this type of contract.



2.6.3 Protection of corporate/smart building data

When conducting its business Covivio creates and generates a large amount of data and is thus subject to the General Data Protection Regulation (GDPR). Furthermore, its properties use an ever increasing number of computerised facilities and services that are involved in the digital revolution. By becoming a "smart building", with ever closer links to the "smart city" via a two-way data exchange, the building, in a similar manner to Covivio's activities, is exposed to the risk of cyber-attacks, data losses, degradation and theft, etc. Aware of these risks, Covivio has started a number of initiatives intended to protect its activity and that of its stakeholders. Some of them are described below and presented in greater depth in Chapter 1 of this document.

2.6.3.1 Covivio steps up its digital transformation

As a European real estate player, Covivio has undertaken a digital transformation, based on a collective reflection process. Led by the Chief Digital Officer (Laurie Goudallier) and the Director of Information Systems (Claude Sauvaigo), in collaboration with the members of the Transformation Committee, which they lead to represent the various branches of the company, this digital transformation is planned over three years and designed to serve customer satisfaction, portfolio performance and the operational efficiency of Covivio's teams in Europe. By adopting a digital roadmap, the Group's ambition is to lead a sustainable and thoughtful digital transformation, in the service of Covivio's strategy, by closely associating all stakeholders at the European level.

Improving customer satisfaction by offering an innovative user experience

Among its digital transformation levers, Covivio places special emphasis on the services offered in its buildings. It is for this reason that Covivio has partnered with the start-up MonBuilding to develop a mobile application accessible to all occupants (2.4.3.1) or with the start-up Faciloo to design the "Covivio @Home" application for its residential activity in Germany. This contact platform covers all issues related to communications, maintenance, and management operations for the housing units

held by the Group. This application also allows the real-time traceability of exchanges, enabling Covivio to implement precise action plans suited to customer needs. The co-living activity is also widely relayed through the Covivio To Share brand and web platform, to enable future customers to easily find Covivio's offers in Germany.

Adapting buildings to new technological developments

By 2022, Covivio will deploy an IT architecture model that will centralise all of the data collected through new means (applications, software, sensors (IoT), customer surveys, etc.). In line with this objective and the Group's sustainable development strategy, Covivio has already begun to monitor around twenty of its buildings in order to measure energy consumption more precisely, via the creation of a portal that collects data in real time (i.e. 2.3.2.2.2).

Building on synergies to strengthen the operational efficiency of teams

As a European real estate operator, Covivio is deploying an ambitious strategy to adopt the best practices of its market, particularly in terms of tools, in a process of European integration of its business lines, its organisation and its information system, and to maintain greater control of growth and IT costs.

These tools are intended, for example, to support the digitisation of customer relations and the development of the Group's activities in Europe, notably via the Salesforce solution, intended to equip Covivio with a CRM (Customer Relation Management) software package or the deployment of the SAP software for France and Italy in 2021 and then Germany in 2022. With a view to managing change, the implementation of these tools gives rise to workshops to reflect on processes and the harmonisation of working methods (10% of the total workforce mobilised for SAP).

At the same time, always with the aim of accelerating the cooperation and integration of the IT function, a project to move the Group's IT infrastructure systems to the cloud is in progress. In the long term, it will allow more flexibility in the management of business applications.

2.6.3.2 Data protection: a key corporate issue

Personal data protection

Within the framework of the European Regulations concerning "the protection of natural persons with regard to the processing of personal data and on the free movement of such data" known as the General Data Protection Regulation (GDPR), intended to reinforce existing national regulations, Covivio has rolled out a pan-European compliance system for Group companies.

This system involves in particular:

- the appointment of a Data Protection Officer (DPO) in France, Italy and Germany: the DPO France (who can be contacted by email: dpo@Covivio.fr) is also responsible for European coordination
- a network of "GDPR Correspondents": these operational points of contact for the DPOs are tasked with ensuring that processing carried out by their department is compliant and instilling a culture of personal data protection in the entity for which they are responsible
- putting in place a European GDPR Code describing the Group's personal data protection policy and the technical and organisational measures deployed for this purpose
- the drafting of internal procedures to ensure compliance with the system
- training on best practices in personal data protection, covering all Group employees
- creating a personal data processing register that is at the disposal of the Supervisory Authorities
- general work on data security (personal or not), via the appointment of an external Information Systems Security Officer, in charge of detecting any security breaches and implementing *ad hoc* remedial measures.

Ensuring the security of all data processed by the Group

Beyond the protection of personal data, the subject of cybersecurity is also becoming a major operational issue. The number of cyber-attacks is increasing, with a raised risk of financial losses as a consequence. In 2020, Covivio raised the awareness of its employees with regard to fraud and cyber risks during its "Process Mornings" sessions and through emails sent to all Group employees.

In addition to creating the position of Information Systems Security Manager (ISSM) which is outsourced to a recognised firm, and an ISSP (Information Systems Security Policy), Covivio has developed a Business Recovery Plan (BRP) and regularly conducts intrusion tests on its Information System. This type of test aims to simulate hacking attempts in a realistic manner in order to verify, in practical terms, the Information System's level of resistance to

these attacks, with a view to putting in place new and better adapted means of protection.

In this manner, Covivio is continuously improving the offensive security, defensive security and compliance features of its Information System. Furthermore, Covivio has also taken out specific fraud and cyber risk insurance policies.

The Group's employees are the subject of data access authorisations that are strictly framed and delimited according to their duties and are bound by confidentiality clauses, as are external service providers.

Harmonising practices within the Group

In line with the Group's transformation approach, Covivio continues to work towards bringing its three countries closer together in the area of IT systems. By pooling resources and aligning applicable processes, the Group's IT Departments in France, Germany and Italy are being transformed into the Covivio ISD (Information Systems Department).

The majority of digital topics are now addressed at the European level. In particular, the "Move to Cloud" project underway for the three countries will enable the implementation of the best tools for detecting and protecting against cyber risks.

2.6.3.3 Data protection: a real estate issue

A growing number of cyber-attacks throughout the world target properties and their facilities (including BMS, cameras, access control and lighting).

In 2016, Covivio commissioned Arp-Astrance to conduct a study on the risks of cyber-attacks on its building portfolios. This enabled the company to characterise the solutions required in order to reduce the risk for building management networks and equipment. Their implementation is part of the process of testing the R2S (Ready to Service) labelling for certain projects.

Covivio signed the "Connected, solidarity-based and human-centric buildings" charter promoted by the French government, the HQE-GBC Alliance and the Smart Building Alliance (SBA). The work undertaken with these associations, of which the company is a member, has led to guidelines being defined for obtaining the R2S label. The first building awarded the R2S label is one of Covivio's properties in Toulouse, "21 Marquette". This label enables a building's performance to be measured in terms of connectivity and information security for the user. Several Covivio programmes will benefit from the R2S label or its American equivalent WiredScore, mainly based on connectivity criteria. Each of the spaces operated in France by Wellio bears one of these two labels. In the buildings which it leases out, Covivio strives to provide good conditions for accessing communication networks, but does not handle the cabling in tenant areas. Tenants are responsible for having this cabling undertaken based on their requirements.



2.7 CSR performance

2.7.1 Environmental indicators

The scope of non-financial reporting is based on the scope of Covivio's consolidated financial reporting. The information provided below relates to the following strategic activities: France Offices, Italy Offices, German Residential, and Hotels Sector Europe. In order to maintain consistency with Covivio's financial approach, assets under construction or renovation are excluded from the reporting scope, as are assets acquired or sold during the year. This exclusion also applies to the corporate scope, *i.e.* the main office buildings housing Covivio's employees.

Processing and analysis of consumption data

In accordance with Covivio's environmental reporting protocol (updated in 2020), consumption data is collected by the Group's Sustainable Development Department from Property Management departments and operators (invoices for common areas), tenants, and producers and distributors of energy and water. After consolidation, these data are restated to make climate adjustments (winter and summer) in order to make the results comparable from one year to the next. The data is analysed internally, leading to investigations with the parties concerned and then to verification by an independent third party (3.8.1).

Reporting tables and compliance with EPRA recommendations

As a member of the EPRA Sustainable Development Commission, Covivio helps promote good practices in environmental reporting in the European real estate sector. Covivio has incorporated EPRA recommendations in its internal and external reporting.

In order to simplify the reading of Covivio's environmental performance, the indicators were grouped using the following colour coding:

- **blue background:** this is the scope covered by EPRA recommendations. It corresponds to the multi-let buildings over which Covivio or its subsidiaries have **"operational control"** and therefore manage directly. Environmental information relating to common areas and equipment is collected internally by the property management services on behalf of the owner. These are Covivio scopes 1 and 2 (direct emissions linked to energy consumption of the scope managed directly and paid for by Covivio)
- **white background:** this involves buildings or parts of buildings over which Covivio or its subsidiaries do not have "operational control", as they are managed directly by tenants. Information on water and energy consumption, and on waste volumes (if available), is collected from the tenants. These are either private portions of multi-tenant buildings or single-tenant buildings (hotels and Offices). For Covivio, these asset classes, as well as German residential, are scope 3, relating to the energy consumption of the buildings it owns. For the calculation of ratios, the surface areas consist of the following: m²GLA in France – m²GLA in Italy – m²Nütz in Germany.

In order to ensure maximum accuracy and transparency, wherever consumption data is unavailable for a utility, it is not estimated and this affects the portfolio coverage rate. However, in the rare cases where an estimate or extrapolation is calculated, it is explained in the comments accompanying the reporting table concerned.

The table below presents an overview of the methodology and reporting process implemented by Covivio, in line with the EPRA's Best Practice Recommendations (BPR) and its general principles, in order to achieve the highest level of compliance.

Compliance with EPRA recommendations (2017 EPRA sBPRs)

● Compliance ● Partial compliance ● Non-compliant

EPRA Performance Indicators	Self-assessment compliance	Covivio's approach
ENVIRONMENTAL INDICATORS (2.7.1.1 to 2.7.1.6 for the different portfolios)		
Total electricity consumption (in annual kWh)	●	Elec-Abs – Covivio reports its electricity consumption, taking into account renewable energy production. The annual total energy consumption data is gathered based on invoices (meter readings) using the process described above. The consumption is presented in terms of final energy. The total is expressed as final energy as well as primary energy.
Total district heating & cooling consumption (in annual kWh)	●	DH&C-Abs – Covivio reports its energy consumption from district heating and cooling, collected based on invoices (meter readings) using the process described above. The consumption is presented in terms of final energy. The total is expressed as final energy as well as primary energy.
Total fuel consumption (in annual kWh)	●	Fuel-Abs – Covivio reports its total energy consumption from fuels (natural gas, fuel oil and wood), based on invoices (meter readings) using the process described above. The consumption information and totals are expressed in terms of both final and primary energy.
Energy intensity of buildings (in kWh/m ² /year)	●	Energy-Int – Covivio reports its energy intensity ratios calculated per m ² on the basis of the invoiced amounts (meter readings): energy (in kWh), divided by the corresponding occupied surface area (in m ²). The consumption ratios are presented in terms of final energy and primary energy. Consumption is reported "process included" with the exception of telephone equipment in Orange assets.
Total direct GHG emissions (in annual tCO ₂ e)	●	GHG-Dir-Abs – Covivio reports on all of its carbon emissions in tonnes of CO ₂ equivalent per year (in tCO ₂ e/year) based on fuel energy bills (natural gas, fuel oil and wood). These are Scope 1 emissions as described in the GHG Protocol.
Total indirect GHG emissions (in annual tCO ₂ e)	●	GHG-Indir-Abs – This data is reported in tonnes of CO ₂ equivalent per year (in tCO ₂ e/year) based on the energy invoices for electricity and district heating and cooling. These are Scope 2 emissions as described in the GHG Protocol.
Carbon intensity of buildings (in kgCO ₂ e/m ² /year)	●	GHG-Int – Covivio reports its carbon intensity ratios per m ² , as calculated directly from the invoice (meter readings) divided by the corresponding occupied surface area (in m ²).
Total water consumption by source (in m ³ /year)	●	Water-Abs – Covivio reports its total annual water consumption in m ³ for all of its portfolios in operation and the headquarters buildings occupied by its own employees. The total annual water consumption data is gathered on the basis of the invoiced amounts (meter readings) using the process described above.
Water intensity of buildings (in litres/person/year or m ³ /m ² /year)	●	Water-Int – Data is reported in m ³ /m ² GIA/year. The intensity ratios per m ² are calculated by comparing the volumes collected to the corresponding occupied surface area (in m ²).
Total weight of waste by disposal route (in annual tonnes)	●	Waste-Abs – Waste is collected by public organisations directly linked to the municipalities. Covivio pays for this service through local taxes. It is not possible to monitor the total waste mass, except for assets with private waste contractors (as specified in the comments accompanying the waste reporting tables). The proportion of waste by disposal method (in % of total waste) is indicated when it can be monitored by the service providers.
Year-on-year like-for-like comparison	●	Elec-LfL, DH&C-LfL, Fuels-LfL, GHG-Dir-LfL, GHG-Indir-LfL, Water-LfL, Waste-LfL – The data is calculated on a like-for-like basis for energy, carbon, water and waste and is used to assess changes from one year to the next for assets owned over the last 24 months whose consumption is known for that period. Example: ● in year N-1, consumption data was collected on 70 assets, with a possible reporting scope of 90 assets ● in year N, consumption data was collected on 95 assets, with a possible reporting scope of 100 assets ● of these, data was collected on 65 assets present in both N-1 and N, while there were 93 assets held in both N-1 and N. → The like-for-like basis therefore relates to 65 of 93 assets.

EPRA Performance Indicators	Self-assessment compliance	Covivio's approach
Type and number of sustainably certified assets	●	Cert-Tot – This indicator is expressed by dividing the value of the assets with certification at 31 December N by the value of the total portfolio held by a business on the same date.
SOCIAL INDICATORS (2.7.2.1 to 2.7.2.3 for the three entities)		
Employee gender diversity	●	Diversity-Emp – The breakdown of workforce by gender is reported each year in the corporate reporting section of this document where Covivio provides data on each country, contract type and level of responsibility at 31/12/N.
Gender pay ratio	●	Diversity-Pay – The three social reporting entities (UES France, Italy and Germany) publish an annual salary gap ratio (average annual gross salaries), broken down by level of responsibility (manager/non-manager). Wage gaps are examined and various measures have been put in place to ensure gender equality within the Group, in particular within the framework of the ex-aequo programme.
Employee skills training and development	●	Emp-Training – This indicator is expressed in number of hours of training per employee trained during the year. In addition, the three social reporting entities (France, Italy and Germany) also published the workforce training rate (number of employees trained in relation to the total workforce at 31/12/N). The training indicators take into account all professional training carried out internally and externally.
Employee performance appraisals	●	Emp-Dev – The individual appraisal and skills development interview is a core element of the Group's Human Resources policy. It is the subject of a monitoring indicator (annual number of appraisal interviews/workforce) in all Group entities.
New hires and turnover	●	Emp-Turnover – Covivio publishes the total number of departures and recruitments that took place during the year. Each entity's Human Resources Department also publishes a departure turnover rate (for permanent employees) and a recruitment rate (for permanent employees).
Employee health and safety	●	H&S-Emp – On workplace accidents, the following indicators are published: accident rate, severity rate and frequency rate; absenteeism; number of deaths and occupational diseases.
Asset health and safety assessments	●	H&S-Asset – Each building managed by Covivio and its subsidiaries is monitored for environmental risks, taking into account local regulations. The monitoring and analysis are explained by business activity in this document. The risks for which the occupant is responsible are excluded from the scope of this indicator. (2.3.3)
Asset health and safety compliance	●	H&S-Comp – Covivio publishes the number of convictions related to non-compliance with environmental or health regulations. The HR section of this document also includes any incidents related to these aspects occurring within the boundaries of its own premises. (2.3.3).
Community engagement, impact assessment and development programmes	●	For several years, Comty-Eng-Covivio has been carrying out a socio-economic impact study of its Offices, residential and hotel activities in Germany, France and Italy. A summary of this study is presented. In addition, many initiatives are implemented in the various regions where the company operates. These are discussed in Section 2.4.
SOCIETAL INDICATORS		
Composition of the highest governance body	●	Gov-Board – Covivio publishes all information related to governance. Information on the Board of Directors and its Committees are: ● summarised in Section 2.6 of this document and ● discussed in more detail in Chapter 5 of Covivio's Universal Registration Document (URD): number of executive members; number of independent Directors; attendance rate for each Director and for each Committee; list of Directors' mandates; number of members with expertise in environmental and social issues.
Process for nominating and selecting the highest governance body	●	Gov-Select – The process for selecting and appointing Directors is explained, both for the Board of Directors and for its Committees, in the Governance section of this document. (Chapter 5 URD)
Process for managing conflicts of interest	●	Gov-Col – the various initiatives in place to prevent the risk of conflicts of interest for corporate officers (publication of the list of mandates and functions exercised, family ties, etc.) are described in Chapter 5 of Covivio's URD.

Recommendations and general principles issued by EPRA	Compliance self-assessment	EPRA's BPR guidelines and methodology
Organisational boundaries	●	As in previous years, reporting is based on what is known as "Operational Control", which corresponds to the scope within which Covivio, its subsidiaries and investments directly manage energy, water and waste. The results for this scope are printed on a green background in the tables in Section 2.7.1. This environmental reporting scope is based on the consolidated financial scope for the sake of consistency with the other sections of the management report and with the provisions of Decree no. 2017-1265 of 9 August 2017 for the implementation of Order no. 2017-1180 of 19 July 2017 relating to the publication of non-financial information known as the "non-financial performance statement" (SNFP). The scope thus includes the different strategic activities: France Offices, Italy Offices, German Residential (Covivio Immobilien) as well as Hotels and Service Sector Europe (Covivio Hotels). The reporting scope for year N includes all assets owned at 31/12/N. Assets under construction, in redevelopment, vacant, or acquired or sold during the year are not included. If an asset is sold during the year, the tenant will not necessarily provide consumption data if there no longer exists any legal connection with the former owner of the asset. The environmental reporting period runs from 1 January to 31 December.
Distribution of consumption owner – tenant	●	Covivio's reporting is separated into three levels of data collection and analysis: ● "corporate" scope: these are the head office buildings hosting Covivio teams ● "Operational control" scope: this includes buildings under full management, for which Covivio controls the management of shared equipment (i.e. equipment located in common areas) and the consumption of water and energy (lighting, collective heating, etc.). These are Scope 1 and 2 emissions as described in the GHG Protocol. The reporting is based on invoices, with no estimates or resorting to submeters ● "Tenant area" scope: this relates to the tenant areas of multi-let buildings (where Covivio has "operational control" over the building's common areas, while tenants are responsible for individual energy consumption and water use) and of single-let buildings, where users are wholly responsible for managing building facilities as well as the building's energy and water consumption. Covivio does not rebill its tenants for energy, with the exception of energy used in the common areas of multi-let buildings, which is rebilled under operating expenses. Estimates are not made. However, data may be extrapolated based on the intensity ratios, thus permitting the assessment of the environmental footprint for the portfolio as a whole. Performance measurements involving extrapolated data are clearly indicated in the tables (white background, outside EPRA scope).
Consumption reporting – headquarters buildings	●	Covivio reports the consumption for buildings occupied by its own employees. The results are presented in Section 2.7.1.6 under the Headquarters heading.
Intensity normalisation	●	The Intensity ratios by m² are calculated by comparing the environmental data for a year N concerning energy, water and carbon with the corresponding occupied area, expressed in terms of m². These calculations are used to measure efficiency for each indicator. In France, a distinction is drawn between final energy (fe), which is consumed and invoiced, and primary energy (pe), which is required to produce final energy.
Segmental analysis	●	Covivio has structured its analysis by segment and business line: France Offices, Italy Offices, German Residential (Covivio Immobilien), and the Hotels & Service Sector Europe (Covivio Hotels).
Coverage ratio of data collection	●	The coverage ratio is indicated by segment and business line in each reporting table (energy, carbon, water and waste). For each indicator, this coverage ratio is calculated by surface area (in % of m ²) and by number of assets.
Narrative on performance	●	Covivio provides comments and explanations on environmental performance trends and data: ● in Section 2.3 ● in the section containing performance data for each business (see Section 2.7.1).



Recommendations and general principles issued by EPRA	Compliance self-assessment	EPRA's BPR guidelines and methodology
Assurance – external verification by an independent third party		Since the 2011 report, corporate, societal and environmental information have been verified by an independent third party. The EPRA indicators and compliance with its methodology are verified as part of the process, as is compliance with GRI Standards (2017 version), CRESO and the GHG emissions report. The assurance letter is published in Covivio's annual URD and in its Sustainable Development Report. These documents are available in both English and French on the Covivio website.
Location of EPRA Sustainability Performance Measurements		The performance measurements and corresponding EPRA overarching recommendations are disclosed and reported in Covivio's annual URD and in its Sustainable Development Report. These documents are available in both English and French on the Covivio website.
Materiality		A materiality study was conducted at the Group level. Published each year in Covivio's URD and Sustainable Development Report. The most material issues are given special attention and closely monitored, in line with the CSR risk mapping conducted by the Group in 2018.

2.7.1.1 France Offices

At 31 December 2020, the France Offices reporting scope pertained to 85 sites out of the 164 comprising the financial scope (i.e. 862,621m²). Assets under construction or under renovation, acquired or sold during the year, as well as the buildings located in jointly-owned properties or ASLs (*Associations Syndicales Libres*), are excluded from the reporting scope. A portfolio of 44 "non-core" assets held for sale and representing 0.8% of the value of the total portfolio was excluded from the scope, since energy and environmental mapping had not yet been performed on these assets.

All consumption data is taken from meter readings, with no estimates used. Some of the data is obtained directly via the energy suppliers' digital platforms. In 2019, an energy consumption

monitoring system was rolled out in 20 multi-let buildings in France, including 15 in the reporting perimeter i.e. 100% of the "operational control" scope.

The results (energy and carbon) are also presented using graphs in chapter 3.3.2.

Certifications – (Cert-tot) (chap. 2.3.1.4)

As of 31 December 2020, 99% (in value, Group Share) of the "core" Office assets, i.e. long-term assets set to remain in the portfolio, had HQE and/or BREEAM certifications (construction and/or operation) and/or were ISO 50001 certified. This percentage is expressed relative to all the assets held on this date, including both assets under construction and in operation.

Energy – Direct and indirect energy consumption by primary energy source and energy intensity ratio for buildings in use

The consumption reported (with climate adjustment) below uses the consumption collected according to two scopes as explained above: "operational control" corresponding to the common areas of multi-tenant buildings; "non-operational control" corresponding to the private portions of multi-tenant buildings and single-tenant buildings which all benefit from private sub-meters (SASB IF-RE410a.2).

Total energy consumption (Abs)	GRI Standards	EPRA BPRs	MULTI-LET BUILDINGS				SINGLE-LET BUILDINGS		TOTAL PORTFOLIO	
			Scope "operational control"		Scope "tenant areas"		2019	2020	2019	2020
			2019	2020	2019	2020				
Reporting scope coverage by surface area (in m ² GIA)			219,867	218,516	206,004	197,983	402,242	544,513	622,109	763,029
Reporting scope coverage by surface area (in %)			100%	100%	100%	99%	54%	85%	64%	88%
Number of applicable properties			15/15	15/15	15/15	14/15	47/93	65/70	62/108	80/85
Proportion of estimated data			0%	0%	0%	0%	0%	0%	0%	0%
Intensity (in kWhfe/m²GIA/year)	CRE1	Energy-Int	141.6	125.4	65.7	51.6	140.7	123.7	162.7	137.5
Intensity (in kWhpe/m²GIA/year)			196.6	169.4	169.4	97.3	274.2	262.5	302.9	261.1
Total direct energy (in kWhfe)	302-1	Fuel-Abs	6,812,507	5,971,905	-	-	13,702,817	14,064,263	20,515,324	20,036,168
Natural gas (direct energy) – non-renewable source	302-1	Fuel-Abs	6,812,507	5,971,905	-	-	13,107,161	13,684,303	19,919,668	19,656,208
Natural gas (direct energy) – renewable source			0	0	-	-	0	0	0	0
Fuel oil (direct energy)	302-1	Fuel-Abs	0	0	-	-	162,595	198,143	162,595	198,143
Wood (direct energy)	302-1	Fuel-Abs	0	0	-	-	433,061	181,817	433,061	181,817
Total indirect energy (in kWhfe)	302-1	Elec-Abs	24,328,900	21,427,688	13,525,799	10,209,633	42,878,160	53,267,490	80,732,859	84,904,811
Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	7,654,678	6,084,898	13,525,799	5,728,938	34,009,510	47,905,699	55,189,987	59,719,535
Electricity (indirect energy) – renewable source			5,427,314	6,107,052	-	4,480,695	4,476,646	717,128	9,903,960	11,304,874
Renewable energy production	302-1	Elec-Abs	0	0	-	-	153,139	135,779	153,139	135,779
of which solar			0	0	-	-	153,139	135,779	153,139	135,779
District heating and cooling (indirect energy)	302-1	DH&C-Abs	11,246,908	9,235,738	-	-	4,545,143	4,780,442	15,792,051	14,016,180
Total energy consumption (in kWhfe)			31,141,407	27,399,593	13,525,799	10,209,633	56,580,977	67,331,752	101,248,183	104,940,978
Total energy (in GJ)			112,109	98,639	48,693	36,755	203,692	242,394	364,493	377,788
Total energy consumption (in kWhpe)			43,235,799	37,013,731	34,896,561	19,261,355	110,295,917	142,950,030	188,428,276	199,225,117
Estimated consumption for vacant space (in kWhpe)			0	0	0	0	0	0	0	0
Estimated consumption in occupied areas for which data is not available (in kWhpe)			0	0	0	289,203	94,883,039	26,145,709	104,808,461	26,003,237
Total measured and extrapolated energy consumption (in kWhpe)			43,235,799	37,013,731	34,896,561	19,550,558	205,178,956	169,095,739	293,236,737	225,228,354

		Total consumption (Abs) Scope "operational control"			Like-for-like (Lfl) Scope "operational control"			Like-for-like (Lfl) PORTFOLIO TOTAL		
		2019	2020		2019	2020		2019	2020	
Reporting scope coverage by surface area (in m ² GIA)		219,867	218,516		201,575			547,918		
Reporting scope coverage by surface area (in %)		100%	100%		100%			59%		
Number of applicable properties	EPRA BPRs	15/15	15/15		13/13			50/80		
Proportion of estimated data		0%	0%		0%			0%		
PAID BY OWNER		Change			Change			Change		
Total Electricity (in kWh)		13,081,992	12,191,950	-6.8%	11,765,999	10,018,718	-14.9%	45,480,376	41,796,20	-8.1%
of which on a tenant submeter	Elec-Abs	0	0		0	0		0	0	
of which shared services		13,081,992	12,191,950	-6.8%	11,765,999	10,018,718	-14.9%	45,480,376	41,796,320	-8.1%
Total district heating and cooling (in kWh)		11,246,908	9,235,738	-17.9%	10,205,392	8,565,749	-16.1%	13,596,012	12,735,886	-6.3%
of which on a tenant submeter	DH&C-Abs	0	0		0	0		0	0	
of which shared services		11,246,908	9,235,738	-17.9%	10,205,392	8,565,749	-16.1%	13,596,012	12,735,886	-6.3%
Total Gas-Fuel oil-Wood (in kWh)		6,812,507	5,971,905	-12.3%	6,580,650	5,971,905	-9.3%	1,582,188	14,835,017	-6.6%
of which on a tenant submeter	Fuel-Abs	0	0		0	0		0	0	
of which shared services		6,812,507	5,971,905	-12.3%	6,580,650	5,971,905	-9.3%	15,882,188	14,835,017	-6.6%
		INTENSITY (IN KWHFE/M²GIA/YEAR)			141.6	121.8	-14.0%	136.8	126.6	-7.5%
		INTENSITY (IN KWHPE/M²GIA/YEAR)						251.4	227.1	-9.7%

Carbon – Total direct or indirect GHG emissions and greenhouse gas emissions from buildings

In compliance with the GHG Protocol, scopes 1 and 2 correspond to the “operational control” scope, while emissions linked to consumption from tenant areas and single-let buildings come under scope 3.

	GRI Standards	EPRA BPRs	MULTI-LET BUILDINGS				SINGLE-LET BUILDINGS		TOTAL PORTFOLIO	
			Scope “operational control”		Scope “tenant areas”		Scope 3 (excluding upstream)		Scopes 1, 2 and 3 (excluding upstream)	
			GHG Protocol: Scopes 1 & 2		Scope 3 (excluding upstream)		Scope 3 (excluding upstream)		Scopes 1, 2 and 3 (excluding upstream)	
			2019	2020	2019	2020	2019	2020	2019	2020
Total carbon emissions (Abs)										
Reporting scope coverage by surface area (in m ² GIA)			219,867	218,516	206,004	197,983	402,242	544,513	622,109	763,029
Reporting scope coverage by surface area (in %)			100%	100%	100%	99%	54%	85%	64%	88%
Number of applicable properties			15/15	15/15	15/15	14/15	47/93	65/70	62/108	80/85
Proportion of estimated data			0%	0%	0%	0%	0%	0%	0%	0%
Carbon intensity (in kgeqCO ₂ /m ² GIA/year)	305-4	GHG-Int	16.3	13.8	2.6	1.2	11.1	9.6	13.8	11.1
Total emissions (in tCO ₂ e)			3,590	3,012	534	233	4,472	5,227	8,596	8,472*
of which direct emissions (in tCO ₂ e)	305-1	GHG-Dir-Abs	1,151	1,009	0	0	2,265	2,369	3,416	3,378
of which indirect emissions (in tCO ₂ e)	305-2	GHG-Indir-Abs	2,439	2,002	534	233	2,207	2,858	5,180	5,094
Estimated emissions on vacant areas (in tCO ₂ e)			0	0	0	0	0	0	0	0
Estimated emissions for occupied areas where no data is available (in tCO ₂ e)			0	0	0	4	3,847	956	4,783	1,106
Total extrapolated carbon emissions (in tCO ₂ e)			3,590	3,012	534	237	8,319	6,183	13,379	9,578

* This data takes into account the low level of emissions associated with green electricity contracts. With coefficients that do not take this into account, the total emissions of the assets would amount to 8,932 tCO₂e, with a carbon intensity of 11.7 kgCO₂e/m²/year.

	GRI Standards	EPRA BPRs	Total emissions (Abs)- "Operational control" scope			Emissions on a like-for-like basis (Lfl) – "Operational control" scope			Like-for-like (Lfl) scope - TOTAL PORTFOLIO			
			2019	2020		2019	2020		2019	2020		
Reporting scope coverage by surface area (in m²GIA)			219,867	218,516			201,575			547,918		
Reporting scope coverage by surface area (in %)			100%	100%			100%			68%		
Number of applicable properties			15/15	15/15			13/13			50/80		
Proportion of estimated data			0%	0%	Change		0%	Change		0%	Change	
CARBON INTENSITY (in kgeqCO ₂ /m²GIA/year)	305-4	GHG-Int	16.3	13.8	-15.6%		16.4	13.9	-15.6%	12.4	11.5	-7.2%
GHG Protocol			EPRA BPRs									
Scope 1 – Total direct emissions (in tCO ₂ e)	305-1	GHG-Dir-Abs	1,151	1,009	-12.3%	GHG-Dir-Lfl	1,112	1,009	-9.3%	2,658	2,485	-6.5%
Scope 2 – Total indirect emissions (in tCO ₂ e)	305-2	GHG-Indir-Abs	2,439	2,002	-17.9%	GHG-Indir-Lfl	2,200	1,787	-18.8%	4,159	3,843	-7.6%
Scope 3 – Other emissions (in tCO ₂ e)		GHG-Indir-Abs	0	0		GHG-Indir-Lfl	0	0		0	0	
Total emissions (in tCO₂e/year)			3,590	3,012			3,312	2,796		6,818	6,328	
CHANGE IN CARBON EMISSIONS			-16,1%				-15.6%			-7.2%		

Water – Total water consumption and water intensity ratio for buildings in use

In each of the buildings included in the reporting scope, the water used comes from a single source: municipal water supplies. Covivio does not take samples directly from groundwater. According to the WRI Aqueduct map⁽¹⁾, 3.9% and 1.3%, respectively, of the water scope (in surface area) is located in a region with a high or very high of baseline water stress (SASB-IF-RE-140a), i.e. 3.4% and 0.5% of water consumption. 94.2% of multi-let assets (in surface area) are equipped with water submeters (SASB IF-RE 410a.2).

Multi-let buildings: the landlord receives the invoices; tenants do not have individual contracts.

Single-let buildings: the tenant has an individual contract with the water supply company. All the elements reported below are taken from invoices.

	GRI Standards	EPRA BPRs	MULTI-LET BUILDINGS				SINGLE-LET BUILDINGS		TOTAL PORTFOLIO	
			Scope "operational control"		Scope "tenant areas"					
Total water consumption (Abs)			2019	2020	2019	2020	2019	2020	2019	2020
Reporting scope coverage by surface area (in m ² GIA)			210,108	218,516			420,787	484,329	630,894	702,845
Reporting scope coverage by surface area (in %)			96%	100%			56%	75%	65%	81%
Number of applicable properties			14/15	15/15			25/93	43/70	39/108	58/85
WATER INTENSITY (in m ³ /m ² GIA/year)	CRE2	Water-Int	0.46	0.27	N/A		0.37	0.27	0.40	0.27
Total water consumption (in m ³)	303-1	Water-Abs	97,262	58,579			153,654	129,776	250,916	188,356
Estimated water consumption in vacant space (in m ³)			0	0			0	0	0	0
Estimated consumption in occupied areas for which data is not available (in m ³)			4,518	0			119,585	42,812	134,128	42,818
Total extrapolated water consumption (in m ³)			101,780	58,579			273,239	172,589	385,044	231,174
Water consumption - Like-for-like scope (Lfl)										
Coverage of the reporting scope (in m ² GIA)			191,216				351,395		542,611	
Reporting scope coverage by surface area (in %)			95%				58%		67%	
Number of applicable properties			12/13				20/67		32/80	
Proportion of estimated data			0%				0%		0%	
WATER INTENSITY (in m ³ /m ² GIA/year)			0.46	0.27	N/A		0.37	0.26	0.40	0.26
Like-for-like water consumption (in m ³)	303-1	Water-LfL	87,786	52,091			129,764	90,188	217,550	142,279
CHANGE IN WATER CONSUMPTION INTENSITY			-40.7%				-30.5%		-34.6%	

(1) Beta Aqueduct 2019 – Baseline Water Stress country ranking – <https://wri.org/applications/aqueduct/country-rankings/>

Waste – Total mass of waste in tonnes by type and disposal method

In France, waste removal is carried out by municipal services which do not weigh the waste and do not provide any follow-up information. Recording tonnage data is possible only where waste is managed by private waste contractors.

			MULTI-LET BUILDINGS							
			Scope		Scope					
			"operational control"		"tenant areas"		SINGLE-LET BUILDINGS		TOTAL PORTFOLIO	
	GRI	EPRA BPRs	2019	2020	2019	2020	2019	2020	2019	2020
Total waste production (Abs)										
Reporting scope coverage by surface area (in m²GIA)			92,572	178,965			257,000	304,388	349,572	483,353
Reporting scope coverage by surface area (in %)			42%	82%			34%	47%	36%	56%
Number of applicable properties			7/15	10/15			12/93	13/70	19/108	23/85
Proportion of estimated data			NC	7%			0%	0%	NC	2%
Total waste (in tonnes)	306-2 Waste-Abs		435	536			1,170	928	1,605	1,464
Total Hazardous waste (in tonnes)			0	0			0	0	0	0
of which recycled, re-used or composted waste	306-2 Waste-Abs		76	285	N/A		690	486	766	771
i.e. (in %)			17%	53%			59%	52%	48%	53%
of which incinerated (including with energy recovery)	306-2 Waste-Abs		NC	NC			NC	NC	NC	NC
of which landfill	306-2 Waste-Abs		NC	NC			NC	NC	NC	NC
of which other disposal methods	306-2 Waste-Abs		NC	NC			NC	NC	NC	NC
Rate of selective collection			100%	100%			100%	100%	100%	100%
Total extrapolated production of waste (in t)			1,036	654			3,441	1,964	4,458	2,613
Waste production – Like-for-like (LfL)										
Reporting scope coverage by surface area (in m²GIA)			73,504				230,558		304,062	
Reporting scope coverage by surface area (in %)			37%		N/A		38%		38%	
Number of applicable properties			5/13				8/67		13/80	
Proportion of estimated data			0%				0%		0%	
Rate of selective collection			100%	100%			100%	100%	100%	100%
Total waste (in tonnes)	306-2 Waste-LfL		388	128			929	773	1,317	901
Total Hazardous waste (in tonnes)			0	0			0	0	0	0
of which recycled, re-used or composted waste			76	28			647	419	723	447
i.e. (in %)			20%	22%			70%	54%	55%	50%
of which incinerated (including with energy recovery)			NC	NC			NC	NC	NC	NC
of which landfill			NC	NC			NC	NC	NC	NC
of which other disposal methods			NC	NC			NC	NC	NC	NC
CHANGE IN TOTAL WASTE PRODUCTION			-66.9%				-16.8%		-31.6%	

2.7.1.2 Green Bond portfolio

The details of Covivio's two Green Bond issues of April 2016 and September 2019 are set out in Section 2.3.4. The following tables only concern the first Green Bond issue, as the assets underlying the second issue were all under development or too recently delivered at 31 December 2020. The consumption reported here is included in the France Offices portfolio (2.7.1.1).

Type and number of sustainably certified assets (Cert-Tot)

Green Bond 1: 100%: HQE (at least 9 E or VE targets out of 14) or BREEAM (Very Good as a minimum). Some of these assets also have in-use certification (HQE Operating/BREEAM In-Use).

Green Bond 2: 100%: The four developments aim either for HQE Excellent and/or BREEAM Excellent certifications (in France) or LEED Platinum (in Italy).

Energy – direct and indirect energy consumption by primary energy source and energy intensity ratio for the fully owned portfolio (operational control scope)

Total energy consumption (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m ² GIA)			143,503	126,014
Reporting scope coverage by surface area (in %)			100%	100%
Number of applicable properties			10/10	8/8
Proportion of estimated data			0%	0%
Intensity (in kWhfe/m ² GIA/year)	CRE1	Energy-Int	121	108
Intensity (in kWhpe/m ² GIA/year)			258	238
Total direct energy (in kWhfe)	302-1	Fuel-Abs	836,107	181,817
Natural gas (direct energy) – non-renewable source	302-1	Fuel-Abs	535,134	0
Natural gas (direct energy) – renewable source	302-1		0	0
Fuel oil (direct energy)	302-1	Fuel-Abs	0	0
Wood (direct energy)	302-1	Fuel-Abs	300,973	181,817
Total indirect energy (in kWhfe)	302-1	Elec-Abs	16,464,128	13,429,853
Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	12,433,170	10,407,780
Electricity (indirect energy) – renewable source			850,963	717,128
Renewable energy production	302-1	Elec-Abs	153,139	135,779
of which solar			153,139	135,779
District heating and cooling (indirect energy)	302-1	DH&C-Abs	3,333,133	2,440,724
Total energy consumption (in kWhfe)			17,300,235	13,611,671
Total energy (in GJ)			62,281	49,002
Total energy consumption (in kWhpe)			36,977,394	29,983,237
Estimated consumption for vacant space (in kWhpe)			0	0
Estimated consumption in occupied areas for which data is not available (in kWhpe)			0	0
Total measured + extrapolated energy consumption (in kWhpe)			36,977,394	29,983,237

		Total consumption (Abs) Scope "operational control"				Like-for-like (Lfl) Scope "operational control"		
		2019	2020			2019	2020	
Reporting scope coverage by surface area (in m ² GIA)		143,503	126,014			126,014		
Reporting scope coverage by surface area (in %)	EPRA BPRs	100%	100%		EPRA BPRs	100%		
Number of applicable properties		10/10	8/8			8/8		
Proportion of estimated data		0%	0%			0%		
PAID BY OWNER				Change				Change
Total Electricity (in kWh)		13,284,134	11,124,908	-16.3%		12,116,361	11,124,908	-8.2%
of which on a tenant submeter	Elec-Abs				Elec-Lfl			
of which shared services		13,284,134	11,124,908	-16.3%		12,116,361	11,124,908	-8.2%
Total District heating and cooling (in kWh)		3,333,133	2,440,724	-26.8%		2,721,886	2,440,724	-10.3%
of which on a tenant submeter	DH&C-Abs				DH&C-Lfl			
of which shared services		3,333,133	2,440,724	-26.8%		2,721,886	2,440,724	-10.3%
Total Gas-Fuel oil-Wood (in kWh)		836,107	181,817	-78.3%		211,358	181,817	-14.0%
of which on a tenant submeter	Fuel-Abs				Fuel-Lfl			
of which shared services		836,107	181,817	-78.3%		211,358	181,817	-14.0%
		INTENSITY (IN KWHFE/M²GIA/YEAR)				119.4	109.1	-8.7%

Carbon – Total direct and indirect GHG emissions and carbon intensity ratio for fully-owned assets (operational control scope)

GRI Standards	EPRA BPRs	Total emissions (Abs) – “Operational control” scope				Emissions on a like-for-like basis (Lfl.) – “Operational control” scope			
		2019	2020			2019	2020		
Reporting scope coverage by surface area (in m²GIA)		143,503	126,014			126,014			
Reporting scope coverage by surface area (in %)		100%	100%			100%			
Number of applicable properties		10/10	8/8			8/8			
Proportion of estimated data		0%	0%			0%		Change	
CARBON INTENSITY (in kgeqCO₂/m²GIA/year)	305-4	GHG-Int	8.5	7.1	-16.9%	7.7	7.1	-8.0%	
GHG Protocol					EPRA BPRs				
Scope 1 – Total direct emissions (in tCO₂e)	305-1	GHG-Dir-Abs	94	2	-97,5%	GHG-Dir-LfL	3	2	-14.0%
Scope 2 – Total indirect emissions (in tCO₂e)	305-2	GHG-Indir-Abs	1,124	887	-21,1%	GHG-Indir-LfL	965	887	-8.0%
Scope 3 – Other emissions (in tCO₂e)		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0	
Total emissions (in tCO₂e/year)			1,219	890*			967	890	
CHANGE IN CARBON EMISSIONS			-27%				-8,0%		

*This data takes into account the low level of emissions associated with green electricity contracts. With coefficients that do not take this into account, the total emissions of the assets would amount to 919 tCO₂e with a carbon intensity of 7.3 kgCO₂e/m²GIA/year.

Water – Total water consumption and water intensity ratio for fully owned buildings (operational control scope)

Total water consumption (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m ² GIA)			139,874	126,014
Reporting scope coverage by surface area (in %)			97%	100%
Number of applicable properties			9/10	8/8
WATER INTENSITY (in m ³ /m ² GIA/year)	CRE2	Water-Int	0.36	0.27
Total water consumption (in m ³)	303-1	Water-Abs	51,017	34,573
Estimated water consumption in vacant space (in m ³)			0	0
Estimated consumption in occupied areas for which data is not available (in m ³)			1,323	0
Total extrapolated water consumption (in m ³)			52,340	34,573
Water consumption – Like-for-like scope (Lfl)				
Reporting scope coverage by surface area (in m ² GIA)			126,014	
Reporting scope coverage by surface area (in %)			100%	
Number of applicable properties			8/8	
Proportion of estimated data			0%	
WATER INTENSITY (in m ³ /m ² GIA/year)			0.40	0.27
Like-for-like water consumption (in m ³)	303-1	Water-Lfl	50,185	34,573
CHANGE IN WATER CONSUMPTION INTENSITY				-31.1%

Waste – Total mass of waste in tonnes by type and disposal method

Six buildings in the Green Bond I portfolio benefit from accessible waste reporting in 2020, i.e. 116,778 m² or 93% (vs. 42% in 2019 with three buildings covering 59,555 m²). The reported quantity amounted to 371 tonnes (including 45% recycled waste) in 2020 compared to 277 tonnes in 2018 (including 15% recycled waste).

On a like-for-like basis, two buildings are concerned (i.e. 55,926 m² or 44%) with a 42% increase in waste, from 120 to 170 tonnes between 2019 and 2020 (recycling rate down from 35% to 56%) due to improved monitoring.

2.7.1.3. Italy Offices

The environmental report for the Italy Offices portfolio relates to directly managed office buildings (multi-let), corresponding to the EPRA scope as mentioned earlier.

Type and number of sustainably certified assets (Cert-Tot) (2.3.1.4)

At 31 December 2020, 88.7% (in value, Group Share) of office buildings in Italy were certified for construction (LEED/ITACA/BREEAM) or operation (BraVe/BREEAM In-Use). This percentage is expressed relative to all the assets held on this date, including both assets under construction and in operation.

Energy – Direct and indirect energy consumption by source and energy intensity ratio for the fully owned portfolio (operational control scope)

Consumption data is based on invoices obtained from the property management company or energy suppliers. All of the assets have submeters for tenant areas (SASB IF-RE 410a.2), of which the energy consumption is not reported here. The increase in urban heating is linked to the increase in the occupancy rate of an asset representing one third of the scope in surface area (around 50% last year compared to more than 80% occupancy this year).

	GRI Standards	EPRA BPRs	2019	2019 Restated*	2020
Reporting scope coverage by surface area (in m ² GLA)			195,951	172,202	87,178
Reporting scope coverage by surface area (in %)			100%	100%	81%
Number of applicable properties			17/17	17/17	10/11
Proportion of estimated data			0%	0	0%
Intensity (in kWhfe/m ² GLA/year)	CRE1	Energy-Int	131.4	149.5	130.9
intensity (in kWhpe/m ² GLA/year)			131.4	149.5	130.9
Total direct energy (in kWhfe)	302-1	Fuel-Abs	10,016,743	10,016,743	3,664,885
Natural gas (direct energy) – non-renewable source	302-1	Fuel-Abs	10,016,743	10,016,743	3,664,885
Natural gas (direct energy) – renewable source	302-1		0	0	0
Fuel oil (direct energy)	302-1	Fuel-Abs	0	0	0
Wood (direct energy)	302-1	Fuel-Abs	0	0	0
Total indirect energy (in kWhfe)	302-1	Elec-Abs	15,732,137	15,732,137	7,744,957
Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	0	0	0
Electricity (indirect energy) – renewable source			13,289,135	13,289,135	5,189,834
Renewable energy production	302-1	Elec-Abs	0	0	0
of which solar			0	0	0
District heating and cooling (indirect energy)	302-1	DH&C-Abs	2,443,002	2,443,002	2,555,123
Total energy consumption (in kWhfe)			25,748,880	25,748,880	11,409,842
Total energy (in GJ)			92,696	92,696	41,075
Total energy consumption (in kWhpe)			25,748,880	25,748,880	11,409,842
Estimated consumption for vacant space (in kWhpe)			0	0	0
Estimated consumption in occupied areas for which data is not available (in kWhpe)			0	0	2,594,825
Total measured and extrapolated energy consumption (in kWhpe)			25,748,880	25,748,880	14,004,667

* Following a review of the surface areas carried out in 2020 to standardise the calculation methods between countries, a large majority of the assets in the scope have seen their surface area decrease, thus causing an underestimation of the energy ratios published in previous years.

		Total consumption (Abs)				Like-for-like (LfL)		
		2019	2019 Restated	2020		2019	2020	
Reporting scope coverage by surface area (in m²GLA)	EPRA BPRs	195,951	172,202	87,178	EPRA BPRs	87,178		
Reporting scope coverage by surface area (in %)		100%	100%	81%		81%		
Number of applicable properties		17/17	17/17	10/11		10/11		
Proportion of estimated data		0%	0%	0%		0%		
PAID BY OWNER					Variation 2018R/2019	Change		
Total Electricity (in kWh)	Elec-Abs	13,289,35	13,289,135	5,189,834	-60.9%	5,351,599	5,189,834	-3.0%
of which on a tenant submeter		0	0	0	Elec-LfL	0	0	
of which shared services		13,289,135	13,289,135	5,189,834	-60.9%	5,351,599	5,189,834	-3.0%
Total District heating and cooling (in kWh)	DH&C-Abs	2,443,002	2,443,002	2,555,123	4.6%	1,953,224	2,555,123	30.8%
of which on a tenant submeter		0	0	0	DH&C-LfL	0	0	
of which shared services		2,443,002	2,443,002	2,555,123	4.6%	1,953,224	2,555,123	30.8%
Total Gas-Fuel oil-Wood (in kWh)	Fuel-Abs	10,016,743	10,016,743	3,664,885	-63.4%	4,168,407	3,664,885	-12.1%
of which on a tenant submeter		0	0	0	Fuel-LfL	0	0	
of which shared services		10,016,743	10,016,743	3,664,885	-63.4%	4,168,407	3,664,885	-12.1%
Intensity (in kWhfe/m²GLA/year)						131.6	130.9	-0.6%

Carbon – Total GHG emissions and carbon intensity ratio for fully-owned assets (operational control scope)

							Emissions on a like-for-like basis (LfL)				
		GRI Standards	EPRA BPRs	Total Emissions (Abs)							
				2019	2019 Restated	2020			2019	2020	
Reporting scope coverage by surface area (in m²GLA)				195,951	172,202	87,178		87,178			
Reporting scope coverage by surface area (in %)				100%	100%	81%		81%			
Number of applicable properties				17/17	17/17	10/11		10/11			
Proportion of estimated data				0%	0%	0%	Change	0%		Change	
CARBON INTENSITY (in kgCO₂e/m²/year)				305-4 GHG-Int	12.8	14.5	15.5	7%	14.8	15.5	5.1%
GHG Protocol								EPRA BPRs			
Scope 1 – Total direct emissions (in tCO₂e)	305-1	GHG-Dir-Abs		1,853	1,853	678	-63%	GHG-Dir-LfL	771	678	-12.1%
Scope 2 – Total indirect emissions (in tCO₂e)	305-2	GHG-Indir-Abs		645	645	675	4.5%	GHG-Indir-LfL	516	675	30.8%
Scope 3 – Other emissions (in tCO₂e)		GHG-Indir-Abs		0	0	0		GHG-Indir-LfL	0	0	
Total emissions (in tCO₂e/year)				2,498	2,498	1,353*			1,287	1,353	
CHANGE IN CARBON EMISSIONS						-45.8%			5.1%		

* This data takes into account the low level of emissions associated with green electricity contracts. With coefficients that do not take this into account, the total emissions of the assets would amount to 4,247 tCO₂e, with a carbon intensity of 39.7 kgCO₂e/m²/year.

Water – Total water consumption and water intensity ratio for fully owned buildings (operational control scope)

Water used in the portfolio comes from a single source: municipal water supplies. According to the WRI Aqueduct map⁽¹⁾, 0% of the directly managed portfolio is located in a region with a high risk of baseline water stress (SASB IF-RE-140a).

Total water consumption (Abs)	GRI Standards	EPRA BPRs	2019	2019 Restated*	2020
Reporting scope coverage by surface area (in m ² GLA)			175,594	151,865	75,712
Reporting scope coverage by surface area (in %)			90%	88%	71%
Number of applicable properties			16/17	16/17	8/11
WATER INTENSITY (in m ³ /m ² GLA/year)	CRE2	Water-Int	0.71	0.82	0.68
Total water consumption (in m ³)	303-1	Water-Abs	123,977	123,977	51,783
Estimated water consumption in vacant space (in m ³)			0	0	0
Estimated consumption in occupied areas for which data is not available (in m ³)			14,373	16,602	21,402
Total extrapolated water consumption (in m ³)			138,350	140,580	73,185
Water consumption - Like-for-like scope (Lfl)					
Reporting scope coverage by surface area (in m ² GLA)				75,712	
Reporting scope coverage by surface area (in %)				71%	
Number of applicable properties				8/11	
Proportion of estimated data				0%	
WATER INTENSITY (IN M ³ /M ² GLA/YEAR)				0.69	0.68
Like-for-like water consumption (in m ³)	303-1	Water-Lfl		52,078	51,783
CHANGE IN WATER CONSUMPTION INTENSITY				-0.6%	

(1) Beta Aqueduct 2019 – Baseline Water Stress country ranking – <https://wri.org/applications/aqueduct/country-rankings/>

Waste – Total mass of waste in tonnes by type and disposal method

Total waste production (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m ² GLA)			195,951	103,554
Reporting scope coverage by surface area (in %)			100%	97%
Number of applicable properties			17/17	10/11
Proportion of estimated data			100%	100%
Total non-hazardous waste (in tonnes)	306-2	Waste-Abs	3,817	1,451
Total Hazardous waste (in tonnes)	306-2		0	0
of which recycled, re-used or composted waste	306-2	Waste-Abs	1,848	562
i.e. (in %)			48%	39%
of which incinerated (including with energy recovery)	306-2	Waste-Abs	N/C	N/C
of which landfill	306-2	Waste-Abs	N/C	N/C
of which other disposal methods	306-2	Waste-Abs	N/C	N/C
Rate of selective collection			100%	100%
Total extrapolated production of waste (in t)			3,817	1,500
Waste production – Like-for-like (LfL)				
Reporting scope coverage by surface area (in m ² GLA)			83,728	
Reporting scope coverage by surface area (in %)			78%	
Number of applicable properties			9/11	
Proportion of estimated data			100%	
Rate of selective collection			100%	100%
Total waste (in tonnes)	306-2	Waste-LfL	2,675	1,296
Total Hazardous waste (in tonnes)	306-2	Waste-LfL	0	0
of which recycled, re-used or composted waste			1,455	494
i.e. (in %)			54%	38%
of which incinerated (including with energy recovery)			N/C	N/C
of which landfill			N/C	N/C
of which other disposal methods			N/C	N/C
CHANGE IN TOTAL WASTE PRODUCTION				-51.5%

2.7.1.4 German Residential

Given the size of the residential portfolio held by Covivio Immobilien, the Group decided in 2014 to monitor fluid consumption and waste production for a representative sample. This sample was updated and supplemented in 2019 in coordination with the CSTB to take into account changes in the portfolio. It now includes 198 assets accounting for 5% of the portfolio assets (in surface area). The representativeness of the sample is ensured through the following selection criteria:

- four geographic areas: Berlin, North Rhine-Westphalia, Hamburg, Saxony

- twelve construction periods: pre-1859 to post-2016

- four types of heat generation: urban heating systems, district heating, gas boilers and individual heating.

Type and number of sustainably certified assets (Cert-Tot) (2.3.1.4)

100% of the residential portfolio held by Covivio in Germany is certified HQUETM Operation, representing a total of more than 40,000 housing units, spread over 17 cities across Germany. <https://www.qualitel.org/professionnels/actualites/cerway-la-certification-hqe-exploitation-residentiel-delivree-pour-la-1ere-fois-a-linternational/>

Energy – Direct and indirect energy consumption by primary energy source and energy intensity ratio for buildings in use (operational control scope)

The data relates to the owner scope and is based on invoices with no estimates. Property owners cannot ask for the tenants' energy consumption data. All of the assets have submeters for tenant areas (SASB IF-RE 410a.2), the energy consumption of which is not reported here.

	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m²Nütz)			112,087	111,264
Reporting scope coverage by surface area (in %)			86%	86%
Number of applicable properties			170/201	170/198
Proportion of estimated data			0%	0%
Intensity (in kWhfe/m²Nütz/year)	CRE1	Energy-Int	208	192
Intensity (in kWhpe/m²Nütz/year)			225	204
Total direct energy (in kWhfe)	302-1	Fuel-Abs	9,305,156	9,045,767
Natural gas (direct energy) – non-renewable source	302-1	Fuel-Abs	9,270,855	8,783,216
Natural gas (direct energy) – renewable source	302-1		0	0
Fuel oil (direct energy)	302-1	Fuel-Abs	34,301	262,551
Wood (direct energy)	302-1	Fuel-Abs	0	0
Total indirect energy (in kWhfe)	302-1	Elec-Abs	14,027,441	12,303,145
Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	361,964	212,206
Electricity (indirect energy) – renewable source			0	0
Renewable energy production	302-1	Elec-Abs	32,944	31,694
of which solar			32,944	31,694
District heating and cooling (indirect energy)	302-1	DH&C-Abs	13,698,421	12,122,633
Total energy consumption (in kWhfe)			23,332,597	21,348,912
Total energy (in GJ)			83,997	76,856
Total energy consumption (in kWhpe)			25,170,864	22,734,647
Estimated consumption for vacant space (in kWhpe)			0	0
Estimated consumption in occupied areas for which data is not available (in kWhpe)			4,204,728	3,782,967
Total measured and extrapolated energy consumption (in kWhpe)			29,375,591	26,517,614

By extrapolating the consumption of the representative panel to the entire German residential portfolio, energy consumption would amount to 499,600,388 kWhpe, or an intensity of 181.9 kWhpe/m². This data is calculated by reintegrating the 25 assets equipped with individual heaters not taken into account in the reporting scope (11% of floor area), as well as the production of solar energy from assets in the portfolio (910,220 kWh).



		2019	2020		2019	2020	
Reporting scope coverage by surface area (in m²Nütz)		112,087	111,264		107,226		
Reporting scope coverage by surface area (in %)	EPRA BPRs	86%	86%	EPRA BPRs	83%		
Number of applicable properties		170/201	170/198		165/198		
Proportion of estimated data		0%	0%		0%		
				Change			Change
Total Electricity (in kWh)		361,964	212,206	-41.4%	181,619	208,613	14.9%
of which on a tenant submeter	Elec-Abs				Elec-LfL		
of which shared services		361,964	212,206	-41.4%	181,619	208,613	14.9%
Total district heating and cooling (in kWh)		13,698,421	12,122,633	-11.5%	12,308,200	11,962,738	-2.8%
of which on a tenant submeter	DH&C-Abs				DH&C-LfL		
of which shared services		13,698,421	12,122,633	-11.5%	12,308,200	11,962,738	-2.8%
Total Gas-Fuel oil-Wood (in kWh)		9,305,156	9,045,767	-2.8%	8,602,616	8,327,285	-3.2%
of which on a tenant submeter	Fuel-Abs				Fuel-LfL		
of which shared services		9,305,156	9,045,767	-2.8%	8,602,616	8,327,285	-3.2%
			INTENSITY (IN KWHFE/M²NÜTZ/YEAR)		196.7	191.2	-2.8%

Carbon – Total direct or indirect GHG emissions and greenhouse gas emissions from buildings in use (operational control scope)

	GRI Standards	EPRA BPRs	Total Emissions (Abs)			Emissions on a like-for-like basis (LfL)			
			2019	2020		2019	2020		
Reporting scope coverage by surface area (in m²Nütz)			112,087	111,264			107,226		
Reporting scope coverage by surface area (in %)			86%	86%			83%		
Number of applicable properties			170/201	170/198			165/198		
Proportion of estimated data			0%	0%	Change		0%	Change	
CARBON INTENSITY (in kgCO ₂ e/m²Nütz/year)	305-4	GHG-Int	31.4	29.1	-7.5%		29.7	28.7	-3.1%
GHG Protocol						EPRA BPRs			
Scope 1 – Total direct emissions (in tCO ₂ e)	305-1	GHG-Dir-Abs	1,725	1,695	-1.8%	GHG-Dir-LfL	1,631	1,562	-4.3%
Scope 2 – Total indirect emissions (in tCO ₂ e)	305-2	GHG-Indir-Abs	1,797	1,540	-14.3%	GHG-Indir-LfL	1,548	1,520	-1.9%
Scope 3 – Other emissions (in tCO ₂ e)		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0	
Total emissions (in tCO ₂ e/year)			3,522	3,235*			3,180	3,082	
CHANGE IN CARBON EMISSIONS				15.3%				-3.1%	

* By extrapolating Covivio Immobilien's carbon emissions on the scale of the total portfolio of 2,746,046m², the total emissions reach 71,154tCO₂e, i.e. an intensity of 25.9kgCO₂e/m².

Water – Total water consumption and water intensity ratio for buildings in use (operational control scope)

Water used in the portfolio comes from a single source: municipal water supplies.

According to the WRI Aqueduct map⁽¹⁾, 43% of the water scope (in surface area) is located in a region with a high risk of baseline water stress (SASB IF-RE-140a) however Covivio does not take samples directly in the table. The water consumption is exclusively linked to tenant usage.

Total water consumption (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m²Nütz)			118,007	123,663
Reporting scope coverage by surface area (in %)			90%	95%
Number of applicable properties			181/201	191/198
WATER INTENSITY (in m³/m²Nütz/year)	CRE2	Water-Int	1.87	1.24
Total water consumption (in m³)	303-1	Water-Abs	220,085	153,208
Estimated water consumption in vacant space (in m³)			0	0
Estimated consumption in occupied areas for which data is not available (in m³)			23,879	7,576
Total extrapolated water consumption (in m³)			243,964	160,784
Water consumption – Like-for-like scope (LfL)				
Reporting scope coverage by surface area (in m²Nütz)			114,709	
Reporting scope coverage by surface area (in %)			88%	
Number of applicable properties			177/198	
Proportion of estimated data			0%	
WATER INTENSITY (in m³/m²Nütz/year)			1.16	1.19
Like-for-like water consumption (in m³)	303-1	Water-LfL	133,283	136,390
CHANGE IN WATER CONSUMPTION INTENSITY				2.3%

By extrapolating water consumption from the representative panel to the entire German residential portfolio (2,601,871m²), an energy consumption level of 3,402,125m³ is obtained.

Waste – Total mass of waste in tonnes by type and disposal method (operational control scope)

Total waste production (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m²Nütz)			130,244	129,778
Reporting scope coverage by surface area (in %)			99%	100%
Number of applicable properties			200/201	198/198
Proportion of estimated data			100%	100%
Total non-hazardous waste (in m³)	306-2	Waste-Abs	7,818	2,202
Total hazardous waste (in m³)	306-2	Waste-Abs	0	0
of which recycled, re-used or composted waste	306-2	Waste-Abs	NC	102
i.e. (in %)			-	5%
of which incinerated (including with energy recovery)	306-2	Waste-Abs	NC	NC
of which landfill	306-2	Waste-Abs	NC	NC
of which other disposal methods	306-2	Waste-Abs	NC	NC
Rate of selective collection			100%	100%
Total extrapolated production of waste (in t)			7,896	2,202
Waste production – Like-for-like (LfL)				
Reporting scope coverage by surface area (in m²Nütz)			129,211	
Reporting scope coverage by surface area (in %)			100%	
Number of applicable properties			197/198	
Proportion of estimated data			100%	
Rate of selective collection			100%	100%
Total non-hazardous waste (in m³)	306-2	Waste-LfL	7,438	2,194

(1) Beta Aqueduct 2019 – Baseline Water Stress country ranking – <https://wri.org/applications/aqueduct/country-rankings/>

Total waste production (Abs)	GRI Standards	EPRA BPRs	2019	2020
Total hazardous waste (in m³)	306-2	Waste-LfL	0	0
of which recycled, re-used or composted waste			NC	NC
i.e. (in %)			NC	NC
of which incinerated (including with energy recovery)			NC	NC
of which landfill			NC	NC
of which other disposal methods			NC	NC
CHANGE IN TOTAL WASTE PRODUCTION			-70.5%	

2.7.1.5 Hotels in Europe

Covivio's Hotels and Service Sector portfolio is made up entirely of single-let buildings. The tenants are responsible for the operation and management of energy, water and waste for each asset. As such, Covivio does not have "operational control" of the assets and is thus exempted from environmental reporting in light of the EPRA recommendations.

Nonetheless, Covivio is determined to monitor and reduce the environmental footprint of its portfolio and organises reporting with its tenants, who provide their data on waste production, energy and water consumption each year.

Since 2018, the reporting scope covers not only the assets held in France but also hotels held by Covivio Hotels in the rest of Europe (including Hotel Operating properties). The scope of environmental reporting is based on Covivio's consolidated financial reporting scope. Assets under development, under promise, or acquired less than a year ago at the end of December 2020 are excluded from this scope. Reporting therefore covers 267 assets out of the 315 comprising the financial scope (i.e. 1,840,972m²).

Type and number of sustainably certified assets (Cert-Tot) (2.3.1.4)

As at 31 December 2020, 72.5% of the reporting scope (in value, Group Share) had a building certification (HQE or BREEAM) and/or an operating certification: BREEAM In-Use or sector-specific labels such as Green Key, Planet21, and Green Globe.

Energy – Direct and indirect energy consumption by primary energy source and energy intensity ratio for buildings in use

The figures presented below correspond to scope 3 of the GHG protocol, since none of this consumption is managed or paid for by the owner ("outside operational control"). The energy intensity of the hotel portfolio increased this year, mainly due to Covivio's upscale strategy and notably with its entry into 4 or 5 star assets that are equipped with premium restaurants and services.

	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m²)			1,277,104	1,511,694
Reporting scope coverage by surface area (in %)			76%	82%
Number of applicable properties			262 / 349	267/315
Proportion of estimated data			0%	0%
Intensity (in kWhfe/m²/year)	CRE1	Energy-Int	209	130
Intensity (in kWhfe/m²/year)			369	229
Total direct energy (in kWhfe)	302-1	Fuel-Abs	85,717,300	48,052,052
Natural gas (direct energy) – non-renewable source	302-1	Fuel-Abs	75,652,880	45,796,404
Natural gas (direct energy) – renewable source	302-1		817,160	0
Fuel oil (direct energy)	302-1	Fuel-Abs	3,358,648	2,255,649
Wood (direct energy)	302-1	Fuel-Abs	5,888,612	0
Total indirect energy (in kWhfe)	302-1	Elec-Abs	180,766,899	148,429,742
Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	127,426,719	107,438,264
Electricity (indirect energy) – renewable source			19,483,576	12,330,620
Renewable energy production	302-1	Elec-Abs	122,411	94,358
of which solar			122,411	94,358
District heating and cooling (indirect energy)	302-1	DH&C-Abs	33,979,015	28,755,215
Total energy consumption (in kWhfe)			266,484,199	196,481,794
Total energy (in GJ)			959,343	707,334
Total energy consumption (in kWhpe)			470,828,355	345,890,986
Estimated consumption for vacant space (in kWhpe)			0	0
Estimated consumption in occupied areas for which data is not available (in kWhpe)			145,981,997	75,342,245
Total measured and extrapolated energy consumption (in kWhpe)			616,810,352	421,233,231

		Total consumption (Abs)				Like-for-like (Lfl)		
		2019	2020			2019	2020	
Reporting scope coverage by surface area (in m²)		1,277,104	1,511,694			1,133,423		
Reporting scope coverage by surface area (in %)	EPRA BPRs	76%	82%		EPRA BPRs	73%		
Number of applicable properties		262 / 349	267 / 315			197 / 268		
Proportion of estimated data		0%	0%			0%		
				Change				Change
Total Electricity (in kWh)		146,910,295	119,768,884	-18.5%		133,330,398	91,234,483	-31.6%
of which on a tenant submeter	Elec-Abs				Elec-Lfl			
of which shared services		146,910,295	119,768,884	-18.5%		133,330,398	91,234,483	-31.6%
Total District heating and cooling (in kWh)		33,979,015	28,755,215	-15.4%		29,083,809	19,660,156	-32.4%
of which on a tenant submeter	DH&C-Abs				DH&C-Lfl			
of which shared services		33,979,15	28,755,215	-15.4%		29,083,809	19,660,156	-32.4%
Total Gas-Fuel oil-Wood (in kWh)		85,717,300	48,052,052	-43.9%		61,820,325	37,386,142	-39.5%
of which on a tenant submeter	Fuel-Abs				Fuel-Lfl			
of which shared services		85,717,300	48,052,052	-43.9%		61,820,325	37,386,142	-39.5%
				INTENSITY (IN KWHFE/M²GLA/YEAR)		197.8	130.8	-33.9%

Carbon – Total direct or indirect GHG emissions and greenhouse gas emissions from buildings

The emissions presented in this table represent Scope 3 emissions for Covivio in accordance with the GHG Protocol. The carbon intensity of the hotel portfolio is up sharply this year, as a result of the integration of high-end hotels, consuming more fuel oil and gas than in previous years.

	GRI Standards	EPRA BPRs	Total Emissions (Abs)				Emissions on a like-for-like basis (Lfl)		
			2019	2020			2019	2020	
Reporting scope coverage by surface area (in m²)			1,277,104	1,511,694			1,133,423		
Reporting scope coverage by surface area (in %)			76%	82%			73%		
Number of applicable properties			262/349	267/315			197/268		
Proportion of estimated data			0%	0%	Change		0		Change
CARBON INTENSITY (in kgCO ₂ e/m²/year)			34.5	17.8	-48.4%		30.5	18.2	-40.2%
GHG Protocol						EPRA BPRs			
Scope 1 – Total direct emissions (in tCO ₂ e)	305-1	GHG-Dir-Abs	14,549	7,795	-46.4%	GHG-Dir-Lfl	10,034	5,941	-40.8%
Scope 2 – Total indirect emissions (in tCO ₂ e)	305-2	GHG-Indir-Abs	29,497	19,104	-35.2%	GHG-Indir-Lfl	24,502	14,694	-40.0%
Scope 3 – Other emissions (in tCO ₂ e)		GHG-Indir-Abs	0	0		GHG-Indir-Lfl	0	0	
Total emissions (in tCO ₂ e/year)			44,047	26,899*			34,536	20,635	
CHANGE IN CARBON EMISSIONS								-40.2%	

* This data takes into account the low level of emissions associated with green electricity contracts. With coefficients that do not take this into account, the total emissions of the assets would amount to 27,008 tCO₂e, with a carbon intensity of 17.9 kgCO₂e/m²/year.

Water – Total water consumption and water intensity ratio for buildings in use

The water used in the portfolio comes from a single source: municipal water supplies. Missing consumption figures were not included in the evaluation.

According to the WRI Aqueduct map⁽¹⁾, 26% and 12.8% respectively of the surface water scope (i.e. 34.3% and 13.6% of water consumption in 2019) is located in a region with a high or very high risk of baseline water stress (SASB IF-RE-140a).

Total water consumption (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m ²)			1,313,262	1,509,426
Reporting scope coverage by surface area (in %)			78%	82%
Number of applicable properties			278/349	264/315
WATER INTENSITY (in m ³ /m ² /year)	CRE2	Water-Int	1.50	0.95
Total water consumption (in m ³)	303-1	Water-Abs	1,972,111	1,438,268
Estimated water consumption in vacant space (in m ³)			0	0
Estimated consumption in occupied areas for which data is not available (in m ³)			540,327	315,916
Total extrapolated water consumption (in m ³)			2,512,439	1,754,185
Water consumption - Like-for-like scope (LfL)				
Reporting scope coverage by surface area (in m ²)			1,075,079	
Reporting scope coverage by surface area (in %)			69%	
Number of applicable properties			199/268	
Proportion of estimated data			0%	
WATER INTENSITY (in m ³ /m ² /year)			1.53	0.80
Like-for-like water consumption (in m ³)	303-1	Water-LfL	1,647,939	856,153
CHANGE IN WATER CONSUMPTION INTENSITY				-48.0%

(1) Beta Aqueduct 2019 – Baseline Water Stress country ranking – <https://wri.org/applications/aqueduct/country-rankings/>

Waste – Total mass of waste in tonnes by type and disposal method

In most cases, municipalities are in charge of waste removal and provide no information as to the weight of the waste. However, the tonnage is available on certain sites.

Total waste production (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m ²)			416,980	546,177
Reporting scope coverage by surface area (in %)			25%	30%
Number of applicable properties			25/349	30/315
Proportion of estimated data			NC	41%
Total non-hazardous waste (in tonnes)	306-2	Waste-Abs	1,840	2,453
Total Hazardous waste (in tonnes)	306-2		0	0
of which recycled, re-used or composted waste	306-2	Waste-Abs	868	805
i.e. (in %)			47.2%	33%
of which incinerated (including with energy recovery)	306-2	Waste-Abs	NC	NC
of which landfill	306-2	Waste-Abs	NC	NC
of which other disposal methods	306-2	Waste-Abs	NC	NC
Rate of selective collection			84%	93%
Total extrapolated production of waste (in t)			7,360	8,268
Waste production – Like-for-like (LfL)				
Reporting scope coverage by surface area (in m ²)			343,528	
Reporting scope coverage by surface area (in %)			22%	
Number of applicable properties			18/268	
Proportion of estimated data			74%	
Rate of selective collection			89%	89%
Total waste (in tonnes)	306-2	Waste-LfL	3,400	1,349
Total Hazardous waste (in tonnes)	306-2	Waste-LfL	0	0
of which recycled, re-used or composted waste			193	538
i.e. (in %)			6%	40%
of which incinerated (including with energy recovery)			NC	NC
of which landfill			NC	NC
of which other disposal methods			NC	NC
CHANGE IN TOTAL WASTE PRODUCTION				-60.3%

2.7.1.6 Covivio head Offices

Since 2017, the reporting of Covivio's headquarters covers its sites in Paris and Metz in France, Oberhausen and Berlin in Germany, and Milan and Rome in Italy.

Type and number of sustainably certified assets (Cert-Tot)

50% (in number), i.e. four of Covivio's eight major sites in Europe are certified. The three buildings occupied by Covivio in France are certified: HQE for Divo in Metz and BREEAM In-Use for 10 and 30 Kleber in Paris. Covivio's Milan headquarters is also labelled BRaVe BB (2.3.1.4).

Energy – Direct and indirect energy consumption by source and energy intensity ratio for “corporate” buildings occupied by Covivio (operational control scope)

Consumption data is based on invoices obtained from property management or energy suppliers.

	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m²)			25,060	27,708
Reporting scope coverage by surface area (in %)			99%	100%
Number of applicable properties			6/7	8/8
Proportion of estimated data			0%	0%
Intensity (in kWhfe/m²/year)	CRE1	Energy-Int	162	120
Intensity (in kWhfe/m²/year)			263	202
Total direct energy (in kWhfe)	302-1	Fuel-Abs	570,588	427,629
Natural gas (direct energy) – non-renewable source	302-1	Fuel-Abs	570,588	427,629
Natural gas (direct energy) – renewable source			0	0
Fuel oil (direct energy)	302-1	Fuel-Abs	0	0
Wood (direct energy)	302-1	Fuel-Abs	0	0
Total indirect energy (in kWhfe)	302-1	Elec-Abs	3,483,519	2,890,333
Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	1,451,523	1,243,508
Electricity (indirect energy) – renewable source			559,837	337,919
Renewable energy production	302-1	Elec-Abs	15,732	15,638
of which solar			15,732	15,638
District heating and cooling (indirect energy)	302-1	DH&C-Abs	1,487,891	1,324,544
Total energy consumption (in kWhfe)			4,054,107	3,317,961
Total energy (in GJ)			14,595	11,945
Total energy consumption (in kWhpe)			6,580,265	5,584,628
Estimated consumption for vacant space (in kWhpe)			0	0
Estimated consumption in occupied areas for which data is not available (in kWhpe)			75,476	0
Total measured + extrapolated energy consumption (in kWhpe)			6,655,741	5,584,628

	Total consumption (Abs)				Like-for-like (LfL)			
	2019		2020		2019		2020	
Reporting scope coverage by surface area (in m²)	EPRA BPRs	25,060	27,708		EPRA BPRs	24 459		
Reporting scope coverage by surface area (in %)		99%	100%			97%		
Number of applicable properties		6/7	8/8			6/7		
Proportion of estimated data		0%	0%			0%		
Managed and paid by the Tenant				Change			Change	
Total Electricity (in kWh)	Elec-Abs	2,011,360	1,581,427	-21.4%	Elec-LfL	1,662,270	1,519,256	-8.6%
of which on a tenant submeter								
of which shared services		2,011,360	1,581,427	-21.4%		1,662,270	1,519,256	-8.6%
Total district heating and cooling (in kWh)	DH&C-Abs	1,487,891	1,324,544	-11.0%	DH&C-LfL	1,387,685	1,043,405	-24.8%
of which on a tenant submeter								
of which shared services		1,487,891	1,324,544	-11.0%		1,387,685	1,043,405	-24.8%
Total Gas-Fuel oil-Wood (in kWh)	Fuel-Abs	570,588	427,629	-25.1%	Fuel-LfL	531,797	427,629	-19.6%
of which on a tenant submeter								
of which shared services		570,588	427,629	-25.1%		531,797	427,629	-19.6%
		Intensity (in kWhfe/m²/year)				146.4	122.3	-16.5%

Carbon – Total direct or indirect GHG emissions and carbon intensity ratio for “corporate” buildings (operational control scope)

						Like-for-like (LfL)				
	GRI Standards	EPRA BPRs	2019	2020		2019	2020			
Reporting scope coverage by surface area (in m²)			25,060	27,708		24,459				
Reporting scope coverage by surface area (in %)			99%	100%		97%				
Number of applicable properties			6/7	8/8		6/7				
Proportion of estimated data			0%	0%	Change	0% Change				
CARBON INTENSITY (in kgCO ₂ e/m²/year)			305-4	GHG-Int	33.4	19.5	-41.5%	20.6	19.4	-5.8%
GHG Protocol						EPRA BPRs				
Scope 1 – Total direct emissions (in tCO ₂ e)	305-1	GHG-Dir-Abs	103	75	-27.3%	GHG-Dir-LfL	93	75	-19.3%	
Scope 2 – Total indirect emissions (in tCO ₂ e)	305-2	GHG-Indir-Abs	734	467	-36.4%	GHG-Indir-LfL	412	401	-2.8%	
Scope 3 – Other emissions (in tCO ₂ e)		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0		
Total emissions (in tCO ₂ e/year)			837	541		505	476			
CHANGE IN CARBON EMISSIONS			- 35.3%			-5.8%				

* This data takes into account the low level of emissions associated with green electricity contracts. With coefficients that do not take this into account, the total emissions of the assets would amount to 679 tCO₂e, with a carbon intensity of 24.5 kgCO₂e/m²/year.

Water – Total water consumption and water intensity ratio for “corporate” buildings (operational control scope)

Total water consumption (Abs)		GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m ²)				25,348	27,708
Reporting scope coverage by surface area (in %)				100%	100%
Number of applicable properties				7/7	8/8
WATER INTENSITY (in m ³ /m ² /year)		CRE2	Water-Int	0.25	0.24
Total water consumption (in m ³)		303-1	Water-Abs	6,400	6,638
Estimated water consumption in vacant space (in m ³)				0	0
Estimated consumption in occupied areas for which data is not available (in m ³)				0	0
Total extrapolated water consumption (in m ³)				6,400	6,638
Water consumption - Like-for-like scope (Lfl)					
Reporting scope coverage by surface area (in m ²)				25,177	
Reporting scope coverage by surface area (in %)				100%	
Number of applicable properties				7/7	
Proportion of estimated data				0%	
WATER INTENSITY (in m ³ /m ² /year)				0.25	0.25
Like-for-like water consumption (in m ³)		303-1	Water-LfL	6,400	6,231
CHANGE IN WATER CONSUMPTION INTENSITY					-2.7%

Waste – Total mass of waste in tonnes by type and disposal method for the “corporate” buildings (operational control scope)

The tonnage of waste produced by the three French assets is monitored monthly. Paper and cardboard (which are 100% recycled) are reported in a separate category.

Total waste production (Abs)	GRI Standards	EPRA BPRs	2019	2020
Reporting scope coverage by surface area (in m²)			25,348	11,806
Reporting scope coverage by surface area (in %)			100%	43%
Number of applicable properties			7/7	5/8
Proportion of estimated data			33%	65%
Total waste (in tonnes)	306-2	Waste-Abs	461	124
of which recycled, re-used or composted waste	306-2	Waste-Abs	99	68
i.e. (in %)	306-2		21.6%	55%
of which incinerated (including with energy recovery)		Waste-Abs	NC	NC
of which landfill	306-2	Waste-Abs	NC	NC
of which other disposal methods	306-2	Waste-Abs	NC	NC
Rate of selective collection			100%	100%
Total extrapolated production of waste (in t)			461	290
Waste production – Like-for-like (Lfl)				
Reporting scope coverage by surface area (in m²)			11,806	
Reporting scope coverage by surface area (in %)			47%	
Number of applicable properties			5/7	
Proportion of estimated data			84%	65%
Rate of selective collection			100%	100%
Total waste (in tonnes)	306-2	Waste-Lfl	186	124
of which recycled, re-used or composted waste			99	68
i.e. (in %)			53%	55%
of which incinerated (including with energy recovery)			NC	NC
of which landfill			NC	NC
of which other disposal methods			NC	NC
CHANGE IN TOTAL WASTE PRODUCTION			-33.6%	

2.7.2 Social indicators

2.7.2.1 UES Covivio

		2018	2019	2020
NUMBER OF EMPLOYEES	GRI STANDARDS	301	317	301
Total workforce broken down by gender	TOTAL	301	317	301
	Total (including CAPs)	301	317	301
	Men	41.5%	41.6%	44.0%
	Women	58.5%	58.4%	56.0%
	Open-ended	91.7%	90.5%	94.0%
	Men	43.1%	42.9%	45.0%
Total workforce by type of employment contract broken down by gender	Women	56.9%	57.1%	55.0%
	Fixed-term	2.0%	1.3%	1.0%
	Men	33.3%	25.0%	33.3%
	Women	66.7%	75.0%	66.7%
	CAPs (Apprenticeship contracts)	6.3%	8.2%	5.0%
	Men	21.1%	30.8%	40.0%
	Women	78.9%	69.2%	60.0%
	Full time	93.0%	92.1%	93.0%
	Men	43.9%	44.2%	47.0%
Total workforce by type of job broken down by gender	Women	56.1%	55.8%	53.0%
	Part time	7.0%	7.9%	7.0%
	Men	9.5%	12.0%	10.0%
	Women	90.5%	88.0%	90.0%
	Paris	73.4%	74.4%	75.7%
	Men	40.3%	41.1%	45.0%
Distribution of workforce by geographic area and broken down by gender	102-8 Women	59.7%	58.9%	55.0%
	Metz	19.9%	19.2%	18.6%
	Men	43.3%	42.6%	43.0%
	Women	56.7%	57.4%	57.0%
	Regional Offices	6.6%	6.3%	5.6%
	Men	50.0%	45.0%	41.0%
	Women	50.0%	55.0%	59.0%
	Managers	80.4%	80.1%	84.1%
	Men	46.0%	45.7%	47.0%
Breakdown of workforce by professional category	Women	54.0%	54.3%	53.0%
	Supervisors	11.6%	10.4%	10.3%
	Men	20.0%	18.2%	22.6%
	Women	80.0%	81.8%	77.4%
	Employees	8.0%	9.5%	5.6%
	Men	25.0%	33.3%	41.2%
Breakdown of managerial staff	Women	75.0%	66.7%	58.8%
	Male managers	50.8%	50.0%	49.3%
	Female managers	49.2%	50.0%	50.7%
Breakdown of workforce by age group	Age < 30	19.9%	22.4%	20.0%
	30-50 years old	56.5%	53.6%	53.0%
	Age > 50	23.6%	24.0%	27.0%

		2018	2019	2020
Turnover of M/F personnel	Total permanent contract departures	24	17	20
	Turnover rate of open-ended contract departures	9.2%	6.2%	7.0%
	Men	5.3%	2.2%	2.1%
	Women	3.8%	4.0%	4.2%
Turnover by age group	Age < 30	1.5%	0.7%	1.0%
	30-50 years old	6.5%	4.3%	4.2%
	Age > 50	1.1%	1.1%	1.7%
	Paris	8.8%	5.8%	4.9%
Turnover by geographic area	Metz	0.0%	0.4%	1.7%
	Regional Offices	0.4%	0.0%	0.3%
Turnover rate of less than two years	Turnover rate related to permanent contract departures - 2 years	13.5%	8.1%	1.9%
Level of incoming staff by contract type	Total joiners (first contract to staff excluding replacement caretaker staff)	70	65	31
	Total number of recruits on permanent contracts	39	28	16
	Of which conversion to permanent contract	2	6	2
	Youth Policy (summer jobs or apprentices)	25	32	12
	Medium fixed-term and temporary replacement contracts	6	5	3
Average number of hours of training per employee by gender and professional category	Per employee	21	15	21
	Per man	19	15	22
	Per woman	22	15	18
	Per manager	22	16	20
	Per supervisor	18	13	24
	Per employee	4	5	7
Percentage of employees receiving regular performance and career development reviews, by gender	Total	100%	99.0%	100%
	Per man	43.0%	43.0%	43.0%
	Per woman	57.0%	56.0%	57.0%
Absenteeism rate by gender	Total	2.5%	2.5%	2.2%
	Men	2.1%	2.1%	1.7%
	Women	2.8%	2.8%	2.6%
Work accident rate by geographic area and by gender	Total	1.1%	0.98%	0.96%
	Frequency rate	6.5	6.1	5.95
	Severity rate	0.04	0.08	0.11
	Men	0%	0%	0.6%
	Women	1.1%	0.98%	0.3%
	Paris	1.1%	0.98%	0.96%
	Metz	0%	0%	0.0%
	Regional Offices	0%	0%	0.0%
Occupational illness rate by geographic area and by gender	Total	0%	0%	0.3%
Percentage of all employees covered by collective agreements	102-41 %	100%	100%	100.0%

		2018	2019	2020	
Ratio between the base salary and remuneration for women compared with the ratio for men, by professional category and by main operating sites	405-2	Base salary for women (average) (excluding vocational training certificate contracts (CAPs) and suspension)	€55,313	€56,171	€70,119
		Base salary for men (average) (excluding vocational training certificate contracts (CAPs) and suspension)	€66,580	€67,706	€57,72
		F/M ratio (excluding vocational training certificate contracts (CAPs) and suspension of contract)	0.83	0.83	0.82
		Base salary, female managers	€60,732	€61,014	€72,393
		Base salary, male managers	€69,139	€69,958	€62,219
		F/M ratio, managers	0.88	0.87	0.86
		Average base salary, female supervisors	€33,362	€33,693	€36,877
		Average base salary, male supervisors	€36,703	€37,234	€33,857
		F/M ratio, supervisors	0.91	0.90	0.92
		Base salary, female office staff	€27,158	€27,846	€32,209
		Base salary, male office staff	€27,835	€28,535	€32,686
		F/M ratio, office staff	0.98	0.98	1.00
Return to work and retention rates after parental leave, by gender	401-3	Number of employees with right to parental leave (with children younger than 3 years)	14.0%	11.0%	12.0%
		Women	13%	7.0%	7.3%
		Men	15%	4.0%	4.7%
		Employees who took parental leave (part-time or full-time)	21.0%	31.0%	33.0%
		Women	100%	100%	100%
		Men	0%	0%	0%
		Employees who returned to work after parental leave (for full-time departures only)	100%	100%	100%
		Women	100%	100%	100%
		Men	N/A	N/A	N/A
		Employees who returned to work after parental leave (full-time departures only) and are still employed 12 months later	100%	100%	100%
		Women	100%	100%	100%
		Men	N/A	N/A	N/A
Percentage of total workforce represented in mixed Management-Employee Health and Safety Committees, monitoring and submitting opinions on the health and safety programme	403-1				
			100%	100%	100%
Percentage of employees having received training	Covivio indicator	78.0%	73.0%	68.0%	
Total Payroll dedicated to training	Covivio indicator	3.7%	4.0%	3.95%	
Internal mobility	Covivio indicator	15	9	8	
Loans to personnel (% of employees who took out new loans compared to total staff)	Covivio indicator	0.3%	0.9%	0.0%	
Works Council subsidies (% of payroll)	Covivio indicator	2.0%	2.0%	2.0%	

2.7.2.2 Italy Offices

		2018	2019	2020
NUMBER OF EMPLOYEES	GRI STANDARDS	150	157	94
	TOTAL	150	157	94
Total workforce broken down by gender	Total (including CAPs)	150	157	94
	Men	45.3%	52.9%	52.1%
	Women	54.7%	47.1%	47.9%
	Open-ended	88.0%	93.0%	98.9%
	Men	56.8%	55.5%	52.7%
	Women	43.2%	44.5%	47.3%
Total workforce by type of employment contract broken down by gender	Fixed-term	11.3%	6.4%	1.1%
	Men	41.2%	20.0%	0%
	Women	58.8%	80.0%	100%
	CAPs	0.7%	0.6%	0%
	Men	0%	0%	0%
	Women	100%	100%	0%
	Rome	63.3%	62.4%	41.5%
	Men	49.5%	48.0%	38.5%
	Women	50.5%	52.0%	61.5%
Total workforce broken down by geographic area	Milan	35.3%	36.3%	57.4%
	Men	64.2%	61.4%	61.1%
	Women	35.8%	38.6%	38.9%
	Other Italian cities	1.3%	1.3%	1.1%
	Men	50.0%	50.0%	100%
	Women	50.0%	50.0%	0%
	Full time	96.0%	95.5%	94.7%
	Men	56.9%	55.3%	55.1%
	Women	43.1%	44.7%	44.9%
Total workforce by type of job broken down by gender	Part time	4.0%	4.5%	5.3%
	Men	0%	0%	0%
	Women	100%	100%	100%
	Managers	8.0%	8.9%	12.8%
	Men	58.3%	57.1%	58.3%
	Women	41.7%	42.9%	41.7%
Total workforce by professional category divided by gender	Non Managers	92.0%	91.1%	87.2%
	Men	54.3%	52.4%	51.2%
	Women	45.7%	47.6%	48.8%
Breakdown of total workforce by age group	Age < 30	5.3%	5.1%	4.3%
	30-50 years old	78.7%	79.0%	74.5%
	Age > 50	16.0%	15.9%	21.3%

		2018	2019	2020
Employee turnover by gender, type of employment contract and age	Total departures	16	12	7
	of which fixed-term contracts	18.8%	25.0%	14.3%
	Turnover of open-ended contracts	9.9%	6.8%	4.1%
	Men	8.5%	8.0%	2.7%
	Women	11.7%	5.3%	1.4%
	Age < 30	25.0%	0%	0%
	30-50 years old	9.7%	6.8%	3.4%
	Age > 50	4.5%	0%	0.7%
Level of incoming staff by gender, type of employment contract and age	401-1 Total joiners	18	22	2
	of which fixed-term contracts	38.9%	40.9%	50.0%
	Total recruits on permanent contracts	8.4%	9.8%	0.7%
	Men	9.9%	12.0%	0%
	Women	6.7%	7.0%	0.7%
	Age < 30	0%	50.0%	0%
	30-50 years old	10.7%	9.6%	0.7%
	Age > 50	0%	0%	0%
Average number of hours of training per employee by gender and professional category	404-1 Total	8.5	35.0	10.3
	Men	19	36.6	10.2
	Women	15	33.3	10.4
	Managers	36	22.2	1.5
	Non Managers	8	35.6	10.4
Percentage of employees receiving an annual performance and career development review, by gender	404-3 Total	97.5%	75.0%	86.0%
	Men	96.5%	75.9%	95.9%
	Women	98.5%	74.0%	75.0%
Absenteeism rate	Total	1.7%	2.9%	2.4%
Occupational illness rate	Total	0%	0%	0%
Work accident rate by gender	403-2 Total	2.0%	0.7%	1.1%
	Men	4.4%	1.2%	2.0%
	Women	0%	0%	0%
	Frequency rate	6.81	3.96	5.29
	Severity rate	0.02	0.07	0.002
Percentage of people covered by collective bargaining agreements	102-41 Total	100%	100%	100%
Ratio between the base salary and remuneration for women compared with the ratio for men, by professional category	Base salary for women (average) (excluding vocational training certificate contracts (CAPs) and suspension)	€43,876	€42,826	€52,810
	Base salary for men (average) (excluding vocational training certificate contracts (CAPs) and suspension)	€54,841	€54,264	€64,822
	405-2 F/M ratio (excluding vocational training certificate contracts (CAPs) and suspension of contract)	0.80	0.79	0.81
	Base salary, female managers	€125,914	€122,315	€134,136
	Base salary, male managers	€131,250	€121,922	€136,429
	F/M ratio, managers	0.96	1.00	0.98
	Base salary for female non-managers	€37,379	€35,707	€42,644
	Base salary, male non-managers	€47,526	€47,047	€53,127
	F/M non-manager ratio	0.79	0.76	0.80

		2018	2019	2020
Percentage of total workforce represented in mixed Management-Employee Health and Safety Committees, monitoring and submitting opinions on the health and safety programme	403-1 Total	100%	100%	100%
Total Payroll dedicated to training	Covivio indicator Total	N/C	N/C	N/C
Training level	Covivio indicator Total	45.3%	69.0%	59%
Internal mobility (within a corporate entity)	Covivio indicator Total	5	8	3
Loans to personnel (% of employees who took out new loans compared to total staff)	Covivio indicator Total	0%	0%	0%
Works Council subsidies (% of payroll)	Covivio indicator Total	N/C	N/C	N/C



2.7.2.3. German Residential

		2018	2019	2020
NUMBER OF EMPLOYEES	GRI STANDARDS			
	TOTAL	471	520	574
Total workforce broken down by gender	Total (including CAPs)	471	520	574
	Men	51.4%	51.9%	52.4%
	Women	48.6%	48.1%	47.6%
	Open-ended	88.7%	90.4%	90.4%
	Men	52.4%	53.0%	53.9%
	Women	47.6%	47.0%	46.1%
Total workforce by type of employment contract broken down by gender	Fixed-term	9.1%	7.1%	7.0%
	Men	39.5%	40.5%	32.5%
	Women	60.5%	59.5%	67.5%
	CAPs	2.1%	2.5%	2.6%
	Men	60.0%	46.2%	53.3%
	Women	40.0%	53.8%	46.7%
	Oberhausen	61.8%	58.3%	55.6%
	Men	50.2%	51.8%	52.4%
	Women	49.8%	48.2%	47.6%
Total workforce broken down by geographic area	Berlin	27.2%	31.3%	34.3%
	Men	54.7%	54.6%	53.3%
	Women	45.3%	45.4%	46.7%
	Other German cities	11.0%	10.4%	10.1%
	Men	50.0%	44.4%	50.0%
	Women	50.0%	55.6%	50.0%
	Full time	83.7%	79.2%	78.6%
	Men	58.1%	60.4%	60.8%
	Women	41.9%	39.6%	39.2%
Total workforce by type of job broken down by gender	Part time	16.3%	20.8%	21.4%
	Men	16.9%	19.4%	22.0%
	Women	83.1%	80.6%	78.0%
	Managers	11.3%	11.2%	12.7%
	Men	69.8%	67.2%	65.8%
	Women	30.2%	32.8%	34.2%
Total workforce by professional category divided by gender	Non Managers	88.7%	88.8%	87.3%
	Men	51.0%	50.0%	50.5%
	Women	49.0%	50.0%	49.5%
Breakdown of total workforce by age group	Age < 30	14.0%	13.1%	15.2%
	30-50 years old	49.5%	51.3%	50.7%
	Age > 50	36.5%	35.6%	34.1%

		2018	2019	2020
Employee turnover by gender, type of employment contract and age	Total departures	48	63	79
	of which fixed-term contracts	39.6%	36.5%	31.6%
	Turnover of open-ended contracts	8.3%	9.6%	11.5%
	Men	8.8%	10.0%	6.8%
	Women	7.7%	9.0%	4.7%
	Age < 30	13.3%	10.3%	1.1%
	30-50 years old	8.8%	9.2%	6.8%
Level of incoming staff by gender, type of employment contract and age	Age > 50	7.2%	9.9%	3.6%
	Total joiners	103	112	119
	of which fixed-term contracts	29.1%	40.2%	17.6%
	Total recruits on permanent contracts	20.9%	16.0%	20.9%
	Men	26.0%	18.7%	14.0%
	Women	15.5%	13.1%	6.8%
	Age < 30	26.0%	20.5%	3.4%
Average number of hours of training per employee by gender and professional category	30-50 years old	19.3%	22.1%	13.6%
	Age > 50	12.2%	6.8%	3.8%
	Total	9.8	21.4	24.4
	Men	12.3	20.7	26.0
	Women	7.2	21.9	22.3
Percentage of employees receiving an annual performance and career development review, by gender	Managers	14.9	13.5	24.4
	Non Managers	9.6	22.3	24.5
	Total	53.9%	62.3%	64.2%
Absenteeism rate by gender	Men	55.4%	65.2%	67.8%
	Women	52.4%	62.3%	60.3%
	Total	3.9%	3.8%	4.1%
Occupational illness rate	Men	3.5%	3.8%	4.1%
	Women	4.3%	3.7%	4.1%
	Total	0%	0%	0%
Work accident rate by gender	Total	1.5%	1.7%	1.7%
	Men	1.7%	2.0%	0.4%
	Women	1.3%	1.4%	3.3%
	Frequency rate	7.5	7.84	7.63
	Severity rate	0.11	0.07	0.014
Percentage of people covered by collective bargaining agreements	Total	98.7%	98.8%	92.5%
Ratio between the base salary and remuneration for women compared with the ratio for men, by professional category	Base salary for women (average) (excluding vocational training certificate contracts (CAPs) and suspension)	€48,328	€48,909	€48,759
	Base salary for men (average) (excluding vocational training certificate contracts (CAPs) and suspension)	€57,481	€57,976	€57,580
	F/M ratio (excluding vocational training certificate contracts (CAPs) and suspension of contract)	0.84	0.84	0.85
	Base salary, female managers	€69,031	€68,668	€74,308
	Base salary, male managers	€86,959	€88,363	€82,620
	F/M ratio, managers	0.79	0.78	0.90
	Base salary for female non-managers	€46,688	€47,187	€46,017
	Base salary, male non-managers	€51,859	€52,661	€53,252
	F/M non-manager ratio	0.9	0.9	0.86

			2018	2019	2020
Return to work and retention rates after parental leave, by gender	414-2	Number of employees with right to parental leave (with children younger than 3 years)	16	15	22
		Men	7	5	5
		Women	9	10	17
		Employees who claimed their right to parental leave (full-time or part-time)	16	15	22
		Men	7	5	5
		Women	9	10	17
		Rate of return to work after parental leave (full-time only)	13	14	11
		Men	7	4	5
		Women	6	10	6
		Rate of retention following parental leave (12 months after return to work)	12	11	8
		Men	6	4	4
		Women	6	7	4
Percentage of total workforce represented in mixed Management-Employee Health and Safety Committees, monitoring and submitting opinions on the health and safety programme	403-1				
		Total	3.5%	3.5%	3.5%
Total Payroll dedicated to training	Covivio indicator	Total	0%	5.2%	0.3%
Training level	Covivio indicator	Total	88.0%	40.8%	16.4%
Internal mobility (within a corporate entity)	Covivio indicator	Total	14	23	21
Loans to personnel (% of employees who took out new loans compared to total staff)	Covivio indicator	Total	1.7%	2.5%	2.4%
Works Council subsidies	Covivio indicator	Total	0.1%	0.1%	0.1%

2.7.3 Concordance table – regulatory obligations

Covivio's SNFP meets the obligations of the Decree of 9 August 2017 to implement the Order of 19 July 2017 on the publication of non-financial information, as shown in the tables below.

Topics from Article L. 225-102-1 resulting from Order no. 2017-1162 of 12 July 2017	Chapters
Respect for human rights	2.6.2
Fight against corruption	2.6.2.2
Impact of activities on climate change	2.3.3.1
Societal commitments to Sustainable Development	2.4.1
Circular economy	2.3.1.3
Combating food waste	2.3.2.5
Fight against discrimination and promotion of diversity	2.5.2.4
Collective agreements and working conditions	2.5.3.1

The provisions of the law of 23 October 2018 relating to the fight against tax evasion are taken into account in Covivio's risk review. Chapter 2.6.1.5. describes the policies and actions implemented to comply with the tax regulations of the countries in which Covivio operates. The list of consolidated companies is presented in chapter 4.2.3.5. of this document.

Considering the nature of Covivio's business, details of which can be found in this document and more particularly in its business model (2.2.5), it appears that the implications of the French Sustainable Food Act of 30 October 2018 (combating food insecurity, respect for animal welfare and responsible, fair and sustainable food) are limited for the company.

Topics and sub-topics arising from the decree of 9 August 2017	Compliance with decree			
	France Offices	Italy Offices	German Residential	Hotels in Europe
Employment				
Total workforce and breakdown of employees by gender, age and geographic area				
New hires and redundancies	2.7.2.1	2.7.2.2	2.7.2.3	2.7.2.1
Remuneration and changes in remuneration				
Organisation of work				
Organisation of working hours	2.7.2.1	2.7.2.2	2.7.2.3	2.7.2.1
Absenteeism				
Labour/management relations				
Organisation of staff communications, specifically employee information and consultation as well as negotiation procedures		2.5.3.1		
Analysis of collective labour agreements				
Health and safety				
Workplace health and safety conditions				
Analysis of workplace health and safety agreements signed with trade union organisations or employee representatives		2.5.3.1		
Workplace accidents, particularly frequency and severity, and occupational illnesses	2.7.2.1	2.7.2.2	2.7.2.3	2.7.2.1
Training policies implemented, particularly related to environmental protection	2.5.2.2			
Total number of hours of training	2.7.2.1	2.7.2.2	2.7.2.3	2.7.2.1
Diversity and equal opportunities/equal treatment				
Policy established and steps taken to promote gender equality				
Policy established and steps taken to promote hiring and integration of people with disabilities		2.5.2.4		
Policy established and steps taken to combat discrimination				
Promotion of and compliance with the provisions of the fundamental ILO conventions				
Freedom of association and the right to collective bargaining		2.5.3.1		
The elimination of discrimination with respect of employment and occupation		2.5.2.4		
The elimination of forced or compulsory labour		2.2.3.3		
The effective abolition of child labour				
General environmental policy				
Company organisation to take environmental issues into account and processes in place for environmental evaluation and certification, where applicable		2.2.5.1		
Employee environmental protection training and information		2.5.3.2.3		
Resources allocated to preventing environmental and pollution risks		2.3.3		
The amount of provisions and insurance for environmental risks, except if the nature of this information would cause serious harm to the company in connection with on-going litigation		2.3.3.3		
Pollution and waste management				
Measures to prevent, reduce or remedy discharges into the water, air and soil that have serious environmental impacts		2.3.3.3		
Consideration of any form of pollution specific to a particular activity, especially noise and light pollution		2.3.3.3.2		

Topics and sub-topics arising from the decree of 9 August 2017	Compliance with decree			
	France Offices	Italy Offices	German Residential	Hotels in Europe
Circular economy, waste prevention and management				
Measures to prevent, recycle, reuse, and otherwise reclaim and eliminate waste		2.3.2.5		
Measures implemented to combat food waste				
Sustainable use of resources				
Water consumption and supply based on local constraints		2.3.2.4		
Consumption of raw materials and steps taken to improve efficiency of use		2.3.1.2		
Energy consumption, steps taken to improve energy efficiency and the use of renewable energy		2.3.2.2		
Land use		2.3.3.2		
Climate change				
Facilities emitting significant amounts of greenhouse gases		2.3.2.3		
Adaptation to climate change impacts		2.3.3.1		
Voluntary medium- and long-term GHG reduction targets and methods implemented		2.2.6		
Protection of biodiversity				
Steps taken to promote biodiversity		2.4.1.4		
Regional economic and social impact of the company's operations/Corporate commitments to Sustainable Development				
Employment and regional/local development		2.4.1.2.1		
Local and waterfront communities		2.4.1.2.2		
Relations and quality of dialogue with these individuals or organisations/stakeholders		2.4.1.1		
Partnership and sponsorship activities		2.4.1.3		
Sub-contracting and suppliers				
Consideration of social and environmental issues in the company's purchasing policy				
Significance of sub-contracting and consideration, in relationships with sub-contractors and suppliers, of their social and environmental responsibility		2.4.2		
Consideration, in relationships with sub-contractors and suppliers, of their social and corporate responsibility				
Fair business practices				
Actions taken to prevent corruption		2.6.2		
Steps taken to ensure consumer health and safety		2.3.3.3		
Human Rights				
Steps taken to support human rights		2.2.3.3		

Promotion of and compliance with the provisions of the fundamental ILO conventions

ILO's aim is for every person to have access to decent and productive work in conditions of freedom, equality, safety and dignity. Covivio and its subsidiaries apply all the ILO conventions (2.6.2). In addition, the countries in which they operate their business have adopted legislation that is influenced and guided by the conventions adopted by the ILO.

2.7.4 SASB Index – Real Estate Standards

Sustainability Disclosure Topics & Accounting metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Offices/ France	Offices/ Italy	Residential/ Germany	Hotels/ Europe	Group
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	% by floor area	IF-RE-130a.1	2.7.1.1	2.7.1.2	2.7.1.3	2.7.1.4	2.3.2.2.1
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Quantitative	kWh,%	IF-RE-130a.2	2.7.1.1	2.7.1.2	2.7.1.3	2.7.1.4	2.3.2.2.1
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	%	IF-RE-130a.3	2.7.1.1	2.7.1.2	2.7.1.3	2.7.1.4	N.C.
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to energy performance standards, by property subsector	Quantitative	% by floor area	IF-RE-130a.4	2.3.2.2.3 (1) (2) 2.3.1.4.1	2.3.2.2.3 (1) (2) 2.3.1.4.1	2.3.2.2.3 (1) (2) 2.3.1.4.1	2.3.2.2.3 (1) (2) 2.3.1.4.1	2.3.2.2.3 (1) (2) 2.3.1.4.1
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and analysis	N/A	IF-RE-130a.5	2.3.2.2	2.3.2.2	2.3.2.2	2.3.2.2	2.3.2.2
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	% by floor area	IF-RE-140a.1	2.7.1.1	2.7.1.2	2.7.1.3	2.7.1.4	2.3.2.4.1
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water stress, by property subsector	Quantitative	m³,%	IF-RE-140a.2	2.7.1.1	2.7.1.2	2.7.1.3	2.7.1.4	2.3.2.4.1
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	%	IF-RE-140a.3	2.7.1.1	2.7.1.2	2.7.1.3	2.7.1.4	N.C.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	N/A	IF-RE-140a.4	2.3.2.4	2.3.2.4	2.3.2.4	2.3.2.4	2.3.2.4
Management of tenant sustainability impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	% by floor area, m²	IF-RE-410a.1			Depending on local regulation and on the types of leases		
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Quantitative	% by floor area	IF-RE-410a.2	2.7.1.1	2.7.1.2	2.7.1.3	N.A.	N.A.
	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	Discussion and analysis	N/A	IF-RE-410a.3	2.4.3.3				
Climate change adaptation	Area of properties located in 100-year flood zones, by property subsector	Quantitative	m²	IF-RE-450a.1	2.3.3.1				
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and analysis	N/A	IF-RE-450a.2				Intro 2.3 – TCFD	

Activity Metrics

Activity Metric	Category	Unit of Measure	Code	France Offices	Italy Offices	German Residential	Hotels in Europe	Group
Number of assets, by property subsector	Quantitative	Number	IF-RE-000.A	164	172	40,288 units	342	678 & 40,288 residential units
Leasable floor area, by property subsector	Quantitative	m²	IF-RE-000.A	1,565,196	1,375,051	2,764,046	57,459 rooms	5,704,293 m² & 51,034 rooms
Percentage of indirectly managed assets, by property subsector	Quantitative	% by floor area	IF-RE-000.C	86.6%	87.3%	0%	100%	N/A
Average occupancy rate, by property subsector	Quantitative	%	IF-RE-000.C	93.1	96.8	98.7	100	94.7

2.7.5 Cross-reference table between Covivio's materiality matrix and GRI Standards

Covivio topic	GRI Standards topic	Scope (GRI 103-1)	Associated GRI Standards
Responsible procurement	Purchasing practices/Environmental assessment/Human Rights/Suppliers' employment practices	France Offices, France Corporate (Int Imp + Ext Imp) ⁽¹⁾	GRI 308-1 – Percentage of new suppliers that were screened using environmental criteria – see Section 2.4.2. GRI 414-1 – Percentage of new suppliers that were screened using social criteria – see Section 2.4.2
Biodiversity	Biodiversity	All portfolios (Int Imp + Ext Imp)	GRI 304-1 – Habitats protected or restored. GRI 304-2/GRI 304-3/GRI 304-4 – see Section 2.4.1.4
Climate change	Emissions	All portfolios (Int Imp + Ext Imp)	GRI 305-1 – Direct GHG emissions (Scope 1) GRI 305-2/GRI 305-5/GRI 305-7 – see GHG section for each business activity, Section 2.7.1
Skills/Talent	Employment Training/education	UES Covivio, Italy Offices, Covivio Immobiliari (Int Imp)	GRI 404-1 – Average hours of training per year per employee by gender and by professional category GRI 404-2/GRI 404-3 – see Section 2.7.2
Waste	Effluents and waste	All portfolios (Int Imp + Ext Imp)	GRI 306-2 – Total mass of waste by type and disposal method – see Waste data for each business provided in Section 2.7.1
Local development	Indirect economic impact	France Offices (Ext Imp)	GRI 203-1 – Development and impact of investments in infrastructure and support for services – see Section 2.4.1.2
Digital	Outside GRI Standards	All portfolios	Section 2.7.3
Diversity/Equality	Diversity and equal opportunity Equal remuneration for men and women Labour/management relations	UES Covivio, Italy Offices, Covivio Immobiliari (Int Imp)	GRI 401-1 – Total number and percentage of new employee hires and employee turnover by age group, gender and geographic area. GRI 401-3/GRI 402-1/GRI 403-1/GRI 405-2 – see Section 2.7.2
Human Rights	Non-discrimination	UES Covivio, Italy Offices, Covivio Immobiliari (Int Imp + Imp Ext)	GRI 406-1 – Total number of incidents of discrimination and corrective actions taken – see Section 2.5.2.4. GRI 412-1/GRI 409-1/GRI 414-1
Water	Water	All portfolios (Int Imp + Ext Imp)	GRI 303-1 – Total water withdrawal by source. CRE-2 – Water intensity of buildings in operation – see Water data for each business provided in Section 2.7.1
Energy	Energy	All portfolios (Int Imp + Ext Imp)	GRI 302-1 – Energy consumption within the organisation, CRE1 – see Energy data for each business provided in Section 2.7.1 of GRI 302-3
Risk management	Consumer health and safety	All portfolios (Int Imp + Ext Imp)	GRI 416-2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of result – CRE-5 – Field being or to be remediated to allow legal exploitation. – See chapter 2.3.3.3

Covivio topic	GRI Standards topic	Scope (GRI 103-1)	Associated GRI Standards
Governance/Ethics	General information Ethics and integrity/Combatting corruption/Compliance	Covivio (Int Imp)	GRI 102-18 – Governance structure of the organisation – see Section 2.6.1.1. GRI 205-2 – Communication and training on anti-corruption policies and procedures – see Section 2.6.2.1 GRI 102-16 – Organisation's values, principles, standards and norms of behaviour – see Section 2.6.2.2
Mobility	Outside GRI Standards	All portfolios	Section 2.4.1.5.2
New services	Outside GRI Standards	All portfolios	Section 2.3.1.2
Tenant partnership	Outside GRI Standards	All portfolios (Int Imp + Ext Imp)	Section 2.4.3.1
Philanthropy and sponsorship	Outside GRI Standards	All portfolios (Int Imp + Ext Imp)	Section 2.4.1.3.2
Health/Safety/Comfort	Consumer health and safety	All portfolios (Int Imp + Ext Imp)	GRI 416-2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the life cycle, by type of outcome – see Section 2.3.3.3
Sustainable value	Outside GRI Standards	All portfolios (Int Imp + Ext Imp)	Section 2.2.2.2
Sustainable inclusive city	Indirect economic impact	All portfolios (Int Imp + Ext Imp)	GRI 203-1 – Development and impact of investments in infrastructure and support for services – see Section 2.4.1.2 CRE7 – Number of people voluntarily or involuntarily displaced and/or rehoused due to development, by project

(1) Int Imp = Internal Impact/Ext Imp = External Impact.

2.8 Independent third party audit

2.8.1 Verification of corporate, environmental and societal information

Financial year ended 31 December 2020⁽¹⁾

Independent third party's report on consolidated non-financial statement presented in the management report

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under number 3-1681 (scope of accreditation available on www.cofrac.fr), and as a member of the network of one of the Statutory Auditors of your company (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended 31 December 2020 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The board of directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request from the entity's head office.

(1) This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code
- the fairness of the information provided in accordance with article R. 225-105, I, 3° and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks, hereinafter the "Information".

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of work

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. French Commercial Code, the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements. and the international standard ISAE 3000⁽¹⁾:

- we obtained an understanding of all the consolidated entities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1-III of the French Commercial Code as well as the information set out in article L. 22-10-36, regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Concerning certain risks integration within the sustainable city, responsible supply chain, our work was carried out on the consolidating entity; for the other risks, our work was carried out on the consolidating entity and on a selection of entities. Covivio Immobilien and France Offices;
- we verified that the Statement covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures, and reconcile the data with the supporting documents. This work was carried out on a selection portfolios listed below and covers between 18% and 100% of the consolidated data selected for these tests (18% of water consumption,, 36% of final energy consumption), 100% of energy performance diagnostics performed);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Means and resources

Our verification work mobilised the skills of five people and took place between September 2020 and March 2021, representing a total duration of intervention of about 11 weeks.

We conducted three interviews with the persons responsible for the preparation of the Statement representing in particular the sustainable development management, human resources and environment departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, 12 March 2021

Independent Third-Party

EY & Associés

Jean-François Bélorgey

Partner

Eric Duvaud

Partner, Sustainable Development

Appendix 1: The most important information

Social Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Total workforce by type of employment contract	The results of recruitment policies in support of the Group's European strategy.
Training rate	Measures implemented to ensure the development of employees' skills.
Average number of training hours per trained employee	Measures implemented to attract and retain talent.
Turnover	Commitments to diversity and equal pay.
Share of employees on permanent contracts	Measures taken for the health of employees as part of the management of the health crisis.
Number of internal mobilities	
Percentage of employees receiving an annual performance and development review	
Ratio of basic salary and remuneration of women to men	

Environmental Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Greening rate of the portfolio (France Core Offices, Italy Offices, German Residential, Hotels Europe)	Health risk and regulatory compliance management
Energy intensity (kWhfe/m ² /year and kWhpe/m ² /year) of the real estate portfolio	Measures taken to exceed construction standards and combat asset obsolescence.
Carbon intensity (kgCO ₂ /m ² /year) of the real estate portfolio	Results of asset certification measures.Measures taken to improve the portfolio's environmental performance and reduce operating costs.
Water intensity (m ³ /m ² /year) of the portfolio	Low-carbon trajectory developed for the company's activities, in line with 2°C objectives and validated by the Science Based Targets initiative.
Percentage of sites benefiting from selective collection	Actions in favour of biodiversity.
Total amount of waste	
Percentage of tertiary assets benefiting from health and safety monitoring and inspections.	
Percentage of energy performance diagnostics carried out (France Core Offices, Italy Offices, German Residential, France Hotels)	

Societal Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Accessibility of public transport.	Measures to guarantee the sustainability of the supply chain.
Rate of accessibility of office buildings to people with reduced mobility (PRM).	Relationships and cooperation with stakeholders, in particular customers.
Number of suppliers who have signed the new version of the responsible purchasing charter and responded to the CSR questionnaire.	Measures taken to protect personal and real estate data.
Rate of coverage of the responsible purchasing charter (on strategic expenditure).	Partnerships implemented to integrate Covivio into the sustainable city.
The number of solicitations of ethics officers.	Measures taken to promote the accessibility of buildings.

2.8.2 Verification of an independent third-party – Green Bond

Financial year ended 31 December 2020

Independent report of one of the Statutory Auditors on compliance with environmental and social criteria for selection and monitoring of assets eligible for Green Bonds and the allocation of funds raised under these obligations

To Mr Christophe Kullmann, Chief Executive Officer,

In our capacity as Statutory Auditor of the company, we hereby present our report on environmental and social criteria for selection and monitoring processes, defined in the "Use of Proceeds"⁽¹⁾ requirements of Green Bonds "Selection and Monitoring Criteria" for the assets selected for Green Bonds in effect on 31 December 2020.

Responsibility of the company

It is the responsibility of the company's Chairman to establish the Selection and Monitoring Criteria and ensure their implementation.

Independence and quality control

Our independence is defined by regulatory requirements and the Code of Ethics of our profession and the conditions laid down by Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards and applicable laws and regulations.

Responsibility of the Statutory Auditor

It is our role, based on our work to:

- express a reasonable assurance as to whether the assets selected for Green Bonds in effect on 31 December 2020 comply, in all material aspects, with the Selection and Monitoring Criteria (Reasonable assurance report);
- attest to the allocation of funds raised under Green Bonds to the selected assets and attest to the concordance of funds allocated to these assets with the amount in the accounts.

We conducted the work described below in accordance with the international standard ISAE 3000 (International Standard on Assurance Engagements) and the professional doctrine of the French *Compagnie Nationale des Commissaires aux Comptes* in relation to this intervention. We called, to assist us in performing our work, on our experts in sustainable development, under the responsibility of Mr Eric Duvaud, Partner.

1. Reasonable assurance report on environmental and social criteria for selection and monitoring

Nature and scope of work

In order to be able to express our conclusion, we undertook the following work, between October 2020 and March 2021:

- We assessed the suitability of the Selection and Monitoring Criteria regarding their relevance, completeness, clarity, neutrality and reliability, taking into consideration the "Green Bonds Principles"⁽²⁾
- We undertook interviews at the main office of the company in order to understand selection and monitoring procedures and to verify the compliance with Selection and Monitoring Criteria, based on the documentary evidence available at the company main office relating to the assets monitored in the framework of bonds issued during the previous financial years (Fontenay le Floria, Metz Le Divo, Vélizy Hélios, Vélizy Europe, Paris Passy Steel, Issy-les-Moulineaux Edo, Levallois Thaïs, Toulouse Riverside, Bordeaux Quai 8.2 E, Montrouge Flow), Montpellier Orange, Saint-Ouen So Pop, Lyon Silex 2, Paris Jean Goujon, Châtillon IRO, Milan The Sign)
- We undertook interviews with the managers and tenants of three qualified assets (Toulouse Riverside, Paris Passy Steel, Vélizy Hélios)
- In order to verify the compliance with the Selection and Monitoring Criteria, in particular for the operational phase.

Information or explanations on the Selection and Monitoring Criteria

- The Selection and Monitoring Criteria only cover environmental and social aspects of eligible assets and exclude their economic aspects. These Criteria are the minimum requirements to be met by eligible assets in order to be considered as Green Bonds. They are related to construction and operating phases and the monitoring of assets. The company also publishes the justification or the confirmation of the compliance with each criterion for the selected assets in the chapter 2.3 of Covivio's Universal Registration Document.
- For the operating phase, part of the criteria cannot be applied and verified before one or several years of operation. For assets still under construction or recently delivered (Montrouge Flow, Montpellier Orange, Saint-Ouen So Pop, Lyon Silex², Paris Jean Goujon, Châtillon IRO, Milan the Sign), the expected dates of compliance with these criteria are specified in the detailed table by asset in the chapter 2.3 of Covivio's Universal Registration Document.

Conclusion

In our opinion, the assets selected for Green Bonds in effect on 31 December 2020 comply, in all material aspects, with the Selection and Monitoring Criteria.

(1) May 2016 "Green Bond Roadshow" press release available in English on the "Selected criteria" and "Reporting" criteria for Green Bonds. <https://www.covivio.eu/app/uploads/2019/01/6-Covivio-Green-Bond-mai-2016-Prospectus.pdf> Green Bond Framework press release of September 2019 on the qualification criteria (Eligible Green Projects) and monitoring (Reporting) for responsible bonds Green Bonds available at: <https://www.covivio.eu/app/uploads/2019/04/Covivio-Green-Bond-Framework-2019.pdf>.

(2) Green Bonds Principles (updated version of June 2018) available on the ICMA (International Capital Market Association) website at the following address: <http://www.icmagroup.org>

2. Statement on the allocation of funds

It is also our responsibility to express our conclusion on the funds allocated to the assets that were selected and on the consistency between the amount of funds allocated to these assets within the framework of the Green Bonds issuance and the accounting records and their underlying data.

However, it is not our responsibility to express a conclusion on the use of the funds allocated to the eligible assets following their allocation.

In our capacity as Statutory Auditor of Covivio, we conducted jointly, with Mazars, the audit of the consolidated financial statements of the company for the year ended 31 December 2020. Our audit, conducted in accordance with the professional standards applicable in France, aimed at expressing an opinion on the consolidated financial statements considered globally and not on specific elements of these statements used to establish this information. Therefore, we did not perform any audit tests or sampling to this purpose and we do not express any opinion on these isolated elements.

Moreover, we did not perform any work to identify, if relevant, the events that took place after the issuance of our report on the company's consolidated accounts dated 1 March 2021. Our intervention, which is neither an audit nor a limited review, was performed in accordance with the professional doctrine of the French *Compagnie Nationale des Commissaires aux Comptes* in relation to this intervention. Our procedures also involved:

- understanding the procedures that the company put in place so as to determine the information provided in chapter 2.3 of Covivio's Universal Registration Document
- verifying that the amounts allocated to the selected assets match the Green Bond Issuance of May 2016 of €500 million and the Green Bond Issuance of September 2019 of €500 million. The Nanterre Respiro and Nancy O'origin assets, selected since 2016 and 2017 respectively, as part of the "Green Bonds" process, were sold during the 2020 fiscal year. As a result, the funds initially allocated to these assets were reallocated to two new eligible assets, Montpellier Orange and Saint-Ouen So Pop.
- verifying the consistency between the information provided in the introduction of chapter 2.3 of Covivio's Universal Registration Document for the year ended 31 December 2020 and the data from the consolidated financial statements of the company for the same year.

Based on our work, in the context of the Green Bonds issuance, we have nothing to report with regard to the allocation of the funds to the assets selected or to the consistency of the amount of funds allocated during the year 2019 to these eligible assets with the accounting records and underlying data.

Paris-La Défense, 12 March 2021

One of the Statutory Auditors

ERNST & YOUNG et Autres

Anne Herbein

Partner

Eric Duvaud

Sustainable Development Partner



Appendices

Covivio expresses its Purpose

For more than 20 years, Covivio has been helping to shape major European cities, designing Offices, hotels and housing for its customers. By adopting its new identity in 2018, Covivio stated its ambition to get even closer to its end users and create living spaces for them to work, travel and live. Today, the Board of Directors and the Covivio teams have decided to go further and express how we intend to contribute, by involving all our stakeholders, to the main social, environmental and economic issues no highlight.

Build sustainable relationships and well-being

By offering a high level of well-being in each of our buildings, Covivio enriches relationships between people and thus contributes to the fulfilment of each individual, the effectiveness of organisations and the sustainability of development methods. Our Purpose places the human being at the heart of the city, makes our activities a long-term commitment and constitutes the backbone of our development. It encourages us to make concrete and ambitious commitments to all our stakeholders:

For our clients, we provide places and services that facilitate and enhance exchanges and ensure well-being and comfort: quality of locations, proximity to public transport, air quality, acoustic and thermal comfort, natural light, green spaces, diversity and flexibility of uses, "just like home" hotel concepts, so many assets to support the users of our spaces as they live their lives, to connect them between them, to increase their opportunities for relationships and exchange, and to allow them to show their full potential.

To our shareholders and financial partners, we ensure the long-term solidity of our business model, which articulates the roles of investor, developer, manager and creator of services, throughout a value creation chain. They can count on our demanding standards in the areas of transparency and reporting.

With our suppliers and consultants, we build quality, sustainable and balanced relationships, based on trust and respect for commitments. Working with us means sharing our Purpose and contributing to achieving our ambitions.

For our teams, well-being at work and rich professional relationships are the foundation of our employer brand. Concerned about the development of talents, and in addition to our actions in favour of gender equality, the retention of older employees and the quality of life at work, we work together with our employees to build their career paths and the development of their skills.

Working alongside local authorities, we contribute to the attractiveness of the regions. We promote the emergence of environmentally-responsible practices and innovations in terms of urban quality of life, openness of buildings to the city, development of biodiversity, waste management, etc. We thus contribute to the challenges of tomorrow's cities, which consume less energy, are connected and concerned with social well-being and environmental quality, placing people at the centre of their ecosystem.

For future generations and our planet, because the well-being and quality of relationships are inseparable from the preservation of our environment, we place our real estate and service footprint in the framework of the United Nations Sustainable Development Goals (SDGs), via ambitious, precise and public commitments. Because individual and collective well-being can only develop sustainably in a society where all social bodies harmoniously coexist, we are working to help reduce the inequalities that cause imbalances and fragilities.

To do this, we make the following commitments

To improve our impact on the environment

- From 2020, all our new development projects will have green areas (terraces, patios, roof tops, urban agriculture, etc.).
- In 2025, 100% of our portfolio will be "green" (certification or labelling for buildings or operations).
- By 2030, we aim at reducing our carbon emissions by 34% compared to 2010.

To maximise the well-being of our customers and our teams

- From 2020, all our new projects will target well-being accreditation.
- Any customer request will be dealt with in less than 24 hours, satisfaction will be regularly measured and reflected in our teams' remuneration.
- In 2025, 95% of our portfolio will be located within a ten-minute walk of public transport.
- In the same year, all our Office developments will benefit from a high level of connectivity.
- And all our multi-tenant office buildings will offer a broad range of services accessible by means of a mobile application.
- Every two years, our teams' well-being will be measured. We will inform them of the results and, together with them, we will address the points for improvement put forward.

To reinforce our societal commitments

- In 2020, Covivio will set up a Foundation which will group together all our actions in favour of equal opportunity and environmental protection.
- So that our teams contribute to increasing our commitments, Covivio employees may devote one solidarity day per year to support a societal project identified by the Foundation.

In 2020, to monitor these commitments linked to our Purpose, to challenge and renew them, Covivio will set up a **Stakeholders' Committee**, which will bring together customers, suppliers and partners, representatives of the team, shareholders, local authorities, town planners and sociologists. Every year, this Committee will release the findings of its work on the monitoring of our mission statement objectives, and its new commitments.





Hôtel Mercure Paris Boulogne
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3.1 Consolidated accounts as at 31 December 2020

3.1.1 Statement of financial position

Assets

(In € thousand)	Note 3.2.5	31/12/2020	31/12/2019
Intangible assets	1.2		
Goodwill		135,092	143,286
Other intangible fixed assets		25,114	23,471
Tangible assets	1.2		
Operating properties		1,347,995	1,409,707
Other tangible fixed assets		45,605	41,855
Fixed assets in progress		48,389	37,880
Investment properties	1.3	22,625,439	20,837,882
Non-current financial Assets	2.2	282,270	259,060
Investments in companies accounted for under the equity method	3.2	360,819	374,316
Deferred tax assets	4	103,698	61,932
Long-term derivative instruments	11.5	73,874	51,381
Total non-current assets		25,048,295	23,240,770
Assets held for sale	1.3	335,388	324,292
Loans and receivables	5	13,519	27,752
Inventories and work-in-progress	6.2	249,334	232,548
Short-term derivative instruments	11.5	25,504	26,105
Trade receivables	7	264,740	376,730
Tax receivables		20,902	9,195
Other receivables	8	171,200	175,316
Prepaid expenses		4,718	4,970
Cash and cash equivalents	9	1,246,147	1,302,084
Total current assets		2,331,454	2,478,992
TOTAL ASSETS		27,379,749	25,719,762

Liabilities

	Note 3.2.5	31/12/2020	31/12/2019
Capital		283,633	261,660
Share premium account		4,140,277	3,882,299
Treasury shares		-19,651	-15,255
Consolidated reserves		3,818,175	3,421,955
Net income		359,767	746,987
Total shareholders' equity, Group Share	10	8,582,202	8,297,646
Non-controlling interests		3,985,956	4,060,698
Total shareholders' equity		12,568,157	12,358,343
Long-term borrowings	11.2	10,459,091	9,071,820
Long-term rental liabilities	11.6	281,627	255,295
Long-term derivative instruments	11.5	360,214	287,319
Deferred tax liabilities	4	1,077,198	983,566
Staff termination benefits	12.2	57,466	56,364
Other long-term liabilities		23,291	19,433
Total non-current liabilities		12,258,887	10,673,797
Trade payables		127,197	140,670
Trade payables on fixed assets		90,774	88,142
Short-term borrowings	11.2	1,837,014	1,815,746
Short-term rental liabilities	11.6	15,994	13,797
Short-term derivative instruments	11.5	68,795	78,523
Security deposits		2,755	5,483
Advances and pre-payments received		208,972	200,336
Short-term provisions	12.2	34,988	17,445
Current taxes		32,643	41,054
Other short-term liabilities	13	111,272	211,837
Pre-booked income		22,302	74,590
Total current liabilities		2,552,705	2,687,622
TOTAL LIABILITIES		27,379,749	25,719,762

3.1.2 Statement of net income

(In € thousand)	Note 3.2.	31/12/2020	31/12/2019
Rental income	6.2.1	866,836	961,320
Unrecovered property operating costs	6.2.2	-36,489	-37,007
Expenses on properties	6.2.2	-29,389	-30,951
Net losses on unrecoverable receivables	6.2.2	-24,882	-4,550
Net rental income		776,076	888,813
EBITDA from Hotel Operating activity & Flex Office	6.2.3	13,649	75,053
Income from other activities	6.2.3	26,436	16,825
Management and administration income		15,691	23,018
Business expenses ⁽¹⁾		-6,678	-7,467
Overheads		-125,522	-127,409
Net operating costs	6.2.4	-116,509	-111,859
Depreciation of operating assets	6.2.5	-67,324	-65,004
Net change in provision and other	6.2.5	4,388	12,830
OPERATING INCOME		636,716	816,658
Net income from inventory properties		-3,422	-5,787
Income from asset disposals	6.3	-1,219	1,066
Income from value adjustments	6.4	128,189	1,003,634
Income from disposal of securities	6.5	12,145	7,724
Income from changes in scope & other	6.6	-16,096	-22,255
OPERATING RESULT		756,314	1,801,040
Cost of net financial debt ⁽²⁾⁽³⁾	6.7	-172,373	-209,632
The interest cost for rental liabilities	5.11.6	-14,030	-13,526
Value adjustment on derivatives	6.8	-115,491	-196,383
Discounting and foreign exchange gains or losses ⁽³⁾	6.8	-89	-703
Exceptional amortisation of loan issue costs	6.8	-1,170	-10,646
Share of income from companies accounted for under the equity method	5.3.2	189	29,301
PRE-TAX NET INCOME		453,351	1,399,450
Deferred tax	6.9.2	-25,786	-113,640
Corporate taxes	6.9.2	-35,311	-23,995
NET INCOME FOR THE PERIOD		392,255	1,261,815
Net income from non-controlling interests		-32,488	-514,828
NET INCOME FOR THE PERIOD – GROUP SHARE		359,767	746,987
Group net earnings per share (in €)	7.2	3.94	8.76
Group diluted net earnings per share (in €)	7.2	3.82	8.61

(1) Development costs (not capitalised) which were on a distinct line of the income statement at 31 December 2019 for -€1,819,000 are now included in the item Business expenses.

(2) The income of non-consolidated companies which was on a distinct line of the income statement at 31 December 2019 for €4,000 is now included under cost of net financial debt.

(3) Foreign exchange gains and losses included in the item Cost of net financial debt as at 31 December 2019 for a net amount of -€530,000 are now included in the line Discounting and foreign exchange gains or losses.

3.1.3 Statement of comprehensive income

(In € thousand)	31/12/2020	31/12/2019
NET INCOME FOR THE PERIOD	392,255	1,261,815
Currency translation differences	-13,141	8,289
Of which effective portion of gains or losses on hedging instruments	-3,309	5,025
Other comprehensive income that can be reclassified to profit or loss	-16,450	13,314
Actuarial differences on employee benefits	-313	0
Change in value of operating assets	5,261	0
Other comprehensive income that cannot be reclassified to profit or loss	4,948	0
Other items of comprehensive income	-11,502	13,314
COMPREHENSIVE INCOME FOR THE PERIOD	380,753	1,275,129
of which attributable to owners of the parent company	359,907	762,052
of which attributable to non-controlling interests	20,846	513,077

3.1.4 Statement of changes in equity

(In € thousand)	Capital	Share premium account	Treasury shares	Reserves and retained earnings	Gains and losses recognised directly in shareholders' equity	Total shareholders' equity, Group Share	Non-controlling interests	Total shareholders' equity
Position at 31 December 2018	248,709	3,553,687	-18,628	3,804,781	-27,103	7,561,446	3,796,969	11,358,414
Dividends distribution				-382,076		-382,076	-247,668	-629,744
Capital increase	12,551	330,268				342,819		342,819
Allocation to the legal reserve		-1,256		1,256		0		0
Other	400	-400	3,373	-3,753		-380	76	-304
Total comprehensive income for the period				746,987	15,065	762,052	513,077	1,275,129
<i>Of which actuarial gains and losses on retirement benefits</i>						0		0
<i>Of which currency transaction gains and losses</i>					5,503	5,503	2,786	8,289
<i>Of which effective portion of gains or losses on hedging instruments</i>					9,562	9,562	-4,537	5,025
<i>Of which net income (loss)</i>				746,987		746,987	514,828	1,261,815
Variation in scope and exchange rates				5,656		5,656	-1,756	3,900
Shared-based payments				8,129		8,129		8,129
Position at 31 December 2019	261,660	3,882,299	-15,255	4,180,980	-12,038	8,297,646	4,060,698	12,358,343
Dividends distribution		-61,151		-356,366		-417,517	-83,114	-500,631
Capital increase	21,556	321,702				343,258	-16,941	326,317
Allocation to the legal reserve	417	-2,573		2,156		0		0
Other			-4,396	-5,209		-9,605	-4,261	-13,866
Total comprehensive income for the period				359,767	140	359,907	20,846	380,753
<i>Of which actuarial gains and losses on retirement benefits</i>					-181	-181	-132	-313
<i>Of which currency transaction gains and losses</i>					-3,248	-3,248	-9,893	-13,141
<i>Of which effective portion of gains or losses on hedging instruments</i>					-1,692	-1,692	-1,617	-3,309
<i>Of which change in the value of operating assets held in investments</i>					5,261	5,261		5,261
<i>Of which net income (loss)</i>				359,767		359,767	32,488	392,255
Variation in scope and exchange rates				131		131	8,728	8,859
Shared-based payments				8,382		8,382		8,382
POSITION AT 31 DECEMBER 2020	283,633	4,140,277	-19,651	4,189,841	-11,898	8,582,202	3,985,956	12,568,157

3.1.5 Statement of cash flows

(In € thousand)	Note	31/12/2020	31/12/2019
Net consolidated result (including minority interests)		392,255	1,261,815
Net depreciation and amortisation charges and provisions (excluding those related to current assets)	3.2.6.2.5	95,905	73,176
Unrealised gains and losses relating to changes in fair value	3.2.5.11.5 & 3.2.6.4	-12,695	-807,278
Income and expenses calculated on stock options and related share-based payments		6,632	9,701
Other calculated income and expenses		-14,428	17,100
Gains or losses on disposals		-9,535	-8,810
Share of income from companies accounted for under the equity method		-189	-29,301
Cash flow after tax and cost of net financial debt		457,945	516,402
Cost of net financial debt	3.2.6.7 & 3.2.6.8	171,866	209,772
Income tax expense (including deferred taxes)	3.2.6.9.2	43,378	137,635
Cash flow before tax and cost of net financial debt		673,189	863,810
Taxes paid		-39,164	-14,496
Change in working capital requirements on continuing operations (including employee benefits liabilities)	3.2.5.7.2	-133,333	-75,876
Net cash flow from operating activities		500,692	773,438
Impact of changes in the scope	3.2.6.6	-726,956	-246,910
Disbursements related to acquisition of tangible and intangible fixed assets	3.2.5.1.2	-631,327	-674,244
Proceeds relating to the disposal of tangible and intangible fixed assets	3.2.5.1.2	689,667	1,198,601
Disbursements relating to acquisition of financial assets (non-consolidated securities)		-336	-2,684
Proceeds relating to the disposal of financial assets (non-consolidated securities)		92	5,085
Dividends received (companies accounted for under the equity method, non-consolidated securities)		12,770	15,066
Change in loans and advances granted		-875	-54,528
Other cash flow from investment activities		-193	3,220
Net cash flow from investing activities		-657,157	243,607
Impact of changes in the scope	3.2.6.6	-5,688	0
Amounts received from shareholders in connection with capital increases:			
Paid by parent company shareholders		0	0
Paid by minority shareholders of consolidated companies	3.1.4	-16,941	22,254
Purchases and sales of treasury shares		-9,878	2,544
Dividends paid during the reporting period:			
Dividends paid to parent company shareholders	3.1.4	-74,065	-66,426
Dividends paid to non-controlling interests of consolidated companies	3.1.4	-83,114	-247,668
Proceeds related to new borrowings	3.2.5.11.2	2,025,443	1,612,701
Repayments of borrowings (including finance lease agreements)	3.2.5.11.2	-1,499,998	-1,935,543
Net interest paid (including finance lease agreements)		-167,279	-216,191
Other cash flow from financing activities		-60,107	-75,547
Net cash flow from financing activities		108,374	-903,876
Impact of changes in the exchange rate		-657	535
CHANGE IN NET CASH		-48,749	113,705
Opening cash position		1,281,221	1,167,517
Closing cash position		1,232,472	1,281,221
NET VARIATION OF CASH-FLOW		-48,749	113,705

3.2 Notes to the consolidated accounts

3.2.1 General principles

3.2.1.1 Accounting standards

The consolidated accounts of the Covivio group at 31 December 2020 were prepared in accordance with the international accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union as of the preparation date. These standards include the IFRS (International Financial Reporting Standards) and their interpretations.

The financial statements were approved by the Board of Directors on 17 February 2021.

Accounting principles and methods used

The accounting principles applied for the consolidated accounts as at 31 December 2020 are identical to those used for the consolidated accounts as at 31 December 2019, except for new standards and amendments whose application was mandatory on or after 1 January 2020 and which were not applied early by the Group.

The following amendments, which are mandatory as of 1 January 2020, did not have any impact on the Group's consolidated financial statements:

- amendments to references to the IFRS conceptual framework, adopted by the European Union, took place on 29 November 2019
- amendments to IAS 1 and IAS 8 "Definition of Material", adopted by the European Union on 29 November 2019
- amendments to IFRS 9, IAS 39 and IFRS 7 related to the "interbank benchmark rate reform", adopted by the European Union on 15 January 2020. These amendments allow the Group not to take into account uncertainties about the future of the reference rates in the evaluation of the effectiveness of the hedging relationships and/or in the assessment of the highly probable nature of the hedged risk, thus making it possible to secure existing or future hedging relationships until these uncertainties are resolved. Phase 1 of the reform only concerns interest rate swaps qualified as cash flow hedges, indexed to the Euribor and whose maturity date is after 31 December 2021. The notional amount of these instruments is €563 million.

On 21 April 2020, the European Union adopted an amendment to IFRS 3 "Definition of an activity". This amendment aims to clarify the application guide to help stakeholders differentiate between a company and a group of assets when adopting IFRS 3.

In summary, it emerges that:

- a firm consists of inputs and processes (applied to those inputs) in order to produce outputs. An acquisition of inputs without process acquisition does not meet the definition of a business acquisition and should be treated as an asset acquisition
- SB12 was amended notably by adding SB12D which specifies that a contract acquired is an input and not a process.

The amendment below, optionally applicable to financial years beginning on or after 1 June 2020, had no impact on the Group's consolidated financial statements:

- amendments to IFRS 16 "Reductions in rents linked to Covid 19", adopted by the European Union on 9 October 2020. This amendment offers lessees, and only lessees, exemption from assessing whether Covid 19-related rent concessions are lease

modifications. This practical exemption enables tenants to account for Covid-19 related rent concessions as if they are not lease modifications, and to recognise the impact of rent concessions in net income for the period.

New standards awaiting adoption by the European Union, for which application is possible as of 1 January 2020, but which have not been early adopted by the Group:

- amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture", published on 11 September 2014
- amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract", published on 14 May 2020; the effective date is 1 January 2022 according to the IASB. These amendments standardise practices in terms of identifying and measuring provisions for onerous contracts, in particular with regard to losses on completion recognised on contracts concluded with customers pursuant to IFRS 15.

IFRS standards and amendments published by the IASB not authorised for financial years beginning on or after 1 January 2020:

- IFRS 17 and "Insurance Contracts" amendments, published on 18 May 2017 and 25 June 2020. According to the IASB, the amendments will come into force on 1 January 2023. IFRS 17 lays out the principles as to the recognition, valuation, presentation, and disclosures concerning insurance contracts within the scope of application of the standard. This standard has no impact on the financial statements
- amendments to IFRS 4 "Insurance contracts - provisional exemption from application of IFRS 9", published on 25 June 2020; the effective date is 1 January 2021 according to the IASB
- amendments to IAS 1 "Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current", published on 23 January 2020 and 15 July 2020; the effective date is 1 January 2023 according to the IASB
- amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use", published on 14 May 2020; the effective date is 1 January 2022 according to the IASB
- amendments to IFRS 3 "Reference to the Conceptual Framework", published on 14 May 2020; the effective date is 1 January 2022 according to the IASB
- annual improvements (2018-2020 cycle) "Annual Improvements to IFRSs 2018-2020 Cycle", published on 14 May 2020; the effective date is 1 January 2022 according to the IASB
- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "In connection with the reform of the benchmark rates - phase 2", published on 27 August 2020; the effective date is 1 January 2021 according to the IASB. These amendments specify the accounting treatment to be applied when replacing an old benchmark interest rate with a new benchmark in a given contract, as well as the impact of this change on the hedging relationships affected by the reform. The main indices used by the Group and affected by the reform are the Euribor and the Libor GBP (respectively replaced by the hybrid Euribor and the SONIA by 2022). Work has been initiated with the main banking partners to ensure the transition to the new benchmarks. The interest rate hedging instruments affected by the reform are presented in section 3.2.5.11.5. - Derivatives

3.2.1.2 Estimates and judgements

The financial statements have been prepared in accordance with the historic cost convention, with the exception of investment properties and certain financial instruments, which were recognised in accordance with the fair value convention. In accordance with the conceptual framework for IFRS, preparation of the financial statements requires making estimates and using assumptions that affect the amounts shown in these financial statements.

The significant estimates made by the Covivio group in preparing the financial statements mainly relate to:

- the valuations used for testing impairment, in particular assessing the recoverable value of goodwill and intangible fixed assets
- measurement of the fair value of investment properties
- assessment of the fair value of derivative financial instruments
- measurement of provisions.

Due to the uncertainties inherent in any valuation process, the Covivio group reviews its estimates based on regularly updated

information. The future results of the transactions in question may differ from these estimates.

In addition to the use of estimates, Group management makes use of judgements to define the appropriate accounting treatment of certain business activities and transactions when the IFRS standards and interpretations in effect do not precisely address the accounting issues involved.

3.2.1.3 IFRS 7 – Reference table

• Liquidity risk	§ 3.2.2.2
• Sensitivity of financial expenses	§ 3.2.2.3
• Credit risk	§ 3.2.2.4
• Market risk	§ 3.2.2.6
• Foreign exchange risk	§ 3.2.2.7
• Sensitivity of the fair value of investment properties	§ 3.2.5.1.3
• Covenants	§ 3.2.5.11.7

3.2.2 Financial risk management

The operating and financial activities of the company are exposed to the following risks:

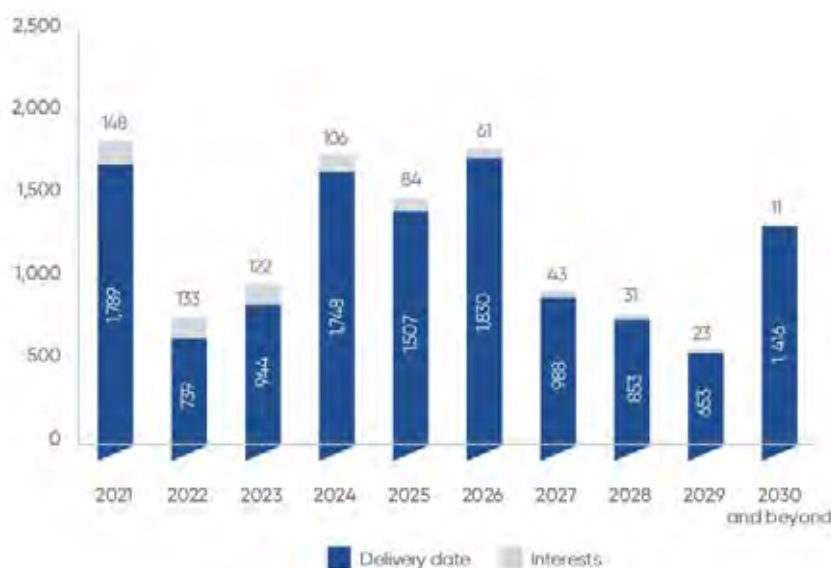
3.2.2.1 Marketing risk for properties under development

The Group is involved in property development. As such, it is exposed to a number of different risks, particularly risks associated with construction costs, completion delays and the marketing of properties. These risks can be assessed in light of the schedule of properties under development (see § 3.2.5.1.5).

3.2.2.2 Liquidity risk

Liquidity risk is managed in the medium and long term with multi-year cash management plans and, in the short term, by using confirmed and undrawn lines of credit. At 31 December 2020, the Covivio group's available cash and cash equivalents amounted to €3,166 billion, including €1,740 billion in usable unconditional credit lines, €1,246 billion in investments and €180 million in unused overdraft facilities.

The graph below summarises the maturities of borrowings (in €M) existing as at 31 December 2020:



The 2021 instalments in the above graph include €1,305.4 billion for NEU Commercial Paper and €177 million for NEU MTN.

The amount of interest payable until the maturity of the debt, estimated on the basis of the outstanding amount at 31 December 2020 and the average interest rate on debt, totalled €763 million.

Details of the debt maturities are provided in note 3.2.5.11.3, and a description of the banking covenants and accelerated payment clauses included in the loan agreements is presented in note 3.2.5.11.7.

During the course of the 2020 financial year, the Group raised medium and long-term loans, mainly to secure the acquisition of Covivio Office (formerly Godewind Immobilien), as well as the acquisition of a hotel portfolio in France, Italy, Hungary, and the Czech Republic.

- Covivio raised, secured, or renegotiated €588.6 million in loans on improved financial and maturity terms, for example, €500 million via a 10-year green bond issued in June 2020, with a 1.625% coupon
- Covivio Hotels raised medium-term loans of €325 million, including a €250 million corporate debt for the acquisition of the aforementioned hotel portfolio
- in Germany, Covivio Immobilien SE raised, secured, or renegotiated €649 million in loans with average terms of approximately 8.5 years.

3.2.2.3 Interest rate risk

The Group's exposure to the risk of changes in market interest rates is linked to its floating rate and long-term financial debt.

To the extent possible, bank debt is primarily hedged via financial instruments (see § 3.2.5.11.5). At 31 December 2020, after taking interest rate swaps into account, approximately 81% of the Group's debt was hedged, and the bulk of the remainder was covered by interest rate caps, which resulted in the following sensitivity to changes in interest rates:

The impact of a 100 bps rate increase as at 31 December 2020 is a loss of -€23,460 thousand on the cost of the 2021 Group Share of net financial debt.

The impact of a 50 bps rate increase as at 31 December 2020 is a loss of -€11,097 thousand on the cost of 2021 Group Share of net financial debt.

The impact of a 50 bps rate reduction as at 31 December 2020 is an increase of +€10,400 thousand on the cost of the 2021 Group Share of net financial debt.

3.2.2.4 Financial counterparty risk

Given the Covivio group's contractual relationships with its financial partners, the company is exposed to counterparty risk. If any of its counterparties is not in a position to honour its commitments, the Group's income could suffer an adverse effect.

This risk primarily involves the hedging instruments subscribed by the Group and which would have to be replaced by a hedging transaction at the current market rate in the event of a default by the counterparty.

The counterparty risk is limited by the fact that Covivio group is a borrower, from a structural standpoint. The risk is therefore mainly restricted to the investments made by the Group and to its counterparties in derivative product transactions. The company continually monitors its exposure to financial counterparty risk. The company's policy is to deal only with top-tier counterparties, while diversifying its financial partners and its sources of funding.

The counterparty risk in terms of hedging is included in the valuation of IFTs and amounted to €8,906 thousand at 31 December 2020.

3.2.2.5 Leasing counterparty risk

Covivio group's rental income is subject to a certain degree of concentration, to the extent that the principal tenants (Orange, Telecom Italia, Suez, AccorHotels, IHG, B&B, etc.) generate approximately 34% of annual rental income.

Covivio group is not significantly exposed to the risk of insolvency, since its tenants are selected based on their creditworthiness and the economic prospects of their market segments. The operating and financial performance of the main tenants is regularly reviewed. In addition, tenants grant the Group financial guarantees when leases are signed.

Covivio, a long-term partner of its main tenants, has worked to put in place solutions enabling them to get through the crisis linked to the Covid-19 pandemic. This rental base and adaptability enabled Covivio to collect 97% of the rents owed during the year. In Hotels in Europe, agreements reached with certain tenants have made it possible to preserve their cash flow through deductibles or deferred payments while extending the firm term of their commitments. As of 31 December 2020, Covivio recognised an impairment of receivables of €14.1 million in Hotels in Europe, €3.6 million in Italy Offices and €2.1 million in German Residential.

3.2.2.6 Risks related to changes in the value of the portfolio

Changes in the fair value of investment properties are recognised in the income statement. Changes in property values can thus have a material impact on the operating performance of the Group.

In addition, part of the company's operating income is generated by the sales plan, the income of which is equally dependent on property values and on the volume of possible transactions.

Rentals and property values are cyclical in nature, the duration of the cycles being variable but generally long-term. Different domestic markets have differing cycles that vary from each other in relation to specific economic and market conditions. Within each national market, prices also follow the cycle in different ways and with varying degrees of intensity, depending on the location and category of the assets.

Regulatory environment in Berlin

On 23 February 2020, a law came into force providing for a rent cap in Berlin.

This law consists of a 5-year freeze on rents and the introduction of a cap based on criteria of location, the age of buildings and the standard of apartments. These regulations do not concern housing units delivered after 1 January 2014 and subsidised housing units (regulated rents). The law is being challenged before the Karlsruhe Constitutional Court. The law has no material impact on appraisal values in Berlin. For the Group, the impact of the rental cap in 2020 is limited owing to the fact that rent from existing leases did not fall until November 2020.

The macroeconomic factors that have the greatest influence on property values and determine the various cyclical trends include the following:

- interest rates
- the market liquidity and the availability of other profitable alternative investments

3.2.2.7 Exchange rate risk

The Group operates both in and outside the euro zone following acquisition of the hotel properties in the United Kingdom, Poland, Hungary, and the Czech Republic. The Group wanted to hedge against certain currency fluctuations (GBP) by financing part of the acquisitions through a foreign currency loan and a currency swap.

Impact of a decrease in the GBP/EUR exchange rate on the shareholders' equity

	31/12/2020 (£M)	5% decrease in GBP/EUR exchange rate (in €M)	10% decrease in GBP/EUR exchange rate (in €M)
Portfolio	708	-46.7	-87.9
Debt	400	23.3	46.5
Cross currency swap	250	14.5	29.1
IMPACT ON SHAREHOLDERS' EQUITY		-8.9	-12.3

(-) corresponds to a loss; (+) corresponds to a gain.

- economic growth
- the outlook for revenue growth.

Low interest rates, abundant liquidity on the market and a lack of profitable alternative investments generally lead to an increase in property asset values.

Economic growth generally increases demand for leased space and paves the way for rent levels to rise, particularly in Offices. These two consequences lead to an increase in the price of real estate assets. Nevertheless, in the medium term, economic growth generally leads to an increase in inflation and then an increase in interest rates, expanding the availability of profitable alternative investments. Such factors exert downward pressure on property values.

The investment policy of Covivio group is to minimise the impact of the various stages of the cycle by choosing investments that:

- have long-term leases and high quality tenants, which soften the impact of a reduction in market rental income and the resulting decline in real estate prices
- are located in major city centres
- have low vacancy rates, in order to avoid the risk of having to re-let vacant space in an environment where demand may be limited.

The holding of real estate assets intended for leasing exposes the Covivio group to the risk of fluctuation in the value of real estate assets and lease payments.

Despite the uncertainty created by the economic downturn, this exposure is limited to the extent that the rentals invoiced are derived from rental agreements, the term and diversification of which mitigate the effects of fluctuations in the rental market.

The sensitivity of the fair value of investment properties to changes in capitalisation rates is analysed in 3.2.5.1.3.

3.2.2.8 Brexit risk

Brexit could have an impact on real estate valuations of assets in the United Kingdom related to economic uncertainties, fluctuations in the value of the pound sterling and hotel visits.

3.2.2.9 Risks related to changes in the value of shares and bonds

The Group is exposed to risks for two classes of shares (see § 3.2.5.2.2).

This risk primarily involves listed securities in companies consolidated according to the equity method, which are valued according to their value in use. Value in use is determined based on independent assessments of the real estate assets and financial instruments.

Furthermore, Covivio issued a convertible bond (ORNANE type) valued at each reporting date, proposals for corrections regarding by distinguishing a financial debt at amortised cost and a derivative component measured at fair value through profit or loss. The fair value corresponds to the bond's closing price, exposing the Group to changes in the bond's value. The specific features of the ORNANE Italy maturing in 2021 are described in note 3.2.5.11.4.

3.2.2.10 Tax environment

3.2.2.10.1 Change by country

- The French tax environment has undergone changes relating to the corporate income tax rate, which has been reduced to 28% from 1 January 2020 (*versus* 31% as at 1 January 2019) for all companies.
- The Group has not observed any significant change in the Italian and German tax environment.

3.2.2.10.2 Tax risks

Due to the complexity and bureaucracy characteristic of the environment in which the Covivio group operates, the Group is exposed to tax risks. If our counsel believes that an adjustment presents a risk of reassessment, a provision is made. The list of the main ongoing proceedings includes the following:

- Covivio Hotels and Foncière Otello tax audit.

Covivio Hotels and Foncière Otello were subject to accounting audits which led to proposals for adjustments in terms of CVAE.

- These adjustments were the subject of litigation. This led to rulings by the Administrative Court of Appeal, favorable to Covivio Hotels and Foncière Otello, which quashed the administrative court's rulings and found against the tax administration. In the absence of an appeal by the authorities, these disputes, which had not been provisioned, were definitively closed on 31 December 2020.

- Tax audits of German Residential.

Covivio Immobilien and all its "Residential" subsidiaries were subject to a tax audit for fiscal years 2011 to 2016.

The audits for the years 2014 to 2016 are still ongoing, with the exception of that on companies based in Berlin, where tax authorities have decided not to pursue the audit.

In view of the various risks identified at this stage, a provision of €0.4 million has been allocated related to cash pooling interest, as well as an overall additional provision of €2 million.

In addition, in the specific context of block sales of assets carried out between 2014 and 2016, the administration issued proposals for corrections regarding registration fees ("RETT") in the amount of €5.8 million and corporate income tax in the amount of €10.9 million, in principal.

These proposals are under discussion. As of 31 December 2020, provisions amounted to €5.8 million for RETTs, offset by a receivable from the purchaser, which is expected to bear 50% of the cost, for an amount of €2.9 million and €13.2 million in corporate income tax, taking into account late-payment interest.

- Tax audits on Beni Stabili, which merged with Covivio
- Tax dispute Comit Fund – Beni Stabili:

On 17 April 2012, following a court decision, the Italian tax administration refunded the debt borne by Beni Stabili for the Comit Fund dispute (principal: €58.2 million and interest: €2.3 million). In April 2012, the Tax Administration appealed this decision. The Court of Appeal ruled in favour of the tax authorities on 18 December 2015.

The dispute with the tax authorities was settled with the payment of €55 million. The €56.2 million provision recorded in 2015 was reversed as at 31 December 2016.

However, Comit Fund and Beni Stabili had not entered into a joint agreement to definitively agree that they each will pay an equal share of this adjustment. Civil arbitration proceedings taken by Comit Fund confirmed that each party accepts to pay 50% of the cost of the dispute, in accordance with the payments made. In January 2019, Comit Fund appealed against the arbitration decision bringing the dispute to an end. In March 2020, the Court of Appeal confirmed the decision, Comit Fund is contesting this verdict and has filed an appeal with the Supreme Court. On the basis of the analysis of our advisors, no provision was entered at 31 December 2020.

3.2.2.10.3 Deferred Taxation

A significant percentage of the Group's real estate companies have opted for the SIIC regime in France. The impact of deferred tax liabilities is therefore essentially present in German Residential, German Offices and Italy Offices. It is also linked to investments in Hotels in Europe (Germany, Spain, Belgium, Ireland, Netherlands, Portugal, the United Kingdom, Poland, Hungary and Czech Republic). In the case of Spain, all Spanish companies have opted for the SOCIMI regime exemption. However, there are deferred tax liabilities related to assets held by the companies prior to opting for SOCIMI treatment.

The deferred tax is mainly due to the recognition of the portfolio's fair value (German rate: 15.825%, French rate: 25.83%, Italian rate: 20%). Please note that the hotel management businesses are taxed at a rate of between 30.18% and 32.28% in Germany and that deferred tax liabilities for this business have also been recognised at this rate.

3.2.3 Scope of consolidation

3.2.3.1 Accounting principles applicable to the scope of consolidation

Consolidated subsidiaries and structured entities – IFRS 10

These financial statements include the financial statements of Covivio and the financial statements of the entities (including structured entities) that it controls and its subsidiaries.

Covivio group has control when it:

- has power over the issuing entity
- is exposed or is entitled to variable returns due to its ties with the issuing entity
- has the ability to exercise its power in such a manner as to affect the amount of returns that it receives.

Covivio group must reassess whether it controls the issuing entity when facts and circumstances indicate that one or more of the three factors of control listed above have changed.

A structured entity is an entity structured in such a way that the voting rights or similar rights do not represent the determining factor in establishing control of the entity; this is particularly the case when the voting rights only involve administrative tasks and the relevant business activities are governed by contractual agreements.

If the Group does not hold a majority of the voting rights in an issuing entity in order to determine the power exercised over an entity, it analyses whether it has sufficient rights to unilaterally manage the issuing entity's relevant business activities. The Group takes into consideration any facts and circumstances when it evaluates whether the voting rights that it holds in the issuing entity are sufficient to confer power to the Group, including the following:

- the number of voting rights that the Group holds compared to the number of rights held respectively by the other holders of voting rights and their distribution
- the potential voting rights held by the Group, other holders of voting rights or other parties
- the rights under other contractual agreements
- the other facts and circumstances, where applicable, which indicate that the Group has or does not have the actual ability to manage relevant business activities at the moment when decisions must be made, including voting patterns during previous shareholders' meetings.

Subsidiaries and structured entities are fully consolidated.

Equity affiliates – IAS 28

An equity affiliate is an entity in which the Group has significant control. Significant control is the power to participate in decisions relating to the financial and operational policy of an issuing entity without, however, exercising control or joint control on these policies.

The results and the assets and liabilities of equity affiliates are recognised in these consolidated financial statements according to the equity method.

Partnerships (joint control) – IFRS 11

Joint control means the contractual agreement to share the control exercised over a company, which only exists in the event where the decisions concerning relevant business activities require the unanimous consent of the parties sharing the control.

Joint ventures

A joint venture is a partnership in which the parties which exercise joint control over the entity have rights to its net assets.

The results and the assets and liabilities of joint ventures are recognised in these consolidated financial statements according to the equity method.

Joint operations

A joint operation is a partnership in which the parties exercising joint control over the operation have rights to the assets, and obligations for the liabilities relating to it. Those parties are called joint operators.

A joint operator must recognise the following items relating to its interest in the joint operation:

- its assets, including its proportionate share of assets held jointly, where applicable
- its liabilities, including its proportionate share of liabilities undertaken jointly, where applicable
- the income that it derived from the sale of its proportionate share in the yield generated by the joint operation
- its proportionate share of income from the sale of the yield generated by the joint operation
- the expenses that it has committed, including its proportionate share of expenses committed jointly, where applicable.

The joint operator accounts for the assets, liabilities, income, and expenses pertaining to its interests in a joint operation in accordance with the IFRS that apply to these assets, liabilities, income and expenses.

No Group company is considered to constitute a joint operation.

3.2.3.2 List of consolidated companies

Entries and exits from the scope are presented in the table below at the beginning or end of each business segment.

98 Companies in the France Offices segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Covivio	France	Parent company		
Saint-Germain Hennemont	France	FC	100.00	
Antony Avenue de Gaulle	France	FC	100.00	
Aix en Provence Cézanne	France	FC	100.00	
Covivio Ravinelle	France	FC	100.00	100.00
SCI Fédérismo	France	FC	60.00	60.00
EURL Fédération	France	FC	100.00	100.00
SARL Foncière Margaux	France	FC	100.00	100.00
Covivio 2	France	FC	100.00	100.00
Covivio 4	France	FC	75.00	75.00
Euromarseille 1	France	EM/ JV	50.00	50.00
Euromarseille 2	France	EM/ JV	50.00	50.00
Euromarseille BI	France	EM/ JV	50.00	50.00
Euromarseille BH	France	EM/ JV	50.00	50.00
Euromarseille PK	France	EM/ JV	50.00	50.00
Euromarseille Invest	France	EM/ JV	50.00	50.00
Euromarseille H	France	EM/ JV	50.00	50.00
Covivio 7	France	FC	100.00	100.00
SCI Bureaux Cœur d'Orly	France	EM/ JV	50.00	50.00
SAS Cœur d'Orly Promotion	France	EM/ JV	50.00	50.00
Technical	France	FC	100.00	100.00
Le Ponant 1986	France	FC	100.00	100.00
SCI Atlantis	France	FC	100.00	100.00
Iméfa 127	France	FC	100.00	100.00
SNC Latécoère	France	FC	50.10	50.10
SCI du 32 avenue P. Grenier	France	FC	100.00	100.00
SCI du 40 rue JJ. Rousseau	France	FC	100.00	100.00
SCI du 3 place A Chaussy	France	FC	100.00	100.00
SARL BGA Transactions	France	FC	100.00	100.00
SCI du 288 rue Duguesclin	France	FC	100.00	100.00
SCI du 9 rue des Cuirassiers	France	FC	50.10	50.10
SCI du 15 rue des Cuirassiers	France	FC	50.10	50.10
SCI du 10B et 11 A 13 allée des Tanneurs	France	FC	100.00	100.00
SCI 1 rue de Châteaudun	France	FC	100.00	100.00
SCI du 1630 avenue de la Croix Rouge	France	FC	100.00	100.00
SCI du 125 avenue du Brancolar	France	FC	100.00	100.00
SARL du 106-110 rue des Troènes	France	FC	100.00	100.00
SCI du 2 rue de L'III	France	FC	100.00	100.00
SCI du 20 avenue Victor Hugo	France	FC	100.00	100.00
SARL du 2 rue Saint Charles	France	FC	100.00	100.00
Palmer Plage SNC	France	FC	100.00	100.00
Dual Center	France	FC	100.00	100.00
SNC Télimob Paris	France	FC	100.00	100.00
SNC Télimob Nord	France	FC	100.00	100.00
SNC Télimob Rhone Alpes	France	FC	100.00	100.00
SNC Télimob Sud Ouest	France	FC	100.00	100.00
SNC Télimob Est	France	FC	100.00	100.00
SNC Télimob Paca	France	FC	100.00	100.00

98 Companies in the France Offices segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
SNC Télimob Ouest	France	FC	100.00	100.00
SARL Télimob Paris	France	FC	100.00	100.00
Pompidou	France	FC	100.00	100.00
11 place de l'Europe	France	FC	50.09	50.09
OPCI Office CB 21	France	FC	75.00	75.00
Lenovilla	France	EM/JV	50.10	50.10
Lenopromo	France	FC	100.00	100.00
SCI Latécoère 2	France	FC	50.10	50.10
Meudon Saulnier	France	FC	100.00	100.00
Charenton	France	FC	100.00	100.00
Latepromo	France	FC	100.00	100.00
SNC Promomurs	France	FC	100.00	100.00
FDR Participation	France	FC	100.00	100.00
SCI Avenue de la Marne	France	FC	100.00	100.00
Omega B	France	FC	100.00	100.00
SCI Rueil B2	France	FC	100.00	100.00
SCI Factor E	France	EM/EA	34.69	34.69
SCI Orianz	France	EM/EA	34.69	34.69
Le Clos de Chanteloup	France	FC	100.00	100.00
Wellio	France	FC	100.00	100.00
Bordeaux Lac	France	FC	100.00	100.00
Sully Chartres	France	FC	100.00	100.00
Sucy Parc	France	FC	100.00	100.00
Gambetta Le Raincy	France	FC	100.00	100.00
Orly Promo	France	FC	100.00	100.00
Silex Promo	France	FC	100.00	100.00
921 Rue Jean Goujon	France	FC	100.00	100.00
Villouvette Saint-Germain	France	FC	100.00	100.00
La Mérina Fréjus	France	FC	100.00	100.00
Normandie Niemen Bobigny	France	FC	100.00	100.00
Le Printemps Sartrouville	France	FC	100.00	100.00
Gauguin St-Ouen-L'Aumône	France	FC	100.00	100.00
Cité Numérique	France	FC	100.00	100.00
Danton Malakoff	France	FC	100.00	100.00
Meudon Bellevue	France	FC	100.00	100.00
N2 Batignolles	France	FC	50.00	50.00
Tours Coty	France	FC	100.00	100.00
Valence Victor Hugo	France	FC	100.00	100.00
Nantes Talensac	France	FC	100.00	100.00
Marignane Saint-Pierre	France	FC	100.00	100.00
N2 Batignolles Promo	France	FC	50.00	50.00
6 rue Fructidor	France	FC	50.10	50.10
Fructipromo	France	FC	100.00	100.00
Jean Jacques Bosc	France	FC	100.00	100.00
Terres Neuves	France	FC	100.00	100.00
André Lavignolle	France	FC	100.00	100.00
SCCV Chartres avenue de Sully	France	FC	50.00	50.00

98 Companies in the France Offices segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
SCI de la Louisiane	France	FC	100.00	100.00
SCCV Bobigny Le 9ème Art	France	FC	60.00	60.00
SCCV Fontenay-sous-Bois Rabelais	France	FC	50.00	50.00
SCI du 8 rue M. Paul	France	Merger		100.00
SCI 35/37 rue Louis Guérin	France	Merger		100.00

The registered office of the parent company Covivio is located at 18 avenue François Mitterrand – 57000 Metz. The other fully consolidated subsidiaries in the France Offices segment have their registered office located at 10 and 30, avenue Kléber – 75116 Paris.

16 Companies in the Italy Offices segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Covivio Development Italy SpA	Italy	FC	100.00	
Covivio Attività Immobiliari 4 Srl	Italy	FC	100.00	
Covivio 7 SpA.	Italy	FC	100.00	100.00
Central Società di Investimento per Azioni a capitale fisso Central Sicaf SpA	Italy	FC	51.00	51.00
RGD Gestioni Srl	Italy	FC	100.00	100.00
Real Estate Roma Olgiata Srl	Italy	FC	75.00	75.00
Covivio Immobiliare 9 SINQ SpA	Italy	FC	100.00	100.00
Covivio Projects & Innovation	Italy	FC	100.00	100.00
Wellio Italy	Italy	FC	100.00	100.00
Imser Securitisation Srl	Italy	FC	100.00	100.00
Imser Securitisation 2 Srl	Italy	FC	100.00	100.00
RESolution Tech	Italy	EM	30.00	30.00
Investire SpA SGR	Italy	EM	17.90	17.90
Attività Commerciali Beinasco Srl	Italy	FC	100.00	100.00
Covivio Attività Immobiliari 2 Srl	Italy	FC	100.00	100.00
Covivio Attività Immobiliari 3 Srl	Italy	FC	100.00	100.00
Beni Stabili Retail Srl	Italy	liquidated		55.00
Covivio Development SpA	Italy	split		100.00
Revalo SpA	Italy	dipsosed of		100.00
Attività Commerciali Montenero Srl	Italy	dipsosed of		100.00
Attività Commerciali Vigevano Srl	Italy	dipsosed of		100.00
Covivio Attività Immobiliari 1 Srl	Italy	Merger		100.00

The registered office of the companies in the Italy Offices segment is located at 10 Carlo Ottavio Cornaggia, 20123 Milan.

178 Companies Hotels in Europe segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
SCA Covivio Hotels (parent company) 100% controlled	France	FC	43.46	43.22
Rosselini Holding	Luxembourg	FC	43.46	
Anitah Holding	Italy	FC	43.46	
Ingrid Holdco	Italy	FC	43.46	
Ingrid Hotels	Italy	FC	43.46	
Ingrid France Holding	France	FC	43.46	
Verdun Propco	France	FC	43.46	
SC CZECH AAD	Czech Republic	FC	43.46	
New-York Palace Propco	Hungary	FC	43.46	
Hotel Plaza SAS	France	FC	43.46	
Palazzo Naiadi Rome Propco	Italy	FC	43.46	
Palazzo Gaddi Florence Propco	Italy	FC	43.46	
Bellini Venice Propco	Italy	FC	43.46	
Dei Dogi Venice Propco	Italy	FC	43.46	
SLIH AD	France	FC	43.46	
SLIH CP	France	FC	43.46	
SLIH GHB	France	FC	43.46	
SLIH HDB	France	FC	43.46	
SLIH HG	France	FC	43.46	
SLIH HIR	France	FC	43.46	
SARL Loire	France	FC	43.46	43.22
Ruhl Côte d'Azur	France	FC	43.46	43.22
Foncière Otello	France	FC	43.46	43.22
Hôtel René Clair	France	FC	43.46	43.22
Foncière Ulysse	France	FC	43.46	43.22
Ulysse Belgique	Belgium	FC	43.46	43.22
Ulysse Trefonds	Belgium	FC	43.46	43.22
Foncière No Bruxelles Grand Place	Belgium	FC	43.46	43.22
Foncière No Bruxelles Aéroport	Belgium	FC	43.46	43.22
Foncière No Bruges Centre	Belgium	FC	43.46	43.22
Foncière Gand Centre	Belgium	FC	43.46	43.22
Foncière Gand Opéra	Belgium	FC	43.46	43.22
Foncière IB Bruxelles Grand-Place	Belgium	FC	43.46	43.22
Foncière IB Bruxelles Aéroport	Belgium	FC	43.46	43.22
Foncière IB Bruges Centre	Belgium	FC	43.46	43.22
Foncière Antwerp Centre	Belgium	FC	43.46	43.22
Foncière Bruxelles Expo Atomium	Belgium	FC	43.46	43.22
Foncière Manon	France	FC	43.46	43.22
Murdelux	Luxembourg	FC	43.46	43.22
Portmurs	Portugal	FC	43.46	43.22
Sunparks Oostduinkerke	Belgium	FC	43.46	43.22
Foncière Vielsam	Belgium	FC	43.46	43.22
Sunparks Trefonds	Belgium	FC	43.46	43.22
Foncière Kempense Meren	Belgium	FC	43.46	43.22
Iris Holding France	France	EM/EA	8.65	8.60
Foncière Iris SAS	France	EM/EA	8.65	8.60
Sables d'Olonne SAS	France	EM/EA	8.65	8.60
OPCI Iris Invest 2010	France	EM/EA	8.65	8.60
Covivio Hotels Gestion Immobilière	France	FC	43.46	43.22

178 Companies Hotels in Europe segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Tulipe Holding Belgique	Belgium	EM/EA	8.65	8.60
Iris Tréfonds	Belgium	EM/EA	8.65	8.60
Foncière Louvain Centre	Belgium	EM/EA	8.65	8.60
Foncière Liège	Belgium	EM/EA	8.65	8.60
Foncière Bruxelles Aéroport	Belgium	EM/EA	8.65	8.60
Foncière Bruxelles Sud	Belgium	EM/EA	8.65	8.60
Foncière Bruges Station	Belgium	EM/EA	8.65	8.60
Narcisse Holding Belgique	Belgium	EM/EA	8.65	8.60
Foncière Bruxelles Tour Noire	Belgium	EM/EA	8.65	8.60
Foncière Louvain	Belgium	EM/EA	8.65	8.60
Foncière Malines	Belgium	EM/EA	8.65	8.60
Foncière Bruxelles Centre Gare	Belgium	EM/EA	8.65	8.60
Foncière Namur	Belgium	EM/EA	8.65	8.60
Iris investor Holding GmbH	Germany	EM/EA	8.65	8.60
Iris General Partner GmbH	Germany	EM/EA	4.35	4.32
Iris Berlin GmbH	Germany	EM/EA	8.65	8.60
Iris Bochum & Essen	Germany	EM/EA	8.65	8.60
Iris Frankfurt GmbH	Germany	EM/EA	8.65	8.60
Iris Verwaltungs GmbH & co KG	Germany	EM/EA	8.65	8.60
Iris Nurnberg GmbH	Germany	EM/EA	8.65	8.60
Iris Stuttgart GmbH	Germany	EM/EA	8.65	8.60
B&B Invest Lux 1	Germany	FC	43.46	43.22
B&B Invest Lux 2	Germany	FC	43.46	43.22
B&B Invest Lux 3	Germany	FC	43.46	43.22
Campeli	France	EM/EA	8.65	8.60
OPCI Camp Invest	France	EM/EA	8.65	8.60
Dahlia	France	EM/EA	8.69	8.64
Foncière B2 Hôtel Invest	France	FC	21.82	21.70
OPCI B2 Hôtel Invest	France	FC	21.82	21.70
Foncière B3 Hôtel Invest	France	FC	21.82	21.70
B&B Invest Lux 4	Germany	FC	43.46	43.22
NH Amsterdam Center Hotel HLD	Netherlands	FC	43.46	43.22
Hotel Amsterdam Centre Propco	Netherlands	FC	43.46	43.22
Mo Lux 1	Luxembourg	FC	43.46	43.22
LHM Holding Lux SARL	Luxembourg	FC	43.46	43.22
LHM ProCo Lux SARL	Germany	FC	45.28	45.07
SCI Rosace	France	FC	43.46	43.22
Mo Dreinden, Niederrad, Düsseldorf	Germany	FC	40.85	40.62
Mo Berlin	Germany	FC	40.85	40.62
Mo First Five	Germany	FC	42.57	42.36
Ringer	Germany	FC	43.46	43.22

178 Companies Hotels in Europe segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
B&B Invest Lux 5	Germany	FC	40.42	40.19
B&B Invest Lux 6	Germany	FC	40.42	40.19
SCI Hôtel Porte Dorée	France	FC	43.46	43.22
FDM M Lux	Luxembourg	FC	43.46	43.22
OPCO Rosace	France	FC	43.46	43.22
Exco Hôtel	Belgium	FC	43.46	43.22
Invest Hôtel	Belgium	FC	43.46	43.22
H Invest Lux	Luxembourg	FC	43.46	43.22
Hermitage Holdco	France	FC	43.46	43.22
Samoens SAS	France	FC	21.77	21.65
Foncière B4 Hôtel Invest	France	FC	21.82	21.70
B&B Invest Espagne SLU	Spain	FC	43.46	43.22
Rock-Lux	Luxembourg	FC	43.46	43.22
Société Liloise Investissement Immobilier Hôtelier SA	France	FC	43.46	43.22
Berlin I (Propco Westin Grand Berlin)	Germany	FC	41.24	41.01
Opco Grand Hôtel Berlin Betriebs (Westin berlin)	Germany	FC	41.24	41.01
Berlin II (Propco Park Inn Alexanderplatz)	Germany	FC	41.24	41.01
Opco Hôtel Stadt Berlin Betriebs (Park-Inn)	Germany	FC	41.24	41.01
Berlin III (Propco Mercure Potsdam)	Germany	FC	41.24	41.01
Opco Hôtel Potsdam Betriebs (Mercure Potsdam)	Germany	FC	41.24	41.01
Dresden II (Propco Ibis Hôtel Dresden)	Germany	FC	41.24	41.01
Dresden III (Propco Ibis Hôtel Dresden)	Germany	FC	41.24	41.01
Dresden IV (Propco Ibis Hôtel Dresden)	Germany	FC	41.24	41.01
Opco BKL Hotelbetriebsgesellschaft (Dresden II to IV)	Germany	FC	41.24	41.01
Dresden V (Propco Pullman Newa Dresden)	Germany	FC	41.24	41.01
Opco Hôtel Newa Dresden Betriebs (Pullman)	Germany	FC	41.24	41.01
Leipzig I (Propco Westin Leipzig)	Germany	FC	41.24	41.01
Opco Hotelgesellschaft Geberst, Betriebs (Westin Leipzig)	Germany	FC	41.24	41.01
Leipzig II (Propco Radisson Blu Leipzig)	Germany	FC	41.24	41.01
Opco Hôtel Deutschland Leipzig Betriebs (Radisson Blu)	Germany	FC	41.24	41.01
Erfurt I (Propco Radisson Blu Erfurt)	Germany	FC	41.24	41.01
Opco Hôtel Kosmos Erfurt (Radisson Blu)	Germany	FC	41.24	41.01
Airport Garden Hotel NV	Belgium	FC	43.46	43.22
Investment FDM Rocatiera	Spain	FC	43.46	43.22
Bardiomar	Spain	FC	43.46	43.22
Trade Center Hotel	Spain	FC	43.46	43.22
H Invest Lux 2	Luxembourg	FC	43.46	43.22
Constance	France	FC	43.46	43.22
Hotel Amsterdam Noord FDM	Netherlands	FC	43.46	43.22
Hotel Amersfoort FDM	Netherlands	FC	43.46	43.22
Constance Lux 1	Luxembourg	FC	43.46	43.22
Constance Lux 2	Luxembourg	FC	43.46	43.22
So Hospitality	France	FC	43.46	43.22
Nice-M	France	FC	43.46	43.22
Rock-Lux OPCO	Luxembourg	FC	43.46	43.22
Blythswood Square Hotel Holdco	United Kingdom	FC	43.46	43.22
George Hotel Investments Holdco	United Kingdom	FC	43.46	43.22
Grand Central Hotel company Holdco	United Kingdom	FC	43.46	43.22
Lagonda Leeds Holdco	United Kingdom	FC	43.46	43.22
Lagonda Palace Holdco	United Kingdom	FC	43.46	43.22

178 Companies Hotels in Europe segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Lagonda Russell Holdco	United Kingdom	FC	43.46	43.22
Lagonda York Holdco	United Kingdom	FC	43.46	43.22
Oxford Spires Hotel Holdco	United Kingdom	FC	43.46	43.22
Oxford Thames Holdco	United Kingdom	FC	43.46	43.22
Roxburghe Investments Holdco	United Kingdom	FC	43.46	43.22
The St David's Hotel Cardiff Holdco	United Kingdom	FC	43.46	43.22
Wotton House Properties Holdco	United Kingdom	FC	43.46	43.22
Blythswood Square Hotel Glasgow	United Kingdom	FC	43.46	43.22
George Hotel Investments	United Kingdom	FC	43.46	43.22
Grand Central Hotel company	United Kingdom	FC	43.46	43.22
Lagonda Leeds PropCo	United Kingdom	FC	43.46	43.22
Lagonda Palace PropCo	United Kingdom	FC	43.46	43.22
Lagonda Russell PropCo	United Kingdom	FC	43.46	43.22
Lagonda York PropCo	United Kingdom	FC	43.46	43.22
Oxford Spires Ltd (Propco)	United Kingdom	FC	43.46	43.22
Oxford Thames Hotel Ltd (Propco)	United Kingdom	FC	43.46	43.22
Roxburghe Investments PropCo	United Kingdom	FC	43.46	43.22
The St David's Hotel Cardiff	United Kingdom	FC	43.46	43.22
Wotton House Properties	United Kingdom	FC	43.46	43.22
HEM Diesterlkade Amsterdam BV	Netherlands	FC	43.46	43.22
Dresden Dev	Luxembourg	FC	41.24	41.01
Delta Hotel Amersfoort	Netherlands	FC	43.46	43.22
Opci Oteli	France	EM/EA	13.54	13.46
Orient SAS financial lease	France	EM/EA	13.54	13.46
Express SAS financial lease	France	EM/EA	13.54	13.46
Kombon	France	EM/EA	14.49	14.41
Jouron	Belgium	EM/EA	14.49	14.41
Foncière Gand Cathédrale	Belgium	EM/EA	14.49	14.41
Foncière Bruxelles Sainte Catherine	Belgium	EM/EA	14.49	14.41
Foncière IGK	Belgium	EM/EA	14.49	14.41
Forsmint Investments	Poland	FC	43.46	43.22
Cerstock Investments	Poland	FC	43.46	43.22
Noxwood Investments	Poland	FC	43.46	43.22
Redwen Investments	Poland	FC	43.46	43.22
Sardobal Investments	Poland	FC	43.46	43.22
Kilmainham Property Holding	Ireland	FC	43.46	43.22
Thommont Ltd	Ireland	FC	43.46	43.22
Honeypool	Ireland	FC	43.46	43.22
Alliance et Compagnie SAS	France	merged		43.22
Grand Principal Birmingham Holdco	United Kingdom	liquidated		43.22
Roxburghe Investments Lux	Luxembourg	liquidated		43.22

The registered office of the parent company Covivio Hotels and its main fully consolidated French subsidiaries is located at 30, avenue Kléber, 75116 Paris.

121 Companies German Residential segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Covivio Immobilien SE (parent company) 99.74% controlled	Germany	FC	61.70	61.70
Covivio Southern Living Grundbesitz	Germany	FC	67.49	
Covivio Grundbesitz NRW 2	Germany	FC	67.49	
Buchstrasse 6 & Fehmarner Strasse 14	Germany	FC	67.49	
Erkstrasse 20	Germany	FC	67.49	
Martin Opitz Strasse 5	Germany	FC	67.49	
Kurstrasse 23	Germany	FC	67.49	
Pankstrasse 55 Verwaltungs	Germany	FC	67.49	
Grospiusstrasse 4	Germany	FC	67.49	
Grundbesitz Schillerstrasse 10	Germany	FC	67.49	
Grundbesitz Firstrasse 22	Germany	FC	67.49	
Covivio Immobilien	Germany	FC	61.70	61.70
Covivio Lux Residential	Germany	FC	63.66	63.66
Covivio Valore 4	Germany	FC	63.74	63.74
Covivio Wohnen Verwaltungs	Germany	FC	61.70	61.70
Covivio Grundstücks	Germany	FC	61.70	61.70
Covivio Grundvermögen	Germany	FC	61.70	61.70
Covivio Wohnen Service	Germany	FC	61.70	61.70
Covivio SE & CO KG 1	Germany	FC	61.70	61.70
Covivio SE & CO KG 2	Germany	FC	61.70	61.70
Covivio SE & CO KG 3	Germany	FC	61.70	61.70
Covivio SE & CO KG 4	Germany	FC	61.70	61.70
Covivio Zehnte GmbH	Germany	FC	100.00	100.00
Covivio Beteiligungs GmbH & Co KG	Germany	FC	100.00	100.00
Covivio Wohnen	Germany	FC	61.70	61.70
Covivio Gesellschaft für Wohnen Datteln	Germany	FC	64.00	64.00
Covivio Stadthaus	Germany	FC	64.00	64.00
Covivio Wohnbau	Germany	FC	67.83	67.83
Covivio Wohnungsgesellschaft GmbH Dümpten	Germany	FC	67.83	67.83
Covivio Berolinum 2	Germany	FC	63.66	63.66
Covivio Berolinum 3	Germany	FC	63.66	63.66
Covivio Berolinum 1	Germany	FC	63.66	63.66
Covivio Remscheid	Germany	FC	63.66	63.66
Covivio Valore 6	Germany	FC	63.74	63.74
Covivio Holding	Germany	FC	100.00	100.00
Covivio Immobilien Se & Co KG Residential	Germany	FC	61.70	61.70
Covivio Berlin 67 GmbH	Germany	FC	64.00	64.00
Covivio Berlin 78 GmbH	Germany	FC	64.00	64.00
Covivio Berlin 79 GmbH	Germany	FC	64.00	64.00
Covivio Dresden GmbH	Germany	FC	63.66	63.66
Covivio Berlin I SARL	Germany	FC	63.66	63.66
Covivio Berlin V SARL	Germany	FC	63.85	63.85
Covivio Berlin C GmbH	Germany	FC	63.66	63.66
Covivio Dansk Holding Aps	Denmark	FC	61.70	61.70
Covivio Dansk L Aps	Germany	FC	63.66	63.66
Covivio Berlin Prime	Germany	FC	65.53	65.53
Berlin Prime Commercial	Germany	FC	63.66	63.66
Acopio	Germany	FC	100.00	100.00
Covivio Hamburg Holding ApS	Denmark	FC	65.57	65.57
Covivio Hamburg 1 ApS	Germany	FC	65.57	65.57

121 Companies German Residential segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Covivio Hamburg 2 ApS	Germany	FC	65.57	65.57
Covivio Hamburg 3 ApS	Germany	FC	65.57	65.57
Covivio Hamburg 4 ApS	Germany	FC	65.57	65.57
Covivio Arian	Germany	FC	65.53	65.53
Covivio Bennet	Germany	FC	65.53	65.53
Covivio Marien-Carré	Germany	FC	65.57	65.57
Covivio Berlin IV ApS	Denmark	FC	61.70	61.70
Covivio Lux	Luxembourg	FC	100.00	100.00
Covivio Berolina Verwaltungs GmbH	Germany	FC	63.66	63.66
Residenz Berolina GmbH & Co KG	Germany	FC	65.51	65.51
Covivio Quadriga IV GmbH	Germany	FC	63.66	63.66
Real Property Versicherungsmakler	Germany	FC	61.70	61.70
Covivio Quadriga 15	Germany	FC	65.51	65.51
Covivio Quadriga 45	Germany	FC	65.51	65.51
Covivio Quadriga 36	Germany	FC	65.51	65.51
Covivio Quadriga 46	Germany	FC	65.51	65.51
Covivio Quadriga 40	Germany	FC	65.51	65.51
Covivio Quadriga 47	Germany	FC	65.51	65.51
Covivio Quadriga 48	Germany	FC	65.51	65.51
Covivio Fischerinsel	Germany	FC	65.57	65.57
Covivio Berolina Fischeninsel	Germany	FC	65.57	65.57
Covivio Berlin Home	Germany	FC	65.57	65.57
Amber Properties Sarl	Germany	FC	65.53	65.53
Covivio Gettmore	Germany	FC	65.53	65.53
Saturn Properties Sarl	Germany	FC	65.53	65.53
Venus Properties Sarl	Germany	FC	65.53	65.53
Covivio Vinetree	Germany	FC	65.53	65.53
Acopio Facility	Germany	FC	65.53	65.53
Covivio Development	Germany	FC	61.70	61.70
Covivio Rehbergen	Germany	FC	65.57	65.57
Covivio Handlesliegenschaften	Germany	FC	65.57	65.57
Covivio Alexandrinenstrasse	Germany	FC	65.57	65.57
Covivio Spree Wohnen 1	Germany	FC	65.53	65.53
Covivio Spree Wohnen 6	Germany	FC	65.53	65.53
Covivio Spree Wohnen 7	Germany	FC	65.53	65.53
Covivio Spree Wohnen 8	Germany	FC	65.53	65.53
Nordens Immobilien III	Germany	FC	65.53	65.53
Montana-Portfolio	Germany	FC	65.53	65.53
Covivio Cantianstrasse 18 Grundbesitz	Germany	FC	65.53	65.53
Covivio Konstanzer Str.54/Zahringerstr.28, 28a Grundbesitz.	Germany	FC	65.53	65.53
Covivio Mariend.Damm28/Markgrafenstr.17 Grundbesitz	Germany	FC	65.53	65.53
Covivio Markstrasse 3 Grundbesitz	Germany	FC	65.53	65.53
Covivio Schnellerstrasse 44 Grundbesitz	Germany	FC	65.53	65.53
Covivio Schönwalder Str.69 Grundbesitz	Germany	FC	65.53	65.53
Covivio Schulstrasse 16/17.Grundbesitz	Germany	FC	65.53	65.53
Grundbesitz Covivio Sophie-Charlotten Strasse 31, 32 Grundbesitz	Germany	FC	65.53	65.53

121 Companies in the German Residential segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Covivio Zelterstrasse 3 Grundbesitz	Germany	FC	65.53	65.53
Covivio Zinshäuser Alpha	Germany	FC	65.53	65.53
Covivio Zinshäuser Gamma	Germany	FC	65.53	65.53
Second Ragland	Germany	FC	65.53	65.53
Seed Portfolio 2	Germany	FC	65.53	65.53
Erz 1	Germany	FC	65.53	65.53
Covivio Berlin 9	Germany	FC	65.53	65.53
Erz 2	Germany	FC	65.53	65.53
Best Place Living	Germany	FC	31.47	31.47
Covivio Berlin 8	Germany	FC	65.53	65.53
Covivio Selectimmo.de	Germany	FC	65.57	65.57
Covivio Prenzlauer Promenade 49 Besitzgesellschaft	Germany	FC	65.53	65.53
Meco Bau	Germany	FC	61.70	52.45
Covivio Blankenburger Str.	Germany	FC	65.57	65.57
Covivio Immobilien Financing	Germany	FC	65.53	65.53
Covivio Treskowallee 202 Entwicklungsgesellschaft	Germany	FC	65.57	65.57
Covivio Hathor Berlin	Germany	FC	65.57	65.57
Covivio Hansastrasse 253	Germany	FC	65.57	65.57
Covivio Rhenania 1	Germany	FC	65.57	65.57
Covivio Rhenania 2	Germany	FC	65.57	65.57
Covivio Prime Financing	Germany	FC	61.70	61.70
Küchenwelt Berlin GmbH	Germany	FC	61.70	61.70
Covivio Grundbesitz NRW	Germany	FC	67.49	67.49
Covivio Eiger 1	Germany	FC	67.49	67.49
Covivio Eiger II	Germany	FC	67.49	67.49
Covivio North ApS	Germany	Merger	-	65.57
Covivio Yorckstrasse 60 Grundbesitz	Germany	Merger	-	65.57
Covivio Spree Wohnen 2	Germany	dipsosed of	-	65.53

The registered office of the parent company Covivio Immobilien SE is at Kleplerstrasse 110-112, – 45147 Essen.

21 companies Germany Offices segment	Country	Consolidation method in 2020	% held in 2020	% held in 2019
Covivio Office Holding	Germany	FC	100.00	100.00
Covivio Office (formerly Godewind Immobilien)	Germany	FC	99.77	
Covivio Office 1	Germany	FC	94.02	
Covivio Beteiligungs	Germany	FC	94.02	
Covivio Office 2	Germany	FC	94.02	
Covivio Office 3	Germany	FC	94.02	
Covivio Office 4	Germany	FC	94.02	
Covivio Office 5	Germany	FC	94.02	
Covivio Office 7	Germany	FC	94.02	
Covivio Office 6	Germany	FC	89.69	
Covivio Technical Services 1	Germany	FC	99.77	
Covivio Technical Services 2	Germany	FC	94.02	
Covivio Technical Services 3	Germany	FC	94.02	
Covivio Technical Services 4	Germany	FC	94.02	
Covivio Verwaltungs 4	Germany	FC	94.02	
Covivio Construction	Germany	FC	99.77	
Covivio Alexanderplatz	Luxembourg	FC	100.00	100.00
Covivio Alexanderplatz	Germany	FC	100.00	100.00
Covivio Office Berlin	Germany	FC	99.81	100.00
Covivio Tino Schwierzina Strasse 32 Grundbesitz	Germany	FC	94.22	94.22
Covivio Gross-Berliner-Damm	Germany	FC	99.81	100.00

The registered office of the parent company Covivio Office Holding is at Knesebeckstrasse 3, 10623 Berlin.

15 companies in Other segment (French Residential, Car parks, Services)	Country	Consolidation method in 2020	% held in 2020	% held in 2019
3 companies in French Residential:				
Foncière Développement Logements (parent company) 100% controlled	France	FC	100.00	100.00
Batisica	Luxembourg	FC	100.00	100.00
Dulud	France	FC	100.00	100.00
Iméfa 95	France	Merger		100.00
6 Car parks companies:				
République (parent company) 100% controlled	France	FC	100.00	100.00
Esplanade Belvédère II	France	FC	100.00	100.00
Comédie	France	FC	100.00	100.00
Gare	France	FC	50.80	50.80
Gespar	France	FC	50.00	50.00
Trinité	France	FC	100.00	100.00
6 Services companies:				
Covivio Hotels Management	France	FC	100.00	100.00
Covivio Property SNC	France	FC	100.00	100.00
Covivio Développement	France	FC	100.00	100.00
Covivio SGP	France	FC	100.00	100.00
Covivio Proptech	France	FC	100.00	100.00
Covivio Proptech Germany	Germany	FC	100.00	100.00

FC: Full consolidation.

EM/EA: Equity Method – Affiliates.

EM/JV: Equity Method – Joint Ventures.

NC: Not Consolidated.

PC: Proportionate Consolidation.

The registered office of the parent company Foncière Développement Logements and of all its fully consolidated French subsidiaries is located at 30, avenue Kléber – 75116 Paris.

There are 449 companies in the Group, including 399 fully consolidated companies and 50 equity affiliates.

3.2.3.3 Evaluation of control

Considering the rules of governance that grant Covivio powers giving it the ability to affect asset yields, the following companies are fully consolidated.

SCI 11 place de l'Europe (consolidated structured entity)

As at 31 December 2020, SCI 11 place de l'Europe was 50.1% held by Covivio and fully consolidated. The partnership with the Crédit Agricole Assurances Group (49.9%) was established as of 2013 as part of the Campus Eiffage project in Vélizy.

SNC Latécoère and Latécoère 2 (consolidated structured entities)

SCI Latécoère and Latécoère 2 are 50.1% held by Covivio at 31 December 2020 and fully consolidated. The partnership with the Crédit Agricole Assurances Group (49.9%) was established in 2012 and 2015 as part of the Dassault Systèmes Campus and Dassault Extension projects in Vélizy. Covivio signed a project to extend the Dassault Systèmes campus through the construction of a new 27,600m² building and the signing of new leases. These leases will begin in early 2023 upon delivery of the extension.

SCIs of 9 and 15 rue des Cuirassiers (consolidated structured entities)

As at 31 December 2020, the SCIs of 9 and 15 rue des Cuirassiers were 50.1% held by Covivio and fully consolidated. The partnership with Assurances du Crédit Mutuel (49.9%) was created in early December 2017 as part of the Silex 1 and Silex 2 office projects in Lyon, Part-Dieu.

SAS 6 rue Fructidor (consolidated structured entities)

On 29 October 2019, a partnership was signed by Covivio and Crédit Agricole Assurances with a view to sharing the Saint Ouen So Pop development project, held by the company 6, rue Fructidor. This company owns a plot in St-Ouen where it intends to build a new office building (31,600m² of floor space for Offices and services, seven storeys, 249 parking spaces). The building permit was obtained on 20 May 2019 and construction is due to be finalised in the first quarter of 2022.

Construction work was completed on a building as part of a CPI signed on 29 October 2019 by Fructidor and Fructipromo.

As at 31 December 2020, the company 6 rue Fructidor was 50.1% held by Covivio and fully consolidated.

SCI N2 Batignolles and SNC Batignolles Promo (consolidated structured entities)

SCI N2 Batignolles and SNC Batignolles Promo are 50% held by Covivio at 31 December 2020 and fully consolidated. SNC Batignolles Promo is 50% owned by Hines. The partnership with Assurances du Crédit Mutuel (50%) was set up in 2018 as part of the N2 Batignolles development project located in the Clichy Batignolles ZAC (development zone) in the 17th district of Paris 17. Delivery is scheduled for the end of 2022.

SAS Samoëns (consolidated structured entity)

As at 31 December 2020, SAS Samoëns was 50.10% held by Covivio Hotels and fully consolidated. The partnership with Assurances du Crédit Mutuel (49.9%) was established as of October 2016 as part of the project to develop a Club Med holiday village in Samoëns, delivered in 2017.

As manager of Samoëns, Covivio Hotels has the widest powers to act in the name and on behalf of the company in all circumstances, in keeping with its corporate purpose.

The partnership meets the criteria of a joint venture when the parties exercising joint control have rights to net assets of the partnership arrangement.

The following companies are consolidated by the equity method.

SCI Lenovilla (joint venture)

As at 31 December 2020, Lenovilla was 50.09% held by Covivio and is consolidated according to the equity method. The partnership with the Crédit Agricole Assurances Group (49.91%) was established in January 2013 as part of the New Vélizy (Campus Thales) project. The shareholder agreement stipulates that decisions be made unanimously.

SCI Cœur d'Orly Bureaux (joint venture)

SCI Cœur d'Orly Bureaux is 50% held by Covivio and 50% by Aéroports de Paris at 31 December 2020 and consolidated by the equity method. On 10 March 2008, the shareholders signed a memorandum of understanding, subsequently amended by a succession of deeds and by partnership agreements which set out the partners' rights and obligations with respect to SCI Cœur d'Orly Bureaux.

The ADP Group (as land developer and joint investor) and Covivio (as property developer and joint investor) signed the required deeds for the construction of the Belaïa office building at Cœur d'Orly, the business district of the Paris-Orly airport. This building was delivered in the second half of 2020.

3.2.4 Significant events during the period

Significant events during the period were as follows:

3.2.4.1 Major impacts of the Covid-19 crisis

Drop in hotel revenues

The majority of hotels in Europe closed during the period from March to June: 78% of hotels were closed at the height of the crisis. Gradual reopening has taken place since the beginning of June, even if the occupancy rate remains low.

This significant slump of -€94.1 million (i.e. -38.4%) is mainly due to the drop in Accor's variable rents (-€41.0 million) and a drop in fixed rents in the United Kingdom linked to the activation of the major under-performance clause (-€42.8 million).

Rent-free periods were granted to some tenants against extension of the lease period (average residual term of 12 years) amounting to €14.5 million. In accordance with IFRS 16, these benefits are treated as lease modifications and are linearised over the residual term of the leases. The impact of linearisation (€0.8 million) is not significant in the financial statements at 31 December 2020.

Rent waivers were negotiated with certain operators in the amount of €7.5 million for the year 2020, in exchange for an additional variable rent of the same amount, which will be paid from 2021 until the full repayment of the rent benefit granted. These renegotiations have no impact on the result due to their linearisation. Amendments to the lease have been signed with certain tenants granting them a deferred payment of €12 million, starting in 2021 and ending in 2024.

The EBITDA of Hotels operated amounted to €7.9 million as at 31 December 2020 compared with €69.9 million as at 31 December 2019. The hotels used short-time working for more than €12 million and around 40 staff departures were not replaced. It should be noted that the companies did not use loans guaranteed by the State.

Decline in the value of hotel assets

The Hotels in Europe segment recorded a decline of -€328 million in value, mainly in Accor's assets (under variable rents), assets in the United Kingdom and Spain. For hotel assets, 50% of this decline reflects a revenue effect, linked to the deterioration of cash flows until the end of 2023 on assets for which revenue is correlated with the performance of the hotels; the other 50% is linked to the 25 bps increase in discount rates.

At 31 December 2020, impairment tests led to the impairment of goodwill on four hotels operated as Operating properties in France and in Germany for an amount of €7.3 million. A 2.5% drop in the values of hotels in Operating properties would generate additional impairment of €3.5 million and a 5% drop would generate an impairment of €7.8 million.

Impairment of trade receivables

The lockdown period in Europe led to an increase in bad debts in the 2020, which led the Group to strengthen its impairment rules.

The 2020 financial year was impacted by write-downs of receivables and deferred payments related to the Covid-19 crisis for €14.1 million in Hotels in Europe.

Additional impairments were recorded, mainly for retail tenants in Italy and Germany, for tenants whose situation was already difficult pre-Covid, and when the size of the bad debt was less than €100 thousand with a lease term of less than three years (see section 3.2.5.7.2). As of 31 December 2020, there were no unpaid debts.

3.2.4.2 Creation of a Germany Offices segment

Acquisition of Covivio Office (formerly Godewind Immobilien) – portfolio of €1.3 billion

Following the launch of a takeover bid in February 2020, Covivio acquired 99.77% of the securities of Godewind Immobilien, a listed REIT specialising in office real estate in Germany. The acquisition price was €6.40 per security, i.e. €691 million. The company was

The acquisition price of Godewind Immobilien breaks down as follows:

Purchase price allocation (In € thousand)	Acquisition values
ACQUISITION PRICE (108,002,680 SECURITIES AT €6.40)	691,217
Intangible assets	130
Investment properties	1,269,779
Tangible assets	7,683
Non-current financial Assets	70
Deferred tax assets	31,219
Other current assets	5,310
Cash and cash equivalents (available and restricted)	24,769
Assets	1,338,960
Bank borrowing	501,836
Rental liabilities	20,520
Deferred tax liabilities	75,397
Other non-current liabilities	859
Other current liabilities	24,982
Liabilities	623,594
NET ASSETS IDENTIFIED AT FAIR VALUE	715,366
Indirect non-controlling interests	-9,303
TOTAL NET ASSETS IDENTIFIED AT FAIR VALUE (100%)	706,063
SHARE OF NET ASSETS ACQUIRED AT FAIR VALUE (97.90%*)	691,217

* Godewind Immobilien's buyback of its own shares in June 2020 had an accretive effect on the ownership position at the end of the period (99.77%).

These values are based on the accounting principles and methods defined in IFRS 3 Business combinations, which stipulates that assets and liabilities are measured at fair value on the acquisition date. The acquisition did not generate the recognition of goodwill and the acquisition costs were recognised in profit or loss on the line change in scope.

3.2.4.3 France Offices

Disposals (€171 million – profit or loss on disposals net of fees: +€7 million) and assets under preliminary sale agreements (€237 million)

In the 2020 financial year, Covivio sold the Nanterre Respiro, Villeurbanne Le Patio and Nancy Origin assets. These disposals resulted in a gain of +€7 million.

As at 31 December 2020, assets under preliminary agreement amounted to €237 million.

Development projects

The asset development programme is presented in note 3.2.5.1.5.

The 2020 financial year was marked by the delivery of three assets under development: Chatillon-IRO, Meudon Ducasse and Orly Belaia (in partnership).

delisted from the German stock exchange on 14 May 2020. It was renamed Covivio Office.

This acquisition falls within the scope of IFRS3 and has been accounted for as a business combination.

Covivio Office holds a portfolio of €1.3 billion consisting of 10 office buildings (290,000m²), located in Frankfurt (40% of the portfolio), Düsseldorf (28%), Hamburg (24%) and Munich (8%).

Refinancing and redemption

On 30 April 2020, the 2013 bond was redeemed at maturity for -€180 million.

In June, Covivio issued a €500 million bond, maturing in 2030, offering a fixed coupon of 1.625%.

3.2.4.4 Italy Offices

Disposals (€354 million – profit or loss on disposals net of fees: -€9 million) and assets under preliminary agreement (€33 million)

During the 2020 financial year, mature and non-strategic assets were sold for a total of €354 million. The income from disposal was negatively impacted by the inclusion of compensation in the amount of €6.1 million under contractual guarantees granted during disposals prior to 1 January 2020.

As at 31 December 2020, assets under preliminary agreement amounted to €33 million.

Development projects

The asset development programme is presented in note 3.2.5.1.5.

The first half of 2020 was marked by the delivery of four assets under development: Milan The Sign A, Turin Ferrucci, Milan Duca d'Aosta and Milan Symbiosis Edificio School.

3.2.4.5 Hotels in Europe

Acquisition of a hotel portfolio (Roco) – portfolio of €509 million

In September 2020, Covivio Hotels acquired a portfolio of eight hotels, mostly five star establishments, located in the city centres of major European cities: Rome, Florence, Venice (two assets), Budapest (two assets), Prague and Nice.

These hotels will be operated by NH Hotel Group, which has entered into long-term net triple leases with a guaranteed minimum variable rent. The agreement is for an initial term of 16 years, extendible to 30 years at the request of NH Hotel Group.

The purchase price allocation is as follows:

(In € thousand)	Acquisition values
Land, Buildings, Equipment	524,569
Use rights	19,639
Other non-current assets	1,677
Current assets	69,789
Payables to banks	-301,523
Rental liabilities	-19,639
Shareholder loan	-178,584
Provisions for risks	-877
Current debts	-24,341
NET ASSETS REVALUED 100%	90,710

The Group considered that this was not a business combination in accordance with IFRS 3 revised. The transaction was recognised as an acquisition of investment properties in accordance with IAS 40. In accordance with IAS 12 and applying the deferred tax exception, deferred tax liabilities in the amount of €56 million were not recognised and the acquisition costs were included in the entry value of the assets.

Disposals of assets (€154 million – profit or loss on disposals net of fees: -€1 million) and assets under preliminary sale agreement (€51 million)

In the 2020 financial year, Covivio Hotels sold four B&B assets in France held in partnership, for €5 million, a portfolio of 11 B&B assets in Germany for €115 million, 6 Jardiland assets for €33 million and a Courtepaille asset for €1 million.

As of 31 December 2020, sales commitments amounted to €51 million.

Development projects

The B&B Bagnolet asset was delivered in the 3rd quarter of 2020. With the acquisition of the Roco portfolio on 7 September 2020, a new asset, the Nice Plaza hotel, is being developed and its delivery is scheduled for the 2nd half of 2021.

Refinancing and redemption

During the 2020 financial year, Covivio Hotels set up two bank debts for the refinancing of the portfolio in German operating properties (Rock), for €258 million and repaid €250 million of credit lines of credit facilities.

During the 2020 financial year, the company set up two additional credit lines for €250 million as part of the acquisition of a hotel

portfolio (Roco). These new lines were drawn down for €175 million as of 31 December 2020.

3.2.4.6 German Residential

Asset disposals (€43 million – net income from disposals: +€2 million)

Direct sales of assets amounted to €43 million in the 2020 financial year, mainly in Berlin.

A portfolio of €137.6 million was also sold via the disposal of shares in Spree Wohnen 2 (disposal price of €77.4 million), generating a gain €11.9 million.

Acquisitions (assets: €21 million and securities: €98 million)

The Group acquired a portfolio of directly held assets in Dresden for €7.5 million and in Berlin for €13.0 million. It also acquired companies with assets located mainly in Berlin for €98 million.

Refinancing and redemption

The Group has raised, secured or renegotiated €649 million in financing with an average maturity of approximately 8.5 years.

3.2.4.7 Other (Including French Residential)

Asset disposals (€24 million net of fees) and assets under preliminary sale agreement (€2 million)

In France, Foncière Développement Logements continued its sales plan and completed disposals for a sale price of €24 million (net of fees).

At 31 December 2020, the majority of the portfolio was classified under assets held for sale and represented €2 million.

3.2.5 Related notes to the statement of financial position

3.2.5.1 Portfolio

3.2.5.1.1 Accounting principles applicable to tangible and intangible fixed assets

Intangible assets

Identifiable intangible fixed assets are amortised on a straight-line basis over their expected useful lives. Intangible fixed assets acquired are recorded on the balance sheet at acquisition cost. They primarily include entry fees (and occupancy rights for car parks) and computer software.

Intangible fixed assets are amortised on a straight-line basis, as follows:

- software: over a period of 1 to 3 years
- occupancy rights: 30 years.

Fixed assets in the concession segment – Concession activity

The Covivio group applies IFRIC 12 in the consolidated financial statements for car parks that are the subject of service concession agreements. An analysis of the Group's concession agreements results in classifying agreements as intangible assets as the Group is paid directly by users for all car parks operated without a subsidy from public authorities. These concession assets are assessed at historical cost less accumulated depreciation and any impairment.

The Group no longer has any fully owned car parks and consequently there are no longer any tangible "Car park" assets, other than right-of-use assets related to leases under IFRS 16.

Business combinations (IFRS 3) and goodwill from acquisitions

An entity must determine whether a transaction or other event constitutes a business combination within the meaning of the definition of IFRS 3 which states that a company is an integrated set of activities and assets that can be operated and managed for the purpose of providing goods or services to clients, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

In this case, the acquisition cost is set at the fair value on the date of the exchange of the assets and liabilities and equity instruments issued for the purpose of acquiring the entity. Goodwill is recognised as an asset for the surplus of the acquisition cost on the portion of the buyer's interest in the fair value of the assets and liabilities acquired, net of any deferred taxes. Negative goodwill is recorded in the income statement.

To determine whether a transaction is a business combination, the Group considers in particular whether an integrated set of activities and assets is acquired in addition to real estate and whether this set comprises at least one input and a substantial process which, together, contribute significantly to the capacity to generate outputs.

The prospective additional costs are appraised at fair value at the acquisition date. They are definitely appraised in the 12 months following the acquisition. The subsequent change of these additional costs is recorded in the income statement.

After its initial recognition, the goodwill is subject to an impairment test at least once a year. The impairment test consists in comparing the net book value of the intangible and tangible fixed assets and goodwill related to the valuation of the hotels as "Operating Properties" made by the real estate appraisers.

If the Group concludes that the transaction is not a business combination, then it recognises the transaction as an acquisition of assets and applies the standards appropriate to acquired assets.

Costs related to the acquisition categorised under business combinations are recognised as expenses in accordance with IFRS 3 under "Income from changes in consolidation scope" in the income statement. The costs associated with an acquisition that does not qualify as a business combination are an integral part of the acquired assets.

Investment properties (IAS 40)

Investment properties are real estate properties held for purposes of leasing within the context of operating leases or long-term capital appreciation (or both).

Investment properties represent the majority of the Group's portfolio. The buildings occupied or operated by Covivio group employees – owner occupied buildings – are recognised under tangible fixed assets (office properties occupied by employees, spaces used for own Flex Office, hotel real estate managed by the Operating Properties business).

Under the option offered by IAS 40, investment properties are assessed at their fair value. Changes in fair value are recorded in the income statement. Investment property is not amortised.

Valuations are carried out in accordance with the Code of Conduct applicable to SIICs, 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 International Valuation Standards Council (IVSC) and those of the Red Book 2014 of the Royal Institution of chartered Surveyors (RICS).

The real estate portfolio directly held by the Group was appraised in full at 31 December 2020 by independent real estate experts including BNP Real Estate, JLL, CBRE, Cushman, CFE, MKG, REAG and HVS.

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 flows method.

The assets are recognised at their net market value.

- For France, Italy and Germany Offices, the valuations are primarily performed according to two methods:

- the yield (or income capitalisation) method:

This approach consists of capitalising an annual income, which, in general, is rental income from occupied assets, with the possible impact of a reversion potential, and market rent for vacant assets, taking into account the time needed to find new tenants, any renovation work and other costs

- the discounted cash flow (DCF) method:

This method consists of determining the useful value of an asset by discounting the forecast cash flows that it is likely to generate over a given time frame. The discount rate is determined on the basis of the risk-free rate plus a risk premium associated with the asset and defined by comparison with the discount rates applied to cash flows generated by similar assets.

- For Hotels in Europe, the methodology changes according to the type of assets:
 - the rent capitalisation method is used for restaurants, garden centres and Club Med holiday villages
 - the DCF method is used for hotels (including the revenue forecasts determined by the appraiser) and Sunparks holiday villages.
- For German Residential, the fair value determined corresponds to:
 - a block value for assets for which no sales strategy has been developed or which have not been marketed
 - an occupied retail value for assets on which at least one preliminary sale agreement has been made before the reporting date.

The evaluation method used was the discounted cash flow method.

The resulting values are also compared with the initial yield rate, the monetary values per square metre of comparable transactions and transactions carried out by the Group.

IFRS 13 "Fair Value Measurement" establishes a fair value hierarchy that categorises the inputs used in valuation techniques into three levels:

- level 1: the valuation refers to quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- level 2: the valuation refers to valuation methods using inputs that are observable for the asset or liability, either directly or indirectly, in an active market
- level 3: the valuation refers to valuation methods using inputs that are unobservable in an active market.

The fair value measurement of investment properties requires the use of different valuation methods using unobservable or observable inputs to which some adjustments have been applied. Accordingly, the Group's portfolio is mainly categorised as level 3 according to the IFRS 13 fair value hierarchy.

The appraisal of real-estate-assets accounted for as investment properties was conducted in the context of a changing situation affected by the unprecedented Covid-19 crisis, for which the impact and outlook remained difficult to predict at the time the appraisals took place.

The context of the crisis has created uncertainty about the estimates used for appraisal values. These estimates include assumptions about resumption of activity (reopening of hotels and gradual return of visitors, use of office buildings, etc.) which may not be realised.

Without calling into question the reliability of the appraisal valuations, experts have included a "material valuation uncertainty" in accordance with VPS 3 and VPGA 10 of the RICS Red Book Global. This indication is designed to bring clarity and transparency to the fact that, given the current circumstances, there is less certainty than usual regarding the valuation.

Assets under development (IAS 40)

Assets under construction are recognised according to the general fair-value principle, except where it is not possible to determine this fair value on a reliable and ongoing basis. In such cases, the asset is carried at cost.

As a result, development programmes and extensions or remodelling of existing assets that are not yet commissioned are recognised at their fair value and are treated as investment properties whenever the administrative and technical fair-value reliability criteria – i.e. administrative, technical and commercial criteria – are met.

In accordance with revised IAS 23, the borrowing cost during a period of construction and renovation is included in the cost of the assets. The capitalised amount is determined on the basis of fees paid for specific borrowings and, where applicable, for financing from general borrowings based on the weighted average rate of the particular debt.

Right-of-use (IFRS 16)

In application of IFRS 16, when a movable or immovable asset is held under a lease, the lessee is required to recognise a right-of-use asset and a rental liability, at amortised cost.

Right-of-use assets are included in the items under which the corresponding underlying assets are presented, if they belonged thereto, namely the items Operating properties, Other tangible fixed assets, and Investment properties.

The lessee depreciates the right-of-use on a straight-line basis over the term of the lease, except for rights relating to investment properties, which are measured at fair value.

Tangible fixed assets (IAS 16)

Pursuant to the preferred method proposed by IAS 16, operating buildings (head Offices and Flex Office business) and managed hotels under the Operating Properties business line (owner occupied buildings – occupied or operated by Group employees) are carried at historical cost less accumulated depreciation and any potential impairment. They are amortised over their expected useful life according to a component-based approach.

The hotels operated as Operating Properties are depreciated according to their period of use:

Building	50 to 60 years
General installations and layout of the buildings	10 to 30 years
Equipment and furniture	3 to 20 years

If the appraisal values of the Operating Properties are less than the net book value, impairment is recognised, as a priority on the value of the fund, then on the value of the tangible fixed assets.

Non-current assets held for sale (IFRS 5)

In accordance with IFRS 5, when Covivio decides to dispose of an asset or group of assets, it classifies them as assets held for sale if:

- the asset or group of assets is available for immediate sale in its current condition, subject only to normal and customary conditions for the sale of such assets

- its or their sale is likely within one year and marketing for the property has been initiated.

For the Covivio group, only assets corresponding to the above criteria or for which a sale commitment has been signed are classified as assets held for sale.

If a sale commitment exists on the account closing date, the price of the commitment net of expenses constitutes the fair value of the asset held for sale.

3.2.5.1.2 Table of changes in fixed assets

(In € thousand)	31-Dec,-2019	Scope change & change in accounting method	Increase/Charges	Disposal/Reversals of provisions	Change in fair value	Transfers	Change in exchange rate	31/12/2020
Goodwill	143,286	-822	-7,372	0	0	0	0	135,092
Intangible assets⁽¹⁾	23,471	377	1,364	-69	0	-29	0	25,114
Gross amounts	92,621	-3,820	6,252	-1,901	0	-41	-0	93,111
Depreciation	-69,150	4,197	-4,888	1,832	0	12	0	-67,997
Tangible assets	1,489,442	4,137	10,647	-365	0	-61,869	-3	1,441,989
Operating properties	1,409,707	1,217	-19,463	563	0	-44,029	0	1,347,995
Gross amounts	1,698,449	1,000	34,468 ⁽²⁾	-3,875	0	-32,806	0	1,697,236
Depreciation	-288,742	217	-53,931	4,438	0	-11,223	-0	-349,241
Other tangible fixed assets	41,855	3,989	-2,965	-925	0	3,651	0	45,605
Gross amounts	169,248	3,634	8,247	-1,940	0	2,384	0	181,573
Depreciation	-127,393	355	-11,212	1,015	0	1,267	0	-135,968
Fixed assets in progress	37,880	-1,069	33,075 ⁽³⁾	-3	0	-21,491	-3	48,389
Gross amounts	37,880	-1,069	33,075	-3	0	-21,491	-3	48,389
Depreciation	0	0	0	0	0	0	0	0
Investment properties	20,837,882	1,775,119	598,393	-446,207	114,520	-191,462	-62,806	22,625,439
Operating properties	19,504,306	1,730,347	253,609	-445,994	-41,139	-26,026	-62,806	20,912,297
Investment properties under development	1,333,576	44,772	344,784	-213	155,659	-165,436	0	1,713,142
Assets held for sale	324,292	0	2,301	-273,560	13,662	268,693	0	335,388
Assets held for sale	324,292	0	2,301	-273,560	13,662	268,693	0	335,388
TOTAL	22,818,374	1,778,811	605,333	-720,201	128,182	15,333	-62,809	24,563,022

(1) The "Intangible fixed assets" line includes in particular the car park concession assets and leases in the amount of €16.5 million.

(2) Including the acquisition of land (Alexanderplatz +€8.1 million), rights of use (+€10.8 million) and completion of works on Italy Offices assets (+€7.1 million) and Hotels in Europe (+€7.1 million).

(3) Including works carried out on the German Residential assets (€7.8 million), on the Operating Properties (€10.1 million), Paris Gobelins before its transfer to a building under development (€10.6 million).

Fixed assets in progress also includes instalments paid on asset acquisitions in Italy Offices (€1.6 million) and France Offices (€1 million).

Changes in the scope of tangible fixed assets are mainly related to the right-of-use of Covivio Office premises (formerly Godewind Immobilien) for €6.6 million, the equipment acquired for €3.1 million from the Plaza Nice hotel from the Roco portfolio and the sale of a company in Italy Offices (-€1.6 million).

The hotels portfolio held as Operating Properties totalled €1,026.8 million at 31 December 2020. In accordance with IAS 16, they are recognised in the "Tangible fixed assets" line.

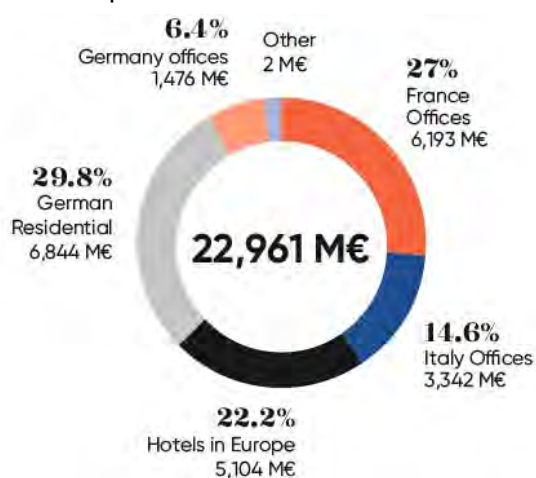
The transfer column total (+€15.3 million) mainly corresponds to the reclassification of a Germany Office real estate trading property located in Berlin as property under development.

The "Disbursements related to acquisition of tangible and intangible fixed assets" line in the Statement of Cash Flows (-€631.3 million) refers mainly to increases in the statement of changes in the portfolio excluding the effect of depreciation (-€682.7 million), restated for advances and down-payments already paid on properties under development (+€6.3 million), to changes in inventories of real estate trading and development companies (-€3.6 million) adjusted for changes in fixed asset trade payables (+€3.9 million) and restatements for step rental schemes and rent incentives (+€42.3 million).

The "Proceeds relating to the disposal of tangible and intangible fixed assets" line in the Statement of Cash Flows (€689.7 million) primarily corresponds to income from disposals as presented in section 3.2.6.3. Income from asset disposals (+€720 million), and to the proceeds from the disposal of assets in inventory (+€5.4 million), restated for the change in receivables on asset disposals (-€21.6 million) and down payments on asset disposals (-€14.1 million).

3.2.5.1.3 Investment properties

Consolidated portfolio of assets at 31 December 2020 (in €M)



(In € thousands)	31/12/202019	Scope change & change in accounting method	Increase	Disposal	Change in fair value	Transfers	Change in exchange rate	31/12/2020
Investment properties	20,837,882	1,775,119	598,393	-446,207	114,520	-191,462	-62,806	22,625,439
Operating properties	19,504,306	1,730,347	253,609	-445,994	-41,139	-26,026	-62,806	20,912,297
France Offices	4,984,139	0	41,259	-161,611	-58,598	-26,255	0	4,778,934
Italy Offices	3,179,865	0	16,916	-250,822	-50,120	76,972	0	2,972,811
Hotels in Europe	4,921,894	500,991	35,378	-33,558	-332,023	-28,180	-62,806	5,001,696
German Residential	6,384,608	-40,423	125,189	-3	409,883	-48,575	0	6,830,679
Germany Offices	33,800	1,269,779	34,867	0	-10,281	12	0	1,328,177
Investment properties under development	1,333,576	44,772	344,784	-213	155,659	-165,436	0	1,713,142
France Offices	868,320	5,261	221,841	-213	145,332	-63,161	0	1,177,380
Italy Offices	379,269	0	61,962	0	4,909	-109,240	0	336,900
Hotels in Europe	9,930	39,511	7,236	0	4,837	-10,600	0	50,914
German Residential	0	0	0	0	0	0	0	0
Germany Offices	76,057	0	53,745	0	581	17,565	0	147,948
Assets held for sale	324,292	0	2,301	-273,560	13,662	268,693	0	335,388
France Offices	55,029	0	2,276	-960	10,710	169,905	0	236,960
Italy Offices	100,205	0	0	-99,405	-406	32,267	0	32,661
Hotels in Europe	132,638	0	0	-120,032	-441	38,790	0	50,955
German Residential	10,516	0	0	-29,043	3,824	27,731	0	13,028
Germany Offices	0	0	0	0	0	0	0	0
Other	25,904	0	25	-24,120	-25	0	0	1,784
TOTAL	21,162,174	1,775,119 ⁽¹⁾	600,694 ⁽¹⁾	-719,767	128,182	77,231	-62,806	22,960,827

(1) Details of the increases and changes in the scope of the investment properties and assets held for sale are shown in section 3.2.5.1.4.

The amounts in the "disposals" column correspond to the appraisal figures published on 31 December 2019.

3.2.5.1.4 Acquisitions and works

(In € thousand)	Scope change & change in accounting method	Acquisitions	Works	Total increase
France Offices	0	0	41,259	41,259
Italy Offices	0	0	16,916	16,916
Ibis Strasbourg plot leasehold rights		4,266		
Portfolio of seven high-end hotels (Roco portfolio)	481,691			
Use rights for investment properties	19,639	579		
Other	-339			
Hotels in Europe	500,991	4,845	30,533	35,378
Office portfolio – Covivio Office operation	1,255,928	14,363		
Use rights for investment properties	13,851			
Assets in Berlin		10,824		
Germany Offices	1,269,779	25,187	9,680	34,867
Investments in Berlin	98,022			
Disposal of an asset holding company	-137,636			
Other	-809			
Assets in Dresden		7,480		
Assets in Berlin		12,938		
German Residential	-40,423	20,418	104,771	125,189
TOTAL OPERATING PROPERTIES	1,730,347	50,450	203,159	253,609
Change of asset use Jean Goujon ⁽¹⁾	5,261			0
France Offices	5,261	0	221,841	221,841
Italy Offices	0	0	61,962	61,962
Hotel Plaza Nice (Roco portfolio)	39,511			
Hotels in Europe	39,511	0	7,236	7,236
Amexanderplatz plot of land project in Berlin		40,663		
Germany Offices	0	40,663	13,082	53,745
TOTAL PROPERTIES UNDER DEVELOPMENT	44,772	40,663	304,121	344,784
FRANCE OFFICES			2,276	2,276
Other			25	25
Total assets held for sale	0	0	2,301	2,301
TOTAL	1,775,119	91,113	509,581	600,694

(1) The use of the building located at Jean Goujon in Paris changed during the year. This building initially intended to be used as the future head office of the Group is now intended to be leased. Consequently, its value is reclassified as Building under development.

3.2.5.1.5 Investment properties under development

Properties under development relate to building or redevelopment programmes that fall within the application of IAS 40 (revised).

(In € thousand)	31/12/202019	Acquisitions and works	Capitalised interest	Change in fair value	Transfers and disposals	Change of scope	31/12/2020
France Offices	868,320	201,431	20,410	145,332	-63,374	5,261	1,177,380
Italy Offices	379,269	54,526	7,436	4,909	-109,240	0	336,900
Hotels in Europe	9,930	6,734	502	4,837	-10,600	39,511	50,914
Germany Offices	76,057	49,962	3,783	581	17,565	0	147,948
CONSOLIDATED TOTAL	1,333,576	312,653	32,131	155,659	-165,649	44,772	1,713,142

The "transfers and disposals" column includes the delivery of seven assets for -€384.6 million (two assets in France Offices, four assets in Italy Offices and one asset in Hotels in Europe) and the transfer for €219.2 million of three assets supplying the pipeline with buildings under development (the Jean Goujon operating building France Offices +€140.6 million, a new project in Milan the

Corso Italy asset +€61 million and a real estate development asset in Germany Offices +€17.6 million).

The pandemic has caused a delay of around three months in the progress of work. There are no additional costs generated by the crisis other than those related to securing construction sites.

3.2.5.1.6 Expertise parameter

The Group has not identified the best use of an asset as being different from its current use. Consequently, the application of IFRS 13 did not lead to a modification of the assumptions used for the valuation of assets.

In accordance with IFRS 13, the tables below provide details of the ranges of unobservable inputs by business segment (level 3) used by the real estate appraisers:

France Offices, Italy Offices and Germany Offices

Grouping of similar assets	Level	Portfolio (in €M)	Yield rate excluding duties (min.-max.)	Yield rate excluding duties (weighted average)	Discounted cash flow rate	Discounted cash flow rate (weighted average)
Paris Centre West	Level 3	1,147	2.8% - 4.0%	3.4%	3.5% - 7.0%	4.6%
North Eastern Paris	Level 3	617	3.7% - 4.3%	4.1%	3.8% - 6.0%	4.9%
Southern Paris	Level 3	716	3.1% - 5.5%	3.9%	3.5% - 5.8%	4.4%
Western Crescent	Level 3	1,432	3.6% - 7.3%	5.3%	3.8% - 7.5%	5.2%
Inner suburbs	Level 3	1,378	3.9% - 6.0%	5.9%	4.0% - 7.3%	4.7%
Outer suburbs	Level 3	54	4.8% - 10.0%	7.9%	4.0% - 12.0%	4.9%
Total Paris Regions		5,344	2.8% - 10.0%		3.5% - 12.0%	
Major Regional Cities	Level 3	746	3.9% - 11.8%	5.6%	3.5% - 11.5%	5.3%
Area	Level 3	103	5.0% - 9.8%	9.0%	4.3% - 11.0%	5.8%
Total Regions		849	3.9% - 11.8%		3.5% - 11.5%	
TOTAL FRANCE OFFICES		6,193	2.8% - 11.8%		3.5% - 12.0%	
Milan	Level 3	1,702	1.7% - 6.5%	4.5%	3.4% - 6.4%	5.2%
Rome	Level 3	172	3.0% - 5.6%	4.5%	5.2% - 6.2%	5.9%
Other	Level 3	1,131	4.4% - 7.3%	6.2%	5.4% - 6.9%	6.5%
Total in operation		3,005				
Development projects	Level 3	337			6.1% - 9.0%	
TOTAL ITALY OFFICES		3,342				
Berlin	Level 3	45	3.3% - 4.9%	4.5%	4.9% - 5.3%	5.0%
Düsseldorf	Level 3	337	4.2% - 4.7%	4.6%	3.7% - 4.1%	4.0%
Frankfurt	Level 3	513	4.7% - 5.6%	5.0%	4.0% - 5.0%	4.4%
Hamburg	Level 3	298	4.5% - 4.8%	4.5%	3.8% - 4.0%	3.8%
Munich	Level 3	121	4.8% - 5.1%	4.9%	4.2% - 4.4%	4.3%
Total in operation		1,314	3.0% - 5.6%	4.8%	3.7% - 5.3%	4.2%
Development projects	Level 3	148				
Use rights	Level 3	14				
TOTAL GERMANY OFFICES		1,476				
TOTAL OFFICES		11,012				

Hotels in Europe:

Grouping of similar assets	Level	Portfolio (in €M)	Yield rate excluding duties (min.-max.)	Yield rate excluding duties (weighted average)	Discounted cash flow rate	Discounted cash flow rate (weighted average)
Germany	Level 3	634	4.0%-5.4%	4.7%	4.3%-6.4%	5.4%
Belgium	Level 3	245	5.4%-6.4%	6.0%	7.0%-8.0%	7.6%
Spain	Level 3	634	3.9%-7.4%	5.1%	5.2%-8.7%	6.4%
France	Level 3	1,711	3.6%-6.7%	4.7%	4.4%-7.8%	5.8%
Netherlands	Level 3	150	4.3%-5.9%	4.9%	5.3%-8.1%	6.0%
United Kingdom	Level 3	783	4.0%-5.8%	4.5%	7.2%-8.8%	7.9%
Other	Level 3	561	5.5%-6.8%	5.7%	6.3%-8.2%	6.9%
Hotel Lease properties	Level 3	4,718	3.6% - 7.4%	4.9%	4.3% - 8.8%	6.4%
Retail	Level 3	120	5.3% - 12.5%	6.7%	6.3% - 14.1%	8.1%
TOTAL IN OPERATION		4,837				
Development projects	Level 3	51	4.6%	4.6%	5.6%	5.6%
Use rights	Level 3	215				
TOTAL HOTELS IN EUROPE		5,104				

German Residential

Grouping of similar assets	Level	Portfolio (in €M)	Yield rate*		Discounted cash flow rate	Average value (in €/m²)
			Total portfolio	Block valued properties		
Duisburg	Level 3	301	3.4% - 4.8%	3.4% - 4.8%	4.0% - 6.0%	1,464
Essen	Level 3	715	3.1% - 5.5%	3.1% - 5.5%	4.0% - 7.0%	1,797
Mülheim	Level 3	208	3.6% - 5.1%	3.6% - 5.1%	4.0% - 6.3%	1,604
Oberhausen	Level 3	170	4.0% - 6.2%	4.0% - 6.2%	4.0% - 7.4%	1,259
Datteln	Level 3	135	3.4% - 4.8%	3.4% - 4.8%	4.6% - 6.1%	1,185
Berlin	Level 3	3,887	1.6% - 4.9%	1.6% - 4.9%	2.9% - 6.9%	3,019
Düsseldorf	Level 3	186	2.4% - 3.6%	2.4% - 3.6%	3.9% - 5.1%	2,885
Dresden	Level 3	447	2.7% - 4.1%	2.7% - 4.1%	4.0% - 5.6%	2,276
Leipzig	Level 3	141	2.3% - 4.4%	2.3% - 4.4%	3.4% - 5.9%	1,799
Hamburg	Level 3	506	1.8% - 4.0%	1.8% - 4.0%	3.3% - 5.5%	3,522
Others	Level 3	148	2.4% - 4.7%	2.4% - 4.7%	3.9% - 5.9%	1,768
TOTAL GERMAN RESIDENTIAL		6,844				

* Yield rates: Potential yield rate assumed excluding taxes (actual rents/appraisal values excluding taxes).

Impact of changes in the yield rate on changes in the fair value of real estate assets, by operating segment

(In € million)	Yield**	Yield rate -50 bps	Yield rate +50 bps
France Offices*	4.8%	587.3	-475.9
Italy Offices	5.3%	312.3	-258.6
Hotels in Europe*	5.5%	480.9	-401.1
German Residential	3.7%	1,077.7	-819.6
Germany Offices	3.4%	230.1	-170.4
TOTAL*	4.6%	2,688.4	-2,125.6

* Including assets held by equity affiliates, excl. operating property assets.

** Yield on operating portfolio - excl. duties.

- If the yield rate excluding taxes drops 50 bps (-0.5 point), the market value excluding taxes of the real estate assets will increase by €2,688 million.
- If the yield rate excluding taxes increases 50 bps (+0.5 point), the market value excluding taxes of the real estate assets will decrease by €2,126 million.

3.2.5.2 Financial assets

3.2.5.2.1 Accounting principles

Other financial assets

Other financial assets consist of investment-fund holdings, which cannot be classified as cash or cash equivalents.

These securities are recognised upon acquisition at cost plus transaction costs. They are then recognised at fair value in the income statement on the reporting date. The fair value is arrived at on the basis of recognised valuation techniques (reference to recent transactions, Discounted Cash Flows, etc.). Some securities that cannot be reliably measured at fair value are recognised at acquisition cost.

Securities available for sale of listed and non-consolidated companies are recorded at their stock-market price with an offsetting entry in shareholders' equity in accordance with IFRS 9.

Dividends received are recognised when they have been approved by vote.

Loans

At each reporting date, loans are recorded at their amortised cost. Moreover, impairment is recognised and recorded on the income statement when there is an objective indication of impairment as a result of an event occurring after the initial recognition of the asset.

3.2.5.2.2 Table of financial assets

(In € thousand)	31/12/202019	Increase	Decrease	Change in fair value	Scope change	Transfers	Change in exchange rate	31/12/2020
Ordinary loans ⁽¹⁾	130,572	2,773	-1,878	0	1,675	11,996	0	145,138
Total loans	130,572	2,773	-1,878	0	1,675	11,996	0	145,138
Advances and pre-payments on acquisition of shares	27,000	0	-26,910	0	-90	0	0	0
Securities at historic cost	28,465	244	0	0	2	-10,214	0	18,497
Total other financial assets⁽²⁾	55,465	244	-26,910	0	-88	-10,214	0	18,497
Receivables on financial assets	89,613	35,539	-1,371	0	1,351	-3,355	-2	121,775
Total receivables on financial assets	89,613	35,539	-1,371	0	1,351	-3,355	-2	121,775
TOTAL	275,651	38,556	-30,159	0	2,938	-1,573	-2	285,410
Amortisations and provisions ⁽³⁾	-16,591	-159	42	0	0	13,568	0	-3,140
NET TOTAL	259,060	38,397	-30,117	0	2,938	11,995	-2	282,270

(1) Ordinary loans include receivables from equity investments in equity affiliates. The increase for the period is mainly due to the reclassification of the loan granted to the company Lenovilla as a long-term loan (+€15 million).

(2) Total other financial assets are broken down as follows:

- Advances and deposits made to acquire securities in companies:

The acquisition of a portfolio of eight hotels located in the city centres of major European cities (Rome, Florence, Venice, Budapest, Prague and Nice) was completed in September 2020. The deposit paid in 2019 (€27 million) was used as a deduction from the purchase price of the shares.

The investments held by Covivio in Italy in real estate funds (€7 million) are valued at their historical cost. Potential impairments are recorded in the income statement.

- Receivables on financial assets: The increase in receivables on financial assets mainly corresponds to receivables on disposals in Italy Offices (+€31.1 million).

(3) Including impairments on securities at historical cost held by Covivio in Italy (€1.3 million) and on receivables relating to financial assets (€1.8 million).

3.2.5.3 Investments in equity affiliates and joint ventures

3.2.5.3.1 Accounting principles

Investments in equity affiliates and joint ventures are recognised by the equity method. According to this method, the Group's investment in the equity affiliate or the joint venture is initially recognised at cost, increased or reduced by the changes, subsequent to the acquisition, in the share of the net assets of the affiliate. The goodwill related to an equity affiliate or joint venture is included in the book value of the investment, if it is not impaired.

The share in the earnings for the period is shown in the line item "Share in income of equity affiliates".

The financial statements of associates and joint ventures are prepared for the same accounting period as for the parent company, and adjustments are made, where relevant, to adapt the accounting methods to those of the Covivio group.

3.2.5.3.2 Table of investments in equity affiliates and joint ventures

(In € thousand)	% ownership	Operating segment	Country	31/12/2019	31/12/2020	Change Group	Of which share of net income	Of which distribution and change in scope
SCI Factor E and SCI Orianz	34.69%	France Offices	France	13,968	15,732	1,763	1,763	0
Lenovilla (New Velizy)	50.10%	France Offices	France	60,291	62,370	2,079	4,583	-2,505
Euromarseille (Euromed)	50.00%	France Offices	France	49,880	56,224	6,344	9,748	-3,404
Cœur d'Orly (Askia and Belaïa)	50.00%	France Offices	France	29,765	25,805	-3,960	-2,897	-1,063
Investire Immobiliare and others		Italy Offices	Italy	13,879	13,334	-545	501	-1,047
Iris Holding France	19.90%	Hotels in Europe	Belgium, Germany	19,256	17,903	-1,354	-1,354	0
OPCI IRIS Invest 2010	19.90%	Hotels in Europe	France	32,007	26,385	-5,621	-4,254	-1,368
OPCI Camp Invest	19.90%	Hotels in Europe	France	21,097	21,564	467	1,583	-1,116
Dahlia	20.00%	Hotels in Europe	France	20,012	17,618	-2,393	-2,393	0
Phoenix	31.15% and 33.33%	Hotels in Europe	France, Belgium	114,159	103,883	-10,276	-7,091	-3,184
TOTAL				374,316	360,819	-13,497	189	-13,686

The investments in equity affiliates at 31 December 2020 amounted to €360.8 million, compared with €374.3 million as at 31 December 2019, i.e. a decrease of -€13 million.

The change over the period is mainly due to the appropriation of 2019 net income (-€12.8 million) and net income for the period (-€0.2 million). The latter is affected by the decline in the value of the Hotels portfolio in Europe.

3.2.5.3.3 Breakdown of shareholdings in the main associates and joint ventures

Ownership	Cœur d'Orly	Groupe Euromed	SCI Lenovilla (New Velizy)	SCI Factor E/SCI Orianz (Bordeaux Armagnac)
Covivio	50.0%	50.0%	50.09%	34.7%
Non-Group third parties	50.0%	50.0%	49.91%	65.3%
Crédit Agricole Assurances		50.0%	49.91%	
Aéroports de Paris	50.0%			
Icade				65.3%
TOTAL	100%	100%	100%	100%

Indirect ownership	Iris Holding France	OPCI Iris Invest 2010	OPCI Campinvest	SCI Dahlia	OPCI Otelli (Phoenix)	Konbon (Phoenix)	Jouron (Phoenix)
Covivio Hotels	19.9%	19.9%	19.9%	20.0%	31.2%	33.3%	33.3%
Non-Group third parties	80.1%	80.1%	80.1%	80.0%	68.9%	66.7%	66.7%
Sogecap					31.2%	33.3%	33.3%
Caisse de dépôt et consignment					37.7%	33.3%	33.3%
Crédit Agricole Assurances	80.1%	80.1%	68.8%	80.0%			
Pacifica			11.3%				
TOTAL	100%	100%	100%	100%	100%	100%	100%

3.2.5.3.4 Key financial information on equity affiliates and joint ventures

(In € thousand)	Asset name	Total balance sheet	Total non-current assets	Cash	Total non-current liabilities excluding financial debt	Total current liabilities excluding financial debt	Financial payables	Rental income	Cost of net financial debt	Net income consolidated
Cœur d'Orly (Askia and Belaïa)	Cœur d'Orly	148,558	137,495	6,837	1,338	6,273	89,337	4,552	-720	-6,709
Lenovilla (New Velizy)	New Velizy and extension	287,637	274,920	12,633	0	154	162,982	12,134	-1,403	9,149
Euromarseille (Euromed)	Euromed Center	227,654	125,874	9,845	1,286	4,545	109,373	7,921	-905	19,496
SCI Factor E and SCI Orianz	Bordeaux, Armagnac	150,064	138,631	8,968	618	6,448	97,649	7,270	-1,401	5,082
Iris Holding France	Hotels AccorHotels	223,010	199,900	21,929	18,901	3,311	110,715	2,415	-3,002	-6,804
OPCI IRIS Invest 2010	Hotels AccorHotels	248,220	231,500	15,904	2,556	1,327	111,747	5,425	-2,052	-21,374
OPCI Camp Invest	Campanile Hotels	188,292	173,990	14,264	0	106	79,823	11,715	-1,653	7,954
Dahlia	Hotels AccorHotels	165,768	160,621	4,032	0	1,427	76,249	2,000	-1,682	-11,966
OPCI Otelli, Jouron, Kombon	Hotels AccorHotels	533,870	522,393	9,411	20,764	10,816	176,960	7,716	-2,109	-22,218

3.2.5.4 Deferred tax liabilities on the reporting date

(In € thousand)	Increases					Decreases					Balance sheet as at 31/12/2020
	Balance sheet as at consolidation 31-Dec.-19	First time at consolidation scope	Net income for the period	Difference in rates	Shareholder's equity	Other changes and transfers	Net income for the period	Difference in rates	Change in exchange rate	Removals from the scope of consolidation	
DTA											
Losses carried forward	60,039	25,573	25,142				-12,184	-224		-1,392	96,954
Fair value of properties	49,231		3,789	204		-108	-7,582		-144		45,390
Derivatives	11,087		2,865			-518	-31				13,403
Temporary differences	17,372	5,637	2,703			-929	-1,316		-53	-169	23,245
	137,729										178,992
DTA/DTL offset	-75,797										-75,294
TOTAL DTA	61,932	31,210	34,499	204	0	-1,555	-21,113	-224	-197	-1,561	103,698

(In € thousand)	Increases					Decreases					Balance sheet as at 31/12/2020
	Balance sheet as at consolidation 31-Dec.-19	First time at consolidation scope	Net income for the period	Difference in rates	Shareholder's equity	Other changes and transfers	Net income for the period	Difference in rates	Change in exchange rate	Removals from the scope of consolidation	
DTL											
Fair value of properties	1,014,992	75,397	84,757	5,832		4,463	-41,673	-217	-2,461	-15,892	1,125,198
Derivatives	1,799					-518	-1,434				-153
Temporary differences	42,572		2,910			-5,500	-12,445	-7	-53	-30	27,447
	1,059,363										1,152,492
DTA/DTL offset	-75,797										-75,294
TOTAL DTL	983,566	75,397	87,667	5,832	0	-1,555	-55,552	-224	-2,514	-15,922	1,077,198
NET TOTAL	-921,634	-44,187	-53,168	-5,628		0	34,439	0	2 317	14 361	-973,500
											-24,357
Of which DTA on the corporation tax line						1,429					Negative net balance = liabilities

At 31 December 2020, the consolidated deferred tax position showed a deferred tax asset of €103.7 million (versus €61.9 million as at 31 December 2019) and a deferred tax liability of €1,077.2 million (versus €983.6 million as at 31 December 2019).

The primary contributors to the net balance of deferred tax liabilities are:

- German Residential: €694 million
- Hotels in Europe: €208 million
- Germany Offices: €52 million
- Italy Offices: €19 million.

The increase in net deferred tax liabilities (+€51.9 million) is mainly due to the acquisition of Covivio Office in Germany Offices (+€44.1 million), the impact of the relative unrealised taxation, the increase in appraisal values (+€68.7 million) offset by the effect of withdrawals from the scope of consolidation (-€13.2 million) in Germany Offices, the decline in asset values and the disposal of B&B Germany assets in Hotels in Europe (-€32 million) and the capitalisation of tax loss carryforwards on the Rock portfolio in Operating Properties (-€27 million).

The impact on income is detailed in paragraph 3.2.6.8.2.

In accordance with IAS 12, deferred tax assets and liabilities are offset for each tax entity when they involve taxes paid to the same tax authority.

The non-recognised tax loss carryforwards, calculated at the standard rate, amounted to €1,068 million as detailed below:

(In € thousand)	Non-recognised DTA	Non-recognised tax loss carryforwards
France Offices	89,726	260,580
Italy Offices	20,360	101,798
Hotels in Europe	69,356	255,695
German Residential	4,506	28,474
Germany Offices	9,270	58,581
Other	118,138	363,078
Total	311,356	1,068,206

3.2.5.5 Short-term loans

(In € thousand)	31/12/202019	Change of scope	Increase	Decrease	Transfers	31/12/2020
Short-term loan	27,752	0	8,689	-7,807	-15,115	13,519
TOTAL	27,752	0	8,689	-7,807	-15,115	13,519
Amortisations and provisions	0	0	0	0	0	0
NET TOTAL	27,752	0	8,689	-7,807	-15,115	13,519

The change in short-term loans (+€14.2 million) primarily reflects the reclassification as short term of the loan granted to the equity affiliate Lenovilla (-€15 million) and the change in accrued interest not yet due (+€0.9 million).

3.2.5.6 Inventories and work-in-progress

3.2.5.6.1 Accounting principles applicable to inventories

Inventories are composed of two classification types: Property dealers (mainly in Italy, purchase/sale) and real estate development (housing and Offices). They are assessed at cost.

Inventories are intended to be sold during the normal course of business. They are recorded at acquisition price and, as applicable, are depreciated in relation to the sale value (independent appraisal value).

3.2.5.6.2 Inventories and work-in-progress

(In € thousand)	31/12/2020 net	31-Dec.-19 net	Change
Real estate company trading properties	22,994	28,833	-5,839
Miscellaneous inventories (raw materials, goods)	1,755	2,630	-875
Extension property Germany Residential	12,741	13,745	-1,004
France Offices	25,295	20,290	5,005
Italy Offices	35,573	34,016	1,557
German Residential	144,731	113,720	31,011
Germany Offices	6,245	19,314	-13,069
Real estate trading properties	224,585	201,085	23,500
TOTAL INVENTORIES AND WORK-IN PROGRESS	249,334	232,548	16,786

The balance sheet item "Inventories and work-in-progress" groups together inventories from trading activities in Italy Offices (€23 million), and assets dedicated to the real estate development business for €224.6 million.

The change in inventory of property dealers (-€5.8 million) is mainly due to the disposal of assets in Italy Offices (-€3 million).

The increase in inventories in German Residential (+€31 million) is linked to work on development assets (+€ 63.9 million), the disposal of development assets (-€38.7 million) and the reclassification as a development asset (+€5.3 million) from the investment property line.

The decrease in inventory in Germany Offices (-€13.1 million) is related to the reclassification (-€17.6 million) of a property development project under development (Reno Wilhelm-Kabus-Strasse project), to the renovation works for the period (+€13.3 million) and disposals during the period (-€8.8 million).

In Italy, real estate development stock consists exclusively of land located in the Symbiosis area in Milan. Development work is underway as part of a building construction project for a prospective user.

In France, real estate development inventories consist exclusively of projects to transform office buildings or land reserves into residential units. When a development margin can be generated (depending on the percentage of completion and marketing) the stock decreases accordingly.

3.2.5.7 Trade receivables

3.2.5.7.1 Accounting principles applicable to trade receivables and the receivables of hotels under operation

The trade receivables are mainly comprised of receivables from simple lease transactions and receivables of hotels under operation. These items are measured at amortised cost. In the event that the recoverable value is lower than the net book value, the Group may be required to account for an impairment charge through profit or loss.

The usual impairment rules have been tightened in the context of the Covid-19 crisis. For unpaid bills relating to this crisis, impairments were recorded depending on the size of the tenant, its activity and the lease negotiations in progress (see § 3.2.4.1).

Receivables from operating lease transactions

For operating-lease receivables, a provision for impairment is made at the first non-payment. The impairment rates applied by Covivio Group are as follows:

- no impairment provision is recorded for existing or vacated tenants whose receivables are less than three months overdue

- 50% of the total amount of receivables for existing tenants whose receivables are between three and six months overdue
- 100% of the total amount of receivables for existing tenants whose receivables are more than six months overdue
- 100% of the total amount of receivables for vacated tenants whose receivables are more than three months overdue.

The receivables and theoretical impairments arising from the rules above are reviewed on a case-by-case basis in order to factor in any specific situations.

Receivables of hotels under operation

Receivables of hotels under operation are impaired according to payment deadlines.

The receivables and theoretical impairments arising from the rules above are reviewed on a case-by-case basis in order to factor in any specific situations.

3.2.5.7.2 Trade receivables

(In € thousand)	31/12/2020	31/12/202019	Change
Expenses to be invoiced to tenants	175,477	151,537	23,940
Rent-free periods	31,018	44,405	-13,387
Trade receivables	108,195	209,217	-101,022
Total trade receivables	314,690	405,159	-90,469
Impairment of receivables	-49,950	-28,429	-21,521
NET TOTAL TRADE RECEIVABLES	264,740	376,730	-111,990

The change in trade receivables (-€112 million) is explained mainly by the increase in expenses to be invoiced to tenants (+€23.9 million) and the decline in net trade receivables (-€122.5 million) and rent-free periods (-€13.4 million). The decrease in trade receivables (-€101 million) is mainly due to the non-offsetting of VAT receivables and payables related to the property development activity (-€77.5 million) in 2019. Note that

the variation in liabilities is the same proportion in the Other short-term debt item.

Impairment of trade receivables increased by €22 million, of which €19.7 million was recorded following the Covid-19 crisis, mainly under Italy Offices (€3.5 million), Hotels in Europe (€14.1 million) and German Residential (€2.1 million).

The line "Change in working capital requirements on continuing operations" on the Cash Flow Statement consists of:

(In € thousand)	31/12/2020	31/12/202019
Impact of changes in inventories and work in progress	-35,795	-81,726
Impact of changes in trade & other receivables	210,247	-122,323
Impact of changes in trade & other payables	-307,785	128,173
CHANGE IN WORKING CAPITAL REQUIREMENTS ON CONTINUING OPERATIONS (INCLUDING EMPLOYEE BENEFITS LIABILITIES)	-133,333	-75,876

3.2.5.8 Other receivables

(In € thousand)	31/12/2020	31/12/202019	Change
Government receivables	101,390	91,145	10,245
Other receivables	58,665	63,622	-4,957
Security deposits received (short-term)	7,771	19,620	-11,849
Current accounts	3,375	929	2,446
TOTAL	171,200	175,316	-4,116

- €101.3 million in government receivables comprise mainly VAT receivables.

- The changes in receivables on disposals were mainly from the Other (French Residential +€3.9 million), Italy Offices (-€7.5 million), France Offices (+€0.3 million) and German Residential (+€0.8 million) segments.

3.2.5.9 Cash and cash equivalents (available and restricted)

3.2.5.9.1 Accounting principles applicable to cash and cash equivalents

Cash and cash equivalents include cash, short-term deposits, and money-market funds. These are short-term, highly liquid assets that are easily convertible into a known cash amount, and for which the risk of a change in value is negligible.

3.2.5.9.2 Table of cash and cash equivalents

(In € thousand)	31/12/2020	31/12/202019
Money-market securities available for sale	577,180	626,477
Cash at bank	668,967	675,607
TOTAL	1,246,147	1,302,084

At 31 December 2020, the portfolio of money-market securities available for sale consists mainly of Level 2 standard money-market collective investment vehicles (SICAV).

- Level 1 of the portfolio corresponds to instruments whose price is listed on an active market for an identical instrument.

- Level 2 corresponds to instruments whose fair value is determined using data other than the prices mentioned for Level 1 and observable directly or indirectly (i.e. price-related data).

Covivio holds no investments subject to capital risk.

3.2.5.10 shareholders' equity

3.2.5.10.1 Accounting principles applicable to equity

Treasury shares

If the Group buys back its own equity instruments (treasury shares), these are deducted from shareholders' equity. No profit or loss is recognised in the income statement when Group equity capital instruments are purchased, sold, issued, or cancelled.

3.2.5.10.2 Statement of changes in shareholders' equity

The statement of changes in shareholders' equity and movements in the share capital are presented in note 3.14.

The Covivio share capital was 94,544,232 shares issued and fully paid up each with a par value of €3, i.e. €283.6 million at 31 December 2020. Covivio holds 264,270 treasury shares.

Changes in the number of shares during the period

Transaction	Shares issued	Treasury shares	Shares outstanding
NUMBER OF SHARES AT 31 DECEMBER 2019	87,219,906	174,557	87,045,349
Capital increase – delivery of free share plan	139,103		
Capital increase – dividend in shares	7,185,223		
Treasury shares – liquidity agreement		28,890	
Treasury shares – employee award		60,823	
NUMBER OF SHARES AT 31 DECEMBER 2020	94,544,232	264,270	94,279,962

During the course of 2020, Covivio increased its share capital by €343.3 million through the issue of 7,185,223 shares following the payment of the dividend in shares and the allocation of 139,103 vested free shares.

The dividend of €417 million was paid as €343 million in shares and €74 million in cash and was taken from the premiums and the 2019 net income and retained earnings.

Reserves correspond to parent company retained earnings and reserves, together with reserves from consolidation.

The line Other mainly includes movements in treasury shares for the period (–€9.8 million).

The change in non-controlling interests (–€74.7 million) was mainly due to the consolidation of Covivio Office (formerly Godewind Immobilien), in which the company holds an 99.77% stake (+€10.4 million), income for the period attributable to non-controlling interests (+€20.8 million), the OPCl B2 capital reduction (–€17.3 million) and distributions during the period (–€83.1 million).

3.2.5.11 Statement of debt

3.2.5.11.1 Accounting principles applicable to debt

Financial liabilities include borrowings and other interest-bearing debt.

At initial recognition, financial liabilities are measured at fair value, minus the transaction costs directly attributable to the issue of the liability. They are then recognised at amortised cost based on the effective interest rate. The effective rate includes the nominal rate and actuarial amortisation of issue expenses and issue and redemption premiums.

Financial liabilities of less than one year are posted under "Current financial liabilities".

Convertible bonds (ORNANE-type) issued by Covivio group are either (i) recognised at fair value in the income statement or (ii) recognised separately as a financial liability at amortised cost and an embedded derivative measured at fair value in the income statement.

The fair value is determined according to the closing bond price.

The Group companies hold movable and immovable assets through rental contracts (construction leases and long-term leases, premises, company vehicles, car parks). At the lease commencement date, the tenant measures the rental liability as the present value of rents owing not yet paid, using the implied interest rate for the lease, if this rate can be easily determined, or otherwise using the incremental borrowing rate. This debt is amortised as the contracts expire and give rise to the recognition of a financial expense.

Rental liabilities are shown on the long-term or short-term rental liabilities line in the balance sheet and financial expenses in the Interest costs for rental liabilities line item.

Derivatives and hedging instruments

The Covivio group uses derivatives to hedge its floating rate debt against interest rate risk (hedging of future cash flows).

Derivative financial instruments are recorded on the balance sheet at fair value. The fair value is calculated using valuation techniques that use mathematical calculations based on recognised financial theories and parameters that incorporate the prices of market-traded instruments. This valuation is carried out by an external service provider.

Certain financial instruments in Italy Offices are eligible for hedge accounting within the meaning of IFRS 9. In this case, changes in the fair value of the effective portion of the hedge are recognised net of tax in shareholders' equity until the hedged transaction occurs. The ineffective portion is recorded in the income statement.

All derivative instruments in the other segments are therefore recognised at their fair value, and changes are reflected in the income statement.

3.2.5.11.2. Table of debts and net financial debt

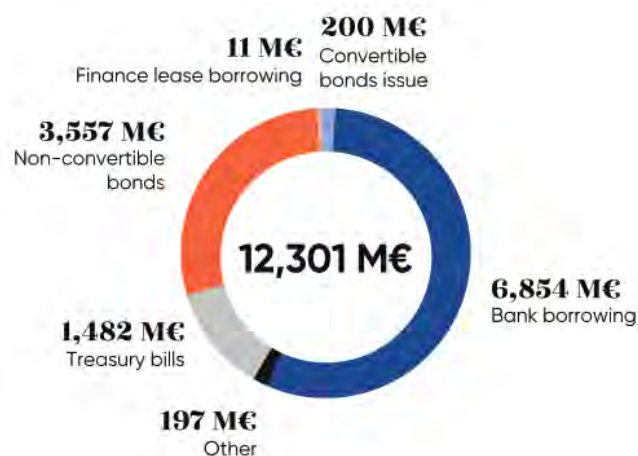
(In € thousand)	31/12/202019	Increase	Decrease	Change of scope	Change in exchange rate	Other changes	31/12/2020
Bank borrowing	5,892,716	1,114,613	-573,780	441,047	-20,854	0	6,853,743
Finance lease borrowing	13,900	0	-2,734	0	0	0	11,166
Other borrowings	179,383	14,930	-201,696	200,555	-0	0	193,172
Treasury bills	1,363,900	388,500	-270,000	0	0	0	1,482,400
Securitised loans	3,977	0	0	0	0	0	3,977
Non-convertible bonds ⁽¹⁾	3,236,554	500,000	-434,158	301,469	0	-47,311	3,556,554
Convertible bond issue ⁽²⁾	200,000	0	0	0	0	0	200,000
Subtotal Interest-bearing loans	10,890,430	2,018,043	-1,482,368	943,071	-20,854	-47,311	12,301,012
Accrued interest	46,336	47,116	-45,179	-1	-0	0	48,272
Deferral of loan expenses	-69,749	14,843	-10,785	0	-56	0	-65,746
Creditor banks	20,548	0	0	0	-5	-7,977	12,567
Total borrowings (LT/ST) excl. fair value of ORNANE-type bonds	10,887,566	2,080,003	-1,538,332	943,070	-20,914	-55,288	12,296,105
of which Long-term	9,071,820						10,459,091
of which Short-term	1,815,746						1,837,014
Valuation of financial instruments	284,920	0	0	3,075	0	41,546	329,541
Convertible bond derivatives	3,436	0	0	0	0	-3,347	89
Total derivatives	288,356	0	0	3,075	0	38,199	329,630
of which Assets	-77,486						-99,379
of which Liabilities	365,842						429,008
TOTAL BANK DEBT	11,175,922	2,080,003	-1,538,332	946,145	-20,914	-17,089	12,625,734

(1) The change in scope column includes the bond debt of €301 million related to the acquisition of the hotel portfolio, which was repaid on the day of the acquisition.

(2) Details of convertible bonds are presented in section 3.2.5.11.4 - Convertible bonds.

New financings taken out during the fiscal year are presented in 3.2.2.2 - Liquidity risk and in 3.2.5.11.3 - Bank borrowings.

Debt by type as at 31 December 2020 (in €M)



Net financial debt at 31 December 2020 (in € thousand)

	31/12/2020	31/12/202019
Gross cash (a)	1,246,147	1,302,084
Debit balances and bank overdrafts from continuing operations (b)	-12,567	-20,548
Net cash and cash equivalents (c) = (a) - (b)	1,233,580	1,281,536
Of which available net cash and cash equivalents	1,232,472	1,281,221
Of which unavailable net cash and cash equivalents	1,108	315
Gross debt (d)	12,349,284	10,936,766
Amortisation of financing costs (e)	-65,746	-69,749
Net debt (d) - (c) + (e)	11,049,957	9,585,482

The line "Receipts related to new borrowings" of the cash flow statement.

(+€2,025.4 million) mainly corresponds to:

- increases in interest-bearing borrowings (+€2,018 million)
- increases in rental liabilities (+€18.2 million)
- less new loan issue costs (-€10.8 million).

The "Repayments of borrowings" line item of the Statement of Cash Flows (-€1,500 million) corresponds mainly to decreases in interest-bearing borrowings (-€1,482.4 million) and reductions in rental liabilities (-€18 million).

3.2.5.11.3 Bank borrowing

The table below outlines the characteristics of the borrowings taken out by Covivio group and the amount of the associated guarantees (principal amount over €100 million):

(In € thousand)	Outstanding debt (> or < €100 M)	Debt	Appraisal value as at 31 December 2020 ⁽¹⁾	Outstanding debt as at 31 December 2020	Date of signature	Initial Nominal	Maturity
France Offices		€280 M and €145 M - Tour CB 21 and Carre Suffren		403,050	29/07/15 and 01/12/15	280,000 and 145,000	29/07/25 and 30/11/23
		€167.5 M - DS Campus		154,937	23/03/15	167,500	20/04/23
		€300 M - Orange		300,000	18/02/16	300,000	30/06/28
		> €100 M	2,246,070	857,987			
		< €100 M	350,770	166,633			
		Total France Offices	2,596,840	1,024,620			
Italy Offices		€760 M Central		608,907	15/09/16	652,732	14/09/24
		> €100 M Total Italy Offices	1,380,678	608,907			
Hotels in Europe		€447 M		169,031	25/10/13	447,000	31/01/23
		€255 M - Mortgage bond		186,553	14/11/12	255,000	16/11/21
		€278 M - Roca		213,350	29/03/17	277,188	29/03/25
		€290 M - OPCI B2 HI (B&B)		123,323	10/05/17	290,000	10/05/24
		£400 M - Rocky		442,294	24/07/18	475,145	24/07/26
		€130 M - REF1		129,132	04/04/19	130,000	03/04/26
		€178 M - ParkInn Alexanderplatz Berlin		177,199	01/01/20	178,000	30/12/29
		> €100 M	3,100,052	1,440,882			
		< €100 M	1,354,620	536,489			
		Total Hotels Europe	4,454,672	1,977,371			
German Residential		Cornerstone		148,694	01/10/14	136,737	30/06/25
		Refinancing Wohnbau/Dümpfen/Aurélia/Duomo		176,716	20/01/15	220,000	30/01/25
		Quadrige		156,354	16/06/15	210,795	31/03/26
		Refinancing Amadeus/Herbstlaub/Valore/Valartis/Sunflower		144,276	28/10/15	169,594	30/04/26
		Lego		152,739	24/06/16	195,003	30/09/24
		Refinancing KG2		106,172	26/01/17	140,000	29/01/27
		Refinancing Indigo, Prime		255,938	09/07/19	260,000	30/09/29
		Refinancing KG1		123,750	20/09/19	125,000	30/09/29
		Refinancing KG4		245,799	30/03/20	248,130	29/03/30
		Refinancing KG Residential		130,000	20/11/20	130,000	15/11/30
		> €100 M	4,215,746	1,640,438			
		< €100 M	2,458,744	944,155			
		Total German Residential	6,674,490	2,584,593			
Germany Offices		Godewind-Frankfurt Airport Center	262,501	130,000	17/12/19	130,000	30/12/25
		> €100 M	1,002,898	368,462			
		< €100 M	1,265,399	498,462			
		Total Germany Offices	1,265,399	498,462			
Total collateral			16,372,079	6,693,953			

(In € thousand)	Outstanding debt (> or < €100 M)	Debt	Appraisal value as at 31 December 2020 ⁽¹⁾	Outstanding debt as at 31 December 2020	Date of signature	Initial Nominal	Maturity
France Offices		Treasury bills		1,482,400			
		€500 M – Green bond		500,000	20/05/16	500,000	20/05/26
		€500 M – Bond		595,000	21/06/17	500,000	21/06/27
		€500 M – Green bond		500,000	17/09/19	500,000	17/09/31
		€500 M – Bond		500,000	23/06/20	500,000	23/06/30
		Italy Offices reallocation		-335,692			
		> €100 M		3,241,708			
		Total France Offices	3,885,299	3,241,708			
Italy Offices		€250 M – Bond		125,000	30/03/15	125,000	30/03/22
		€200 M – Convertible bond		200,000	03/08/15	200,000	31/01/21
		€300 M – Bond		300,000	17/10/17	300,000	17/10/24
		€300 M – Bond		300,000	20/02/18	300,000	20/02/28
		France Offices reallocation		335,692			
		> €100 M	2,038,114	1,260,692			
		< €100 M		3,977			
		Total Italy Offices	2,038,114	1,264,669			
Hotels in Europe		€200 M – Private investment		200,000	29/05/15	200,000	29/05/23
		€350 M – Edinburgh		350,000	24/09/18	350,000	24/09/25
		€100 M – Roco		100,000	30/06/20	100,000	30/06/22
		> €100 M		650,000			
		< €100 M		257,857			
		Total Hotels Europe	1,643,543	907,857			
German Residential	< €100 M	Total German Residential	204,720				
Germany Offices	< €100 M	Total Germany Offices	196,949				
Other	< €100 M	French Residential	1,785	0			
		Car parks	45,854	0			
		Total Other	47,639	0			
Total unencumbered			8,016,263	5,414,234			
		Other liabilities		192,825			
GRAND TOTAL			24,388,342	12,301,012			

(1) The portfolio includes the fair value of assets directly used by the company (head office, Flex Office) but does not include real estate inventories (trading, development) and the share of fair value of consolidated assets accounted for by the equity method.

The borrowings are valued after their initial recognition at cost, amortised based on the effective interest rate.

Breakdown of borrowings at their nominal value according to the time left to maturity and by interest-rate type:

(In € thousand)	Balance at 31 December 2020	Delivery date at - 1 year	Balance at 31 December 2021	Maturity from 2 to 5 years	Outstandings at 31 December 2025 (more than five years)
Fixed-rate financial liabilities	5,909,911	412,465	5,497,446	2,011,780	3,485,666
France Offices – Bank borrowings	144,812	2,050	142,762	92,762	50,000
France Offices – Other	174,504	0	174,504	17,461	157,043
Italy Offices – Convertible bonds*	200,000	200,000	0	0	0
Germany Offices – Bank borrowings	498,162	600	497,562	441,562	56,000
Hotels in Europe – Bank borrowings	168,559	1,704	166,854	86,966	79,889
Hotels in Europe – Other	17,753	0	17,753	17,581	172
German Residential – Bank borrowings	1,145,543	17,579	1,127,964	380,440	747,524
German Residential – Other	48	2	46	9	38
Total borrowings and convertible bonds	2,349,381	221,935	2,127,446	1,036,780	1,090,666
France Offices – Bonds	1,759,308	0	1,759,308	0	1,759,308
Italy Offices – Bonds	1,060,692	0	1,060,692	425,000	635,692
Italy Offices – Securitisation	3,977	3,977	0	0	0
Hotels in Europe – Bonds	736,553	186,553	550,000	550,000	0
Total debts represented by securities	3,560,530	190,530	3,370,000	975,000	2,395,000
Floating-rate financial liabilities	6,391,101	1,376,068	5,015,034	2,772,867	2,242,167
France Offices – Bank borrowings	879,808	5,775	874,033	591,033	283,000
Italy Offices – Bank borrowings	608,907	10,550	598,356	598,356	0
Germany Offices – Other	867	867	0	0	0
Hotels in Europe – Bank borrowings	1,980,116	20,141	1,959,975	991,195	968,780
German Residential – Bank borrowings	1,439,003	33,335	1,405,668	415,282	990,387
Total borrowings and convertible bonds	4,908,701	70,668	4,838,034	2,595,867	2,242,167
France Offices – Treasury bills	1,482,400	1,305,400	177,000	177,000	0
Total debts represented by securities	1,482,400	1,305,400	177,000	177,000	0
TOTAL	12,301,012	1,788,533	10,512,480	4,784,647	5,727,832

* The ORNANE bonds are presented at nominal value.

Debt by operating segment as at 31 December 2020 (in €M)



3.2.5.11.4 Convertible bonds

Italy Offices

The ORNANE is a hybrid instrument and is recognised as a Host contract (debt at amortised cost) and as an embedded derivative (financial instrument at fair value through the income statement).

At 31 December 2020, the Ornane derivative maturing in 2021 of Covivio in Italy was valued at €0.4 million.

The features of the convertible bond issue are as follows:

Features	ORNANE-type bonds Italy Offices
Issue date	08/2015
Issue amount (in €M)	200
Issue price (in €)	100
Conversion price	107.289
Nominal rate	0.875%
Maturity	02/2021
Number of convertible bonds issued	2,000,000
Number of convertible bonds at 31 December 2019	2,000,000
Number of convertible bonds at 31 December 2020	2,000,000
Number of potential shares	1,864,129

3.2.5.11.5 Derivatives

Derivative instruments consist mainly of rate hedging instruments put in place as part of the Group's interest rate hedging policy.

Fair value of net derivative instruments:

(In € thousand)	31-Dec.-19 Net	First time consolidation – Change in consolidation method	Premiums – Restructuring balances	Impact on P&L	Impact on shareholders' equity	31/12/2020 Net
France Offices	-141,224		44,981	-43,527		-139,770
Italy Offices	-20,845			-3,415	-3,309	-27,569
Germany Offices		-3,075		712		-2,363
ORNANE-type bonds Italy Offices	-3,436			3,347		-89
Hotels in Europe	-89,026		10,668	-46,018	18,226	-106,150
Germany Residential	-33,825		6,721	-26,584		-53,688
TOTAL	-288,356	-3,075	62,370	-115,486	14,917	-329,629
				Of which	Cash instruments – Liabilities	-429,008
					Cash instruments – Assets	99,379

The total impact of the value adjustments on the derivatives on the income statement was -€115.5 million.

It mainly consists of changes in the value of IFTs (-€118.8 million) and the change in value of the ORNANE (+€3.3 million). In accordance with IFRS 13, the fair values include the counterparty default risk (€8.9 million).

The Germany Offices line corresponds to the fair value measurement of fixed-rate debts on the acquisition date in accordance with IFRS 3.

The impact on equity of +€18.2 million on the Hotels in Europe line corresponds to the change in the exchange rate of Cross Currency Swaps used to hedge the investments in the United Kingdom.

The "Unrealised gains and losses relating to changes in fair value" line item in the Statement of Cash Flows (-€12.7 million), which makes it possible to calculate cash flows from operating activities, mainly incorporates the impact of changes in the value of cash instruments and the ORNANE (+€115.5 million), and the change in the value of the portfolio (-€128.2 million).

Breakdown of hedging instruments by maturity of notional values

(In € thousand)	At 31 Dec. 2020	At less than one year	From 1 to 5 years	At more than 5 years
Fixed hedge				
Fixed rate payer swap	5,097,897	-295,750	1,584,068	3,809,579
Fixed rate receiver swap	2,908,344	650,000	975,000	1,283,344
Total swap	2,189,553	-945,750	609,068	2,526,235
Optional hedge				
Cap purchase	889,457	202,637	649,300	37,520
Floor purchase	52,525	732	23,793	28,000
Floor sale	51,000	0	51,000	0
TOTAL	8,999,223	557,619	3,283,161	5,158,443

Hedge balance as at 31 December 2020

(In € thousand)	Fixed rate	Floating rate
Loans and borrowings (including creditor banks)	5,909,911	6,403,668
NET FINANCIAL LIABILITIES BEFORE HEDGING	5,909,911	6,403,668
Fixed hedge – Swaps		-2,189,553
Optional hedge – Caps		-889,457
Total hedges		-3,079,010
NET FINANCIAL LIABILITIES AFTER HEDGING	5,909,911	3,324,658

3.2.5.11.6. Rental liabilities

The balance of rental liabilities as at 31 December 2020 stood at €297.6 million, up from €269.1 million at 31 December 2019, an increase of €28.5 million. This increase is mainly due to the recognition of a lease liability of €20.5 million on the Germany Offices segment following the acquisition of Covivio Office (long-term lease of the Frankfurt Airport Center asset measured at fair value, contracts, rental of premises and company vehicles)

and € 19.6 million in the Hotels in Europe segment following the acquisition of eight hotels in September 2020 (long-term leases for the Palazzo Naiadi and Plaza Nice assets). Exchange rate fluctuations related to long-term leases in the United Kingdom amounted to -€8.6 million.

At 31 December 2020, the interest expense relating to these rental liabilities was €14.0 million.

Breakdown of rental liabilities by maturity

(In € thousand)	At 31 Dec. 2020	At less than one year	From 1 to 5 years	From 5 to 25 years	At more than 25 years
RENTAL LIABILITIES	297,621	15,994	43,142	38,701	199,784

3.2.5.11.7 Banking covenants

Excluding debts raised without recourse to the Group's real estate 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 in Group Share for Covivio and for Covivio Hotels.

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

The most restrictive consolidated LTV covenants amounted to 60% for Covivio and Covivio Hotels at 31 December 2020.

The most restrictive consolidated ICR covenants amounted to 200% for Covivio and Covivio Hotels at 31 December 2020. As a

precaution, Covivio Hotels has requested and obtained a waiver from its lenders for a suspension of the ICR covenant as at 31 December and 30 June 2021.

Concerning Covivio, corporate credit facilities usually include an asset-secured debt covenant (100% scope), the cap on which is set at 25% and which measures the ratio of secured debt (or debt with guarantees of any kind) to asset value.

Covivio group's banking covenants were fully complied with at 31 December 2020, as they stood at 44.1% for Group Share LTV, 605% for Group Share ICR, and 4.7% for the asset-secured debt ratio.

No financing has an accelerated payment clause contingent on Covivio or Covivio Hotels' rating, which is currently BBB+, stable outlook (Standard & Poor's rating).

Consolidated LTV	Company	Scope	Covenant	Ratio
€300 M (2016) – Orange	Covivio	France Offices	≤ 60%	in compliance
€255 M (2012) – Mortgage bond	Covivio Hotels	Hotels in Europe	≤ 65%	in compliance
€447 M (2013) – REF II	Covivio Hotels	Hotels in Europe	< 60%	in compliance
€130 M (2019) – REF I	Covivio Hotels	Hotels in Europe	≤ 60%	in compliance
€200 M (2015) – Private investment	Covivio Hotels	Hotels in Europe	≤ 60%	in compliance
€279 M (2017) – Roca	Covivio Hotels	Hotels in Europe	< 60%	in compliance
£400 M (2018) – Rocky	Covivio Hotels	Hotels in Europe	< 60%	in compliance
€100 M (2020) – Roco	Covivio Hotels	Hotels in Europe	≤ 60%	in compliance

Consolidated ICR	Company	Scope	Covenant	Ratio
€300 M (2016) – Orange	Covivio	France Offices	≥ 200%	in compliance
€255 M (2012) – Mortgage bond	Covivio Hotels	Hotels in Europe	≥ 200%	in compliance
€447 M (2013) – REF II	Covivio Hotels	Hotels in Europe	> 200%	in compliance
€130 M (2019) – REF I	Covivio Hotels	Hotels in Europe	> 200%	in compliance
€200 M (2015) – Private investment	Covivio Hotels	Hotels in Europe	≥ 200%	in compliance
€279 M (2017) – Roca	Covivio Hotels	Hotels in Europe	> 200%	in compliance
£400 M (2018) – Rocky	Covivio Hotels	Hotels in Europe	> 200%	in compliance
€100 M (2020) – Roco	Covivio Hotels	Hotels in Europe	≥ 200%	in compliance

As part of the mortgage financing, these covenants, moreover, most often include specific covenants for the scopes financed. The purpose of these covenants, generally scope LTV, is mainly to limit the use of financing lines by correlating it with the value of the underlying assets provided as collateral.

3.2.5.12 Provisions for risks and charges

3.2.5.12.1 Accounting principles applicable to provisions for contingencies and losses

Retirement commitments

The retirement commitments are recognised in accordance with revised IAS 19. Provisions are recorded on the balance sheet for the liabilities arising from defined benefits pension schemes for existing staff at the reporting date. They are calculated according to the projected credit units method based on valuations made at each reporting date. The past service cost corresponds to the benefits granted, either when the company adopts a new defined benefits scheme, or when it changes the level of benefits of an existing scheme. When new benefits are granted upon adoption of a new scheme or change in an existing scheme, the past service cost is immediately recognised in the income statement.

Conversely, when the adoption of a new scheme or change in an existing scheme gives rise to the vesting of benefits after its implementation date, the past service costs are recognised as an expense on a straight-line basis over the average remaining period until the benefits become fully vested. Actuarial gains and losses result from the effects of changes in actuarial assumptions and experience adjustments (differences between actuarial assumptions and what has actually occurred). The change in these actuarial gains and losses is recognised in "Other items" of comprehensive income.

The expense recognised in operating income includes the cost of the services rendered during the year, amortisation of past service costs and the effects of any reduction or liquidation of the scheme; the cost of discounting is recognised in net financial income. The valuations are made taking into account the Collective Agreements applicable in each country and in keeping with the various local regulations. For each employee, the retirement age is the social security eligibility age.

3.2.5.12.2 Provisions

(In € thousand)	31/12/202019	Scope change	Charges	Reclustering	Change in actuarial gains and losses	Reversal of provision		31/12/2020
						Used	Unused	
Other provisions for litigation	2,727	347	284	0		-460	-15	2,883
Provisions for taxes	8,325	0	18,348	0		-156	-45	26,472
Provisions for renovating sites	2,566	0	50	0		0	0	2,616
Other provisions	3,827	530	909	0		-1,308	-941	3,017
Provisions sub-total – current liabilities	17,445	877	19,591	0	0	-1,924	-1,001	34,988
Provisions for retirement benefit	54,918	302	1,777	0	572	-1,729	-54	55,786
Provisions for long-service awards	1,446	0	244				-10	1,680
Provisions sub-total – non-current liabilities	56,364	302	2,021	0	572	-1,729	-64	57,466
TOTAL PROVISIONS	73,809	1,179	21,612	0	572	-3,653	-1,065	92,454

The provisions for litigation are broken down into €1.9 million for France Offices, €0.3 million for Italy Offices, and €0.7 million for Hotels in Europe.

Provisions for taxes concern German Residential for €17.7 million, Hotels in Europe for €7.8 million (tax risks on the German portfolio of the Operating Properties business), Italy Offices for €0.8 million and Germany Offices for €0.2 million.

The provision for retirement indemnities totalled €55.8 million as at 31 December 2020 (of which €51 million for German Residential).

The main actuarial assumptions used to estimate the commitments in France were as follows:

- rate of pay increase: managers 4%, non-managers 3%
- discount rate: 0.11% (TEC 10 n +50 bps).

The main actuarial assumptions used to estimate the commitments in Germany were as follows:

	German Residential		Germany Offices	
Assumptions used in calculating provisions for retirement benefit obligations in Germany	31/12/2020	31/12/202019	31/12/2020	31/12/202019
Discount rate	0.85%	1.0%	0.45%	0.65%
Annual wage growth	2.5%	2.5%	1.25%	1.75%
Rate of social security charges	1%/2%	1%/2%		
Impact of provisions for retirement benefits on the income statement (in € thousand)				
Cost of services rendered during the year	-613	-541	0	0
Financial cost	-501	-872	-1	-2
Effects of plan reductions/settlements	0	0	0	0
TOTAL IMPACT ON THE INCOME STATEMENT	-1,114	-1,413	-1	-2

3.2.5.13 Other short-term liabilities

(In € thousand)	31/12/2020	31/12/202019	Change
Social debt	36,687	33,408	3,279
Tax payables	25,391	136,365	-110,974
Current accounts – liabilities	335	173	162
Dividends to be paid	27	44	-17
Other liabilities	48,832	41,847	6,985
TOTAL	111,272	211,837	-100,566

The change in tax liabilities of -€111 million is mainly related to the non-offsetting in 2019 of the asset-liability positions of the property development activity (-€77.5 million).

The +€6.9 million change in other debt includes the advances paid on work on assets under development and the costs linked to the sales in Italy Offices (+€7.5 million).

3.2.5.14 Recognition of financial assets and liabilities

Categories according to IFRS 9	Relevant item in the statement of financial position	31 Dec. 20 Net	Amount given in the assessed Statement of Financial Position (in € thousand):			At fair value
			At amortised cost	At fair value through shareholders' equity	At fair value through the income statement	
Assets at amortised cost	Non-current financial Assets	17,215	17,215			17,215
Loans and receivables	Non-current financial Assets	265,055	265,055			265,055
	Total non-current financial Assets	282,270	282,270			282,270
Loans and receivables	Trade receivables ⁽¹⁾	233,722	233,722			233,722
Assets at fair value through profit or loss	Derivatives at fair value through profit or loss	99,379			99,379	99,379
Assets at fair value through profit or loss	Cash and cash equivalents	577,180			577,180	577,180
TOTAL FINANCIAL ASSETS		1,192,551	515,992	0	676,559	1,192,551
Liabilities at fair value through profit or loss	Ornane-type Bonds	200,089	199,685		404	200,241
Liabilities at amortised cost	Financial payables	12,101,012	12,101,012			12,345,134 ⁽²⁾
Liabilities at fair value through profit or loss	Financial instruments (excluding Ornane)	428,919		11,457	417,462	428,919
Liabilities at amortised cost	Security deposits	24,689	24,689			24,689
Liabilities at amortised cost	Trade payables	217,971	217,971			217,971
TOTAL FINANCIAL LIABILITIES		12,972,680	12,543,357	11,457	417,866	13,216,954

(1) Excluding deductible.

(2) The difference between the net book value and the fair value of the fixed rate debt is €244,122 million.

Breakdown of financial assets and liabilities at fair value

The table below presents the financial instruments at fair value broken down by level:

- level 1: financial instruments listed in an active market
- level 2: financial instruments whose fair value is evaluated through comparisons with observable market transactions on similar instruments or based on an evaluation method whose variables include only observable market data
- level 3: financial instruments whose fair value is determined entirely or partly by using an evaluation method using an estimate that is not based on market transaction prices on similar instruments.

(In € thousand)	Level 1	Level 2	Level 3	Total
Derivatives at fair value through profit or loss		99,379		99,379
Money-market securities available for sale		577,180		577,180
Total financial Assets	0	676,559	0	676,559
Ornane-type Bonds	200,241			200,241
Derivatives at fair value through profit or loss		428,919		428,919
Total financial Liabilities	200,241	428,919	0	629,160

3.2.6 Notes to the statement of net income

3.2.6.1 Accounting principles

Rental income

According to the presentation of the income statement, rental income is treated as revenues. Revenues from hotels under management and Flex Office, car park receipts, property development, and services are now shown in specific lines of the statement of net income, after net rental income.

As a general rule, invoicing is quarterly. The rental income of investment properties is recognised on a straight-line basis over the term of the ongoing leases. Any benefits granted to tenants (rent-free periods, step rental leases) are amortised on a straight-line basis over the duration of the lease agreement, in compliance with IFRS 16, and offset against investment properties

Share-based payments (IFRS 2)

The application of IFRS 2 has resulted in the recognition of an expense for benefits granted to employees as share-based payments. This expense is recorded in income for the year under overheads.

Free shares are valued by Covivio at the date of their award according to a binomial valuation model. This model takes into account the features of the plan (price and exercise period), market data upon award (risk free rate, share price, volatility and expected dividends), and assumptions of beneficiary behaviour. The benefits thus granted are recognised as expenses over the vesting period, and offset by an increase in the consolidated reserves.

3.2.6.2 Operating income

3.2.6.2.1 Rental income

Rental income amounted to €866.8 million as at 31 December 2020, versus €961.3 million at 31 December 2019, up by -€94.5 million.

(In € thousand)	31/12/2020	31/12/2019	Change	Change (in %)
France Offices	237,300	257,275	-19,975	-7.8%
Italy Offices	172,007	201,817	-29,810	-14.8%
Germany Offices	49,784	1,070	48,714	n.a.
Total Offices rental income	459,091	460,162	-1,071	-0.2%
Hotels in Europe	151,296	245,418	-94,122	-38.4%
German Residential	256,046	250,728	5,318	2.1%
Other (including French Residential)	403	5,012	-4,609	-92.0%
TOTAL RENTAL INCOME	866,836	961,320	-94,484	-9.8%

The rental income consists of rental and similar income (e.g. occupancy fees and entry rights) invoiced for investment properties during the period. Rent exemptions, step rental schemes and entry rights are spread out over the fixed term of the lease.

The changes in rents by asset-type break down as follows:

- a decrease in rental income from France-Offices (-7.8%), mainly due to the impact of asset disposals (-€13.5 million) and vacancies (-€5.2 million) fuelling the development pipeline, partially offset by the delivery of assets under development in 2019 and 2020 (+€1.8 million)
- a decrease in rental income from Italy Offices (-14.8%), mainly due to disposals (-€24.6 million) and releases (-€7.9 million), reduced by the impact of deliveries (+€5.0 million)
- an increase in rents for Germany Offices following the acquisition of Covivio Office in 2020 (+€48.7 million)
- a decrease in rents for Hotels in Europe (-€94.1 million, i.e. -38.4%), mainly due to the impact of the Covid-19 crisis (hotel closures) on variable Accor rents (-€41.0 million) and fixed rents in the United Kingdom due to the activation of the major underperformance clause (-€42.8 million). Disposals of assets also led to a decrease in rent (-€15.1 million) mainly related to the B&B assets in France sold in 2019. This decrease is reduced slightly by acquisitions and deliveries of development projects (+€10.4 million)

- an increase in rental income from German Residential (+2.1%) following acquisitions (+€3.8 million), and reletting/indexing (+€8.9 million), mitigated by disposals (-€3.6 million)
- a -92.0% decrease in the Other (French Residential) segment due to disposals and assets made vacant with a view to disposal.

Rental income for the year 2020 by Operating segment (in €M)



3.2.6.2.2 Property costs

(In € thousand)	31/12/2020	31/12/2019	Change	Change (in %)
Rental income	866,836	961,320	-94,484	-9.8%
Rebillable expenses	-142,623	-129,696	-12,927	10.0%
Income from rebilling of expenses	142,623	129,696	12,927	10.0%
Unrecovered property operating costs	-36,489	-37,007	517	-1.4%
Expenses on properties	-29,389	-30,951	1,562	-5.0%
Net losses on unrecoverable receivables	-24,882	-4,550	-20,332	n.a.
NET RENTAL INCOME	776,076	888,813	-112,736	-12.7%
Rate for property expenses	-10.5%	-7.5%		

Unrecovered rental costs: These expenses correspond to charges on vacant premises. Unrecovered rental expenses are presented net of re-invoicing to the income statement. In accordance with IFRS 15.113, income from re-invoicing of rental expenses is presented separately above when the company acts as principal.

Expenses on properties: these consist of rental expenses that are borne by the owner, expenses related to works and expenses related to property management.

Net losses on unrecoverable receivables: these consist of losses on unrecoverable receivables and net provisions on doubtful receivables. Fiscal year 2020 is impacted by impairments on doubtful receivables related to the Covid-19 crisis for an amount of -€3.5 million in Italy Offices, -€14.1 million in Hotels in Europe and -€2.1 million in German Residential.

3.2.6.2.3 EBITDA from Hotel Operating activity and Flex Office and Income from other activities

(In € thousand)	31/12/2020	31/12/2019	Change	Change (in %)
Revenues from Hotel Operating activity and Flex Office	102,090	243,223	-141,133	-58.0%
Operating expenses of Hotel Operating activity and Flex Office	-88,441	-168,170	79,729	-47.4%
EBITDA FROM HOTEL OPERATING ACTIVITY AND FLEX OFFICE	13,649	75,053	-61,404	-81.8%
Income from other activities	49,303	47,650	1,653	3.5%
Expenses of other activities	-22,867	-30,825	7,958	-25.8%
INCOME FROM OTHER ACTIVITIES	26,436	16,825	9,611	57%
TOTAL INCOME FROM OTHER ACTIVITIES	40,085	91,878	-51,793	N.A.

EBITDA from Hotel Operating activity and Flex Office consists of the EBITDA of the hotels under operation (€7.9 million versus €69.9 million as at 31 December 2019) and the income from Flex Office (€5.7 million versus €5.1 million as at 31 December 2019). The -€62.0 million slump in EBITDA from Hotel Operating activity is related to the closure of most of the Hotel Operating activity during the Covid-19 pandemic.

Income from other activities includes income from property development (€17.6 million) in Germany and income from car parks (€5.5 million). The decline of -€4.2 million in Parking income compared to 31 December 2019 reflects the decline in activity during the Covid-19 crisis.

3.2.6.2.4 Net cost of operations

These consist of head office expenses and operating costs net of revenues from management and administration activities.

(In € thousand)	31/12/2020	31/12/2019	Change	Change (in %)
Management and administration income	15,691	23,018	-7,327	-31.8%
Business expenses	-6,678	-7,467	790	-10.6%
Overheads	-125,522	-127,409	1,887	-1.5%
TOTAL NET OPERATING COSTS	-116,509	-111,859	-4,651	4.2%

The decrease in management and administration revenues of -€7.3 million is mainly due to commissions from business introducers in France Offices (-€4.2 million) and a decrease in services in Italy Offices due to the sale of Revalo (-€3.2 million), whose activity was property management on behalf of third parties.

Overheads include staff costs, which are described in a specific analysis under section 3.2.7.1.1.

3.2.6.2.5 Depreciation of operating assets and net change in provisions and other

(In € thousand)	31/12/2020	31/12/2019	Change
Depreciation of operating assets	-67,324	-65,004	-2,320
Net change in provision and other	4,388	12,830	-8,441

The Net change in provisions and other item includes the rebilling of long-term leases conferring ad rem rights to tenants (€2.9 million as at 31 December 2020 *versus* €8.9 million as at 31 December 2019) when the rental expense is restated. Indeed, in order not to distort the property expense ratio and following the cancellation of the rental expense in accordance with IFRS 16, the income from rebilling to tenants is presented as a net change in provisions and other. The change for the period is mainly due to

the absence of re-invoicing of long-term leases in the United Kingdom due to the application of the major underperformance clause.

The line "Net depreciation, amortisation and provisions" of the cash flow table of €95.9 million mainly includes a depreciation of operating assets of €67.3 million, a provision for taxes of €17.7 million and impairment of goodwill for €7.3 million.

3.2.6.3 Income from asset disposals

(In € thousand)	31/12/2020	31/12/2019	Change	Change (in %)
Income from asset disposals ⁽¹⁾	720,136	1,257,471	-537,335	-42.7%
Carrying value of investment properties sold ⁽²⁾	-721,355	-1,256,405	535,050	-42.6%
INCOME FROM ASSET DISPOSALS	-1,219	1,066	-2,285	-214%

(1) Sale price net of disposal costs

(2) Corresponds to the appraisal values published at 31 December 2019

Income from asset disposals by activity segment is shown in section 3.2.8.10. It should be noted that the income from the disposal of Italy Offices assets includes a price adjustment on the Galleria Excelsior asset sold in 2018 for -€4.5 million.

3.2.6.4 Change in the fair value of assets

(In € thousand)	31/12/2020	31/12/2019	Change
France Offices	97,444	231,040	-133,596
Italy Offices	-45,610	-9,617	-35,993
Hotels in Europe	-327,627	250,405	-578,032
German Residential	413,707	517,420	-103,713
Germany Offices	-9,700	15,282	-24,982
Other (including French Residential)	-25	-896	871
TOTAL CHANGE IN FAIR VALUE OF PROPERTIES	128,189	1,003,634	-875,445

The +€128 million positive change in the fair value of properties mainly relates to the German Residential portfolio for +€414 million (essentially assets located in Berlin) and France Offices for +€97 million. The Hotels in Europe segment recorded a decline of -€328 million in value mainly on assets in the United Kingdom and retail.

3.2.6.5 Income from disposal of securities

The result of the disposal of shares is mainly related to the disposal of Spree Wohnen 2 in German Residential in the amount of €11.9 million.

3.2.6.6 Income from changes in scope & other

Income from changes in scope corresponds mainly to the acquisition costs of consolidated equity investments, which, in accordance with IFRS 3 Business Combinations, must be recognised as expenses for the year. As of 31 December 2020, this mainly concerns the acquisition costs of Covivio Office for -€12.3 million and the adjustment of acquisition costs recorded in 2019 on the Roco portfolio following the processing of this transaction in asset deal.

The result of changes in the scope of consolidation also includes impairment of the goodwill of four hotels operated as operating properties for an amount of -€7.3 million.

The line "Impact of changes in the scope of consolidation related to investment activities" (§39 of IAS 7) of -€727.0 million corresponds mainly to the acquisition of Covivio Office (formerly Godewind Immobilien) for -€680.3 million, the acquisition of the Roco portfolio for -€60.1 million (provisional price after deduction of the advances paid in 2019) and the acquisition of companies in German Residential for -€61.5 million, offset by the sale of shares in Spree Wohnen 2 (+€77.5 million) and Revalo (+€3.8 million).

3.2.6.7 Cost of the net financial debt

(In € thousand)	31/12/2020	31/12/2019	Change	Change (in %)
Interest income on cash transactions	8,270	8,280	-9	-0.1%
Interest expense on financing operations	-136,397	-160,403	24,006	-15.0%
Regular amortisations of loan issue costs	-14,271	-13,920	-352	2.5%
Net expenses on hedges	-29,975	-43,589	13,614	-31.2%
COST OF NET DEBT	-172,373	-209,632	37,259	-17.8%
Average annual rate of debt	1.29%	1.55%		

Excluding costs to repurchase fixed-rate debt and penalties (€13.1 million at 31 December 2020 versus €33.2 million at 31 December 2019), the cost of debt declined by €17.1 million, under the effect of refinancings and restructured hedges.

3.2.6.8 Net financial income

(In € thousand)	31/12/2020	31/12/2019	Change	Change (in %)
Cost of net financial debt	-172,373	-209,632	37,259	-17.8%
Interest cost for rental liabilities	-14,030	-13,526	-503	3.7%
Change in the fair value of financial instruments	-118,839	-179,731	60,892	
Change in the fair value of the ORNANE	3,348	-16,652	20,000	
Changes in the fair value of financial instruments	-115,491	-196,383	80,892	n.a.
Net financial expenses from discounting	-353	-173	-180	
Foreign exchange gains and losses	264	-530	794	
Discounting and foreign exchange gains or losses	-89	-703	614	-87.4%
Exceptional amortisation of loan issue costs	-1,141	-10,626	9,485	-89.3%
Other	-29	-20	-9	42.9%
Exceptional amortisation of loan issue costs	-1,170	-10,646	9,476	-89.0%
TOTAL FINANCIAL INCOME	-303,152	-430,890	127,738	-29.6%

The drop in interest rates impacted the fair value of financial instruments by nearly -€115 million. As a result, the financial result was a net expense of -€303 million at 31 December 2020, compared with -€431 million at 31 December 2019.

3.2.6.9 Taxes payable and deferred tax liabilities

3.2.6.9.1 Accounting principles applicable to current and deferred taxes

SIIC tax regime (French companies)

Opting for the SIIC tax regime involves the immediate liability for an exit tax at the reduced rate of 19% on unrealised capital gains relating to assets and securities of entities not subject to corporation tax. The exit tax is payable over four years, in four instalments, starting with the year the option is taken up. In return, the company is exempted from income tax on the SIIC business and is subject to distribution obligations.

(1) Exemption of SIIC revenues

The revenues of the SIIC are exempt from taxes concerning:

- income from the leasing of assets
- capital gains realised on asset disposals, investments in companies having opted for the tax treatment or companies not subject to corporation tax in the same business, as well as the rights under a lease contract and real estate rights under certain conditions
- dividends of SIIC subsidiaries.

(2) Distribution obligations.

The distribution obligations associated with exemption profits are the following:

- 95% of the earnings derived from asset leasing
- 70% of the capital gains from disposals of assets and shares in subsidiaries having opted for the tax treatment or subsidiaries not subject to corporation tax with a SIIC corporate purpose for two years
- 100% of dividends from subsidiaries that have opted for the tax treatment.

The Exit Tax liability is discounted on the basis of the initial payment schedule determined from the first day the relevant entities adopted SIIC status.

The liability initially recognised is discounted and an interest charge is applied at each closing, allowing the liability to reflect the net discounted value as at the closing date. The discount rate used is based on the yield curve, given the deferred payment.

At 31 December 2020, there are no exit tax liabilities on the balance sheet.

Ordinary law regime and deferred taxes

Deferred taxes result from temporary differences in taxation or deduction and are calculated using the liability method, and on all temporary differences in the company financial statements, or resulting from consolidation adjustments. The valuation of the deferred tax assets and liabilities must reflect the tax consequences that would result from the method by which the company seeks to recover or settle the book value of its assets and liabilities at year-end. Deferred taxes are applicable to Covivio group entities that are not eligible for the SIIC tax regime.

A deferred tax asset is recognised in the case of deferrable tax losses in the likely event that the entity in question, not eligible for the SIIC regime, will have taxable future profits against which the tax losses may be offset.

In the case where a French company intends to opt directly or indirectly for SIIC tax treatment in the near future, an exception under the ordinary law regime is applied by anticipating the application of the reduced rate (exit tax) in the valuation of deferred taxes.

SIIC tax regime (Italian companies)

Following Beni Stabili's merger with Covivio, the tax arrangements for Covivio's permanent establishment in Italy changed after it left the SIIC tax regime. It is now subject to the 20% tax on real estate companies.

SOCIMI tax regime (Spanish companies)

The Spanish companies held by Covivio Hotels opted for the SOCIMI tax regime, effective on 1 January 2017. Opting for SOCIMI does not trigger an exit tax upon making the option. However, the capital gains on the period outside of the SOCIMI regime during which assets were held are taxable when disposing of said assets.

The rental income from the leasing of assets and proceeds from disposals of assets held under the SOCIMI regime are tax exempt, provided 80% of rental profits and 50% of asset disposal profits are distributed. These capital gains are determined by allocating the taxable gains to the period outside the SOCIMI regime in a linear basis, over the total holding period.

3.2.6.9.2 Taxes and theoretical tax rate by geographical area

(In € thousand)	Taxes payable	Deferred tax	Total	Deferred tax rate
France	-231	-184	-415	25.83% ⁽¹⁾
Italy	-454	-11,344	-11,798	20.00% ⁽²⁾
Germany	-32,216	-36,514	-68,730	15.83% ⁽³⁾
Belgium	-339	4,251	3,912	25.00% ⁽⁴⁾
Luxembourg	-374	-1,740	-2,114	24.94%
United Kingdom	-190	18,937	18,747	19.00%
Netherlands	-1,188	-308	-1,496	25.00% ⁽⁵⁾
Portugal	-331	-179	-510	22.50%
Spain	-1	1,203	1,202	25.00%
Ireland	-12	-59	-71	33.00% ⁽⁶⁾
Poland	0	-21	-21	9.00%
Hungary	180	0	180	9.00%
Czech Republic	-155	172	18	19.00%
TOTAL	-35,311	-25,786	-61,202	

(-) corresponds to a tax charge; (+) corresponds to tax income.

(1) In France, the tax rate for financial year 2020 is 28.9%. The tax rate will be 27.4% in 2021 and 25.83% from fiscal year 2022.

(2) Since the merger with Covivio and its exit from the SIIC regime, Covivio in Italy has been subject to a 20% tax rate.

(3) In Germany, the tax rate on property goodwill is 15.83%, however, for companies in the hotel operations business line, tax rates vary between 30.18% and 32.28%.

(4) In Belgium, the tax rate for the 2020 financial year is 25%.

(5) In the Netherlands, the rate for the 2020 financial year is 25%.

(6) In Ireland, the tax rate for the 2020 financial year 2020 is 12.5% for operating activities, 25% for holding companies and 33% for capital gains on disposals.

The income tax payable on disposals amounts to €25.9 million, including €16.1 million for the German Residential segment and €11.1 million for the Hotels in Europe companies (Germany portfolio).

Impact of deferred taxes on income

(In € thousand)	31/12/2020	31/12/2019	Change
Italy Offices	-11,344	-18,314	6,970
Germany Offices	-3,950	12	-3,962
Hotels in Europe	59,557	-2,200	61,758
German Residential	-70,131	-93,129	22,998
Other	82	-9	91
TOTAL	-25,786	-113,640	87,855

In Italy Offices, the deferred tax expense mainly relates to a change in the value of assets and SIINQ income that will become taxable when they are distributed to Covivio.

The deferred tax income of Hotels in Europe is linked to the decrease in the appraisal values of the hotel sector abroad, the capitalisation of tax losses carried forward on the Rock portfolio (operating activity) and the disposal of assets in Germany.

The deferred tax expense of German Residential and Offices mainly relates to an increase in the value of assets.

3.2.6.9.3. Tax proof

The management companies that opted for the SIIC/SOCIMI tax regime in previous years do not pay corporate income tax, except for those that also have a taxable business activity.

Net income before taxes and before income of equity affiliates is neutralised, including for their taxable activities and their transparent taxable subsidiaries.

Accordingly, the tax proof is required solely for taxable French and international companies.

Breakdown of tax by tax sector (In € thousand)	France (SIIC) Spain (SOCIMI)	France Common law	Foreign Common law	31/12/2020
Net income before tax, before income of equity affiliates	126,282	-16,800	343,680	453,162
Income tax expense recorded	10,344	-557	-32,479	-43,379

The actual tax expense recognised in the SIIC/SOCIMI tax segment includes deferred tax expenses of €11,395 thousand in Italy.

The tax expense due in the income statement of -€61,097 thousand includes a charge to tax provisions of €17,718 thousand in the German Residential segment.

(In € thousand)	31/12/2020
Net Income before tax	453,351
Share of income from equity affiliates	-189
Net income before tax, before income of equity affiliates	453,162
of which SIIC/SOCIMI companies	126,282
of which companies subject to tax	326,880
Theoretical tax rate of 28.924%	(a) -94,548
Impact of rate differentials	59,794
Impact of tax credits and fixed tax rates	-267
Impact of permanent differences	-21,525
Changed to prior year losses without DTA	679
Tax deficits without DTA	-9,391
Total tax impacts for the period	(b) 29,291
Impact of tax audits and taxes on prior years	(c) 32,221
INCOME TAX EXPENSE RECORDED	(A)+(B)+(C) -33,036
Overall effective tax rate	10.11%

3.2.7 Other information

3.2.7.1 Personnel remuneration and benefits

3.2.7.1.1 Staff costs

At 31 December 2020, personnel expenses amounted to €137.8 million (compared with €159.3 million at 31 December 2019), breaking down as follows:

(In € thousand)	31/12/2020	31/12/2019
EBITDA from Hotel Operating activity and Flex Office	-31,885	-56,264
Overheads ⁽¹⁾	-80,507	-82,259
Income from asset disposals	-3,090	-4,127
Total personnel expenses in the statement of net income	-115,482	-142,650
Development projects	-22,323	-16,642
Total capitalised personnel expenses	-22,323	-16,642
TOTAL PERSONNEL EXPENSES	-137,805	-159,292

(1) Of which free share expenses.

Personnel expenses included in the EBITDA from Hotel Operating activity and Flex Office item recorded a decrease of -€24.4 million related to the closure of some hotels during most of the second quarter and to the recourse to furlough measures. In this respect, the Group received grants amounting to approximately €14 million (short-time working, payment grants or exemption from employer contributions).

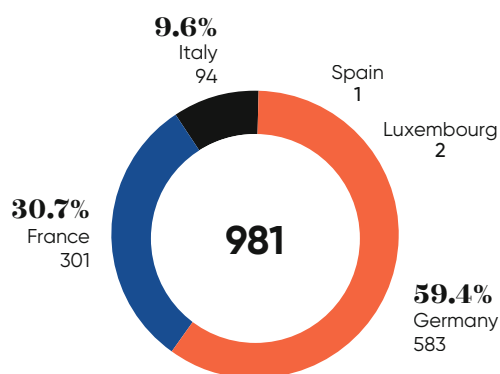
The Overheads item includes personnel expenses of €80.5 million, a decrease of €1.8 million compared to 31 December 2019.

However, the entry of Covivio Office had an impact of -€4.0 million on personnel expenses, offset by a decrease in free share expenses of +€1.4 million (expense calculated on the stock market price, down since 31 December 2019).

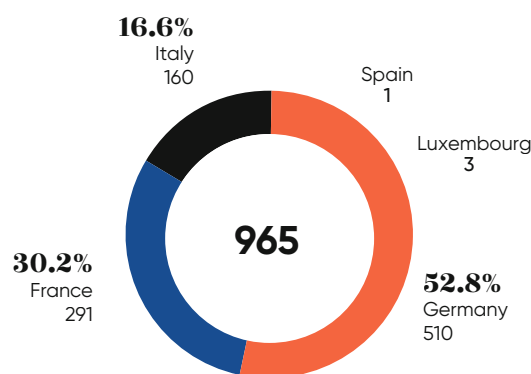
Headcount

At 31 December 2020, the headcount of fully consolidated companies, excluding companies in the Operating Properties business line, was 981 compared with 965 at 31 December 2019.

Headcount by country in number of employees



Headcount in 2020



Headcount in 2019

The average headcount during 2020 was 1,026 employees.

For the period, the companies in the Operating Properties business line had an average headcount of 1,074 people versus 1,481 as at 31 December 2019.

3.2.7.1.2 Description of share-based payments

Covivio awarded free shares in 2020. The following assumptions were made for the free shares:

Plan of 13 February 2020	French corporate officers – with performance conditions	French corporate officers – with performance conditions – internal Covivio criteria	German, Italian and French corporate officers and employees – without performance conditions	European corporate officers and employees – with performance conditions	European corporate officers – with performance conditions – internal Covivio criteria
Date awarded	13/02/2020	13/02/2020	13/02/2020	13/02/2020	13/02/2020
Number of shares awarded	14,874	14,874	16,103	21,750	21,750
Share price on the date awarded	€110.30	€110.30	€110.30	€110.30	€110.30
Exercise period for rights	3 year	3 year	3 year	4 year	4 year
Cost of forfeiture of dividends	-€20.00	-€20.00	-€20.00	-€20.00	-€20.00
Actuarial value of the share net of dividends not collected during the vesting period	€90.30	€90.30	€90.30	€90.30	€90.30
Revenue-related discount:					
In number of shares	2,382	2,382	2,579	4,486	4,486
As percentage of share price on the date awarded	16%	16%	16%	21%	21%
Value of the benefit per share	€59.14	€54.48	€72.63	€51.24	€50.66

Plan of 16 December 2020	Collective plan – Employees and Executives with no performance condition – Attribution plan	Collective plan – Employees and Executives without performance conditions – Retention plan
Date awarded	16/12/2020	16/12/2020
Number of shares awarded	77,825	19,500
Share price on the date awarded	€75.95	€75.95
Exercise period for rights	3 year	4 year
Cost of forfeiture of dividends	-€11.89	-€15.90
Actuarial value of the share net of dividends not collected during the vesting period	€64.06	€60.05
Revenue-related discount:		
In number of shares	12,842	3,884
As percentage of share price on the date awarded	17%	20%
Value of the benefit per share	€51.53	€44.92

In 2020, a total of 186,676 free shares were awarded (the number was unchanged at 31 December 2020 – No cancellations due to employee departures). As stated elsewhere, the corresponding expense is recognised in income over the entire vesting period.

The cost of the free shares recognised at 31 December 2020 amounted to €8,382 thousand, while the related social security contribution was €1,750 thousand (income). The decrease in social security (URSSAF) expenses is explained by the decrease in Covivio stock market price between 31 December 2019 (€101.20) and 31 December 2020 (€75.35), which serves as reference in the

calculation. In addition, the URSSAF expenses paid in March 2020 for the shares vested from the 2016 and 2017 plans was reclassified as free share expenses in the amount of €1,684 thousand. These expenses are presented in the income statement on the "Overheads" line.

The cost of the free shares includes the impact of the 2016 plan for €127 thousand, the 2017 plan for €1,334 thousand, the 2018 plan for €3,159 thousand, the 2019 plan for €2,370 thousand, and the 2020 plan for €1,392 thousand.

3.2.7.2 Earnings per share and diluted earnings per share

Earnings per share (IAS 33)

Basic earnings per share are calculated by dividing the income attributable to holders of ordinary Covivio shares (the numerator) by the average weighted number of ordinary shares outstanding (the denominator) over the period.

To calculate the diluted earnings per share, the average number of shares outstanding is adjusted to reflect the conversion of all dilutive potential ordinary shares, including free shares being vested and convertible bonds (ORNANE) type.

The impact of the dilution is only taken into account if it is dilutive.

The dilutive effect is calculated using the treasury stock method. The number calculated using this method is added to the average number of shares outstanding and becomes the denominator. To calculate the diluted earnings, the income attributable to the holders of ordinary Covivio shares is adjusted by:

- all dividends or other items under potentially dilutive ordinary shares that were deducted to arrive at the income attributable to the holders of ordinary shares
- interest recognised during the fiscal year to the potentially dilutive ordinary shares
- any change in the income and expenses resulting from the conversion of the dilutive potential ordinary shares.

	Net income
GROUP SHARE (IN €K)	359,767
Interest on Ornane-type bonds	1,750
Changes in the fair value of Ornane-type bonds	-3,348
GROUP SHARE AFTER CONVERSION OF ORNANE (IN €K)	358,169
Average number of undiluted shares	91,383,658
Impact of dilution – free shares⁽¹⁾	493,337
<i>Number of free shares⁽¹⁾</i>	<i>493,337</i>
Average number of shares diluted by free shares	91,876,995
Dilution impact of conversion of Italy 2021 Ornane-type bonds	1,864,129
<i>Conversion of Ornane-type bonds</i>	<i>1,864,129</i>
Average number of diluted shares after conversion of Ornane-type bonds	93,741,124
NET EARNINGS PER UNDILUTED SHARE (IN €)	3.94
Impact of dilution – free shares (in €)	-0.02
DILUTED EARNINGS PER SHARE OF FREE SHARES (IN €)	3.92
DILUTED EARNINGS PER SHARE OF FREE SHARES AND ORNANE (IN €)	3.82

(1) The number of shares being vested is broken down according to the following plans:

2018 plan	195,773
2019 plan	110,888
2020 plan	186,676
Total	493,337

In accordance with IAS 33 section 49 "Earnings per share", the impact from the dilution related to the conversion as at 1 January 2020 of the Italy ORNANE-type bonds maturing in 2021 is taken into account, because the latter is dilutive.

3.2.7.3 Off-balance sheet commitments

3.2.7.3.1 Commitments given

Fully consolidated companies

Off-balance sheet commitments given (In € million)	Delivery date	31-Dec-20	31/12/2019
Commitments related to consolidated companies		90.6	574.1
Commitments related to investments		0.0	573.3
Commitments given for specific transactions		90.6	0.0
Commitments given for disposal of equity interests – Liabilities guarantees		0.0	0.8
Commitments related to financing		6,694.0	5,911.8
Financial guarantees given (outstanding pledged debt)		6,694.0	5,911.8
Commitments related to operating activities		1,352.7	1,710.4
Commitments related to business development		770.7	1,129.3
Work commitments outstanding on assets under development ⁽¹⁾		702.0	994.0
Purchase commitments	2021	45.5	5.0
Bank guaranties and other guaranties given		23.1	130.3
Commitments given related to the implementation of operating contracts		246.6	256.7
Work commitments outstanding on investment properties ⁽²⁾		221.9	230.9
Other contractual commitments given in "rental income owed"	2037 - 2051	24.7	25.8
Commitments related to asset disposals		335.4	324.3
Preliminary sale agreements given		335.4	324.3

(1) Work still to be undertaken on buildings under development:

(In € million)	Cost of works budgets signed	Amounts of works recognised	Total works commitment outstanding	Delivery date
Jean Goujon	45.3	11.0	34.2	2022
Levallois Alis	64.0	13.1	50.9	2022
N2 Batignolles	93.6	21.7	71.9	2022
Lyon Silex second tranche	171.6	134.4	37.2	2021
Montrouge Flow	90.6	73.6	17.1	2021
Paris So Pop	164.8	47.4	117.3	2022
Meudon Opale	128.9	14.1	114.8	2022
DS Campus extension	152.5	7.4	145.1	2023
Montpellier Orange	45.1	31.7	13.4	2021
Montpellier Batiment de service Rie	19.1	16,2	2,9	2021
Total France Offices	975.5	370.6	604.9	
Milan, Symbiosis – Building D	53.9	22.7	31.1	2021
Milan, via Schievano – Building B	33.9	30.1	3.7	2021
Milan, via Unione / via Torino	7.4	1.0	6.4	2022
Milan, Corso Italia	30.6	0.4	30.1	2023
Milan, via Schievano – Building C	11.6	8.2	3.5	2021
Total Italy Offices	137.3	62.5	74.8	
Plaza Nice	45.1	22.8	22.3	2021
Total Hotels in Europe	45.1	22.8	22.3	
TOTAL	1,157.9	455.9	702.0	

(2) Work still to be undertaken on investment properties, operating properties and inventory:

(In € million)	Cost of works budgets signed	Amounts of works recognised	Total works commitment outstanding	Delivery date
3 housing development assets	44.4	17.6	26.8	2021-2022
Paris Gobelins	22.5	16.4	6.1	2021
Total France Offices	66.8	34.0	32.9	
Padua-Zabarella	7,7	6,0	1,7	2023
Milan, Symbiosis - Building F	60.4	2.8	57.6	2023
Total Italy Offices	68,1	8.8	59.3	
AccorHotels hotels	10.3	9.6	0,7	2021
AccorHotels 2021-2026	8,2	0,0	8,2	2026
Hotels (Roco)	26.3	9.3	17.1	2022
B&B Hotels	57.5	56.8	0,7	2021
Total Hotels in Europe	102,3	75.6	26.7	
Projects Residential (mainly in Berlin)	225,8	122,7	103,1	2021-2023
TOTAL GERMAN RESIDENTIAL	225,8	122,7	103,1	
GRAND TOTAL	463.1	241.2	221.9	

Other commitments given related to consolidated companies

Other commitments:

- under its SIIC status, the Group has specific obligations, as set out in Section 3.2.6.9.1
- under the free share plans awarded (see Section 3.2.7.2), Covivio has undertaken to deliver (through acquisition or creation) 493,337 shares to the beneficiaries present at the end of the vesting period.
- the Central Facilities of the Sunparks asset were contributed to Foncière Vielsalm Loisirs, of which Covivio Hotels holds 35.7% of the share capital but only 2.7% of the voting rights with the possibility for Covivio Hotels to exercise a put option at the end of the 10th year.
- as part of the partnership with ACM VIE in the SCIs 9 and 15 rue des Cuirassiers (with the Silex properties), Covivio granted a guaranteed return dated 7 December 2017, which works as follows:
 - 2.80% per year beginning 7 December 2017 and ending at the close of the Silex 2 incentive period, or sixteen (16) months after delivery, for up to a minimum of fifty-four (54) months from the signing of this guarantee;
 - this is after deducting any money paid by one of the SCIs to ACM VIE as a dividend (or interim dividend), repayment of premium, or interest during the guaranteed return period;
 - in the event that subsequent to the end of the term of this guarantee, money is paid by the SCIs to ACM VIE, the partner would have to pay back these amounts to Covivio within ten (10) working days of their receipt.

Companies consolidated by the equity method

Information is presented for the Group Share.

Off-balance sheet commitments given (In € million)	Delivery date	31-Dec-20	31/12/2019
Commitments related to consolidated companies		0.0	0.0
Commitments related to investments		0.0	0.0
Commitments given for specific transactions		0.0	0.0
Commitments related to financing		144.0	154.4
Financial guarantees given		144.0	154.4
Commitments related to operating activities		0.0	14.1
Financial instruments concluded for the reception or delivery of non financial elements (contracts "own use")		0.0	0.0
Commitments related to operating activities		0.0	14.1
Work commitments outstanding on assets under development		0.0	14.1
Bank guaranties and other guaranties given		0.0	0.0
Commitments given related to the implementation of operating contracts		0.0	0.0
Work commitments outstanding on investment properties		0.0	0.0
Exercise of finance lease options		0.0	0.0

3.2.7.3.2. Commitments received

Fully consolidated companies

Off-balance sheet commitments received (In € million)	Delivery date	31-Dec-20	31/12/2019
Commitments related to consolidated companies		0.0	0.0
Other		0.0	0.0
Commitments related to financing		1,748.9	1,517.3
Financial guarantees received (authorised lines of credit not used)		1,748.9	1,517.3
Commitments related to operating activities		6,747.0	6,530.0
Other contractual commitments received related to the activity "Rent to be collected" ⁽¹⁾		4,920.5	3,713.4
Assets received in pledge, mortgage or collateral, as well as guarantees received		521.7	684.8
Other contractual commitments received related to activity	2020	0.0	4.3
Preliminary sale agreements received		335.4	324.3
Works commitment outstanding (fixed assets) = (1) + (2) commitments given		923.9	1,224.9
Purchase commitment (fixed assets)		45.5	578.3

(1) Other contractual commitments received related to the "Rent to be collected" activity:

(In € million)	France Offices	Italy Offices	Germany offices	Hotels in Europe	Total
Under 1 year	194.4	15.5	40.8	200.7	451.3
1 to 5 years	552.2	34.6	111.7	960.2	1,658.8
Over 5 years	149.5	117.0	60.9	2,483.0	2,810.4
TOTAL	896.1	167.1	213.4	3,643.8	4,920.5

These are minimum payments to be received for non-cancellable operating leases.

Companies consolidated by the equity method

Information is presented for the Group Share.

Off-balance sheet commitments received (In € million)	Delivery date	31-Dec-20	31/12/2019
Commitments related to consolidated companies		0.0	0.0
Commitments given for specific transactions		0.0	0.0
Commitments related to financing		8.4	8.8
Commitments related to financing not specifically required by IFRS 7		0.0	0.0
Financial guarantees received (authorised lines of credit not used)		8.4	8.8
Commitments related to operating activities		14.8	54.5
Assets received in pledge, mortgage or collateral, as well as guarantees received		14.8	40.4
Works commitment outstanding (fixed assets) = (1) + (2) commitments given		0.0	14.1

Commitments on operating leases

General overview of the main provisions of simple operating lease agreements.

France Offices

Lease types	France Offices	
	Orange	Other Offices
Conditions for renewal	Proposed 6 month renewal or 12 months depending on the lease before lease maturity	Proposed 6 month renewal or 12 months depending on the lease before lease maturity
Indexing clauses	ILAT	ICC/ILAT
Term	3-6-9-12 years	3-6-9-12 years

The firm residual duration of leases of France Offices was 4.6 years, as at 31 December 2019.

Italy Offices

Lease types	Italy Offices	
	Telecom Italia	Other offices
Conditions for renewal	Proposal for renewal 12 months before the expiration of the lease.	Proposal for renewal 12 months before the expiration of the lease.
Indexing clauses	ISTAT Index	ISTAT Index
Term	6-7-9-12 years	6-7-9-12 years

The firm residual duration of leases of the Italy Offices was 7.4 years compared to 7.2 years at 31 December 2019.

Germany offices

Lease types	Germany offices
Conditions for renewal	Proposed 6 or 12 month renewal before lease maturity
Indexing clauses	VPI Index
Term	3-5-10 years

The firm residual duration of leases of the German Offices was 4.9 years at 31 December 2020.

Hotels in Europe

Lease types	Hotels: AccorHotels	Sunparks	NH (Italy, Czech Republic, Hungary and France)
Conditions for renewal	France • Lessor commitment to offer three renewals • Termination notice with a renewal offer to be sent 18 months before the end of the lease, with a response period of six months, for lessee to accept or decline it. • Renewal for 12 years with three-year termination option Belgium • Proposal of three renewals of 12 years under the same conditions as the initial lease • The Lessee may issue a notice of termination six months before end of lease.	• Two first renewals by the lessee • Renewal for a firm term of ten years • Request for renewal to be made by the lessee no later than 15 months before the end of the lease.	• Automatic renewal for 15 years upon expiry of the lease except in the event of termination by the lessee 18 months before the term expires. • Right of first offer
Indexing clauses	Based on Hotel revenues	In line with the change in the healthcare index published by Moniteur Belge	100% of CPI (of the country)
Term	12 years firm	15 years firm	15 years firm

Lease types	Courtepaille restaurants	Jardiland	Meininger France
Conditions for renewal	• Prior notice for non-renewal by the lessee or the lessor 12 months before the end of the lease • If renewed, it will be at the last indexed rent for a period of nine years with the possibility of three-year termination	• Lessor commitment to propose two renewals as long as the tenant is a member of the Jardiland group • 1st renewal for nine years, of which six years are firm, second renewal for nine years with the option of three-year termination • Renewal at last indexed rent • Notice for non-renewal of 9 months before the expiry of the lease	• Commitment by lessor to offer renewal • Termination with renewal offer to be sent 24 months before the expiry of the lease, lessee response period of six months. • Lease renewed for nine years firm under the same conditions and charges as the initial lease. • For the following renewals, 18 months' notice must be respected
Indexing clauses	In line with the change in the commercial rent index (ILC)	In line with the change in the commercial rent index (ILC)	In line with the change in the commercial rent index (ILC)
Term	Leases for 6-12 years or 12 years firm	Leases for 6-12 years, 6-9-12 years or 12 years firm	12 years firm

Lease types	B&B Hotels France	B&B Hotels Spain	B&B Hotels Poland
Conditions for renewal	Renewable twice at last indexed rent for 12 years, then once for 9 years (with the option to terminate every 3 years)	• Renewable twice for 15 years on the tenant's request	• An automatic renewal for a period of six years, except in the event of termination by the lessee 24 months before the term. • Right of first refusal
Indexing clauses	In line with the change in the commercial rent index (ILC)	Based on the Spanish CPI	100% of the Polish CPI
Term	12 years firm	22 years firm	24 years firm + 6 years by amendment

Lease types	NH Hotels	Porte dorée Motel One Hotels	Motel One Hotels Germany
Conditions for renewal	• Renewal at the end of the lease • Four renewal options for ten years	• Lessor commitment to propose a renewal for a period of 12 years • Termination with renewal offer to be made 24 months before the end of the lease • Prior notice for non-renewal by the lessee no later than 18 months before the end of the lease	• An option to renew at the end of the 25 years, for five years (on the request of the tenant, who must notify the lessor in writing 24 months before the end of the lease).
Indexing clauses	In line with the change in the consumer price index (CPI)	In line with the change in the commercial rent index (ILC)	100% of the German CPI
Term	20 years firm	25 years firm	25 years firm

Lease types	Bardiomar	Trade Center Hotel	Rocatierra
Conditions for renewal	Not applicable	Not applicable	Not applicable
Indexing clauses	Variable rent with minimum guarantee.	100% of the Spanish CPI	100% of the Spanish CPI + Variable depending on revenue
	Variable depending on revenue		
Term	45 years firm	20 years firm	1 to 35,6 years firm

Lease types	B&B Hotels Germany	B&B Hotels Germany 2	B&B Hotels Germany 3
Conditions for renewal	• Two renewal options for 5 years under the same conditions and charges • One option for some assets - Zero for others • Right of first refusal + Preferential right	• Two possible extensions of five years, depending on assets • Right of first refusal + Preferential right	• No renewal option • Right of first refusal
Indexing clauses	100% of the German CPI	100% of the German CPI	85% of German CPI + variable depending on hotel results
Term	29 years firm 29 to 33 years +10 months firm	29 years firm	31 years + 8 months firm

Lease types	Hotels in United Kingdom	NH Germany Hotels 1	NH Amsterdam centre Hotels
Conditions for renewal	• No renewal option • Right of first offer	• Renewal at expiration of the lease - Four renewal options for ten years • Right of first offer	• Renewal at expiration of the lease - Four renewal options for ten years • Right of first offer
Indexing clauses	100% of the English CPI	75% of the German CPI	100% of the Netherlands CPI
Term	25 years firm	20.5 years firm	25 years firm

Lease types	Club Med Da Balaia	Club Med Samoens
Conditions for renewal	First renewal by the lessee (subject to the lessee being an affiliate of CM and requesting it nine months before the lease expires)	- Commitment by lessor to offer renewal - Notice of 18 months before the expiry date of the lease (if the notice is not respected, the notice would not be null but postponed to the useful date) - Renewal for nine years, of which six are firm for the first renewal, the following periods being in 3/6/9 - compensation of €15 million if the lessee does not renew at the end of the initial lease - Possibility for the lessor to renew a furnished or unfurnished lease - Renewal rent at the last indexed rent (with or without furniture) for the first three-year period and then for the following periods at the MRV with cap and floor at 90/110 in the event of renewal under a furnished lease and 110/116 in the event of renewal under an unfurnished lease - Renewal rent at the MRV from the 2nd renewal
Indexing clauses	In line with the value of the Eurostat CPI index	In line with the change in the Construction Cost Index (ILC)
Term	Renewal at the last indexed rent for a period of 15 years, of which eight years are firm	12 years firm

The firm residual duration of leases for the Hotels in Europe was 14;2 years compared to 13.7 years at 31 December 2019.

3.2.7.4 Related-party transactions

The information mentioned below concerns the main related-parties, namely equity affiliates.

Details of related-party transactions (in € thousand)

Partner	Type of partner	Operating income	Net financial income	Balance sheet	Comments
Cœur d'Orly	Equity affiliates	531	0	11,938	Monitoring of projects and investments, Loans, Asset and property fees
Euromed	Equity affiliates	597	0	28,596	Loans, Asset and property fees
Lenovilla	Equity affiliates	359	0	19,939	Loans, Asset and property fees
SCI Factor E and SCI Orianz	Equity affiliates	125	259	17,269	Loans, Asset and property fees

3.2.7.5 Compensation of Covivio executives

(In € thousand)	31/12/2020	31/12/2019
Management		
Short-term benefits (fixed/variable)	3,307	3,171
Post-retirement benefits		
Long-term benefits		
Benefits in kind	140	101
Compensation for termination of contract		
TOTAL	3,446	3,272
Directors		
ATTENDANCE FEES	466	512

The variable portion does not include the free shares awarded. Moreover, 41,511 free shares were awarded to the senior executives of all Group subsidiaries in 2020 (including 29,748 shares awarded subject to performance conditions) and will be fully vested in 2023.

In case of involuntary departure, an indemnity will be awarded to the following senior executives:

- Christophe Kullmann (Chief Executive Officer)
- Olivier Estève and Dominique Ozanne (Deputy Chief Executives).

This amount will be equal to 12 months of total remuneration (fixed salary and the annual variable portion), plus one month of additional remuneration per year of employment. The benefit of this indemnity will be subject to two performance conditions (change in NAV and achievement of the target performance of the annual bonus), see section 4.3.2.3.2.

3.2.7.6 Statutory Auditors' fees

(In € thousand)	Mazars				Ernst & Young et autres				Other			
	Amount		%		Amount		%		Amount		%	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Statutory audit, certification, review of the individual and consolidated financial statements	1,534	1,284	51%	44%	1,434	1,557	48%	53%	33	103	1%	3%
Issuer	334	325	48%	47%	359	360	52%	53%				
Fully consolidated affiliates	1,041	882	51%	45%	991	1,027	49%	52%		70		4%
Equity affiliates	159	77	58%	28%	84	170	30%	61%	33	33	12%	12%
Services other than auditing	59	69	24%	18%	184	233	76%	59%	0	91	0%	23%
Issuer	35	20	26%	20%	102	81	74%	80%				
Fully consolidated affiliates	24	49	23%	17%	82	152	77%	52%		91		31%
Equity affiliates												
TOTAL	1,593	1,353	49%	41%	1,618	1,790	50%	54%	33	194	1%	6%

(1) Services other than auditing performed in 2020 relate to the CSR (€132 thousand), and other operations (€111 thousand).

3.2.7.7 Audit exemptions for Germany Offices subsidiaries

In accordance with section 264 para. 3, 264b HGB, Covivio granted its guarantee to certain subsidiaries of Covivio Holding, registered in Germany, so that they may benefit from an audit exemption for the fiscal year ended on 31 December 2020.

Company name	Registration code	Nom de la société	Registration code
Covivio Holding GmbH	n.a.	Covivio Office VII GmbH	DE323303935
Covivio Office Holding GmbH	DE330759796	Covivio Office Berlin GmbH	DE327072645
Covivio Office AG	DE315913571	Covivio Groß-Berliner-Damm GmbH	DE327818834
Covivio Beteiligungsgesellschaft mbH	DE319740870	Covivio Tino-Schwierzina 32 Grundbesitz GmbH	DE322098720
Covivio Office I GmbH	DE320537742	Covivio Technical Services I GmbH	n.a.
Covivio Office II GmbH	DE323303935	Covivio Technical Services II GmbH	DE325641950
Covivio Office III GmbH	DE323303919	Covivio Technical Services III GmbH	DE325641976
Covivio Office IV GmbH	DE323303927	Covivio Technical Services IV GmbH	DE325641984
Covivio Office V GmbH	DE323303902	Covivio Verwaltungs IV GmbH	DE325641941
Covivio Office VI GmbH & Co. KG	DE332138839	Covivio Alexanderplatz GmbH	DE322706978

3.2.8 Segment reporting

3.2.8.1 Accounting principles as regards operating segments – IFRS 8

The Covivio group holds a wide range of real estate assets to collect rental income and benefit from appreciation in the assets held. Segment reporting is organised by asset type.

The operating segments are as follows:

- France Offices: office real estate assets located in France
- Italy Offices: office real estate and retail assets located in Italy
- Germany Offices: office real estate assets located in Germany held by the Covivio group via its subsidiary Covivio Office Holding
- hotels in Europe: commercial buildings largely in the hotel segment and Hotel Operating properties held by Covivio Hotels
- German Residential: real estate assets in Germany held by the Covivio group through its subsidiary Covivio Immobilien SE.

These segments are reported on and analysed regularly by Group management in order to make decisions on what resources to allocate to the segment and to evaluate their performance.

The Other segment includes non-significant activities such as car park rentals and the French Residential business.

Following the acquisition of Covivio Office, a subsidiary of Covivio Office Holding, in 2020, the office real estate assets that were in the German Residential segment at 31 December 2019 were transferred to the Germany Offices segment.

3.2.8.2 Intangible assets

2019 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Intangible fixed assets and goodwill	2,954	2,496	142,517	818	6	17,966	166,758
NET	2,954	2,496	142,517	818	6	17,966	166,758

2020 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Intangible fixed assets and goodwill	6,174	811	135,281	1,048	111	16,781	160,207
NET	6,174	811	135,281	1,048	111	16,781	160,207

Goodwill was depreciated by €7.3 million in connection with the impairment tests carried out on the assets of the Rock hotel portfolio in Germany.

The change in intangible assets of +€3 million in France Offices is related to expenses incurred as part of an IT project.

The column "Other" includes the intangible fixed assets held under concession (Public Service Delegations) of the remaining car park companies.

3.2.8.3 Tangible assets

2019 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Operating properties	282,238	69,797	1,022,570	5,187	0	29,915	1,409,707
Other fixed assets	4,899	1,441	24,296	10,981	12	226	41,855
Fixed assets in progress	17,692	1,299	2,951	15,938	0	0	37,880
NET	304,829	72,537	1,049,817	32,106	12	30,141	1,489,442

2020 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Operating properties	206,842	77,280	1,002,747	28,897	5,821	26,408	1,347,995
Other fixed assets	5,120	2,060	24,772	12,485	913	255	45,605
Fixed assets in progress	22,806	3,460	3,973	18,141	9	0	48,389
NET	234,768	82,800	1,031,492	59,523	6,743	26,663	1,441,989

The change in tangible fixed assets (–€47.5 million) corresponds to the acquisition of a parcel of land in the Hotels in Europe segment (Alexanderplatz +€8.1 million), the change in the entry value of the Hilton Dublin asset acquired in 2019 for a net amount (–€7.2 million), the entry of Covivio Office into Germany Offices (+€7.8 million including +€6.6 million in rights of use), and the transfer (–€80.4 million) to France Offices of two assets (including the Jean Goujon asset transferred to a building under development, –€140.6 million) and the Paris Laborde asset, future head office of Covivio, as an operating building +€60.2 million). It

also corresponds to the acquisition of equipment for the Plaza Nice hotel from the Roco portfolio (+€3.1 million) and works for the period (+€56.5 million) less depreciation and amortisation for the period.

The work mainly concerns the co-working assets (+€10.9 million) including Paris Gobelin (+€10.6 million) in France Offices, the Nice Méridien asset (+€7.5 million) and the Radisson Blue asset (€4.2 million) for Hotels in Europe, as well as assets in the German Residential segment (+€9.5 million).

3.2.8.4 Investment properties/Assets held for sale

2019 – (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
investment properties	4,984,139	3,179,865	4,921,894	6,384,608	33,800	0	19,504,306
Assets held for sale	55,029	100,205	132,638	10,516	0	25,904	324,292
Investment properties under development	868,320	379,269	9,930	0	76,057	0	1,333,576
TOTAL	5,907,488	3,659,339	5,064,462	6,395,124	109,857	25,904	21,162,174

2020 – (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
investment properties	4,778,934	2,972,811	5,001,696	6,830,679	1,328,177	0	20,912,297
Assets held for sale	236,960	32,661	50,955	13,028	0	1,784	335,388
Investment properties under development	1,177,380	336,900	50,914	0	147,948	0	1,713,142
TOTAL	6,193,274	3,342,372	5,103,565	6,843,707	1,476,125	1,784	22,960,827

In France Offices, the change in the portfolio (€6,193 million in 2020 compared to €5,907 million in 2019) is due to the disposal of 16 assets (–€162.8 million) including Nanterre Respiro (–€79.8 million) and Villeurbanne Le Patio (–€47 million), the change in fair value (+€97.4 million), the allocations to buildings under development of the Jean Goujon asset (+€145.9 million) and to buildings under development of Covivio's future head office (–€60.2 million) and works (+€265.4 million).

In Italy Offices, the change (–€317 million) is due to the disposal of 18 assets (–€350.2 million), including Milan Cernaia (–€74 million), Milan Principe Amédéo (–€71 million) and Milan via Bernina (–€37.8 million), the change in fair value (–€44.7 million) mitigated by the construction work in the period (+€77.9 million). A new project under development was launched in Milan (Corso Italia +€61 million) and four projects under development were delivered for €170.2 million (€85.4 million Turin Corso Ferrucci, €43.3 million Milan The Sign A, Piazza Duca d'Aosta €16.1 million, and Symbiosis – Edificio School €25.4 million).

The increase in German Residential (+€448.6 million) is mainly due to the effect of changes in asset values (+€413.7 million), the disposal of Covivio Spree Wohnen 2 (–€137.6 million) and acquisitions of companies with assets (+€98.3 million). It is also linked to building works (+€104.8 million), acquisitions of portfolios of assets in Dresden and Berlin (+€20.4 million), the disposals

during the period (–€29 million) and the transfer to operating property of an asset located in Berlin (–€21.4 million).

In the Germany Offices, the significant change in the portfolio (+€1,366.3 million) is related to the entry of a portfolio of assets in Frankfurt, Düsseldorf, Munich and Hamburg (+€1,255.9 million) into the scope and the rights of use on a long-term lease (+€13.9 million), the acquisition of assets in Berlin (+€25.2 million), the acquisition of an additional plot of land as part of the Alexanderplatz project (+€40.6 million), the change in the fair value of assets (+€9.6 million), construction work (+€22.7 million) and the impact of the reclassification of a real estate trading property located in Berlin (+€17.6 million) as property under development.

The increase in Hotels in Europe (+€39.1 million) is mainly due to the acquisition of a portfolio of eight high-end hotels in the city centres of major European tourist destinations (+€521.2 million), and the acquisition of rights-of-use on long-term leases (+€19.6 million), the change in fair value of assets (–€330.2 million) and rights-of-use on long-term leases in the United Kingdom (+€1.3 million), a fall in pound sterling which resulted in a foreign exchange loss (–€62.8 million) and disposals (–€153.2 million). It also corresponds to the acquisition of the Ibis Strasbourg plot leasehold rights (+€4.3 million) and construction work (+€37.8 million).

3.2.8.5 Financial assets

2019 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Loans	64,678	0	65,791	10	0	93	130,572
Other financial assets	652	5,610	27,200	8,928	0	1,714	44,104
Receivables on financial assets	0	83,824	58	501	0	0	84,383
Sub-total non-current financial assets	65,330	89,434	93,050	9,439	0	1,807	259,060
Investments in equity affiliates	153,905	13,879	206,531	0	0	0	374,316
TOTAL FINANCIAL ASSETS	219,235	103,313	299,581	9,439	0	1,807	633,375

2020 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Loans	77,983	0	67,095	13	0	47	145,138
Other financial assets	652	5,479	202	8,928	0	1,954	17,215
Receivables on financial assets	0	119,354	-0	515	48	0	119,917
Sub-total non-current financial assets	78,635	124,833	67,297	9,456	48	2,001	282,270
Investments in equity affiliates	160,131	13,334	187,354	0	0	0	360,819
TOTAL FINANCIAL ASSETS	238,766	138,167	254,651	9,456	48	2,001	643,089

The rise in financial assets in France Offices reflects the transfer of the loan granted to Lenovilla to long-term loans (+€15 million), the loan granted to Cœur d'Orly (-€2 million), the appropriation of 2019 net income from equity associates (-€6.1 million) and income from equity associates (+€13 million).

Financial assets in the Italy Offices segment were up due to an increase in receivables on disposals (+€34 million) and other receivables (+€1 million), the appropriation of 2019 net income from

equity associates (-€1 million) and income from equity associates (+€0.5 million).

The increase in the financial assets of Hotels in Europe is mainly due to the increase in loans (+€1 million), the balance of deposits (-€27 million) following the acquisition of hotels in Italy, the Czech Republic and Hungary, the allocation to 2019 income of the results of equity-accounted companies (-€5.7 million), and the results of equity-accounted companies (-€13.5 million).

3.2.8.6 Contribution to shareholders' equity

2019 - (In € thousand)	France and Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Shareholders' equity Group Share before elimination of securities	7,136,710	1,422,444	2,056,612	-193	1,089,534	11,705,107
Elimination of securities	0	-1,110,485	-1,025,967		-1,271,009	-3,407,461
Shareholders' equity Group Share	7,136,710	311,959	1,030,645	-193	-181,475	8,297,646
Minority interests	801,736	2,070,514	1,186,198	17	2,233	4,060,698
SHAREHOLDERS' EQUITY	7,938,446	2,382,473	2,216,843	-176	-179,242	12,358,343

2020 - (In € thousand)	France and Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Shareholders' equity Group Share before elimination of securities	7,375,206	1,273,968	3,305,700	681,846	-45,404	12,591,316
Elimination of securities	0	-1,196,093	-2,046,830	-678,759	-87,432	-4,009,114
Shareholders' equity Group Share	7,375,206	77,875	1,258,870	3,087	-132,836	8,582,202
Minority interests	822,849	1,835,344	1,314,012	11,582	2,169	3,985,956
SHAREHOLDERS' EQUITY	8,198,055	1,913,219	2,572,882	14,669	-130,667	12,568,158

Following the distribution of the dividend in the form of shares, Covivio's stake in Covivio Hotels increased by €85 million. As of 31 December 2020, Covivio Holding was reclassified from Other to the German Residential segment (-€539 million).

3.2.8.7 Borrowings

2019 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Total long-term interest-bearing loans	2,653,027	1,546,847	2,533,765	2,338,181	0	0	9,071,820
Total short-term interest-bearing loans	1,675,299	25,825	49,051	65,563	0	8	1,815,746
TOTAL ST AND LT LOANS	4,328,326	1,572,672	2,582,816	2,403,744	0	8	10,887,566

2020 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Total long-term interest-bearing loans	3,106,896	1,650,411	2,680,705	2,523,517	497,562	0	10,459,091
Total short-term interest-bearing loans	1,330,827	225,785	228,552	50,373	1,475	2	1,837,014
TOTAL LT AND ST LOANS	4,437,723	1,876,196	2,909,257	2,573,890	499,037	2	12,296,105

In 2020, part of the uncollateralised bank debt for France Offices was reallocated to Italy Offices (+€336 million).

3.2.8.8 Derivatives

2019 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Financial instruments – Assets	52,519	4	16,849	8,114	0	-0	77,486
Financial instruments – Liabilities	193,742	24,285	105,875	41,939	0	0	365,842
NET FINANCIAL INSTRUMENTS	141,224	24,281	89,026	33,825	0	0	288,356

2020 - (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (Including French Residential)	Total
Financial instruments – Assets	59,293	0	39,848	238	0	-0	99,379
Financial instruments – Liabilities	199,063	27,658	145,998	53,926	2,363	0	429,008
NET FINANCIAL INSTRUMENTS	139,770	27,658	106,150	53,688	2,363	0	329,630

Net financial instruments in Germany Offices relate to the fair value measurement of fixed-rate debts on the acquisition date in accordance with IFRS 3, amortised by straight-line method over their residual term.

3.2.8.9 Statement of net income by operating segments

In accordance with IFRS 12, \$B11, inter-segment transactions, in particular management fees, are indicated separately in this presentation.

(In € thousand) – 2019	France Offices	Italy Offices	Germany Offices	Hotels in Europe	German Residential	Other (incl. French Residential)	Intercos Inter-sector	31/12/2019
Rental income	257,409	201,817	1,070	245,418	250,728	5,012	-134	961,320
Unrecovered property operating costs	-9,313	-20,516	-24	-2,426	-3,308	-1,374	-46	-37,007
Expenses on properties	-8,080	-7,849	0	-8,522	-19,623	-652	13,775	-30,951
Net losses on unrecoverable receivables	-1,913	-653	-17	30	-1,946	-51	0	-4,550
Net rental income	238,103	172,799	1,029	234,501	225,851	2,935	13,595	888,813
EBITDA from Hotel Operating activity & Flex Office	5,132	0	0	69,920	0	1	0	75,053
Income from other activities	1,219	0	-51	29	5,971	9,657	0	16,825
Management and administration income	23,738	5,791	0	15,590	5,435	9,941	-37,477	23,018
Business expenses ⁽¹⁾	-1,942	-1,040	-127	-6,650	-2,160	-186	4,638	-7,467
Overheads	-38,058	-21,173	-409	-21,010	-44,070	-14,300	11,611	-127,409
Net operating costs	-16,262	-16,422	-536	-12,071	-40,795	-4,545	-21,228	-111,859
Depreciation of operating assets	-10,558	-2,051	0	-42,285	-2,553	-7,557	0	-65,004
Net change in provision and other	-29	1,815	-15,341	24,291	202	1,821	71	12,830
OPERATING INCOME	217,605	156,141	-14,899	274,385	188,676	2,312	-7,562	816,658
Net income from inventory properties	-751	-5,624	0	0	436	152	0	-5,787
Income from asset disposals	3,302	-23,748	0	4,123	11,124	-1,297	7,562	1,066
Income from value adjustments	231,040	-9,617	15,282	250,405	517,420	-896	0	1,003,634
Income from disposal of securities	0	3	0	4,101	3,032	588	0	7,724
Income from changes in scope & other	-135	-1,392	-113	-14,955	-5,572	-88	0	-22,255
OPERATING RESULT	451,061	115,763	270	518,059	715,116	771	0	1,801,040
Cost of net financial debt ⁽²⁾⁽³⁾	-55,184	-38,978	-426	-63,077	-51,110	-857	0	-209,632
The interest cost for rental liabilities	-93	-47	0	-12,886	-10	-490	0	-13,526
Value adjustment on derivatives	-86,705	-35,594	0	-51,412	-22,672	-0	0	-196,383
Discounting and foreign exchange gains or losses ⁽³⁾	-207	0	0	-496	0	0	0	-703
Exceptional amortisation of loan issue costs	-522	-5,360	0	-3,612	-1,157	5	0	-10,646
Share of income from companies accounted for under the equity method	11,323	-2,380	0	20,359	0	0	0	29,301
PRE-TAX NET INCOME	319,673	33,404	-156	406,934	640,167	-571	0	1,399,450
Deferred tax	0	-18,314	12	-2,200	-93,129	-9	0	-113,640
Corporate taxes	-191	-411	-32	-12,808	-10,001	-552	0	-23,995
NET INCOME FOR THE PERIOD	319,482	14,679	-176	391,925	537,037	-1,132	0	1,261,815
Net income from non-controlling interests	-52,286	-30,686	-17	-239,560	-192,177	-102	0	-514,828
NET INCOME FOR THE PERIOD – GROUP SHARE	267,196	-16,007	-193	152,365	344,860	-1,235	0	746,987

(1) Development costs (not capitalised) which were on a distinct line of the income statement at 31 December 2019 for -€1.819 million are now included in the item Business expenses.

(2) The income of non-consolidated companies which was on a distinct line of the income statement at 31 December 2019 for €4 thousand is now included under cost of net financial debt.

(3) Foreign exchange gains and losses included in the item Cost of net financial debt as at 31 December 2019 for a net amount of -€530 thousand are now included in the line Discounting and foreign exchange gains or losses.

Net income – Group Share of the German Residential activity published for the period amounted to €344,667 thousand at 31 December 2019. This income included a share in the Office activity income which was not significant enough to be presented

separately. Following the acquisition of an office portfolio in 2020, a new segment was created. The 2019 data was divided between German Residential for €344,860 thousand and Germany Offices for -€193 thousand.

(In € thousand) - 2020	France Offices	Italy Offices	Germany Offices	Hotels in Europe	German Residential	Other (incl. French Residential)	Intersector Inter-sector 31/12/2020	
Rental income	237,467	172,007	49,784	151,296	256,098	403	-219	866,836
Unrecovered property operating costs	-10,502	-17,460	-5,045	-1,586	-1,694	-194	-8	-36,489
Expenses on properties	-8,267	-4,886	-1,904	-2,339	-19,394	-186	7,587	-29,389
Net losses on unrecoverable receivables	-1,252	-4,365	-1,416	-14,462	-3,471	84	0	-24,882
Net rental income	217,446	145,296	41,419	132,909	231,539	107	7,360	776,076
EBITDA from Hotel Operating activity & Flex Office	5,422	282	0	7,943	0	2	0	13,649
Income from other activities	1,611	0	312	26	19,012	5,474	1	26,436
Management and administration income	15,603	2,975	1,232	13,755	5,698	8,900	-32,472	15,691
Business expenses	-1,988	-624	-1,128	-12,500	-1,528	-132	11,222	-6,678
Overheads	-36,061	-18,191	-7,181	-20,455	-43,809	-13,058	13,233	-125,522
Net operating costs	-22,446	-15,840	-7,077	-19,200	-39,639	-4,290	-8,017	-116,509
Depreciation of operating assets	-9,588	-2,899	-953	-42,296	-3,246	-8,342	0	-67,324
Net change in provision and other	64	-142	-721	3,238	36	1,387	526	4,388
OPERATING INCOME	192,509	126,697	32,980	82,620	207,702	-5,662	-130	636,716
Net income from inventory properties	36	-4,346	0	0	846	42	0	-3,422
Income from asset disposals	6,755	-8,655	-9	-1,263	1,826	-3	130	-1,219
Income from value adjustments	97,444	-45,610	-9,700	-327,627	413,707	-25	0	128,189
Income from disposal of securities	0	322	0	-92	11,915	0	0	12,145
Income from changes in scope & other	-3,914	-18	-8,362	-3,802	0	0	0	-16,096
OPERATING RESULT	292,830	68,390	14,909	-250,163	635,996	-5,648	0	756,314
Cost of net financial debt	-32,864	-24,493	-6,985	-58,204	-49,818	-9	0	-172,373
The interest cost for rental liabilities	-61	-27	-512	-13,009	-6	-415	0	-14,030
Value adjustment on derivatives	-29,292	-14,308	712	-46,018	-26,584	0	0	-115,491
Discounting and foreign exchange gains or losses	-353	0	0	264	0	0	0	-89
Exceptional amortisation of loan issue costs	0	-288	0	-207	-675	0	0	-1,170
Share of income from companies accounted for under the equity method	13,198	501	0	-13,509	0	0	0	189
PRE-TAX NET INCOME	243,458	29,775	8,124	-380,847	558,913	-6,072	0	453,351
Deferred tax	0	-11,344	-3,950	59,557	-70,131	82	0	-25,786
Corporate taxes	87	-376	-253	-13,278	-21,168	-323	0	-35,311
NET INCOME FOR THE PERIOD	243,545	18,055	3,921	-334,567	467,614	-6,313	0	392,255
Net income from non-controlling interests	-28,370	-23,978	-1,215	188,092	-167,066	49	0	-32,488
NET INCOME FOR THE PERIOD – GROUP SHARE	215,174	-5,923	2,706	-146,474	300,548	-6,264	0	359,767

3.2.9 Post-balance sheet events

None

3.3 Statutory Auditors' report on the consolidated accounts

Financial year ended 31 December 2020

To the shareholders of Covivio,

Opinion

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying consolidated financial statements of Covivio for the year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for the audit opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independent member

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1 January 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) 537/2014.

Justification of our assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of investment property

Risk identified	Our response
Given the activity engaged in by Covivio, the fair value of the Group's investment property at 31 December 2020 amounted to 83% of consolidated assets or €22.6 billion. In accordance with the option provided by IAS 40, the Group's investment property is recognised on the basis of its fair value with changes in fair value recognised in profit or loss. Investment property is not amortised. Note 3.2.5.1.1. to the consolidated financial statements states that the Group's investment property is subject to valuation by independent property valuers. Property valuation is a complex matter requiring the exercise of significant judgement by the Group's independent property valuers based on the data communicated by the Group's management. Furthermore, the global crisis caused by Covid-19 has generated uncertainty about the estimates used for appraisal values. These estimates are based on assumptions about discount rates, yield rates and rental data that depend on market trends and which could be different in the future. We deemed the valuation of investment properties to be a key point in the audit due to the amounts involved and the significant degree of judgement in determining the main assumptions used to appraise the value of investment properties	We obtained an understanding of your Group's process of valuation of its investment property. Our procedures also involved: ● Assessing the competence and independence of the Group's property valuers on the basis of the requirements for rotation and bases of remuneration defined by the Group; ● Obtaining an understanding of the Group's written instructions to its property valuers describing the nature of the services required and the scope and limitations of the applicable procedures with particular regard to the verification of the information provided by the Group; ● Assessing, on a test basis, the relevance of the information provided by the entities' finance departments to the property valuers for the purpose of determining the fair value of their investment property, including rent schedules, other accounting data and capital expenditure budgets; ● Analysing the property valuers' valuation assumptions, such as applicable discount rates, yield rates, rental data and market rental values, by comparing them in the context of the health crisis; ● Interviewing certain professional property valuers in the presence of the Group's finance departments and assessing, by the inclusion of valuation specialists within our audit teams, the consistency and relevance of the valuation approach applied and of the main associated instances of the exercise of professional judgement; ● Reconciling the resulting property valuations with the amounts included in the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulations, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation (EU) 2019/815 of 17 December 2018 to years beginning on or after 1 January 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Covivio by the annual general meeting held on 22 May 2000 for MAZARS and on 24 April 2013 for ERNST & YOUNG et Autres.

As at 31 December 2020, MAZARS and ERNST & YOUNG et Autres were in the twenty first year and eighth year of total uninterrupted engagement.

Groupe PIA that became Conseil Audit & Synthèse (acquired by ERNST & YOUNG Audit in 2010) was the statutory auditor from 2007 to 2012.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in the present report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards

Courbevoie and Paris-La Défense, 1 March 2021

MAZARS

Claire Gueydan

The Statutory Auditors

ERNST & YOUNG et Autres

Anne Herbein

INDIVIDUAL ACCOUNT AT 31 DECEMBER 2020

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3.4 Company financial statements to 31 December 2020

3.4.1 Balance sheet

Assets

(In € thousand)	Note	31/12/2020 Gross	Amortisation, depreciation and provisions	Net	31/12/2019 Net	Of which net Italian Establishment 31-Dec-20 ⁽ⁱ⁾	Of which net Italian Establishment 31-Dec-19
Intangible fixed assets:	1.1	17,802	11,720	6,082	3,605	324	759
Start-up costs							
Software and similar rights		13,817	11,720	2,097	2,930	324	759
Commercial fund							
Intangible assets in progress		3,985		3,985	675		
Tangible fixed assets:	1.1	2,136,402	259,485	1,876,917	2,222,079	1,465,298	2,159,028
Land		757,913	5,681	752,232	849,209	632,224	850,125
Building		1,324,557	245,293	1,079,264	1,308,300	832,207	1,307,902
Other		39,110	7,655	31,455	32,722	867	1,001
Tangible fixed assets in progress		14,821	856	13,966	31,848		
Advances and pre-payments							
Financial assets:		6,641,640	181,438	6,460,203	5,437,562	908,084	875,640
Equity investments	1.2	5,110,687	176,814	4,933,873	4,159,433	859,203	826,366
Investment-related receivables					37,176		
Equity securities held for investment							
Other securities	1.4	71,281	1,296	69,984	69,108	48,881	49,275
Loans	1.3	1,459,593	3,327	1,456,266	1,171,767		
Other		79		79	78		
Total I – Fixed assets	1	8,795,844	452,643	8,343,201	7,663,246	2,373,706	3,035,427
Inventories and work-in-progress		45,677	28,722	16,955	19,505	16,955	19,854
Advances and pre-payments							
Operating receivables:	2.1	363,424	37,835	325,589	460,540	160,562	69,152
Trade receivables and related accounts		44,925	21,634	23,291	29,479	13,019	7,714
Current accounts and other receivables		318,498	16,201	302,297	431,061	147,543	61,438
Marketable securities:	2.2	587,856	1,371	586,485	635,408	0	0
Treasury shares		16,241	1,369	14,873	11,469		
Term accounts and other securities		571,615	2	571,612	623,939		
Cash and near cash		390,110		390,110	341,844	37,871	31,627
Prepaid expenses and accruals	2.3	100,077		100,077	95,980	861	1,088
Cash instruments	2.3	888		888	918		
Total II – Current assets	2	1,488,032	67,927	1,420,104	1,554,196	216,249	121,721
Deferred expenses (III)	2.3	13,671		13,671	14,371	5,234	13,313
Bond redemption premiums (IV)		10,275		10,275	8,963		
Currency translation gains (V)							
TOTAL (I + II + III + IV + V)		10,307,821	520,570	9,787,251	9,240,776	2,595,189	3,170,461

(i) The data of the Italian establishment correspond to the individual financial statements of the permanent establishment to which the harmonisation restatements are applied to comply with French accounting rules (cancellation of the recognition of deferred taxes, harmonisation of methods on the recognition of rental income etc.) It should be noted that the Italian institution had carried out an accounting revaluation of these buildings, but that in application of article 214–27 of the PCG, this revaluation was cancelled in the financial statements of the Covivio sub-fund.

Liabilities balance sheet

(In € thousand)	Note 3.5.3	31/12/2020	31/12/2019	Of which Italian Establishment 31-Dec-20	Of which Italian Establishment 31-Dec-19
Shareholders' equity:		4,507,363	4,227,412		0
Capital [of which €261,660 thousand paid]		283,633	261,660		
Issue premium, merger premium and additional paid-in capital		4,140,277	3,882,299		
Revaluation reserves		83,453	83,453		
Reserves and retained earnings:		29,858	90,127		0
Legal reserve		28,322	26,126		
Statutory or contractual reserves					
Revaluation reserves available for distribution			46		
Other					
Retained earnings		1,537	63,955		
Earnings for the year		318,811	293,941	-15,926	0
Investment subsidies					
Regulated provisions		33,964	33,773		
Total I – shareholders' equity	3	4,889,996	4,645,252	-15,926	0
Other shareholders' equity					
Proceeds from issue of participating shares					
Conditional advances					
Total I bis – shareholders' equity		0	0		0
Provisions for risks		12,533	12,713	5,431	5,409
Provisions for losses		4,023	3,319	569	3,508
Total II – Provisions for contingencies and losses	4	16,556	16,033	6,000	8,917
Payables					
Financial liabilities:	5	4,757,633	4,411,634	949,471	1,334,491
Convertible bonds	5.1	200,735	200,734	200,735	200,734
Other bonds		2,845,629	2,525,313	734,173	734,198
Borrowings and debt from credit institutions ⁽¹⁾		1,484,764	1,365,475		380,239
Current accounts and various financial debts		226,505	320,112	14,563	19,320
Advances and pre-payments received		3,869	3,420		146
Operating payables:		38,057	57,175	24,033	19,386
Trade payables and related accounts		25,376	26,762	20,976	16,677
Tax and social security liabilities		12,681	30,413	3,057	2,708
Sundry liabilities:		22,401	38,806	16,377	14,797
Debt on fixed assets and related accounts		9,639	15,844	6,703	11,477
Other		12,762	22,963	9,675	3,320
Cash instruments	5.2	30,281	37,534		
Pre-booked income		28,459	30,922	3,259	5,013
Total III – Current liabilities		4,880,700	4,579,491	993,141	1,373,833
Currency translation losses (IV)					
Liaison account with branches				1,611,974	1,787,711
TOTAL (I+ I BIS+ II+ III+ IV)		9,787,251	9,240,776	2,595,189	3,170,461

(1) Of which current bank borrowings and bank overdraft

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3.4.2 Income statement

(In € thousand)	Note 3.5.4	31/12/2020	31/12/2019	Of which Italian Establishment 31/12/2020	Of which Italian Establishment 31-Dec.-19
Operating income					
Sales of goods		1,405	955	1,405	955
Sales (goods and services)		161,043	191,750	82,465	108,474
Net revenues	1.1	162,448	192,705	83,870	109,429
Production in stock		3,618	2,862	3,618	2,862
Reversals of provisions (and depreciation) and transferred charges	1.2	11,083	11,137	5,000	6,922
Other income		194	70	44	65
Total I – Operating income	1	177,344	206,773	92,532	119,278
Operating expenses					
Purchases – Real estate traders		3,618	2,862	3,618	2,862
Change in inventories – Real estate companies		1,270	3,050	1,270	3,050
Other purchases and external expenses		44,486	53,268	18,852	31,094
Duties, taxes and related payments		17,549	21,131	10,573	13,003
Salaries and wages		23,514	21,529	5,979	4,915
Social security charges		10,054	10,056	1,518	1,456
Allowance for depreciation and provisions:					
On fixed assets: amortisation charges		59,414	75,468	43,603	55,432
On fixed assets: depreciation charges		49,576	48,912	44,167	47,849
On current assets: depreciation charges		8,637	3,532	7,816	3,169
For contingencies and losses: provisions		3,852	5,193	2,836	2,671
Other expenses		5,375	4,436	3,457	3,053
Total II – Operating expenses	1.3	227,344	249,437	143,690	168,555
1. Operating income (I-II)	1	-50,000	-42,664	-51,158	-49,277
Financial income					
Share of income from joint operations					
Profit or loss transferred III					
Losses or profit transferred IV		175	2		
Financial income from investments	2.1	318,271	499,638	36,526	54,871
From other marketable securities and fixed asset receivables		11,118	8,745	4	6
Other interest and similar income		46,568	38,158	636	4,124
Merger premiums	2.2	38,839	3,743	3,100	0
Reversals of provisions and transferred expenses	2.3	19,748	41,033	538	531
Net income from disposal of marketable securities					
Total V – Financial income	2	434,544	591,318	40,805	59,532
Financial expenses					
Allowance for depreciation and provisions		19,581	171,854	504	25,142
Interest and similar expenses		118,732	154,891	33,781	42,267
Merger deficits	2.2	199	0		
Net expenses from disposal of marketable securities		3,335	1,823		
Total VI – Financial expenses	2	141,847	328,568	34,285	67,409

(In € thousand)	Note 3.5.4	31/12/2020	31/12/2019	Of which Italian Establishment 31/12/2020	Of which Italian Establishment 31-Dec.-19
2. Financial income (V-VI)	2	292,698	262,750	6,519	-7,877
3. Current profit before tax (I-II+III-IV+V-VI)		242,523	220,086	-44,639	-57,154
Non-recurring income					
On management transactions		240	306	43	0
On capital transactions		461,468	692,702	319,944	342,617
Reversals of provisions and transferred expenses		229	3,176	0	3,088
Total VII – Non-recurring income	3	461,937	696,185	319,987	345,705
Non-recurring expenses					
On management transactions		671	40	133	2
On capital transactions		384,831	619,212	291,356	355,236
Allowance for depreciation and provisions		191	361		
Total VIII – Non-recurring expenses	3	385,692	619,614	291,489	355,238
4. Exceptional income (VII-VIII)	3	76,245	76,571	28,498	-9,534
Employee profit-sharing (IX)		0	309	0	0
Corporate income tax (X)	4	-43	2,406	-214	2,291
Total revenue (I + III + V + VII)		1,073,825	1,494,276	453,324	524,515
Total expenses (II+IV+VI+VIII+IX+X)		755,014	1,200,335	469,250	593,493
NET INCOME OR LOSS		318,811	293,940	-15,926	-68,978

3.5 Notes to the company financial statements

3.5.1 Significant events during the financial year

3.5.1.1 Acquisitions and construction work on properties under development

Covivio is continuing its building development activity and has delivered school A. DUCASSE in Meudon, covering an area of 5,100m² for an amount of €20,705 thousand.

The Italian establishment delivered assets under development for a total amount of €101,520 thousand (€85.3 million on the Milan Symbiosis area of which €25.7 million concerning the school of Symbiosis, and, €16.2 million on the Duca D'Aosta building. In addition, a new project (Corso Italia, €61 million) has been added to the development pipeline.

3.5.1.2 Disposals of real estate assets

Disposals concern the following assets:

(In € thousand)	Net book value	Disposal price	Capital gains or losses	Market value at 31-Dec-19
Sales:				
Nanterre Respiro	39,249	79,511	40,263	79,800
Nancy Grand Cœur	16,023	25,021	8,998	23,200
COVIVIO FRANCE	55,272	104,532	49,261	103,000
Milan - via Bernina	25,329	38,051	12,722	37,857
Varese - via Volta	15,000	15,000	0	15,000
Bologna - via delle Lame	12,814	14,100	1,286	14,100
Montenero di Bisaccia - CC Costaverde	6,723	3,586	-3,137	6,723
Vigevano - CC Il Ducale	21,480	11,618	-9,862	21,480
Roma - via Baldovinetti Edif. D	946	1,130	184	960
Roma - via Baldovinetti Edif. E	3,622	2,800	-822	3,675
Roma - via Baldovinetti Edif. C	848	670	-178	860
Cinisello Balsamo - via Lombardia - via Testi	3,890	1,850	-2,040	4,000
Milan - via Principe amedeo (servitù)	0	35	35	0
Milan - via Cernaia	65,784	94,300	28,516	74,100
Bologna - via Galliera	1,075	1,100	25	1,075
Milan - via Principe Amedeo	63,197	85,137	21,941	69,100
Milan - via Scarsellini	59,024	49,088	-9,936	62,900
COVIVIO ITALIE	279,732	318,465	38,733	311,830
COVIVIO	335,003	422,997	87,994	414,830

3.5.1.3 Change in equity investments

Change in the ownership interest in subsidiaries

- Following the option for the payment of the Covivio Hotels dividend in shares, Covivio obtained 5,054,834 Covivio Hotels shares for an amount of €81,231 thousand. In addition, Covivio acquired 239,087 shares for an amount of €4,375 thousand.

The stake in Covivio Hotels increased from 43.22% to 43.46%.

Other changes in equity interests

- Covivio participated in a capital-reserve increase in its subsidiary in Germany Covivio Office Holding GmbH for an amount of €678,734 thousand; following the launch of a public tender offer in February 2020, Covivio acquired a 99.77% stake in Godewind Immobilien, a listed real estate company specialising in office property in Germany. The acquisition price was €6.40 per security, i.e. €691 million. The company was delisted from the German stock exchange on 14 May 2020. It was renamed Covivio Office. Covivio Office holds a portfolio of €1.3 billion consisting of 10 office buildings (290,000m²), located in Frankfurt (40% of the portfolio), Düsseldorf (28%), Hamburg (24%) and Munich (8%). This transaction has significantly strengthened our activities in Germany Offices.
- Covivio has acquired Nexity's stake in the SCCV Chartres Avenue de Sully and now has 100%.

3.5.1.4 Corporate structure simplification

Mergers with the full transfer of assets and liabilities (in French, *Transmission Universelle du Patrimoine* – TUP) were carried out in 2020 to simplify the Group's corporate structure.

Subsidiary involved	Nature and date of the transaction	Corporate purpose
SCI 8 rue Marcel Paul	FTA on 30/06/2020 without retroactive tax effect	Acquisition and management of real estate assets and rights located at 8 rue Marcel Paul – 86000 POITIERS.
Covivio Attività Immobiliari 1	FTA on 31/08/2020 without retroactive tax effect	Rental of properties; construction, purchase and management of rental properties
SCI 35 – 37 rue Louis Guérin	FTA on 31/12/2020 without retroactive tax effect	Acquisition and management of property and property rights located at 35/37 rue Louis Guérin – 69100 VILLEURBANNE.

3.5.1.5 Tax audit

Covivio underwent an inspection for the 2012 and 2013 financial years. Following an abatement, the company's liability was €0.2 million, which it paid in 2018. However, the company contested the grounds for this tax adjustment and referred the matter to the Administrative Court, which rejected the application.

Covivio maintains its position and is referring the matter to the Administrative Court of Appeal in Versailles.

Based on the analysis by legal counsel carried out in 2018, this dispute has not been provisioned. This dispute is still ongoing in 2020.

On 1 September 2020, Covivio received an audit opinion covering the financial years 2017 to 2019.

The audit began on 15 September 2020 and remains ongoing as of 31 December 2020.

Covivio Italian Branch:

On 17 April 2012, following a court decision, the Italian tax administration refunded the debt borne by Beni Stabili for the Comit Fund dispute (principal: €58.2 million and interest: €2.3 million). In April 2012, the Tax Administration appealed this decision. The Court of Appeal ruled in favour of the tax authorities on 18 December 2015.

The dispute with the tax authorities was settled with the payment of €55 million. The €56.2 million provision recorded in 2015 was reversed as at 31 December 2016.

However, Comit Fund and Beni Stabili had not entered into a joint agreement to definitively agree that they each will pay an equal share of this adjustment. Civil arbitration proceedings taken by Comit Fund confirmed that each party accepts to pay 50% of the cost of the dispute, in accordance with the payments made. In January 2019, Comit Fund appealed against the arbitration decision bringing the dispute to an end. In March 2020, the Court of Appeal confirmed the decision, Comit Fund is contesting this verdict and has filed an appeal with the Supreme Court. On the basis of the analysis of our advisors, no provision was entered at 31 December 2020.

3.5.1.9 Main indicators

The main financial aggregates are as follows:

(In € thousand)	2020	2019
Balance sheet total	9,787,251	9,240,776
Revenues	162,448	192,705
Dividends received from subsidiaries	318,271	499,638
Financial expenses	141,847	328,568
Earnings for the year	318,811	293,940

3.5.1.6 Increase in capital

During the year, the share capital changed as follows:

- creation of 139,103 shares with a par value of €417,309 in the context of grants under free share plans
- creation of 7,185,223 shares with a par value of €21,555,669 in the context of the payment of the dividend in shares.

The total capital as at 31 December 2020 stood at €283,632,696, up from €261,659,718 at 31 December 2019, an increase of €21,972,978. It is made up of 94,544,232 shares, all of the same class, with a par value of €3 each, amounting to €283,632,696.

At 31 December 2020, the company held 264,270 treasury shares.

3.5.1.7 Diversification of financing and repayment of bank debt

In 2020, Covivio issued a new bond for €500 million, to reach maturity in 2030, and proceeded with the early repayment of €180 million of the loan issued in 2013. In addition, credit lines and commercial paper were drawn down for a total amount of €118.5 million.

The Italian Branch's borrowings amount to €934.9 million.

3.5.1.8 Pandemic

Given the size of our tenants and the nature of the real estate leases (fixed), the COVID-19 crisis has not had a significant impact on our France Offices business. On the other hand, the Italian establishment recorded a few payment defaults, mainly for smaller tenants than in France. This is mainly reflected in the accounts closed at 31 December 2020, by a higher level of impairment of trade receivables than in the past. At 31 December 2020 there were no significant unpaid debts.

3.5.2 Accounting policies and methods

Covivio is the parent company of the Covivio group, and draws up its consolidated financial statements according to IFRS.

Covivio is consolidated via the equity method by Delfin.

The balance sheet and income statement are drawn up in accordance with French legislation and generally accepted accounting principles in France.

The notes are prepared in accordance with ANC Regulation No. 2014-03 published by the Decree of 8 September 2014 et seq. currently in force.

General accounting conventions were applied, respecting the prudence principle, in accordance with the following basic assumptions:

- going concern
- consistency of accounting policies from one fiscal year to the next
- independent fiscal years
- and in accordance with the rules for preparing and presenting annual financial statements pursuant to the French law of 30 April 1983 and the Implementation Decree of 29 November 1983.

The historical cost method was adopted as the basic method of accounting.

Depreciation schedules for the various types of fixed assets (residential or office):

Breakdown of the buildings	Method	Term
Building structures	L	60 and 80 years
Facades and external joinery	L	30 and 40 years
General and technical facilities	L	20 and 25 years
Fittings	L	10 year

These periods are adjusted with obsolescence factors applied to each asset.

Breakdown of other tangible fixed assets	Method	Term
Miscellaneous fixtures and fittings	L	10 year
IT equipment	L	5 years
Office equipment	L	10 year

At each balance sheet date, the company assesses if there are any indications that an asset has been materially impaired. In such cases, an impairment charge may be recorded in income or reversed, as appropriate.

The amount of any significant impairment is determined on an asset-by-asset basis in line with a comparison between the market value (excluding duties), calculated on the basis of independent appraisals, and the net book value.

An objective indication of the loss of value can be seen when the appraisal value is at least €150 thousand lower than the net book value. However, even if the difference is less than €150 thousand, an impairment charge will be recognised where the appraised value was less than the net book value for two years running.

Where an impairment arises, it will be monitored and recognised with no threshold conditions.

Tangible fixed assets have been recorded under the component method since 1 January 2005.

3.5.2.1 Intangible assets

Intangible fixed assets are valued at cost.

Software is amortised on a straight-line basis over three years. Software acquired after moving the company headquarters to Divo is depreciated over ten years.

3.5.2.2 Tangible assets

Tangible fixed assets are valued at cost, which corresponds to the purchase price and related costs, or their contribution value.

The company has not opted for borrowing costs to be capitalised in the acquisition cost of assets.

Tangible fixed assets are depreciated on a straight-line basis according to the expected useful life of the various components of the portfolio.

The breakdown by components is based on the professional grid recommended by the French Real estate and real estate management federation (FSIF), according to the type of asset in question.

Such impairments, which recognise the non-definitive and non-irreversible reduction in the value of certain portfolio assets in relation to their book value, are recognised in assets under "Amortisation and depreciation".

The impairment is charged to each component on a pro rata basis.

The recording of an impairment results in a revision of the depreciable base and, if applicable, the depreciation schedule for the assets concerned.

Building works, major renovation works, and significant upgrading works, together with the restoration of apartments or premises upon re-letting, are capitalised.

Conversely, maintenance work, which ensures the optimum preservation of the real estate portfolio (renovation) and regular maintenance are recognised as expenses during the period in which they are carried out.

3.5.2.3 Financial assets

Financial assets are valued at cost or at their contribution value after deducting any provisions required to restore them to their value in use (if necessary). At year-end, the acquisition value of investments is compared to their inventory value. The lowest of these is retained in the financials. The inventory value of the securities corresponds to their value in use for the company.

In the case of investments held for the long term, value in use is assessed on the basis of the investee's net assets plus any unrecognised capital gains associated with the investee's non-current assets. For the listed subsidiary, use is made of their published triple net asset values.

The acquisition costs are incorporated in the cost price of financial assets and amortised over five years in the form of additional amortisation.

Merger losses were recognised following the mergers of Covivio with Bail Investissement in 2006, with AKAMA in 2011, and with FR IMMO in 2013, based on the value of the assets contributed. At each sale of assets, a reversal of these deficits is made. Similarly, a provision is recorded on the merger deficit when an unrealised capital loss emerges between the appraised value and the net book value at each year-end.

The change in accounting treatment of merger losses further to ANC Regulation No. 2015-06 modified the accounting rules applicable to merger losses for fiscal years starting from 1 January 2016.

Since 2016, merger deficits are allocated to the assets contributed (underlying assets) in specific accounts for asset categories and they are amortised, depreciated and removed from the assets in accordance with the same methods as for the underlying assets:

- merger loss on intangible fixed assets
- merger loss on tangible fixed assets
- breakdown of merger deficit on financial assets
- merger loss on current assets.

3.5.2.4 Trade receivables and related accounts

Receivables are stated at their par value. A provision for impairment is recorded when the recoverable value is lower than the book value.

A provision for impairment is recorded for each tenant with unpaid receivables, based on the risk incurred. The general criteria for establishing provisions, except in particular cases, are as follows:

- for current tenants:
 - no provision for tenants whose payables are less than three months overdue
 - 50% of the amount of receivables for tenants whose receivables are between three and six months overdue
 - 100% of the total amount of receivables for tenants whose receivables are more than six months overdue, or involving a departed tenant
- for departed tenants:
 - no provision for tenants whose payables are less than three months overdue
 - 100% of the total amount of receivables for tenants whose receivables are more than three months overdue.

For commercial customers, receivables and theoretical provisions deriving from the above rules are examined case-by-case to take specific situations into consideration.

3.5.2.5 Derivatives

Application of Regulation no. 2015-05 of 2 July 2015 of the French accounting standards authority (*Autorité des Normes Comptables* ANC) concerning financial instruments and hedging has been mandatory since 1 January 2017.

To this end, Covivio uses only simple, standard and liquid derivatives, available on markets, namely swaps, caps, tunnel options (purchase of a cap and sale of a floor) particularly for the purposes of dynamic hedging of the total interest rate risk existing on its fixed rate debt.

Accordingly, in Covivio's separate financial statements the instruments hedging Covivio debt qualify as hedges and those hedging the debt of subsidiaries are to be regarded as derivatives in standalone open position. Over-hedging can also occur temporarily in dynamic hedging.

With regard to instruments qualifying as hedges:

- these are not recorded in the financial statements but shown in the off-balance sheet commitments
- the difference between the rate paid or received under these agreements is recognised as a financial income or expense for the year
- the premiums paid or received when hedges are placed are amortised as profit and loss over the hedge period
- in the event of an early unwinding of a hedge, the balance paid or received is amortised:
 - over the remaining life of the hedged debt, if it is identifiable or
 - over the remaining life of the unwound instrument.

With regard to derivatives qualifying as Standalone Open Positions (SOP):

- their change in fair value must be recognised on the balance sheet, offsetting a provisional account
- whenever this change in fair value is negative, a provision is recognised for an unrealised capital loss.

3.5.2.6 Provisions for risks and charges

Provisions are defined as liabilities of uncertain duration or amount. A liability is a bond issued to a third party, which is likely or certain to cause an outflow of resources to that third party, without at least an equivalent amount expected from that party.

A risk provision related to investments is established to cover the negative net equity of subsidiaries and when all of the subsidiary's shares and loans have been depreciated.

3.5.2.7 Retirement benefits

Covivio applies recommendation no. 2014-03 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables* – ANC) regarding recognition and measurement of retirement commitments and similar benefits. This recommendation enables the evaluation of the provision for post-employment benefits to be measured in accordance with IAS 19R. With regard to the recognition of these retirement obligations, Covivio has opted for the immediate recognition of actuarial gains and losses in full in the income statement.

3.5.2.8 Provisions for financial contingencies and losses:

The provisions for risks and financial charges on financial instruments are explained in Section 3.5.2.5

An Isolated Open Position (IOP) must be recognised where the company is in a position of over-hedging (whether the over-hedging is a risk or an unrealised gain). The IOP is recognised in the financial statements as a derivative account and a cash instruments valuation difference account. Where the derivative value is a debt, the company must record a provision for over-hedging. Where the IOP representing a derivative liability is no longer recognised, the provision is reversed and the market value of the derivative on the date on which the hedging relationship is set up is amortised over its residual term.

3.5.2.9 Borrowings, financial debt and bonds

Bank financing usually consists of six bond issues and medium- and long-term credit agreements with varying draw-down periods. Successive draw-downs are recognised in the financial statements at their par value. These agreements include covenant clauses, which are reported under off-balance-sheet commitments.

3.5.2.10 Prepaid expenses

Deferred expenses correspond to the issue cost of borrowings and are amortised over the loan period. An exceptional impairment is booked if the borrowing is redeemed early.

3.5.2.11 Bond redemption premium

These are amortised over the life of the bond.

3.5.2.12 Revenues

Revenues mainly include income related to the following activities:

- rental income;
- services income.

Rental income corresponds to rent and expenses charged to building tenants, which are recorded as the service advances.

As a general rule, invoicing is quarterly for tertiary sector assets (Offices, etc.) and monthly for residential assets.

For services, revenues are recognised as the service progresses.

3.5.3 Explanation of balance sheet items

3.5.3.1 Fixed assets

3.5.3.1.1 Adjustment to gross values

(In € thousand)	Note 3.5.3	Gross values at 31-Dec.-19	Increases			Decreases		Gross value at 31/12/2020
			FTA and Merger	Acquisitions and works	Transfers	Sales and other disposals	FTA and Merger	
Intangible assets		14,161		4,451		811		17,802
Concessions, software		13,486		66	1,075 ⁽¹⁾	811 ⁽¹⁾		13,817
Merger deficits								0
Fixed assets in progress		675		4,385	-1,075 ⁽¹⁾			3,985
ngible assets		2,427,423	68,099	21,176	0	380,297		2,136,402
Land		850,256	16,823	12,418	66 ⁽³⁾	121,649 ⁽²⁾		757,913
Land under finance leases		82			-66	16		0
Buildings		1,505,914	51,276	95	25,491 ⁽³⁾	258,218 ⁽⁴⁾		1,324,557
- Leased buildings		143			-105	38		0
- Other tangible fixed assets		39,181		75	229 ⁽⁵⁾	375		39,110
Deficit on real estate assets		34,306						34,306
Fixtures and fittings		538			15			554
Transport equipment								0
Office and IT equipment		2,278		35	207	12		2,509
Furniture		2,058		40	7	363		1,741
Fixed assets in progress		31,848		8,588	-25,615 ⁽⁶⁾			14,821
Financial assets		5,627,152	349,981	1,227,694		154,479	408,707	6,641,640
Equity investments	1.2	4,347,805	349,981	825,749		4,141	408,707	5,110,687
Investment-related receivables		37,176				37,176		0
Loans	1.3	1,171,818		363,432		75,657		1,459,593
Securities	1.4	66,468		106		88		66,486
- Treasury shares	1.4	3,806		38,406		37,417		4,795
Other non-current financial assets		78		2				79
TOTAL FIXED ASSETS		8,068,736	418,080	1,253,321	0	535,587	408,707	8,795,843

(1) The increase in intangible assets in progress is linked to the development of new existing software modules, namely Kyriba/Salesforce/project ONE, the other disposals mainly correspond to the scrapping of XRT software, the Asset portal and the sale of the PRIMPROMO software to the Group company using it.

(2) Corresponds to the sale of the land carrying the Respiro Nanterre and Nancy Grand Coeur assets and the land carrying several assets in Milan (Milan - via Bernina, via Principe Amedeo, via Cernaia, Corso Scarsellini), in Rome (Roma - via Baldovinetti) in Varese (via Volta), in Bologna (via delle Lame, via Galleria) and in Montenero di Bisaccia for the Italian establishment.

(3) Impact of work on assets (Ducasse, Percier, Saint Denis Pleyel, Issy Grenelle, Saint Ouen V. Hugo and Rue Latecoere).

(4) In addition to the disposals described under "Significant events", scrapping of components for an NBV of €615 thousand was recorded during the year.

(5) The increase in "Other tangible fixed assets" relates to the acquisition of furniture and the development of our IT infrastructure for €303 thousand. The decrease of a gross amount of €375 thousand (NBV of €1 thousand) relates to the scrapping of obsolete equipment.

(6) Mainly corresponds to work on assets under development, namely: Meudon Ducasse (€20,705 thousand), and work carried out on buildings: Delcasse (€1,258 thousand), Paris Percier (€1,086 thousand) and Saint Denis Pleyel (€909 thousand), Saint Ouen Victor Hogo (€327 thousand), CAP18 (€324 thousand) and Issy Grenelle (€279 thousand).

(7) The balance of assets in progress includes work on the buildings Meudon Canopée (€10,159 thousand), CAP 18 (€1,441 thousand), Meudon Ducasse (€905 thousand), Lezennes Hélios (€695 thousand) and Percier (€541 thousand), the Saint Denis Pleyel building (€387 thousand), and Delcasse (leading the coworking activity for €141 thousand).

3.5.3.1.2 Change in equity investments

At 31 December 2020, Covivio held an interest in 99 companies.

In addition to equity investments detailed under significant events, the following equity investments were made in 2020:

- Covivio participated in the capital increase of Covivio 2
- Covivio created SNC Saint Germain Hennemont on 17 January 2020. This company carries out real estate development operations. It is 99.9% owned

- Covivio created the SNC Antony Avenue De Gaulle on 9 April 2020. This company markets real estate. It is 99.9% owned
- On 30 April 2020, Covivio acquired the stake of N2 Promotion held by Covivio Participation
- Covivio created SNC Aix en Provence Cézanne on 15 October 2020. This company markets real estate. It is 99.9% owned.

The two largest investments are:

- Covivio Hotels: €1,207 million
- Covivio holding GmbH: €1,021 million

Amount at 31-Dec-19 (in € thousand)		4,347,805
Shares integrated into the company following FTAs and mergers		
Companies undergoing FTAs	Shares contributed	
Covivio Attività Immobiliari 1	Covivio Development Italy	349,981
Total increase related to FTAs and mergers		349,981
Acquisition of securities and similar		
	Covivio Hotels	4,375
	N2 Promotion	164
	SCCV Chartres avenue de Sully	1
Capital increase		
	Covivio Office Holding GmbH	678,734
	Covivio Hotels	81,231
	Covivio 2	12,000
	SNC Saint Germain Hennemont	1
	SNC Antony avenue de Gaulle	1
	SNC Aix en Provence Cézanne	1
	Covivio Développement SpA SIINQ	39,750
	Covivio Development Italy	8,500
	Attività Commerciali Vigevano	148
	Attività Commerciali Montenero	302
	Covivio Attività Immobiliari 1	540
Total increase relating to acquisitions		825,749
Decrease (disposal)		
	Attività Commerciali Vigevano	2,477
	Attività Commerciali Montenero	1,664
Total decrease related to capital reductions and disposals		4,141
Securities released from the company following FTA or merger		
	35/37 rue Louis Guérin	967
	8 rue Marcel Paul	285
	Covivio Développement SpA SIINQ	406,896
	Covivio Attività Immobiliari 1	560
Total decrease due to FTAs or mergers		408,707
AMOUNT AT 31/12/2020 (IN €K)		5,110,687

3.5.3.1.3 Details on loans

The loans consist of:

Type of loan	(In € thousand)
Loans to subsidiaries	1,446,850
Accrued interest on subordinated loans	7,549
Accrued interest on SWAP	5,069
Loans to personnel	60
Other loans	64
TOTAL AS OF 31/12/2020	1,459,593

Capital to subsidiaries relate to financing for development operations, which primarily comprise the following loans as at 31 December:

(In € thousand)	Outstanding principal due	Accrued interest
SCI du 21 rue Jean Goujon	149,520	
Covivio Alexanderplatz Sarl	124,700	3,029
SCI Danton Malakoff	123,558	
9 rue Cuirassiers	115,032	1,286
SCI Rueil B2	110,378	
Palmer Plage	86,363	
SCI Charenton	69,047	
SCI Avenue de la Marne	66,862	
Covivio Holding Gmbh	66,450	7
SCI N2 Batignolles	49,834	
Covivio 2	41,219	485
SAS 6 rue Fructidor	38,566	
Omega B	37,759	478
SCI Cité Numérique	36,102	
SCI Meudon Saulnier	29,000	
Bga Transactions	28,400	792
SCI Latécoère 2 (26/02/13)	28,346	
SCI Atlantis	26,000	
SCI Lenovilla	24,762	
SCI Euromarseille 2	22,143	
Covivio Office Holding GmbH	18,200	366
SCI 11 place de l'Europe	18,044	
Acopio GmbH	18,000	2
Federation	17,000	735
288 rue Duguesclin	16,000	
32 av P. Grenier	12,100	
SCI Orianz	11,076	42
SCCV Fontenay sous Bois le 9ème art	2,630	5
SCCV Chartres Avenue de Sully	715	9
SNC Jean Jacques Bosc	400	
SCI Terres neuves	143	
others	58,500	314
TOTAL	1,446,850	7,549

Loans to subsidiaries are not covered by a repayment schedule. They are repaid based on each borrower's free cash flow. Nevertheless, a final repayment date, ranging from May 2021 at the earliest to November 2049 at the latest is stipulated in the agreement.

3.5.3.1.4 Other securities

This item amounting to €71,281 thousand essentially includes:

Breakdown of merger deficit on financial assets

	Amount (in € thousand)
Latécoère	13,914
Palmer Plage	2,175
Dual Center	136
Palmer Montpellier	95
Central Sicaf	32,517
BS Immobiliare 9	10,875
	59,713

Treasury shares

Breakdown of treasury shares (in € thousand)	Number of shares	
Shares held by the company – liquidity agreement	66,561	4,795

A provision was set up for the treasury shares under the liquidity agreement in the amount of €14 thousand on the basis of the average share price in December 2020.

3.5.3.1.5 Change in amortisation, depreciation and provisions

(In € thousand)	Note 3.5.3	Amort. 31-Dec-19	Charges	Reversal and disposal	FTA and Merger	Reclustering	Amort. 31-Dec-19
Intangible assets		10,556	1,915	751		0	11,720
Concessions, software		10,556	1,915	751			11,720
Merger deficits							0
Tangible assets		205,344	104,256	50,115		0	259,485
Buildings		149,748	53,111	22,553		105	180,410
Leased buildings		143		38		-105	0
Other tangible fixed assets		6,459	1,570	374			7,655
Provisions on land and buildings		48,912	49,576	27,134		66	71,420
Provisions on land and buildings under finance leases		82		16		-66	0
Financial assets		189,590	11,226	17,798	1,579	0	181,438
Investment	1.2	188,372	7,775	17,755	1,579		176,814
Loans	1.3	50	3,277				3,327
Securities		1,147	159	24			1,282
Treasury shares		20	14	20			14
TOTAL AMORTISATION AND DEPRECIATION		405,490	117,397	68,665	1,579	0	452,643

(1) Each year, the book value of the assets is compared against their estimated market value. An independent appraisal, carried out every six months, serves as a reference for all real estate assets: as of 31/12/2020, an impairment loss of €5,681 thousand was recorded on the Meudon Canopée building and €64,883 thousand on the Italian establishment's 16 buildings (of which Milanofiori Strada 8: €31,044 thousand, Centro Commerciale Le Fornaci: €10,382 thousand, Via Gorgi 18: €4,186 thousand, Palazzo Orlando €3,800 thousand, Viale Eritrea: €3,579 thousand, Via Previdenza Sociale: €2,806 thousand, Via Giordano Bruno 84: €1,996 thousand, Via Bramante 41-43: €1,431 thousand, Via Cornaggia: €1,253 thousand).

3.5.3.1.6 Breakdown of impairment of equity investments

In the case of investments held for the long term, value in use is assessed on the basis of the investee's net assets plus any unrecognised capital gains associated with the investee's non-current assets. For the listed subsidiaries, the company uses the published net asset value.

(In € thousand)	31/12/2019	Charges	FTA and Merger	Reversals of provisions	31/12/2020
FDL	143,326			11,930	131,396
Central Sicaf SPA	20,495				20,495
Covivio Property*	9,031	3,728			12,759
Covivio 7 SPA	6,075			275	5,800
Covivio 2		3,590			3,590
Covivio Développement*	1,852				1,852
Attività Commerciali Montenero Stl	816		-816		0
Attività Commerciali Vigevano Stl	756		-756		0
Attività Commerciali Beinaco S.r.l.	276	332			608
1630 av Croix Rouge	83				83
SCI EB2	25	31			57
RGD Gestioni SRL	279			240	39
Covivio Alexanderplatz SAS*		30			30
Foncière Margaux	14	8			22
République		20			20
Gespar		17			17
Covivio Attività Immobiliari 2	3	6			9
Covivio Attività Immobiliari 3	3	6			9
EURL PropTech*	3				3
SCCV Chartres avenue de Sully*	1	1			2
SCCV Bobigny Le 9ème Art	1	1			1
SCI Meudon Saulnier*		1			1
SNC Wellio*	1				1
SNC Le clos de Chanteloup*	1				1
SNC Bordeaux Lac*	1				1
SNC Sully Chartres*	1				1
SNC Sucy Parc*	1				1
SNC La Marina Fréjus*	1				1
SNC Normandie Niemen Bobigny*	1				1
SNC le printemps de Sartrouville*	1				1
SNC GauguinST Ouen L'Aumone*	1				1
SNC Tours Coty*	1				1
SNC Valence Victor Hugo*	1				1
SNC Nantes Talensac	1				1
SNC Marignane Saint-Pierre*	1				1
SNC Jean Jacque Bosc*	1				1
SCI Terres neuves*	1				1
SNC André Lavignolle*	1				1
SCI de la Louisiane*	1				1
SNC Saint Germain Hennemont*		1			1
SNC Antony Avenue De Gaule		1			1
SNC Aix en Provence Sezanne		1			1
Cœur d'Orly Promotion		1			1
SCCV Fontenay sous Bois the 9 th art*	1				1
Comédie					0
Covivio Attività Immobiliari 1	7		-7		0
GFR Ravinelle	41			41	0

(In € thousand)	31/12/2019	Charges	FTA and Merger	Reversals of provisions	31/12/2020
Covivio Lux	1			1	0
SCI N2 Batignolles	5,244			5,244	0
Covivio Office Holding GmbH	25			25	0
Other securities	1,146	159		24	1,282
TOTAL DEPRECIATIONS	189,518	7,935	-1,579	17,778	178,096

* Since the impairment of shares was not sufficient to cover their net negative position, the loans or advances in the associates' current accounts that they were granted were impaired in the amount of their net position and when necessary a provision was recognised.

Market prices and NAV of listed subsidiaries:

Name of public subsidiaries	Average share price December 2020	EPRA triple net NAV at 31/12/2020
Covivio Hotels	17.6	22.6

With Covivio Hotel's triple net asset values greater than the value of securities reflected in Covivio's financial statements, no impairment is to be recognised.

3.5.3.1.7 Breakdown of impairments on loans and current accounts

This table lists loans and current accounts subject to an impairment only.

Receivables and provisions (In € thousand)	Gross values of receivables at 31/12/2020	Impairments as of 31-Dec.-19	Charges	FTA allocations	Reversals of provisions	Impairments 31/12/2020
SCI Meudon Bellevue	29,000		2,486			2,486
Covivio Alexanderplatz	124,700		499			499
SCCV Chartres Avenue de Sully	715	8	153			160
SCI Terres neuves	143	29	122			151
SNC Jean Jacques Bosc	400	14	16			30
SCCV Fontenay sous Bois le 9 ^{ème} art	2,630		2			2
Loans	157,588	50	3,277			3,327
SNC Wellio	15,123	7,031	2,706			9,737
Covivio Développement	43	1,610			1,566	43
SNC Bordeaux Lac	14,797	1,035	297			1,332
SNC Le clos de Chanteloup	1,261	698	64			762
SNC Sully Chartres	1,801	371	149			519
EURL Proptech	114	307				114
Other*	9,120	1,755	141		1,566	287
Current accounts⁽¹⁾	42,215	11,293	3,357		1,760	12,794
Receivables/disposals of fixed assets	92,389	207				207
Other receivables	30,772	3,270	91		456	2,905
Purchaser unpaid ⁽²⁾	12	10		2		12
Debtor accounts	123,172	3,487	91	2	456	3,124

* Others: impairment below €150 thousand.

(1) Provisions for current accounts are recorded taking into account the negative net equity of subsidiaries and provisions booked on other receivables.

(2) These are receivables from the settlement of expenses from disposed assets.

3.5.3.2 Current assets

3.5.3.2.1 Breakdown of receivables by maturity

(In € thousand)	Gross amount as of 31/12/2020	Amount due in less than 1 year	Of which Gross Amount Italian Establishment	Amount due in less than 1 year Italian Establishment	Gross amount at 31-Dec.-19
Trade receivables and related accounts⁽¹⁾	44,925	44,925	33,350	33,350	49,220
Of which expenses that may be recovered from tenants ⁽²⁾	3,937	3,937			3,513
Invoice not yet submitted	12,347	12,347	6,423	6,423	18,207
Other receivables⁽³⁾	318,498	318,498	150,654	150,654	445,841
Current accounts	171,977	171,977	8,290	8,290	314,299
Other receivables	142,603	142,603	140,656	140,656	124,171
Tax receivable	2,260	2,260	1,708	1,708	5,769
VAT receivables	1,526	1,526			1,483
Principal's current account	132	132			120
TOTAL RECEIVABLES	363,424	363,424	184,004	184,004	495,061

(1) Application of the impairment rules presented in the accounting rules and policies resulted in a provision for trade receivables being recognised for an amount of €3,648 thousand. At 31 December 2020, total impairment stood at €21,634 thousand, of which €20,330 thousand for the Italian Branch compared with €19,741 thousand at 31 December 2019.

(2) These expenses result in pre-payment requests issued to tenants being recorded as liabilities on the balance sheet under "Advances and pre-payments" in the amount of €3,869 thousand (see § 3.5.3.5 Financial debt).

(3) Impairment on other receivables is broken down as follows:

Receivables and provisions (In € thousand)	Gross values of receivables at 31/12/2020	Impairments at 31-Dec-20	Charges	FTA	Reversals of provisions	Impairments 31-Dec.-19
Current accounts⁽³⁾	44,598	11,293	3,543		1,760	13,077
Purchaser unpaid	12	10		2		12
Miscellaneous receivables Italian Branch	123,160	3,477	91		456	3,112
Debtor accounts	123,172	3,487	91	2	456	3,124
TOTAL DEPRECIATIONS OTHER RECEIVABLES						16,201

3.5.3.2.2 Marketable securities

The realisable value of the marketable securities was €5,467 thousand as at 31 December 2020. There was no significant unrealised gain, as the Group states the unrealised gains in the last week of each fiscal year (sale/buyback)

(In € thousand)	Gross values at 31/12/2019	Acquisitions	Disposals	Reclustering	Gross values at 31/12/2020
Shares held by the company for allocation to employees – profit-sharing ⁽¹⁾			3,318	3,318	0
Shares held by the company pending allocation ⁽¹⁾	11,474	8,085		-3,318	16,241
	11,474	8,085	3,318		16,241
Term account	615,009	120,000	170,009		565,000
Marketable securities ⁽²⁾	7,431	16,414	18,377		5,467
Accrued interest on investments	1,500	1,069	1,500		1,069
BMTN to be received	0	79			79
	623,939	137,561	189,886		571,615
TOTAL MARKETABLE SECURITIES	635,413	145,646	193,203	0	587,856

(1) 197,709 shares awaiting allocation, these shares were written down for €1,368 thousand on the basis of the average share price of December 2020.

(2) As at 31 December 2020, the portfolio of marketable securities comprised traditional money market investment funds (SICAV). The company does not make any speculative investments involving a capital risk. These marketable securities were written down for an amount of €2 thousand.

3.5.3.2.3 Accruals – assets

(In € thousand)	Gross values at Dec. 31/12/2020	Of which Italian Establishment 31/12/2020	Gross values at Dec. 31-Dec.-19	Of which Italian Establishment 31-Dec.-19
Accrued operating expenses⁽¹⁾	1,713	861	2,032	922
Accrued financial expenses	98,364	0	93,949	0
Agent commissions	114		17	
Cash adjustments spread ⁽²⁾	98,250		93,932	
Isolated open positions ⁽²⁾				
Total prepaid expenses	100,077	861	95,981	922
Treasury instruments (Cap/Floor premiums)	466		385	
Treasury instruments IOP	422		533	
Total treasury instruments	888	0	918	0
Deferred expenses (Loan issue costs ⁽³⁾)	13,671	5,234	14,371	6,669
TOTAL ACCRUALS	13,671	5,234	14,371	6,669

(1) Prepaid operating expenses correspond to external expenses for which the service will be provided after 31/12/2020.

(2) During the 2020 fiscal year, the premiums paid from the renegotiation of three swaps amounted to €44.7 million. These premiums were spread over the residual term of the swaps. The outstanding premiums to be spread amount to €98.25 million and correspond to a historic accumulation of €162.6 million in premiums paid.

(3) Deferred expenses exclusively comprise the bond issue costs spread over the term of the bond.

3.5.3.3 Shareholders' equity

(In € thousand)	31/12/2019	Increase Capital increase	Decreases Other changes during the year	Allocation of net income/dividend	31/12/2020
Share capital ⁽¹⁾	261,660	21,973			283,633
Share premium account ⁽¹⁾	2,920,207	319,130			3,239,337
Additional paid-in capital	296,342				296,342
Merger premiums	665,750			-61,152	604,599
Revaluation reserves	83,453				83,453
Legal reserve	26,126	2,156		40	28,322
Other reserves	46			-46	0
Retained earnings ⁽²⁾	63,955			-62,418	1,537
Allocation of 2019 income ⁽²⁾	293,941			-293,941	0
Net income for the 2020 fiscal year			318,811		318,811
Regulated provisions	33,773		191		33,964
SHAREHOLDERS' EQUITY	4,645,252	343,259	319,002	-417,517	4,889,996

(1) Capital increase of 139,103 shares as part of the allocation of free share plans and of 7,185,223 shares as part of the payment of the dividend in shares.

(2) The Ordinary and Extraordinary General Meeting on 22 April 2020 allocated income as described below and paid a dividend of €4.80 per share.

(In € thousand)	
Net income for the fiscal year ended 31 December 2019	293,941
Additional paid-in capital	
Merger premium	61,152
Retained earnings	63,955
Distributable revaluation reserve	46
TOTAL TO BE ALLOCATED	419,094
Legal reserve	40
Dividends paid out	417,517
Retained earnings	1,537
TOTAL ALLOCATED	419,094

3.5.3.4 Provisions

(In € thousand)	Note	31/12/2019	Augmentation			Decrease			31/12/2020	Of which Italian Establishment 31/12/2020
			Of which Italian Establishment 31-Dec-19	Operating charges	Financial charges	Reversals of operating provisions (amount used)	Reversals of operating provisions (amount not used)	Reversals of financial provisions (amount not used)		
Provisions for risks		12,713	6,183	3,131	2,194	4,404	916	185	12,533	5,431
Portfolio-related litigation ⁽¹⁾		7,999	5,885	2,598		2,621	916		7,060	5,134
Provisions for litigation		297	297						297	297
Provisions relating to investments		1,431			2,194			185	3,439	
Yield-guarantee provision		0							0	
Provisions for URSSAF AGA		2,986		533		1,782			1,736	
Provisions for losses		3,319	306	721	0	17	0	0	4,023	569
End-of-career benefits	3.5.3.4.1	1,984		297					2,281	
Provisions for tax – tax audit		306	306	262					569	569
Long service award		1,012		161					1,173	
Provisions for departure		17				17			0	
TOTAL		16,033	6,489	3,852	2,194	4,421	916	185	16,556	6,000

(1) Provisions for risks and real estate expenses were the subject, in 2020, of allocations in France for €25 thousand (Toulouse Riverside dispute and €2,573 thousand in Italy. This allocation of €2,573 thousand corresponds to the rental guarantees given with a significant impact following the Covid-19 pandemic following the disposal of buildings, the costs of rectification the environmental anomalies discovered after the disposal in Italy (€810 thousand in respect of the Bologna-Via Delle Lame dispute, €500 thousand in respect of the Milan-via Bernina dispute, €450 thousand in respect of the Rozzano-Via Strada dispute and €350 thousand in respect of the Milan-Via Durini dispute). Reversals of €212 thousand in France (Delcassé litigation) and €3,326 thousand in Italy corresponding to disputes settled in respect of rental guarantees and rectification of environmental anomalies (€768 thousand in respect of the Roma - Via Dei Boccabelli dispute, €765 thousand for the Fondo Roma - Via Piemonte dispute, €510 thousand for the Milano - Via Durini dispute, €424 thousand for the Nerviano - Strada Statale dispute, €389 thousand for the Milan - Via Boscovich Ruggero dispute and €298 thousand in respect of the Torino - Corso G. Marconi dispute).

3.5.3.4.1 End-of-career benefits

Covivio applies recommendation no. 2014-03 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables – ANC*) regarding recognition and measurement of retirement commitments and similar benefits. This recommendation allows the evaluation of the provision for post-employment benefits in accordance with IAS 19R.

In terms of recognising these retirement commitments, Covivio opted for the immediate and total recognition in profit or loss of the result of the recognition of actuarial gains and losses.

Main assumptions used for end-of-career benefits and long-service awards

Parameters	31/12/2020	31/12/2019
Discount rate	0.11%	0.44%
Annual inflation		
Annual wage growth		
Executives	4%	4%
Non-managers	3%	3%
Payroll tax rate (IFC only)	48.96%	48.80%
Mortality rate	TGF05/TGH05	TGF05/TGH05
Turnover		
Up to 49	8.56%	10.09%
50 and over	0%	0%
Reason for retirement	100% voluntary	100% voluntary

3.5.3.5 Payables

(In € thousand)	Note	Of which Italian Establishment								31/12/2019
		31/12/2020	Amount due in less than 1 year	Amount due in 1 to 5 years	Amount due in over 5 years	31/12/2020	Amount due in less than 1 year	Amount due in 1 to 5 years	Amount due in over 5 years	
Convertible bonds	3.5.3.5.1	200,735	735	200,000		200,735	735	200,000		200,734
Bonds	3.5.3.5.1	2,845,629	25,629	425,000	2,395,000	734,173	9,172	425,000	300,000	2,525,313
Borrowings and debt from credit institutions ⁽¹⁾		1,484,764	1,484,764							1,365,475
Current accounts and various financial debts		226,505	222,527	3,978		14,563	10,585	3,978		320,112
Total financial debt		4,757,633	1,733,655	628,978	2,395,000	949,471	20,492	628,978	300,000	4,411,634
Advances and pre-payments ⁽²⁾		3,869	3,869							3,420
Trade payables and related accounts ⁽³⁾		25,376	25,376			20,976	20,976			26,762
Debt on property assets and related accounts ⁽³⁾		9,639	9,639			6,703	6,703			15,844
Tax and social security liabilities ⁽⁴⁾		12,681	12,681			3,057	3,057			30,413
Other liabilities ⁽⁵⁾		12,762	12,762			9,675	9,675			22,963
TOTAL		4,821,960	1,797,982	628,978	2,395,000	989,882	60,903	628,978	300,000	4,511,035

(1) Breakdown of borrowings and debt from credit institutions:
- the outstanding payable due on the credit lines and treasury bills was €1,482,400 thousand
- accrued unpaid interest amounted to €2,319 thousand - €44 thousand in bank overdrafts.
The amount of borrowings taken out and credit lines drawn totalled €118,500 thousand and only concerned treasury bills.

(2) This line refers to calls for funds from tenants.

(3) Breakdown of trade payables and fixed asset suppliers.

(4) Breakdown of tax and social security liabilities:
- €51 thousand in VAT
- €4,211 thousand in payroll and social security expenses
- personnel expenses of €6,379 thousand, including provisions for paid leave of €1,843 thousand
- €89 thousand in Organic
- €1,950 thousand in tax liabilities.

(5) Other debts item corresponds to the balance of accounts:
- trade receivables in the amount of €1,551 thousand
- credit notes to be established for €1,191 thousand
- receivables on disposals of fixed assets €1,201 thousand
- other receivables €8,819 thousand.

(In € thousand)	31/12/2020	Of which Italian Establishment
Operating payables	25,376	20,976
Trade payables and related accounts	575	253
Trade payables – Invoices not received	24,731	20,722
Not used commission payable	70	
Debt on property assets and related accounts	9,639	6,703
Trade payables on fixed assets and related accounts	6,831	6,703
Trade payables – hold-backs	25	
Trade payables on fixed assets – Invoices not received	2,782	
TOTAL TRADE PAYABLES ON FIXED ASSETS	35,015	27,678

3.5.3.5.1 Bonds

The bond principal outstanding is €3,046 million, of which €26 million accrued interest.

The table below summarises the major features of these swap contracts:

Issue date	20/05/2016
Issue amount (in €M)	€500 M
Nominal rate	1.875%
Maturity	20/05/2026
Issue date	21/06/2017
Issue amount (in €M)	€500 M
Nominal rate	1.500%
Maturity	21/06/2027
Issue date	16/02/2018
Issue amount (in €M)	€95 M
Nominal rate	1.500%
Maturity	21/06/2027
Issue date	17/09/2019
Issue amount (in €M)	€500 M
Nominal rate	1.125%
Maturity	17/09/2031
Issue date	23/06/2020
Issue amount (in €M)	€500 M
Nominal rate	1.625%
Maturity	23/06/2030

Bond Beni Stabili

Issue date	03/08/2015
Feature	Convertible ORNANE-type bonds
Issue amount (in €M)	€200 M
Nominal rate	0.875%
Maturity	31/01/2021
Issue date	30/03/2015
Issue amount (in €M)	€125 M
Nominal rate	2.125%
Maturity	30/03/2022
Issue date	17/10/2017
Issue amount (in €M)	€300 M
Nominal rate	1.625%
Maturity	17/10/2024
Issue date	20/02/2018
Issue amount (in €M)	€300 M
Nominal rate	2.375%
Maturity	20/02/2028

3.5.3.5.2 Cash instruments

This line refers to the fair value at closing of the financial instruments qualified as standalone open positions offset by a provisional account "Adjustment account – Assets".

3.5.3.5.3 Banking covenants

As of 31 December, the consolidated ICR and LTV Crédit corporate bank covenants, the ratio of pledged debt are all respected:

- LTV < 60% (with possibility to overrun in a half year within the limit of 65%);
- ICR > 200%.

They amount to 44.1% for the LTV Group Share, 605% for the ICR Group Share and 4.7% for the pledged debt ratio.

3.5.3.5.4 Accrued expenses and deferred income

(In € thousand)	31/12/2020	Of which Italian Establishment	31/12/2019	Of which Italian Establishment
Trade payables – Invoices not received	24,731	20,722	25,344	21,285
Trade payables on fixed assets – Invoices not received	2,782		11,272	6,725
Paid leave	1,843	442	1,785	418
Other tax and social security liabilities	5,866	387	5,777	319
Accrued bank interest – Charges			20	
Accrued interest not yet due on borrowings*	28,684	9,908	27,228	9,906
Unused commission to be paid	70		67	
TOTAL	63,977	31,459	71,494	38,653
Treasury instruments IOP	30,281		37,534	
TOTAL TREASURY INSTRUMENTS	30,281	0	37,534	0
Pre-booked income				
Spread of balances**	23,112		25,827	
Isolated Open Positions**	644		644	
Treasury bills	1,443		729	
Rental activity	3,259	3,259	3,722	3,722
TOTAL DEFERRED REVENUE	28,459	3,259	30,922	3,722

* The accrued interest is from treasury bills, bank loans and swaps (€2,320 thousand) and bonds (€26,364 thousand).

** For the financial year 2020, no renegotiated SWAP. As of 31/12/2020, the amount remaining to be spread over SWAPs and appearing in BCPs was €23.1 million. Note: the cash payments received amounted to €28.4 million.

3.5.4 Notes to the income statement

At 31 December 2020, net income amounted to €318,811 thousand, compared with €293,940 thousand in 2019.

Beni Stabili merged with Covivio on 31 December 2018.

From 1 January 2019, the Italian Permanent Branch has been included in Covivio's income statement.

3.5.4.1 Operating income

3.5.4.1.1 Revenues

(In € thousand)	31/12/2020	31/12/2019	Of which Italian Establishments 2020	Of which Italian Establishments 2019
Rental income	127,423	159,011	78,861	105,009
Offices	127,419	147,894	78,861	105,009
Logistics	0	11,038		
Finance leases	3	78		
Real estate business	1,405	955	1,405	955
Service revenues	33,620	32,739	3,603	3,465
TOTAL	162,448	192,705	83,870	109,429

The change in revenue is explained by the decrease in rents in France related to the disposals of buildings in 2019, namely the Vinci buildings in Roubaix and Green Corner in Saint Denis and in 2020 Respiro Nanterre and Nancy Grand Cœur.

3.5.4.1.2 Reversals of provisions and transfers of operating expenses

The reversals of provisions and transfers of operating expenses mainly consist of:

(In € thousand)	31/12/2020	Of which Italian Establishment
Reversals of provisions for operating contingencies and charges	5,124	3,325
Provisions for litigation related to the portfolio	3,325	3,325
Provisions for social security contribution (URSSAF) for free share allocation	1,782	
Provision for departure	17	
Reversals of provisions for doubtful receivables and purchasers	2,425	1,676
Transferred charges	3,534	0
Loan issue costs	2,118	
Benefits in kind awarded to staff	160	
Incentive plan invested in shares	1,132	
Reinvoicing transfer of social liabilities	21	
Repayment of insurance and other operating expenses	104	
TOTAL REVERSALS OF PROVISIONS, IMPAIRMENTS AND TRANSFERRED EXPENSES	11,083	5,000

3.5.4.1.3 Production costs

(In € thousand)	31/12/2020	31/12/2019	Of which Italian Establishment 2020	Of which Italian Establishment 2019
Purchases – Real estate traders	3,618	2,862	3,618	2,862
Change in inventory – Real estate traders	1,270	3,050	1,270	3,050
Other purchases and external expenses ⁽¹⁾	44,486	53,268	18,852	31,094
Taxes and related payments	17,549	21,131	10,573	13,003
Staff costs	33,568	31,585	7,497	6,372
Depreciation, amortisation and provisions ⁽²⁾	121,478	133,105	98,423	109,121
Other operating expenses ⁽³⁾	5,375	4,436	3,457	3,053
TOTAL OPERATING EXPENSES	227,344	249,437	143,690	168,555

(2) Breakdown of depreciation, amortisation and provisions:

(In € thousand)	31/12/2020	31/12/2019	Of which Stable Establishment	Of which Italian Establishment
Amortisation of intangible assets	1,915	1,436	1,074	289
Depreciation of rental assets	53,199	64,271	41,005	48,375
Depreciation of furniture and equipment	366	364	89	124
Depreciation of merger deficit	1,115	1,115		
Prepaid expenses	2,819	8,281	1,436	6,644
Sub-total for depreciation and amortisation	59,414	75,468	43,603	55,432
Depreciation of MDB stock	4,898	1,231	4,898	1,231
Provisions for trade receivables	3,739	2,301	2,919	1,939
Provisions for fixed assets	49,576	48,912	44,167	47,849
Provisions for risks and charges ⁽⁴⁾	3,852	5,193	2,836	2,671
Sub-total for provisions	62,064	57,638	54,820	53,690
TOTAL	121,478	133,105	98,423	109,122

(1) The decrease in the item Other purchases and external expenses is mainly due to the decrease in property-related costs of €7,713 thousand, loan issuance costs of €3,312 thousand offset by the assumption of costs related to the Godewind transaction of €3,828 thousand.

(2) Breakdown of depreciation, amortisation and provisions given in note(2).

(3) The item "other operating expenses" mainly corresponds to losses on irrecoverable receivables of €1,073 thousand, attendance fees of €565 thousand, a return guarantee of €811 thousand granted to ACM on the SILEX project and sundy expenses of €2,413 thousand for ongoing management in Italy.

(4) The details concerning provisions for risks and charges are given in section 3.5.3.4. These expenses concern the provisions for URSSAF AGA (€533 thousand), provisions for the portfolio (€25 thousand), provisions for breach of contract (€17 thousand), end-of-career benefits (€297 thousand) and long-service awards (€161 thousand).

3.5.4.2 Net financial income

(In € thousand)	Note 3.5.4	31/12/2020	31/12/2019	Of which Italian Establishment 2020	Of which Italian Establishment 2019
Financial income from investments		318,271	499,638	36,526	54,871
Dividends received from subsidiaries and equity investments	2.1	318,271	499,638	36,526	54,871
Financial income on guarantees given					
Other marketable securities and fixed asset receivables income		11,118	8,745	4	6
Income from loans to employees		6	8	4	6
Income from loans to subsidiaries		11,112	8,737		
Other interest and similar income		85,407	41,901	3,736	4,124
Interest on group current accounts		2,114	1,619	142	127
Income from financial instruments		20,309	12,407		
Income from treasury bills		2,640	3,698		
Revenue from term accounts		2,001	1,734		
Premiums and cash adjustments received		9,968	9,063		
Other income		1,238	4,756	494	3,997
Statutory interest		8,298	4,881		
Merger premiums	2.2	38,839	3,743	3,100	
Reversals of provisions and transferred expenses	2.3	19,748	41,033	538	531
Reversals of provisions for financial contingencies and charges		185	2,553		
Reversals of provisions for financial risks related to securities – current accounts		1,760	1,935		
Reversals of provisions for swap risks			35,902		
Reversals of provisions on financial assets	3.5.3.1.6	17,803	633	538	531
Reversals of provisions for merger deficit on financial assets					
Transferred financial expenses			10		
Net income from disposal of marketable securities		0	0		
Total financial income		434,545	591,318	40,805	59,532
Provisions for financial contingencies and losses		19,581	171,854	504	25,142
Provisions for financial contingencies		2,194	185		
Provisions for financial contingencies related to securities – current accounts		3,543	4,624		
Provisions on financial assets ⁽¹⁾	3.5.3.1.6	11,226	165,683	504	25,142
Provisions for merger deficit on financial assets					
Other financial provisions		2,619	1,362		
Interest and similar expenses		118,931	154,890	33,781	42,267
Interests on loans and swaps		71,391	85,122	19,141	29,895
Interest on group current accounts		2,369	3,189	186	
Bank interest and financing operations		4,165	4,788		630
Merger deficits	2.2	199			
Premiums and cash adjustments paid					
Spreading of premiums and cash adjustments	3.5.3.2.3	40,559	25,745		
Fair value adjustments to financial instruments		111	111		
Reversal of valuation of derivative financial instruments	3.5.3.4		35,902		
Other financial expenses		135	33	14,454	11,742
Net expenses from disposal of marketable securities		17	15		
Net expenses on disposals of treasury shares		3,318	1,808		
Total financial expenses		141,847	328,567	34,285	67,409
NET FINANCIAL INCOME		292,698	262,750	6,519	-7,877

(1) Corresponds to impairments related to equity investments for €11,226 thousand (see 3.5.3.1.6 and 3.5.3.1.7) mainly Covivio Property, Covivio 2 and Wellio and on treasury shares for €14 thousand (liquidity contract).

3.5.4.2.1 Breakdown of dividends

The dividends received from subsidiaries are as follows:

Distributor companies (In € thousand)	Dividends received in 2020	Dividends received in 2019
Foncière des Murs SCA	81,231	77,410
Technical SAS	72,619	43,500
Télimob Paris	41,588	27,000
Immeo Rewo Holding GmbH	16,000	80,000
Silexpromo	13,986	4,995
Central Sicaf	23,640	49,267
OPCI CB 21	7,634	10,038
FDR 7	7,064	4,508
SCI Charenton	6,402	3,201
Promomurs	6,000	
Covivio Immobiliare 9 SpA	5,584	4,954
SCI 11 place de l'Europe	4,007	4,007
Covivio Développement SpA SIINQ	3,302	
Fédération	3,230	1,227
Iméfa 127	3,000	
Covivio Dev Italy	3,000	
SCI Euromarseille 1	2,904	2,750
SCI Lenovilla	2,505	5,010
SCI Atlantis	2,000	3,000
SCI 1 rue de Châteaudun	1,737	767
Le Ponant 1986	1,500	
SNC Fructipromo	1,499	
SCI du 125 avenue du Brancolar	1,206	1,256
288 rue Duguesclin	957	
SCI du 20 avenue Victor Hugo	801	753
SCI du 3 place à Chaussy	649	585
Covivio Hotels Gestion	639	394
SCI du 40 rue JJ. Rousseau	612	706
SCI du 2 rue de L'III	545	791
SCI Euromarseille 2	500	1,250
RGD Gestioni	500	650
Covivio Att. Imm. 1	500	
SCI du 8 rue M. Paul	285	569
SCI du 10/14 rue des Tanneurs	161	1,999
SNC Lenopromo		3,696
Latepromo		14,985
Foncière Développement Logements		139,549
SCI 32 avenue P. Grenier		2,205
SCI 1630 avenue Croix Rouge		1,229
SARL 2 rue Saint Charles		4,500
SCI Dual Center		811
SCI RUEL B2		1,047
SCI du 682 cours de la Libération		437
Other*	484	591
TOTAL	318,271	499,638

* "Others" includes distributions of less than €400 thousand in 2020 and 2019.

3.5.4.2.2 Breakdown of merger premiums and deficits for the fiscal year

(In € thousand)		Accounting treatment		
Company	Financial income (merger premium)	Financial expense (merger deficit)	Allocation to the account of the underlying	Allocation to shareholders' equity (merger premium)
SCI 8 rue Marcel Paul		199		
SCI 35 - 37 rue Louis Guérin	35,739			
Covivio Attività Immobiliari 1	3,100			
TOTAL	38,839	199	0	0

3.5.4.2.3 Breakdown of reversals of provisions and transferred expenses

(In € thousand)	31/12/2020	Of which Italian Establishment
Reversals of provisions for financial contingencies and charges	19,748	538
Reversals of provisions relating to investments:	19,723	538
Reversals of provisions on investments	17,778	538
Reversals of provisions for operating contingencies and charges	185	
Reversal of provisions for risks – current accounts	1,760	
Other reversals of provisions of a financial nature	25	0
Reversals of provisions on treasury shares	20	
Reversals of provisions on investment securities	5	
Reversals of provisions for swap risks		
TOTAL	19,748	538

3.5.4.3 Net non-recurring income

The non-recurring profit of €76.25 million was mainly impacted by capital gains on disposals, i.e. €79 million, less capital losses on the disposal of the shares of Attivita Commerciali Vigevano and Attivita Commerciali Montenero for €1,421 thousand and €627 thousand of treasury shares.

Produtti (In € thousand)	31/12/2020	31/12/2019	Of which Establishment 31/12/2020	Of which Italian Establishment 31-Dec-19	Charges (in €K)	31/12/2020	2020 Net 31/12/2019	2019 Net	Of which Italian Establishment 31-Dec-20	Of which Italian Establishment 31-Dec-19	
Non-recurring expenses on management transactions	240	306	43	0	Non-recurring income on management transactions	671	-430	40	266	133	2
Miscellaneous income	62	296			Miscellaneous expenses	88	-26	2	294	133	2
Non-recurring income on finance leases	78	0			Expenses on finance leases	0	78				
Non-recurring income on leasing	101	11	43		Non-recurring expenses on operating leases	583	483	38	-28		
Income on capital transactions	461,468	692,702	319,944	342,617	Expenses on capital transactions	384,831	76,637	619,212	73,490	291,356	355,236
Non-recurring income on disposal of buildings	422,997	616,575	318,465	341,738	Book value of buildings sold off	335,754	87,243	501,643	114,932	280,007	353,936
Income on disposals of other fixed assets sold	14	3,267			NBV of other fixed assets sold	8,921	-8,907	2,695	572	8,780	1,195
Income on exercise of finance lease purchase options					NBV from exercise of finance lease purchase options	16	-16	89	-89		
Income from disposals of intangible assets	44	590			NBV of intangible fixed assets	59	-15	600	-11		
Income on disposals of treasury shares	36,789	41,799			NBV of treasury shares sold	37,417	-628	40,927	872		
Income from sales of securities ⁽¹⁾		29,584			Carrying amount of securities sold ⁽¹⁾			29,584			
Income on disposals of other fixed securities	1,148	58	1,148	58	Book value of other fixed securities	2,569	-1,421	105	-47	2,569	105
					Loss on share-bond repurchases ⁽¹⁾			43,536	-43,536		
Miscellaneous non-recurring income	475	829	332	821	Miscellaneous expenses	94	381	34	795		
Reversals of provisions	229	3,176	0	3,088	Depreciation and provisions	191	39	361	2,815	0	0
Provisions for capital cost allowances					Capital cost allowances	191	-191	361	-361		
Finance leases – Reversals of Art. 64 provisions	16	89			Finance leases – Art. 64 provisions		16		89		
Reversals of provisions for taxes	213	3,088		3,088	Depreciation and amortisation charges		213		3,088		
Non-recurring income	461,937	696,185	319,987	345,705	Non-recurring expenses	385,692	76,245	619,614	76,571	291,489	355,238
NET NON-RECURRING INCOME	76,245	76,571	28,498	-9,534							

(1) Income from disposals and book value of securities sold.

(In € thousand)	Disposal price	Net book value	Income from disposal
Attivita Commerciali Montenero Srl	316	847	-532
Attivita Commerciali Vigevano Srl	832	1,721	-890
TOTAL	1,148	2,569	-1,421

3.5.4.4 Corporate income tax

Covivio France is subject to the SIIC regime; for 2020, taxable net income was a profit of €2,765,569.86.

The SIIC regime allows the exemption of:

- income from the leasing of assets
- capital gains from the disposal of assets to non-related companies
- dividends from subsidiaries are either subject to corporate income tax and opting for the SIIC regime or not subject to corporate income tax.

In return, the company is subject to the following obligations concerning dividends:

- 95% of the taxable income from the leasing of assets must be distributed before the end of the year after the one in which said income was generated
- 70% of the capital gains from disposals of assets and shares in subsidiaries having opted for the tax treatment must be distributed before the end of the second fiscal year following the one in which they were realised
- 100% of the dividends from subsidiaries that have opted for the tax treatment must be distributed during the year after the year they are received.

The total distribution obligation is calculated by applying the appropriate distribution coefficient to each income category, limited to the taxable income from the entire exempt sector.

The tax credits amounted to €76,230 for the 2020 fiscal year.

Following Beni Stabili's merger with Covivio, the tax arrangements for Covivio's Permanent Branch in Italy changed after it left the SIIC tax regime. It will be subject to the 20% tax on real estate companies from 2020.

3.5.4.5 Increase in and relief of future tax liabilities

As of 31 December 2019, Covivio had a tax loss carryforward of €287,403,451.

For the financial year 2020, the amount of the losses used is €1,882,784.

The tax loss carryforwards now amount to €285,520,667.

3.5.4.6 Non-tax deductible expenses

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, it should be noted that the financial statements for the past year include a total of €38,311 corresponding to non-tax-deductible expenses (depreciation and excess rent on leased vehicles).

During the past fiscal year, Covivio incurred no expenses subject to Articles 223 *quinquies* and 39-4 of the French General Tax Code. It is recalled that the expenses covered by these articles are sumptuary expenses, such as for hunting, yachting and pleasure craft such as sail boats or motor boats.

Article 223 *quater* states that companies liable for corporate income tax must show these expenses in their financial statements and submit them every year for the approval by the Ordinary General Meeting.

3.5.5 Off-balance sheet commitments

3.5.5.1 Commitments given

Off-balance sheet commitments given (€M)	Delivery date	31-Dec-20	31-Dec-19
Commitments related to consolidated companies		90.6	0.8
Commitments given for specific transactions(1)		90.6	0.8
Commitments related to operating activities (A+B+C)		207.3	310.9
A- Commitments given related to business development		38.5	125.9
Work commitments outstanding on assets under development(2)		36.5	28.0
Guarantees given in connection with development projects			97.9
Bank guaranties and other guaranties given		2.0	
B- Commitments related to the implementation of operating contracts		15.6	68.1
Other contractual commitments given in "rental income owed"		13.9	14.4
Work commitments outstanding on investment properties(3)		1.7	33.8
Works commitments outstanding on assets in inventory			19.9
C- Commitments related to asset disposals		153.2	116.9
Preliminary sale agreements given		153.2	116.9

(1) Promise to sell the Scalo Porta Roma asset

(2) Commitments relating to work on assets under development:

(€M)	Cost of works budgets signed*	Amounts of works recognised	Amounts of works outstanding	Delivery date
Milan, via Unione/via Torino	7.4	1.0	6.4	2022
Turin, Corso Italia	30.6	0.4	30.1	2023
TOTAL	37.9	1.4	36.5	

(3) Commitments relating to work on investment properties

(€M)	Cost of works budgets signed*	Amounts of works recognised	Amounts of works outstanding	Delivery date
Padua-Zabarella	7.7	6.0	1.7	2023
TOTAL	7.7	6.0	1.7	

3.5.5.1.1 Swaps

As a variable-rate borrower, Covivio is subject to the risk of interest rates rising over time. The exposure to this risk is limited through hedging (swaps, caps and floors).

Covivio's borrowings and debt with credit institutions have been covered by swap agreements.

The table below summarises the major features of these swap contracts:

Start date	End date	Ref.	Bank	Rate type	Notional (ln €K)	Fair value (ln €K)
10/09/2014	10/09/2021	Swaps	LCL	0.77%	150,000	1,207
31/12/2014	31/12/2024	Swaps	CACIB	3.25%	200,000	-16,091
18/02/2016	14/10/2024	Swaps	CM CIC	0.50%	50,000	1,908
20/05/2016	20/05/2021	Swaps	CACIB	0.53%	200,000	691
21/06/2017	21/06/2024	Swaps	ING	0.76%	75,000	3,008
30/06/2018	30/06/2028	Swaps	NATIXIS	0.94%	75,000	-7,654
29/03/2018	31/03/2028	Swaps	CM CIC	1.03%	100,000	-10,605
30/09/2019	30/06/2028	Swaps	CM CIC	0.87%	100,000	-9,676
31/12/2018	30/06/2028	Swaps	ING	0.83%	50,000	-4,678
15/07/2019	16/04/2029	Swaps	ING	0.96%	100,000	-11,235
15/07/2019	16/04/2029	Swaps	CACIB	0.93%	100,000	-10,982
15/07/2019	16/04/2019	Swaps	SG	0.83%	50,000	-5,041
15/07/2019	13/10/2021	Swaps	HSBC	1.58%	300,000	5,059
31/12/2018	29/12/2028	Swaps	LCL	1.62%	100,000	-16,342
29/03/2018	29/12/2028	Swaps	NATIXIS	1.68%	130,000	-21,862
15/01/2020	15/01/2025	Swaps	SG	0.77%	400,000	21,055
15/01/2020	15/01/2026	Swaps	SG	0.21%	650,000	22,963
15/01/2020	15/01/2030	Swaps	SG	0.45%	400,000	-28,617
15/01/2020	15/01/2031	Swaps	CACIB	0.84%	75,000	-8,597
15/04/2020	15/01/2032	Swaps	LCL	1.04%	70,000	-10,093
15/01/2020	15/01/2031	Swaps	SG	1.18%	150,000	-17,821
23/06/2020	24/06/2030	Swaps	SG	Euribor 3M+0.0660%	100,000	1,092
23/06/2020	24/06/2030	Swaps	CACIB	Euribor 3M+0.0685%	250,000	2,669
Italian Branch						
29/06/2018	31/12/2026	Swaps	Intesa Sanpaolo S.p.A.	Eur3M	62,500	-3,381
29/06/2018	31/12/2026	Swaps	Unicredit S.p.A.	Eur3M	62,500	-3,381
29/06/2018	30/06/2027	Swaps	Credit Agricole CIB	Eur3M	50,000	-3,183
31/12/2018	31/12/2025	Swaps	Unicredit S.p.A.	Eur3M	50,000	-2,960

3.5.5.1.2 Caps and floors

Covivio's loans and debts with credit institutions are subject to a cap and floor contract.

The table below summarises the major features of these swap contracts:

Start date	End date	Ref.	Bank	Rate type	Notional (ln €K)	Fair value (ln €K)
15/01/2019	16/01/2023	A – Cap	HSBC	Euribor 3M	100 000	9
17/01/2028	15/01/2032	C. SWAPTION	LCL	Euribor 3M	70,000	-587
15/04/2020	17/07/2023	A – Cap	SG	Euribor 3M	125,000	52
Italian Branch						
30/06/2020	30/06/2027	Swaption	Intesa Sanpaolo S.p.A.	Eur3M	75,000	4

3.5.5.2 Commitments received

Off-balance sheet commitments received (€M)	Delivery date	31-Dec-20	31-Dec-19
Commitments related to consolidated companies		0.0	0.0
Commitments related to financing		1,330.0	1,315.0
Commitments related to financing not specifically required by IFRS7			
Financial guarantees received (authorised lines of credit not used)		1,330.0	1,315.0
Commitments related to operating activities		419.5	102.3
Financial instruments concluded for the reception or delivery of non financial elements ("own use" contracts)		0.0	0.0
Other contractual commitments received related to activity		224.9	0.0
Assets received in pledge, mortgage or collateral, as well as guarantees received		3.2	4.4
Preliminary sale agreements received = Preliminary sale agreements given		153.2	0.0
Works commitment outstanding (fixed assets) = (2) + (3) commitments given		38.2	0.0

3.5.6 Sundry information

3.5.6.1 Average headcount during the year and at the end of the period

2020 – Covivio France		2020 – Covivio Italie		TOTAL 2020	TOTAL 2019
Executives	143	Managers	8	151	143
Supervisors	17	Supervisors	17	34	31
Employees	2	Employees	47	49	36
TOTAL EXCLUDING APPRENTICES	162	TOTAL EXCLUDING APPRENTICES	72	234	210
Apprentices – Professional contracts	14	Apprentices	0	14	8
TOTAL FRANCE	176	TOTAL ITALY	72	248	218

The average headcount for 2020 was 175.67 in France and 76.75 in Italy.

3.5.6.2 Management and Directors' remuneration

3.5.6.2.1 Attendance fees

Directors' fees paid over the year by Covivio amounted to €565,250 versus €512,000 in 2019.

3.5.6.2.2 Remuneration of General Management

The members of the General Management and the Chairman of the Covivio Board of Directors received overall remuneration of €3,446 thousand for their roles, excluding the valuation of free shares.

The members of the General Management do not receive any post-retirement benefits, other than payment of the following compensation:

In the event of forced departure as a result of a change in control or strategy, the following Directors will receive compensation, provided that the performance conditions are met:

- Christophe KULLMANN (Chief Executive Officer): the compensation will be equal to 12 months' salary (fixed + variable) subject to two conditions:
 1. the first is linked to the NAV
 2. the second is linked to meeting the performance targets of the annual bonus
- Olivier ESTEVE and Dominique OZANNE (Executive Vice-Presidents): the compensation will be equal to 12 months' salary (fixed + variable) subject to two conditions:
 1. the first is linked to the NAV
 2. the second is linked to meeting the performance targets of the annual bonus.

3.5.6.3 Information regarding related-party transactions

All related-party transactions are concluded under normal market conditions or are immaterial.

The term 'related-party transactions' as presented here is defined under Article R. 123-199-1 of the French Commercial Code. It includes, in particular, all entities consolidated by Covivio, irrespective of the chosen method of consolidation. It also includes:

- persons or close family members of persons exercising joint control, significant influence, or who are key executives of Covivio
- controlled entities, jointly controlled entities, over which significant influence is exercised, or managed by the persons defined in the previous point.

3.5.6.4 Information on items with related companies 2020

The table below includes all related-party transactions for the fiscal year ended 31 December 2020, including transactions with wholly-owned subsidiaries.

(In € thousand)	Amount
Advances and pre-payments on fixed assets	
Equity investments	5,110,681
Investment-related receivables	
Loans	1,454,400
Trade receivables and related accounts	5,835
Other receivables	172,112
Other sundry long-term loans and borrowings	
Other sundry short-term loans and borrowings	219,581
Advances and deposits received on orders in progress	33
Trade payables and related accounts	175
Debt on fixed assets and related accounts	
Other liabilities	167
Income from investments	318,411
Other financial income	36,639
Financial expenses	-16,848

3.5.6.5 free shares

In 2020, a total of 171,802 free shares were awarded by Covivio.

The following fair-value assumptions were made for the free shares:

	2020					
	Corporate officers – with performance conditions	Corporate officers – no performance condition	Corporate officers – with performance conditions	Corporate officers – with performance condition – internal criteria	Employees and Executives without performance conditions – Award plan	Employees and Executives without performance conditions – Retention plan
Date awarded	13/02/2020	13/02/2020	13/02/2020	13/02/2020	16/12/2020	16/12/2020
Number of shares awarded	14,874	16,103	21,750	21,750	77,825	19,500
Share price on the date awarded	€110.30	€110.30	€110.30	€110.30	€75.95	€75.95
Acquisition period	3 years	3 years	4 years	4 years	3 years	4 years
Lock-up period						
2020 dividend per share	4.90	4.90	4.90	4.90	3.93	3.93
2021 dividend per share	5.05	5.05	5.05	5.05	3.92	3.92
2022 dividend per share	4.85	4.85	4.85	4.85	3.92	3.92
2023 dividend per share						3.92
Value of free share	€90.30	€90.30	€90.30	€90.30	€64.06	€60.05
Value of the benefit	€54.48	€72.63	€51.24	€50.66	€51.53	€44.92

At 31 December 2020, 493,337 free shares had been granted but were not yet vested.

3.5.6.6 Subsidiaries and equity investments

Companies or groups of companies	Capital	Reserves and retained earnings before allocation of income	Capital interest (in %)	Book value of securities held	
				gross	net
I. Detailed information					
A. Subsidiaries (at least 50% of the capital held by the company)					
1) Real estate					
a) Rental property					
Foncière Développement Logement	1,357	33,729	100%	186,335	54,939
Fédération	16,151	23,187	100%	27,411	27,411
FDR7	3	822	100%	825	825
SA Technical	102,028	120,226	100%	358,640	358,640
SCI Le Ponant 1986	15	7,285	100%	4,162	4,162
SCI Atlantis	2	5,731	100%	28,429	28,429
SCI Iméfa 127	81,788	1,138	100%	103,476	103,476
Latécoère	4,714	-15,274	50.1%	30,851	30,851
SCI du 32 avenue P. Grenier	157	8,262	100%	20,610	20,610
SCI du 40 rue J.J. Rousseau	24	1	100%	12	12
SCI du 3 place A Chaussy	15	0	100%	234	234
SARL BGA Transactions	50	2,916	100%	3,210	3,210
SCI du 288 rue Duguesclin	319	3,385	100%	4,498	4,498
SCI du 9 rue des Cuirassiers	85	-1,471	50.1%	5,693	5,693
SCI 35/37 rue Louis Guérin (Merged on 31/12/2020)					
SCI du 15 rue des Cuirassiers	159	-3,429	50.1%	1,072	1,072
SCI du 10B et 11A 13 allée des Tanneurs	32	21	100%	1,441	1,441
SCI du 8 rue M Paul Merged on 30/06/2020					
SCI 1 rue de Châteaudun	17	994	100%	2,048	2,048
SCI du 1630 avenue de la Croix Rouge	12	-78	100%	83	
SCI du 125 avenue du Brancolar	25	143	100%	7	7
SARL du 106-110 rue des Troènes	9	-251	100%	9	9
SCI du 2 rue de l'III	14	132	100%	198	198
SCI du 20 avenue Victor Hugo	12	89	100%	3	3
SARL du 2 rue Saint Charles	16	684	100%	7	7
SNC Palmer Plage	4,811	-1,077	100%	1,917	1,917
SCI Dual Center	1,352	1,382	100%	1,500	1,500
SCI Pompidou	966	4,059	100%	5,000	5,000
SCI 11 Place de l'Europe	5	3,083	50.09%	15,031	15,031
Office CB 21	330,447	-4,048	75%	247,695	247,695
SCI Lenovilla	8	7,290	50.1%	24,286	24,286
SCI Latécoère 2	2	-3,786	50.1%	1	1
SCI Meudon Saulnier	1	-7,426	99.9%	1	1
SCI Charenton	3,201	24,499	100%	16,001	16,001
SCI Avenue de la Marne	50	-2,034	100%	50	50
Omega B	26,928	15,612	100%	38,983	38,983
Covivio Lux	13	49	100%	63	62
SCI Rueil B2	1	9,552	99.9%	11	11
SNC Wellio	1	-7,039	99.9%	1	
SCI Cité Numérique	1	-399	99.9%	1	1
SCI Danton Numérique	1	-194	99.9%	1	1
SCI N2 Batignolles	6	10,141	50%	10,314	10,314
SAS 6 rue Fructidor	4,795	43,485	50.1%	24,787	24,787

Outstanding loans and advances granted by the company and not reimbursed	Guarantees and sureties given by the company	Revenues net of tax for the most recent year ended	Profit (loss) for the most recent year ended	Dividends received by the company over the year	Comments
		1,025	19,518		
17,000			1,502	3,230	
3,353		849	938	7,066	
		66,553	40,302	72,619	
227		1,632	1,211	1,500	
26,034		4,786	3,132	2,000	
		6,473	2,552	3,000	
		22,214	-2,647		
12,100		1,439	-251		
6,400		1,229	861	612	
4,400		1,273	616	649	
28,400		4,919	1,400		
16,000		2,907	1,339	957	
115,032			-232		
			36,771		
		3,559	-999		
7,921		1,777	925	161	
			63	285	
2,150		1,230	823	1,737	
2,364			-31		
6,400		1,614	1,221	1,206	
2,144		196	258		
3,100		889	98	545	
2,850		860	587	801	
539		5	-279		
86,816		5,927	182		
2,200		511	77		
5,000		875	85	444	
18,044		11,683	2,870	4,007	
			13,076	7,634	
24,762		15,766	7,076	2,505	
28,346		5,274	871		
31,493			-778		
69,047		8,393	3,874	6,402	
89,068		21	-462		
46,020		333	-3,321		
3,502			20		
110,378		11,961	-2,276		
15,123		12,420	-2,709		
36,102		2,338	-510		
124,062			-2,263		
49,834		102	221		
38,566			-42		



Companies or groups of companies	Capital	Reserves and retained earnings before allocation of income	Capital interest (in %)	Book value of securities held	
				gross	net
SCI Terres neuves	1	-30	99.90	1	
SCI de la Louisiane	1	-8	99.90	1	
b) Foreign companies					
Covivio 7 Spa	520	26,059	100.00	32,654	26,854
Covivio Développement SpA SIINQ			100.00	0	0
RGD Gestioni	10	1,912	100.00	2,704	2,665
Covivio Immobiliare 9 SpA	120	121,048	100.00	115,554	115,554
Attività Commerciali Montenero (sold on 30/09/2020)	10	959	100.00	0	0
Attività Commerciali Beinasco	10	1,994	100.00	2,279	1,671
Attività Commerciali Vigevano (sold on 30/09/2020)	10	1,782	100.00	0	0
Covivio Attività Immobiliari 1			100.00	0	0
SAS Covivio Alexanderplatz	30	-400	100.00	30	0
Covivio Attività Immobiliari 2	10	7	100.00	20	11
Covivio Attività Immobiliari 3	10	7	100.00	20	11
Covivio Development Italy SpA SIINQ	50	377,945	100.00	358,481	358,481
c) Real estate trader					
SARL GFR Ravinelle	952	741	99.98	1,733	1,733
d) Property development					
Lenopromo	1	131	99.90	1	1
Latepromo	1	139	99.90	1	1
Promomurs	1	253	100.00	1	1
SNC le clos de chanteloup	1	-700	99.90	1	
SNC Bordeaux Lac	1	-1,037	99.90	1	
SNC Sully Chartres	1	-372	99.90	1	
SNC Sucy Parc	1	-83	99.90	1	
SNC Gambetta Le Raincy	1	21	99.90	1	1
SNC Orly Promo	1	1,571	99.90	1	1
Silexpromo	1	612	99.90	1	1
SCI du 21 rue Jean Goujon	1	2,635	99.90	1	1
SNC Villouvette Saint-Germain	1	52	99.90	1	1
SNC La Marina Fréjus	1	-12	99.90	1	
SNC Normandie Niemen Bobigny	1	-15	99.90	1	
SNC le printemps Sartrouville	1	-35	99.90	1	
SNC Gauguin St-Ouen-l'Aumône	1	-11	99.90	1	
SNC Meudon Bellevue	1	92	99.90	1	1
SNC Tours Coty	1	-4	99.90	1	
SNC Valence Victor Hugo	1	-5	99.90	1	
SNC Nantes Talensac	1	-4	99.90	1	
SNC Marignane Saint-Pierre	1	-3	99.90	1	
SNC N2 Batignolles Promotion	10	318	50.00	164	
SNC Fructipromo	1	517	99.90	1	1
SNC Jean Jacques Bosc	1	-15	99.90	1	
SNC André Lavignolle	1	-7	99.90	1	
SCCV Chartres avenue de Sully	2	0	99.90	2	
SCCV Bobigny Le 9ème Art	2	0	60.00	1	
SCCV Fontenay-sous-Bois Rabelais	1	0	50.00	1	
SNC Saint Germain Hennemont	1	0	99.90	1	
SNC Antony avenue de Gaulle	1	0	99.90	1	
SNC Aix en Provence Cézanne	1	0	99.90	1	

Outstanding loans and advances granted by the company and not reimbursed	Guarantees and sureties given by the company	Revenues net of tax for the most recent year ended	Profit (loss) for the most recent year ended	Dividends received by the company over the year	Comments
503			-61		
2,111			-21		
			275		
		4,621	8,469	3,302	
		1,443	-130	500	
		6,779	3,692	5,584	
		1,227	-378		
		2,792	-332		
		1,925	-159		
		187	128	500	
124,700		35	-2,345		
			-6		
			-6		
		2,490	7,238		
		133	190		
			-3		
		6,359	1,061		
			19	6,000	
1,261			-64		
14,797			-297		
1,801			-149		
1,036			-39		
2,334		4,893	162		
		27,853	1,824		
		41,619	9,565	13,986	
149,520		660	-1,136		
		1,232	101		
229			-2		
1,347			-148		
60			-10		
170			-2		
3,179		3,866	208		
442			-5		
810			-8		
728			-11		
121			-1		
		14,754	913		
2,015		37,450	11,778	1,498	
400			-16		
1,626			-38		
1,111			-162		
237			-2		
2,630			-5		
417			-13		
267			-1		
127			-1		

Companies or groups of companies	Capital	Reserves and retained earnings before allocation of income	Capital interest (in %)	Book value of securities held	
				gross	net
2) Parking Activity					
SCI Esplanade Belvédère II	366	2	100.00	451	394
République	3,838	21,278	100.00	50,145	50,125
Gespar	30	8	50.00	56	39
3) Service Activity					
SNC Covivio Property	6,111	-2,383	100.00	12,759	0
Covivio Développement	200	-3,055	100.00	1,852	0
Covivio Hotels Gestion	37	4	100.00	37	15
Foncière Margaux	40	-20	100.00	34	34
Covivio2	12,927	-10,314	100.00	12,927	9,337
Euromarseille 1	8,501	-71	50.00	8,587	8,587
Euromarseille 2	3,501	-192	50.00	3,564	3,564
Covivio SGP	592	1,253	100.00	1,395	1,395
Télimob Paris SARL	552	14,517	100.00	57,670	57,670
Covivio Participations	1	-60	100.00	1	1
FDR PROPTECH	3	-205	100.00	3	
Covivio Holding Gmbh	25	962,288	100.00	1,021,043	1,021,043
Covivio Office Gmbh	25	678,241	100.00	678,759	678,759
B. Investment (10% to 50% of capital held by the company)					
1) Real estate Activity					
a) Rental property					
Cœur d'Orly Promotion	37	0	50.00	19	18
Covivio Hotel SCA	530,190	1,593,002	43.46	1,206,984	1,206,984
SCI Factor E	10	-469	34.69	486	486
SCI Orianz	10	-868	34.69	885	885
Central Sicaf	50,007	663,656	49.21	374,449	353,954
Real Estate Solution & Technology	10	127	30.00	3	3
III. General information on holdings					
B. Investments not included in Section 1					
(Comédie/Oséo/Finantex/MRDIC/FNAIM)	152	3,734	0.10	5	4
b) In foreign companies					
III. General information on holdings					
A. Subsidiaries I+II					
a) French subsidiaries (together)	617,288	306,894		1,316,308	1,166,320
b) Foreign subsidiaries (together)	830	2,171,842	1,400	2,211,543	2,205,048
B. Investments I+II					
a) In French companies	530,399	1,595,399		1,208,379	1,208,377
b) In foreign companies	50,017	663,783		374,452	353,957

* Information not available on closing date.

Outstanding loans and advances granted by the company and not reimbursed	Guarantees and sureties given by the company	Revenues net of tax for the most recent year ended	Profit (loss) for the most recent year ended	Dividends received by the company over the year	Comments
		52	24	24	
3,957			-2,903		
		52	35	15	
		7,718	-3,969		
43		9,678	-104		
1,180		1,206	371	639	
			-8		
41,219			-669		
6,453			3,578	2,904	
22,143			-1,701	500	
		1,192	389		
20,587			10,941	41,589	
2			60		
114			-51		
66,450		23	58,482	16,000	
18,200		2,572	-1,441		
145		0	-1	147	
		46,651	158,649	81,231	
6,128		3,118	453		
11,075		5,797	771		
		81,863	51,552	23,640	
			15		
			393		
1,319,754		359,750	155,288	184,515	
209,350	0	24,094	73,487	25,886	
17,348		55,566	160,265	81,378	
0	0	81,863	51,567	23,640	



3.5.6.7 Research and development activities

Covivio did not conduct any research and development during the past fiscal year.

3.5.6.8 Post -closing events

NONE

3.5.6.9 company earnings over the past 5 fiscal years

(In euros)	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
I – Capital at year-end					
a. Share capital	206,273,556	224,489,892	248,708,694	261,659,718	283,632,696
b. Number of existing ordinary shares	68,757,852	74,829,964	82,902,898	87,219,906	94,544,232
c. Number of priority dividend shares (without voting rights) outstanding	0	0	0	0	
d. Maximum number of future shares to be created	0	0	0	0	0
d1. By conversion of bonds	0	0	0	0	0
d2. By exercising subscription rights	438,544	473,300	506,087	454,604	493,337
II – Operations and net income for the financial year					
a. Revenue excluding taxes	73,203,471	84,416,438	86,111,995	192,704,669	162,448,070
b. Income before tax, employee profit sharing, depreciation and provisions	210,672,329	423,283,200	342,870,301	549,701,041	432,491,376
c. Income taxes	123,615	1,359,463	2,107,264	2,405,898	-43,444
d. Employee profit-sharing due for the financial year		537,616	499,992	308,864	0
e. Income after tax, employee profit-sharing, depreciation and provisions	248,815,409	443,008,272	348,466,525	293,940,535	318,811,426
f. Distributed income	302,534,549	336,734,838	381,353,331	418,655,549	340,359,235
III – Net income per share					
a. Income after tax and employee profit sharing, but before depreciation and provisions	3.06	5.64	4.11	6.27	4.57
b. Income after tax, employee profit-sharing, depreciation and provisions	3.62	5.92	4.20	3.37	3.37
c. Dividend allocated to each share	4.40	4.50	4.60	4.80	3.60
IV – Personnel					
a. Average salaried headcount over the financial year	149	151	155	157	252
b. Total payroll for the financial year	16,272,553	14,258,503	15,845,146	21,528,733	23,513,951
c. Amount paid in employee benefits for the financial year (social security, benefits, etc.)	6,619,556	6,391,613	7,674,213	10,056,013	10,053,554

3.5.6.10 Payment deadlines for suppliers and customers in euros

COVIVIO FRANCE

(In €)	Article D.441 I.- 1°: Invoices received and not paid on the closing date whose term is due					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Over 1 day
(A) Late payment tranches						
Number of invoices concerned	75					35
Total amount of invoices concerned including tax	318,175.56	112,812.81	7,145.77	11,724.86	25,208.15	156,891.59
Percentage of the total amount of purchases including tax during the financial year	0.48%	0.17%	0.01%	0.02%	0.04%	0.24%
Percentage of revenues including tax during the financial year						
(B) Invoices excluded from (A) relating to debts and disputed receivables or not recognised in the books						
Number of invoices excluded						N/A
Total number of invoices excluded						N/A
(C) Reference payment terms used (contractual or legal – Article L. 441-6 or L. 43-1 of the French Commercial Code)						
Payment terms used to calculate late payments						Contractual terms: Legal terms: 60 days

COVIVIO ITALY

(In €)	Article D.441 I.- 1°: Invoices received and not paid on the closing date whose term is due					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Over 1 day
(A) Late payment tranches						
Number of invoices concerned						221
Total amount of invoices concerned including tax		6,956,063.57				
Percentage of the total amount of purchases including tax during the financial year	0.00%	10.21%	0.00%	0.00%	0.00%	0.00%
Percentage of revenues including tax during the financial year						
(B) Invoices excluded from (A) relating to debts and disputed receivables or not recognised in the books						
Number of invoices excluded						N/A
Total number of invoices excluded						N/A
(C) Reference payment terms used (contractual or legal – Article L. 441-6 or L. 43-1 of the French Commercial Code)						
Payment terms used to calculate late payments						Contractual terms: Legal terms: 60 days

Article D.441 I.- 2°: Invoices received and not paid
on the closing date whose term is due

0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Over 1 day
1					423
14,642.42	29,783.30	34,710.20		1,634,818.39	1,699,311.89
0.02%	0.03%	0.04%		1.76%	1.83%
					N/A
					0.00

(C) Reference payment terms used (contractual or legal – Article L. 441-6 or L. 43-1 of the French Commercial Code)

Contractual terms:
Legal terms:
Comments: no invoicing of late interest

Article D.441 I.- 2°: Invoices received and not paid
on the closing date whose term is due

0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	Over 91 days	Over 1 day
200					
3,055,735.85	89,000.00	51,000.00	3,808,831.00	19,922,169.03	23,871,000.03
3.29%	0.10%	0.05		21.43%	25.68%
					N/A
					0.00

Contractual terms:
Legal terms:
Comments: no invoicing of late interest

3.6 Statutory Auditors' report on the annual financial statements

Financial year ended 31 December 2020

To the shareholders of Covivio,

Opinion

In compliance with the engagement conferred on us by your general meetings, we have performed an audit of the accompanying annual financial statements of Covivio for the financial year ended 31 December 2020.

In our opinion, the accompanying annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the company, and of the results of its operations for the year then ended, in accordance with French accounting standards.

The audit opinion thus formulated is consistent with the content of our report to the company's audit committee.

Basis for the audit opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities by virtue of those professional standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1 January 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) 537/2014.

Justification of our assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments, related receivables and provisions for any associated risks

Risk identified	Our response
At 31 December 2020, the Company's equity investments were included in its statement of financial position at a carrying amount of €6,460 million or 66% of the Company's total assets. As stated in note 3.5.2.3, "Non-current financial assets", they are measured at cost or at the applicable contribution value less any impairment allowance required to reduce them to their value in use. In the case of investments held for the long term, value in use is assessed on the basis of the investee's net assets plus any unrecognised capital gains associated with the investee's non-current assets. For the listed subsidiary, their published triple net asset values are used. At the end of the financial year, the acquisition cost of the securities is compared to their net asset value. The lower of these values is recorded in the balance sheet. The net asset value of the securities corresponds to their value in use for the company. As stated in note 3.5.2.6 to the financial statements "Provisions for risks and charges", provisions may also be recognised in the amount of any negative revalued equity associated with subsidiaries for which any associated assets have already been treated as impaired. Given the weight of the Company's equity investments and related receivables, and the sensitivity of their valuation to the applicable assumptions in particular as regards the estimation of the applicable unrecognised capital gains, we considered their valuation and that of any applicable provisions as a key audit matter.	We obtained an understanding of the process of determination of the value in use of equity investments. Our procedures involved: ● Obtaining an understanding of the applicable valuation methods and of the underlying assumptions for the determination of value in use; ● Assessing, on a test basis, the information used to estimate the value in use, in particular that: ● the amount of shareholders' equity used is consistent with the financial statements of the entities valued and audited, or with analytical procedures, if applicable; ● any adjustments made to shareholders' equity to calculate net asset value, mainly relating to unrealised capital gains on property assets, are estimated based on appraisal values. Our audit approach to appraisal values of property assets is described in the key audit point "Valuation of property assets"; ● Analysing the loss in value used for impairment of equity investments and related receivables by reconciling the remeasured net assets with the net book value; ● Assessing the recoverability of related receivables in light of the analyses performed on equity investments; ● Examining the need to recognise a provision for risks to cover the remeasured net financial position of subsidiaries if negative and where all assets reported for these subsidiaries have been impaired; ● Assessing the appropriateness of the information provided in the notes to the financial statements.

Valuation of property assets

Risk identified	Our response
At 31 December 2020, the Company's property assets (mainly comprising buildings owned by the Company) were valued at €1,877 million, to be compared against total balance sheet assets came to €9,787 million. They are recognised at acquisition cost or contribution value and are amortised on a straight-line basis. As indicated in note 3.5.2.2, "Property, plant and equipment", at each reporting date the Company assesses the existence of any indications of lasting impairment of its assets and, if necessary, recognises impairment allowances for any excess of the existing carrying amounts over the assets' market values (excluding costs) calculated by independent property valuers. Property valuation is a complex matter requiring the exercise of significant judgement by the Company's property valuers based on the data communicated by the Company. We deemed the valuation of property assets to be a key point in the audit due to the amounts involved and the significant degree of judgement in determining the main assumptions used to appraise the value of these assets.	We obtained an understanding of the Company's process of valuation of its property assets. Our procedures involved: ● Assessing the competence and independence of the Company's property valuers on the basis of the requirements for rotation and bases of remuneration defined by the company; ● Obtaining an understanding of the Company's written instructions to its property valuers describing the nature of the services required and the scope and limitations of the applicable procedures with particular regard to the verification of the information provided by the company; ● Assessing, on a test basis, the relevance of the information provided by the company's finance department to the property valuers for the purpose of determining the fair value of the Company's property assets, including rent schedules, other accounting data and capital expenditure budgets; ● Analysing the valuation assumptions applied by the property valuers, such as applicable discount rates, yield rates, rental data and market rental values, by comparing them in the context of the Covid-19 crisis with the available market data; ● Interviewing certain professional property valuers in the presence of the company's finance department and assessing, by the inclusion of valuation specialists within our audit teams, the consistency and relevance of the valuation approach applied and of the main associated instances of the exercise of professional judgement; ● Verifying, on a sample basis, that impairment allowances are recognised when assets' market values (excluding costs) calculated by independent property valuers are lower than the existing carrying amounts and the criteria defined in note 3.5.2.2 to the financial statements are met; ● Recalculating, on a sample basis, the impairment allowances recognised in the Company's annual financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the management report of the Board of Directors.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-1 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received or allocated by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies that are included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (Code de commerce), we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulations, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation (EU) 2019/815 of 17 December 2018 to years beginning on or after 1 January 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier).

Appointments of the statutory auditors

We were appointed as statutory auditors of Covivio by the general meeting held on 22 May 2000 in the case of MAZARS and 24 April 2013 in the case of ERNST & YOUNG et Autres.

As at 31 December 2020, MAZARS and ERNST & YOUNG et Autres were in the twenty-first year and eighth year of total uninterrupted engagement.

Groupe PIA that became Conseil Audit & Synthèse (acquired by ERNST & YOUNG Audit in 2010) was the statutory auditor from 2007 to 2012.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Audit purpose and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.



Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit programme implemented as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, 1 March 2021

MAZARS

Claire Gueydan

The Statutory Auditors

ERNST & YOUNG et Autres

Anne Herbein

COVIVIO SA PERMANENT ESTABLISHMENT ITALY

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Balance sheet as at 31 December 2020

Assets

(in €)	31/12/2020	31/12/2019
A) Subscribed capital unpaid	-	-
Subscribed capital unpaid A)	-	-
B) Fixed assets		
I Intangible assets		
4) concessions, licences, trademarks and similar rights	323,889	1,331,341
Total I	323,889	1,331,341
II Tangible assets		
1) Land and buildings		
• Investment properties	1,431,735,365	1,556,000,243
• Properties under development	102,200,000	93,700,362
• Operating properties	12,129,210	7,857,966
4) Other assets	866,678	880,364
5) Assets in progress and advance payments	-	2,761,445
Total II	1,546,931,253	1,661,200,380
III Financial assets		
1) Equity investments in:		
a) Subsidiaries	879,705,118	888,203,150
b) Associated companies	3,000	3,000
d-bis) Other companies	5,478,258	5,606,679
Total 1)	885,186,376	893,812,829
4) Derivative financial instruments	-	3,851
Total 4)	-	3,851
Total III	885,186,376	893,816,680
TOTAL FIXED ASSETS B)	2,432,441,518	2,556,348,401

(in €)	31/12/2020	31/12/2019
C) Current assets		
I Inventories:		
6) Land and buildings:		
Properties held for sale	16,954,998	19,504,997
Properties for lease currently being sold	18,652,752	83,147,589
Total I	35,607,750	102,652,586
II Receivables:		
1) Trade receivables:		
• Due within 12 months	32,942,706	53,480,981
• Due beyond 12 months	109,136,661	91,893,515
Total 1)	142,079,367	145,374,496
2) Due from subsidiaries:		
• Due within 12 months	3,741,471	8,544,877
• Due beyond 12 months	-	1,020,793
Total 2)	3,741,471	9,565,670
3) Due from associated companies:		
• Due within 12 months	-	-
• Due beyond 12 months	-	-
Total 3)	-	-
5-bis) Tax credits:		
• Due within 12 months	1,516,402	4,637,132
• Due beyond 12 months	123,359	403,585
Total 5-bis)	1,639,761	5,040,717
5-ter) Deferred tax assets:		
• Due within 12 months	-	-
• Due beyond 12 months	40,505,178	47,726,773
Total 5-ter)	40,505,178	47,726,773
5-quater) Due from others:		
• due within 12 months	13,441,176	6,829,002
• DUE beyond 12 months	5,673,612	5,655,629
Total 5-quater)	19,114,788	12,484,631
Total II	207,080,565	220,192,287
III Short-term financial		
Assets:		
1) Equity investments in subsidiaries	-	2,118,982
7) Financial assets for centralised management of treasury	4,273,607	1,607,869
Total III	4,273,607	3,726,851
IV Cash and cash equivalents		
1) Bank and postal deposits	37,870,931	143,264,000
Total IV	37,870,931	143,264,000
TOTAL CURRENT ASSETS C)	284,832,853	469,835,724
D) Accruals and deferrals	1,009,322	964,215
TOTAL ACCRUALS AND DEFERRALS D)	1,009,322	964,215
TOTAL ASSETS (A+B+C+D)	2,718,283,693	3,027,148,340

Balance sheet as at 31 December 2020

Liabilities and shareholders' equity

(In €)	31/12/2020	31/12/2019
A) Endowment fund (shareholders' equity)		
III Revaluation reserves	1,016,557,903	936,329,061
VI Other reserves	669,167,664	1,084,612,811
VII Reserve for hedging expected cash flows	-	-
IX Profit/(loss) for the year	-31,182,648	-73,840,510
TOTAL ENDOWMENT FUND A)	1,654,542,919	1,947,101,362
B) Provisions for risks and charges		
2) For taxes, including deferred taxes		
a) Taxes	568,773	306,283
b) Deferred tax liabilities	54,161,038	35,028,172
Total 2)	54,729,811	35,334,455
3) Derivative financial instruments	16,515,702	20,277,675
Total 3)	16,515,702	20,277,675
4) Others	5,431,491	6,182,560
Total 4)	5,431,491	6,182,560
TOTAL PROVISIONS FOR RISKS AND CHARGES B)	76,677,004	61,794,690
C) Employee severance indemnity	120,749	98,097
D) Payables		
1) Bonds:		
• Due within 12 months	9,164,682	9,164,682
• DUE beyond 12 months	719,791,106	718,659,277
total 1)	728,955,788	727,823,959
2) Convertible bonds:		
• Due within 12 months	200,395,667	734,028
• Due beyond 12 months	-	195,524,423
Total 2)	200,395,667	196,258,451
4) Payables to banks:		
• Due within 12 months	-	-
• Due beyond 12 months	-	-
Total 4)	-	-

(In €)	31/12/2020	31/12/2019
6) Advance payments:		
• Due within 12 months	1,201,000	15,147,000
• Due beyond 12 months	-	-
Total 6)	1,201,000	15,147,000
7) Payables to suppliers:		
• Due within 12 months	27,223,939	32,816,250
• Due beyond 12 months	-	-
Total 7)	27,223,939	32,816,250
9) Payables to subsidiaries:		
• Due within 12 months	12,206,465	12,151,931
• Due beyond 12 months	-	-
Total 9)	12,206,465	12,151,931
12) Tax payables:		
• Due within 12 months	1,182,118	20,499,308
• Due beyond 12 months	-	-
Total 12)	1,182,118	20,499,308
13) Payables to pension and social security institutions:		
• Due within 12 months	238,555	210,899
• Due beyond 12 months	-	-
Total 13)	238,555	210,899
14) Other payables:		
• Due within 12 months	12,271,800	9,517,414
• Due beyond 12 months	-	-
Total 14)	12,271,800	9,517,414
TOTAL PAYABLES D)	983,675,332	1,014,425,212
E) Accruals and deferrals	3,267,689	3,728,979
TOTAL ACCRUALS AND DEFERRALS E)	3,267,689	3,728,979
TOTAL LIABILITIES (A+B+C+D+E)	2,718,283,693	3,027,148,340

Profit and loss account for the year ended 31 December 2020

(In €)	Year 2020	Year 2021
A) Value of production		
1) Revenues from sales and services:		
a) lease revenues	79,041,299	99,986,133
b) service revenues	3,520,350	3,219,275
c) revenues from the sale of properties purchased for resale	1,405,000	955,000
Total 1)	83,966,649	104,160,408
5) Other revenues and income		
b) capital gains from the sale of fixed assets	64,708,235	20,024,464
d) non-recurring gains and write-downs of liabilities	1,292,292	2,686,416
e) revenues and income, from extraordinary operations, of a non-financial nature	5,161,475	8,719,752
Total 5)	71,162,002	31,340,632
TOTAL VALUE OF PRODUCTION A)	155,128,651	135,591,040
B) Costs of production		
6) For raw, ancillary and consumable materials and goods for resale	-3,618,127	-2,861,648
7) For services	-32,365,621	-28,743,505
8) For leases	-2,289,380	-1,879,002
9) For personnel:		
a) wages and salaries	-5,132,087	-4,518,714
b) social security charges	-1,379,502	-1,324,906
c) employee severance indemnity	-364,523	-309,318
e) other costs	-410,585	-7,682
Total 9)	-7,286,697	-6,160,620
10) Depreciation, amortisation and write-downs:		
a) amortisation of intangible assets	-1,073,852	-288,746
b) depreciation of tangible assets	-41,094,012	-48,499,523
c) other write-downs of fixed assets	-44,442,006	-47,849,060
d) write-down of receivables included among current assets and of cash and cash equivalent	-5,234,576	-2,051,606
Total 10)	-91,844,446	-98,688,935
11) Changes in inventory of raw, ancillary and consumable materials and goods for resale	-2,549,999	-349,103
12) Provisions for risks	-2,573,466	-2,670,577
14) other operating expenses	-38,188,836	-45,493,418
TOTAL COSTS OF PRODUCTION B)	-180,716,572	-186,846,808
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A+B)	-25,587,921	-51,255,768

(In €)	Year 2020	Year 2021
C) Financial income and charges		
15) Income from equity investments:		
a) in subsidiaries and associated companies	36,526,157	54,873,976
c) In companies subject to the parent companies' control	-	977
total 15)	36,526,157	54,874,953
16) Other financial income:		
d) other income:		
• From subsidiaries	142,269	127,052
• From others	498,013	4,003,008
Total 16)	640,282	4,130,060
17) Interest and other financial expenses:		
• Due to parent companies	-14,449,000	-11,709,000
• Due to subsidiaries	-1,631,334	-312,583
• Due to banks for mortgage loans	-11,174	-20,725,150
• Due to others	-24,378,884	-24,065,487
Total 17)	-40,470,392	-56,812,220
TOTAL FINANCIAL INCOME AND CHARGES (15+16+17+17BIS) C)	-3,303,953	2,192,793
D) Adjustments to financial assets		
18) Write-ups:		
a) of equity investments	514,555	461,172
b) of financial fixed assets not representing equity investments	23,529	19,097
d) of derivative financial instruments	7,179,284	-
Total 18)	7,717,368	480,269
19) Write-downs:		
a) of equity investments	-344,738	-4,487,719
b) of financial fixed assets not representing equity investments	-159,381	-159,526
c) of securities included among current assets not representing equity investments	-	-
d) of derivative financial instruments	-3,421,167	-23,400,940
Total 19)	-3,925,286	-28,048,185
TOT. ADJUSTMENTS TO FINANCIAL ASSETS (18+19) D)	3,792,082	-27,567,916
PROFIT (LOSS) BEFORE TAXES (A+B+/-C+/-D)	-25,099,792	-76,630,891
20) Income tax for the year:		
a) current taxes	-73,826	27,430
b) deferred tax liabilities	924,345	4,810,552
c) deferred tax assets	-7,221,595	-2,887,975
d) income from tax consolidation	288,220	840,374
Total 22)	-6,082,856	2,790,381
21) Profit (loss) for the year	-31,182,648	-73,840,510

Extract from the notes

Main events of the year

Real estate purchases and sales

No properties were purchased in 2020, whereas the following were sold:

- seven properties (plus the transfer of a surface right) classified as "Land and buildings – Investment properties". The properties were sold for a total price of €235,010 thousand, compared with a book value (at the sale date) of €197,311 thousand, with brokerage and other selling costs of €2,556 thousand
- six properties classified as "Properties held for leasing under disposal". The properties were sold for a total price of €83,455 thousand, compared with a book value of €82,420 thousand at the sale date, with brokerage and other selling costs of €2,538 thousand
- three properties and a lot of land classified as "Properties purchased for sale". The properties were sold for a total price of €1,405 thousand, compared with a book value of €1,270 thousand at the sale date, with brokerage and other selling costs of €26 thousand.

In addition, four preliminary agreements had been signed at 31 December 2020 for the sale of four properties with a book value of €18,653 thousand. The total price for these sales will be €21,600 thousand. Brokerage costs are expected to come to €36 thousand.

Merger of Covivio Attività Commerciali 1 S.p.A. SIINQ

With effect for accounting purposes on 31 August 2020, the wholly-owned subsidiary Covivio Attività Commerciali 1 S.p.A. SIINQ, which had previously acquired SIINQ (unlisted real estate investment company) status, merged into Covivio Stabile Organizzazione Italia following its complete demerger without liquidation from Covivio Development S.p.A. SIINQ (and therefore with the latter continuing to operate independently). In this demerger, Covivio Attività Commerciali 1 S.p.A. SIINQ received portion of the demerged assets, consisting of a property held for leasing (named "The Sign A"), a property under construction (the "Symbiosis School") and all the related contractual arrangements, assets and liabilities.

The assets acquired by Covivio through the merger of Covivio Attività Commerciali 1 S.p.A. SIINQ are summarised below:

Assets (In € thousand)	
Investment properties	44,393
Properties under development	23,706
Trade and other receivables due after one year	2
Trade and other receivables due within one year	813
Receivables from Covivio	9
Cash and cash equivalents	33
TOTAL ASSETS	68,956
Liabilities	
Trade and other payables due after one year	65
Trade and other payables due within one year	8,132
Payables to Covivio	4
TOTAL LIABILITIES	8,201
NET ASSETS TRANSFERRED TO COVIVIO	60,755

The recognition of the assets acquired in the demerger, compared to the value of the investment in the merged company (€57,468 thousand) generated goodwill of €3,287 thousand.

Revaluation of properties pursuant to law no. 126/2020

Italian law no. 126 of 13 October 2020 introduced a new revaluation of corporate assets and controlling and non-controlling investments recognised in the financial statements for years in course at 31 December 2019.

The revaluation, which may be applied "separately for each asset", must be recognised in the financial statements for the first year following that in course at 31 December 2019.

The greater value allocated to the assets as a result of the revaluation may also be recognised for income tax and IRAP (regional production tax) purposes starting in the year following that in which the revaluation was recognised. Should taxpayers decide to do so, in the tax return for the 2020 tax period, subject to the ordinary deadline in November 2021, they must exercise the revaluation option and pay the related substitute tax at a rate of 3%. The tax may be paid in no more than three equal instalments, the first due with payment of the balance of income taxes for the 2020 tax period and the other instalments due by the deadline for payment of the balance of income taxes for the subsequent tax periods.

If the revaluation is recognised for tax purposes, the asset balance of the revaluation, recognised in equity, is not taxable until distribution and at distribution it will be taxed at the ordinary rate of 24%, unless the taxpayer decides not to release (wholly or in part) that balance by paying an additional substitute tax of 10%.

Taking the opportunity offered by this law, Covivio Stabile Organizzazione Italia has decided to revalue its owned properties at their fair value. The revaluation totals €100,286 thousand and was recognised in the financial statements at 31 December 2020 against a reserve of the same amount. As a result of this revaluation, deferred taxes, calculated at a rate of 20% and equal to €20,057 thousand, were recognised in the revaluation reserve, which therefore totals €80,229 thousand.

Covivio is conducting the necessary assessments to verify whether it is in its interests to recognise all or part of this revaluation for tax purposes. If the company were to decide to pay the substitute tax on the full amount of the revaluation at the rate of 3% (or 3% +10%), in the next annual financial statements, the Permanent Establishment would reverse the accrual for deferred taxes and recognise the related tax liability.

As permitted by law no. 126/2020, Covivio may also opt to apply partial recognition solutions, and therefore only consider the revaluation of certain properties for tax purposes, rather than the entire portfolio subject to the revaluation in the accounts.

Disclosure on the special regime pursuant to art. 1, paragraph 141-bis, law no. 296 of 2006

Covivio SA (hereinafter referred to as "Covivio") is a French real estate company listed on the Paris stock exchange (Euronext) and the Milan screen-based stock market (MTA) and qualifies, in France, for the special regime applicable to *sociétés d'investissements immobiliers cotées* (the "SIIC Regime"), which, in terms of accounting tax requirements, is similar to Italy's special regime for listed real estate investment companies known as "SIIQ" in Italy (the "SIQ Regime"), governed by paragraph 119 and subsequent paragraphs of article 1, law no. 296 of 27 December 2006, as supplemented by Ministerial Decree no. 174 of 7 September 2007.

With a cross-border merger deed of 22 November 2018 (under the seal of Notary Mario Notari of Milan, file no. 24161, Index no. 14398) and with legal effect as from 11.59pm on 31 December 2018, Covivio had its subsidiary Beni Stabili S.p.A. SIIQ ("Beni Stabili"), a listed real estate management company with tax residence in Italy and subject to the aforementioned SIQ regime, merge into it (hereinafter the "Merger").

Following the Merger, Beni Stabili ceased to exist as an independent legal entity and Covivio created a secondary branch in Italy, which, from a tax standpoint, satisfies the conditions required to be a Covivio stable establishment in Italy (hereinafter also referred to as the "Stable Establishment"), to which all the assets previously belonging to Beni Stabili were allocated.

The Stable Establishment opted to apply the special tax regime under article 1, paragraph 141-bis of law no. 296/2006 (the special regime provided for by the SIQ regulations for branches), with effect as from the 2019 tax year, and thereby continuing the SIQ tax regime previously applied to Beni Stabili, without interruption.

This means that the Stable Establishment continues to produce two separate profits (losses) for the year, in accordance with the SIQ regime that Beni Stabili applied (until the 2018 tax year).

More specifically, under the SIQ regime applied by the Stable Establishment, rather than paying corporate income tax and

regional production tax (IRES and IRAP), it pays a substitute tax of 20% on income deriving from its real estate business (i.e., the "exempt operations"). On the other hand, income from business other than real estate or, in any event, not included in the scope of the SIQ is subject to ordinary taxation (i.e., the "taxable operations").

1. Compliance with the requirement for real estate leasing to be the prevalent business in order to continue applying the special regime

As required by article 1, paragraph 121 of law no. 296/2006, a SIQ's most prevalent business must be real estate leasing. The same applies for branches that apply the special regime pursuant to article 1, paragraph 141-bis of the same law no. 296/2006.

Real estate leasing is considered the prevalent business if at least 80% of the total assets are properties owned or held under other real rights for the purpose of leasing them, investments in SIQ/SIINQ and in qualifying real estate funds (or SICAF) (this requirement is referred to as the *asset parameter*) and if, every year, the revenues generated by these assets makes up at least 80% of all income and revenues in the profit and loss account (this requirement is referred to as the *revenue parameter*).

If an entity does not meet any one of the aforementioned two parameters for three consecutive financial years, it definitively loses eligibility for the special regime as from the second of the three years. If an entity does not meet both parameters in the same year, it definitively loses eligibility for the special regime as from the year in which it did not meet them.

Below are the results of the calculation of these parameters, both of which the Stable Establishment met in 2020, based on the figures in the statement of financial position (hereinafter also referred to as the "balance sheet"), as at and for the year ended 31 December 2020 of Covivio SA's Stable Establishment in Italy (in accordance with paragraph 1 of article 152 of the TUIR).

Asset parameter

(In € thousand)	31/12/2020
Properties held for leasing (A)	1,552,588
Investments in SIQ/SIINQ, SICAF and qualifying real estate funds (B)	853,600
TOTAL NUMERATOR (C)=(A)+(B)	2,406,188
TOTAL ASSETS (D)	2,718,284
Items excluded from the ratio denominator:	
Book value of the headquarters	-12,129
Cash and cash equivalents	-37,871
Loans to group companies (including the tax consolidation asset)	-4,568
Trade receivables (from customers, Group companies and other trade receivables)	
Hedging derivatives	-164,642
Deferred tax assets	-40,505
Tax assets (including VAT)	-1,639
Prepaid expenses	-1,009
TOTAL ADJUSTMENTS (E)	-262,363
TOTAL DENOMINATOR: "ADJUSTED" ASSETS (F)=(D)+(E)	2,455,921
ASSET PARAMETER (C)/(F)	97.97%

The asset parameter, as shown in the table above, is the ratio of:

- a numerator of €2,406,188 thousand, which includes the book value of:
 - (1) the properties held for leasing (€1,552,588 thousand). This amount corresponds with the book value of the properties classified in the financial statements as: (i) tangible fixed assets, under "Land and buildings" (in the sub-items "Investment properties" (€1,431,735 thousand) and "Properties under development" (€102,200 thousand)); (ii) current assets, under "Inventories" (in the sub-item "Properties held for leasing under disposal" (€18,653 thousand))
 - (2) investments in real estate SICAF that qualify for the special regime (51% stake in Central Sicaf S.p.A. totalling €374,449 thousand), in SIINQ (100% ownership of Covivio Immobiliare 9 S.p.A. SIINQ totalling €115,554 thousand and 100% ownership of Covivio Development Italy S.p.A. SIINQ totalling €358,481 thousand) and in real estate investment funds that qualify for the special regime (99 units held in the real estate fund named Securis Real Estate, worth €5,116 thousand)

- a denominator of €2,455,921 thousand, which includes total assets (€2,718,284 thousand), adjusted to exclude, in accordance with the criteria laid down in article 6 of Ministerial Decree 174/2007: i) the value of the property used as the Permanent Establishment's headquarters (classified as "Tangible fixed assets – owner-occupied properties" and worth €12,129 thousand at 31 December 2020); ii) cash and cash equivalents (€37,871 thousand); iii) loans to Group companies (€4,568 thousand); iv) trade receivables arising from the exempt operations and, as clarified by the Tax Authorities' circular 8/E of 2008, from taxable operations (€164,642 thousand). Furthermore, in order to prevent other items that have no direct relationship with either the exempt operations or the taxable operations from affecting the ratio, and whose inclusion in the denominator of the ratio could alter the determination of whether the prevalent business requirement is met, the following are excluded: v) deferred tax assets (€40,505 thousand at 31 December 2020); vi) tax assets (€1,639 thousand); vii) prepaid expenses relating to the exempt lease operations (€1,009 thousand).

Revenue parameter

(In € thousand)		31/12/2020
Rent and similar revenues	(A)	77,666
Capital gains realised on property sales in 2020	(B)	64,519
Dividends and capital gains from SIQ/SIINQ, SICAF and qualifying real estate funds	(C)	36,026
TOTAL NUMERATOR	(D)=(A)+(B)+(C)	178,211
Total income items		199,918
Capital gains realised in 2018 but recognised in previous years		0
Income recognised in 2018 for overall capital loss sales		0
TOTAL INCOME AND REVENUE ITEMS	(E)	199,918
Items excluded from the ratio denominator:		
Revaluations of properties in the portfolio as at 31 December 2020		-
Dividends corresponding with distributions of equity-related reserves (F1)		-
Income on charge-backs (F2)		-5,319
Releases of the provisions for doubtful debts and risks and charges (F3)		-961
Write-backs of equity investments (F4)		-538
Income on cost adjustments (F5)		-4,080
Income on the conversion option to recover previous write-downs (F6)		-
Prior year tax income (F7)		-43
Interest on tax assets and bank interest income (F8)		-62
Deferred tax assets and liabilities, tax consolidation income (F9)		-1,212
Total adjustments	(F)	-12,215
TOTAL DENOMINATOR	(G)=(E)+(F)	187,703
REVENUE PARAMETER	(D)/(G)	94.94%

The revenue parameter, as shown in the table above, is the ratio of:

- a numerator of €178,211 thousand, which includes revenues from: (i) rent on the lease of properties held for leasing (investment properties, properties under development and properties held for leasing under disposal) totalling €77,666 thousand. This amount includes revenues similar to rent, such as indemnities paid by tenants (but not income on charge-backs to tenants); (ii) gross capital gains realised in the year on sales of properties held for leasing (€64,519 thousand); (iii) dividends and capital gains on investments in SIQ/SIINQ, SICAF and real estate funds that qualify for the special regime, which amounted to €36,026 thousand in 2020
- a denominator of €187,703 thousand. This amount corresponds with all income and revenue items in the profit and loss account

(€199,918 thousand), adjusted to prevent other items that have no direct relationship with either the exempt operations or the taxable operations from affecting the determination of the ratio, and whose inclusion in the denominator of the ratio could alter whether the prevalent business requirement is met. Therefore, the following items are excluded: (i) income on charge-backs, mainly relating to staff secondment, costs recharged to tenants of properties held for leasing and recharges to subsidiaries (€5,319 thousand); (ii) releases of the provisions and other write-backs (€1,499 thousand); (iii) income consisting of write-backs of previous write-downs in relation to the conversion option (€4,080 thousand); iv) prior year tax income (€43 thousand); (v) deferred tax income, tax consolidation income and interest on tax assets and bank accounts (€1,212 thousand).

2. Allocation of profit and loss account items to the exempt operations and the taxable operations and the allocation criteria

Below is the profit and loss account for the year ended 31 December 2020, broken down into exempt operations and taxable operations (in thousands of Euro).

	31/12/2020		
	Total (A)	Exempt operations (B)	Taxable operations (A)-(B)
A) Production revenues			
1) Income from sales and services:	83,967	77,666	6,301
5) Other revenues and income	71,162	70,628	534
TOTAL PRODUCTION REVENUES A)	155,129	148,294	6,835
B) Production costs			
6) Raw, ancillary and consumable materials and goods for sale	-3,618	-	-3,618
7) Services	-32,366	-31,115	-1,251
8) Use of third-party assets	-2,290	-736	-1,554
9) Personnel expense:	-7,287	-6,918	-369
10) Amortisation, depreciation and write-downs:	-91,845	-91,636	-209
11) Changes in raw, ancillary and consumable materials and goods for sale	-2,550	-	-2,550
12) Provisions for risks	-2,573	-2,518	-55
14) Other operating expenses	-38,188	-37,953	-235
TOTAL PRODUCTION COSTS B)	-180,717	-170,876	-9,841
Operating loss (A+B)	-25,588	-22,582	-3,006
C) Financial income and expense			
15) Income from investments:	36,526	36,026	500
16) Other financial income:	639	-	639
17) Interest and other financial expense:	-40,470	-34,528	-5,942
NET FINANCIAL INCOME (EXPENSE) (15+16+17+17BIS) C)	-3,305	1,498	-4,803
D) Adjustments to financial assets			
18) Write-backs:	7,717	-	7,717
19) Write-downs:	-3,925	-	-3,925
TOT. ADJUSTMENTS TO FINANCIAL ASSETS (18+19) D)	3,792	-	3,792
Loss before taxes (A+B+/-C+/-D)	-25,101	-21,084	-4,017
20) Income taxes of the year:	-6,082	-6,363	281
21) Net loss for the year	-31,183	-27,447	-3,736

The results reported in the table for the two types of operations reflect the separation of profit and loss account items for 2020 based on the separate accounts prepared by the Permanent Establishment (for these items). Indeed, the purpose of the separate accounts is to identify the results of the exempt operations and those of the taxable operations by: i) allocating to each of the two types of operations the profit and loss account items specifically attributable thereto; ii) allocating to each of the two types of operations on a pro-quota basis the "common" profit and loss account items (which, as such, are not specifically attributable to either).

Specifically, the "common" items have been allocated to the exempt operations and the taxable operations based on the revenue parameter indicated above, as it is believed to be the most suitable percentage indicator for such allocation - excluding the profit and loss account items that do not refer to any type of operations - because it effectively expresses the percentage impact of leasing operations on all operations performed.

The main criteria adopted for the allocation of the various profit and loss account items in the schedule above are illustrated below for each.

Production revenues

1) Income from sales and services

- (1.1) *rent* is allocated to the exempt operations and the taxable operations based on the property to which it relates. Specifically, rent is allocated to (a) the exempt operations if it refers to properties held for leasing (investment properties, properties under development and properties held for leasing under disposal); (b) the taxable operations if it refers to the rental of properties purchased for sale or if it relates to sub-lease agreements (on properties that the Permanent Establishment leases and does not own)
- (1.2) *revenues from services* include revenues that specifically refer to the real estate and administrative services, accounting and tax services that the Permanent Establishment provides to subsidiaries and/or third parties. As these services differ from the leasing that falls within the scope of the exempt operations, revenues from services are entirely allocated to the taxable operations
- (1.3) *revenues from the sale of properties purchased for sale* are allocated to the taxable operations.

2) Other revenues and income

The same rule as that for rent applies to revenues for charge-backs to tenants, insurance compensation and revenues similar to rent and, in any case, related to leasing, *i.e.*, these revenues are allocated to the exempt operations if they refer to properties held for leasing, while they are allocated to the taxable operations if they refer to the rental of properties property purchased for sale.

Capital gains on the sale of properties held for leasing are allocated to the exempt operations, whereas capital gains on the sale of other fixed assets are allocated to the taxable operations.

Any other revenues classified in this item are allocated to the taxable operations, except for write-backs of write-downs of receivables, which are explained further on, prior year income and adjustments to costs recognised in previous years, which are allocated to one of the two types of operations based on the original allocation of the adjusted cost.

Production costs

Property management and maintenance costs, indirect taxes on leases, the single municipal property tax and all costs or accruals to the provisions for risks and charges in any way connected to the real estate business, irrespective of the profit and loss account item in which they are classified, and in accordance with the revenue allocation criterion, are allocated (a) to the exempt operations if they refer to properties held for leasing, and (b) to the taxable operations if they refer to the rental of property purchased for sale or the sub-lease of properties.

Other costs for services, raw, ancillary and consumable materials and goods for sale, the use of third-party assets, personnel expense, other accruals to the provisions for risks and other operating expenses are mainly "common" costs relating to both types of operations and, as such, they are allocated thereto based on the revenue parameter as previously calculated (the same stands for adjustments to these costs in years following their recognition).

The following are exceptions: (i) costs for the use of third-party assets consisting of rent paid to lease properties that the Permanent Establishment sub-leases to others, which are allocated to the taxable operations; and (ii) under other operating expenses, capital losses on the sale of properties held for leasing, which are allocated to the exempt operations. Other exceptions are costs to purchase or improve properties purchased for sale, classified as "raw, ancillary and consumable materials and goods for sale" and the corresponding revenues (or fair value gains/losses on properties purchased for sale) classified as "changes in raw, ancillary and consumable materials and goods for sale", which are allocated to the taxable operations.

Amortisation, depreciation and write-downs of fixed assets are allocated to the exempt operations if they refer to properties held for leasing. Other amortisation, depreciation and write-downs of tangible and intangible fixed assets are considered "common" expenses relating to both types of operations and are therefore allocated to the same based on the ratio of the revenue parameter.

Write-downs (and subsequent write-backs) *and credit losses relating to receivables* for leases and sales of properties are allocated to the exempt operations if they refer to properties held for leasing and to the taxable operations if they refer to properties purchased for sale or if they relate to sub-lease agreements. Write-downs (and subsequent write-backs) and credit losses are considered "common" expenses relating to both types of operations and are therefore allocated to the same based on the ratio of the revenue parameter.

Financial income and expense

Income from investments and other financial income are entirely allocated to the taxable operations, with the exception of: (i) that indicated below for financial income arising from hedges of interest rate risk on loans (which adjust financial expense); (ii) income from investments in SIIQ/SIINQ, SICAF and other qualifying real estate funds, which are included in the exempt operations, as explicitly established in the regulations.

With respect to the main types of *financial expense*:

- financial expense on mortgage loans that are structured so as to prevent, in various ways, the income from management of such properties from being used to secure debt repayment is considered as "specifically" related to the exempt operations and/or the taxable operations based on the type of operations to which the mortgaged property refers. Consequently, the financial expense on loans that (i) are secured by the properties held for leasing and that (ii) are concurrently structured to prohibit the income from management of such properties from being used to secure debt repayment, is allocated to the exempt operations, whereas the financial expense on loans secured by property purchased for sale is allocated to the taxable operations.

If the loans giving rise to such financial expense are hedged for interest rate risk, the related hedge income and expense are allocated to the exempt operations or the taxable operations according to where the hedged cash flows are allocated

- financial expense relating to current payables and non-current loans that are neither mortgaged nor serviced by the aforementioned flows (such as convertible bonds and short-term credit facilities), including financial expense on loans from subsidiaries, are considered "common" costs related to both types of operations and are consequently allocated to the same based on the ratio of the revenue parameter as calculated above.

Adjustments to financial assets

Write-downs of equity investments and other securities (e.g., units of UCIs) and any *subsequent write-backs* are allocated to the exempt operations if they relate to investments in SIIQ/SIINQ, SICAF and other qualifying real estate funds. Otherwise, they are allocated to the taxable operations.

Write-downs (and any subsequent write-backs) and *credit losses* of a financial nature are allocated to the taxable operations.

Fair value gains and losses on derivatives that are not cash flow hedges, including the conversion options on convertible bonds (recognised as derivative assets and liabilities in accordance with the accounting principles) are allocated to the taxable operations.

Income taxes of the year

Current and deferred tax income and expense are allocated to the exempt operations or the taxable operations based on the type of operations to which their tax base refers.

Income and expense arising from adjustments to profit and loss account items recognised in the financial statements for years before the special regime was applied, *i.e.*, prior year expense relating to costs and expenses that refer to the years before the Permanent Establishment began applying the special regime (in continuity with Beni Stabili S.p.A. SIIQ), these items – irrespective of whether they are classified in the other items identified above – are entirely allocated to the taxable operations because they are closely related to (in that they adjust them) items that accrued in years when all profit was taxable.

Equity

Equity is detailed below:

(In € thousand)	31/12/2020	31/12/2019	Changes
III Revaluation reserves			
● Reserve pursuant to law 266/05	911,943	911,943	-
● Reserve pursuant to law 72/83	191	191	-
● Reserve pursuant to law 413/91	53	53	-
● Reserve pursuant to law 2/2009	24,130	24,130	-
● Reserve pursuant to law 126/2020	80,229		80,229
● Reserve pursuant to art. 89 of Presidential Decree 917/86	12	12	-
Other revaluation reserves taxable on distribution arising from San Paolo IMU demerger in 1999	92,885	92,885	-
VI Other reserves	576,283	991,728	-415,445
VII Hedging reserve	-	-	-
IX Loss for the year	-31,183	-73,841	42,658
TOTAL EQUITY	1,654,543	1,947,101	-292,558

The change in equity during the year is a decrease of €292,558 thousand.

The change is due to:

- (i) the loss for the year of €31,183 thousand
 - (ii) the €361,099 thousand in cash transferred by the Permanent Establishment to the "parent company";
- partly offset by
- (iii) the recognition of the revaluation reserve pursuant to law 126/2020 (€80,229 thousand, corresponding to the revaluation of owned properties by €100,286 thousand, net of the related deferred taxes of €20,057 thousand, also recognised directly against equity as established by the accounting principles)
 - (iv) certain grants to the Permanent Establishment from the "parent company", totalling €16,208 thousand, for financial expenses and service costs incurred by the latter on the Permanent Establishment's behalf

- (v) the recognition of the goodwill on the merger of Covivio Attività Commerciali 1 S.p.A. SIINQ (€3,287 thousand).

As per the table above, the loss for 2019 of €73,841 thousand was covered by "other reserves".

The following reserves, totalling €1,029,214 thousand, are taxable on distribution: i) the revaluation reserve pursuant to law 266/05 (€911,943 thousand); ii) the revaluation reserve pursuant to law 78/83 (€191 thousand); iii) the revaluation reserve pursuant to law 413/91 (€53 thousand); iv) the reserve for grants pursuant to art. 55 (now 89) of Italian Presidential Decree no. 917/86 (€12 thousand); v) the revaluation reserve pursuant to law 2/2009 (€24,130 thousand); vi) the reserve taxable on distribution transferred from San Paolo IMI following the partial demerger in 1999 (€92,885 thousand).



Tables detailing certain balance sheet and profit and loss account items

The following tables detail the balance sheet and profit and loss account items.

The tables presented below only include those considered useful for a better understanding of the data in the charts illustrating the calculation of the asset and revenue parameters to show that real estate leasing is the prevalent business, as reported previously. Where deemed appropriate, for ease of understanding, a cross reference with the calculation charts of the aforementioned parameters is given.

These tables have been taken from the notes to the financial statements as at and for the year ended 31 December 2020.

All the data presented below are in thousands of Euro.

Balance sheet data

Fixed assets

Tangible fixed assets

1) Land and buildings

	Balance as at 31/12/2019				Increases due to merger	Incremental costs	Depreciation	Write-downs	Reval. Law 126/21
(In € thousand)	Historical cost	Accumulated depreciation	Accumulated write-downs	Total					
Land	634,089	0	-5,815	628,274	12,818		0	-13,080	18,416
Property structure	425,379	-5,400	-8,817	411,162	12,946	1,523	-5,388	-12,726	29,366
Interior finishes	108,404	-12,413	-1,653	94,338	3,789	1,942	-12,473	-2,223	6,216
Exterior finishes and roofing	229,189	-7,905	-4,350	216,934	7,578	1,312	-7,928	-6,722	15,023
Plants	224,609	-15,052	-4,265	205,292	7,262	4,086	-15,104	-6,415	14,046
Quid plus for commercial licences	0	0	0	0					
Investment properties	1,621,670	-40,770	-24,900	1,556,000	44,393	8,863	-40,893	-41,166	83,067
Land	49,102	0	0	49,102	4,005	0	0	0	6,565
Buildings under development	44,598	0	0	44,598	19,701	11,940	0	0	7,582
Properties under development	93,700	0	0	93,700	23,706	11,940	0	0	14,147
Land	5,797	0	0	5,797	0	0	0	-1,253	0
Property structure	902	-12	0	890	0	0	-15	0	1,366
Interior finishes	236	-26	0	210	0	0	-35	0	285
Exterior finishes and roofing	514	-18	0	496	0	0	-24	0	744
Plants	494	-29	0	465	0	0	-38	0	678
Owner-occupied properties	7,943	-85	0	7,858	0	0	-112	-1,253	3,073
TOTAL LAND AND BUILDINGS	1,723,313	-40,855	-24,900	1,657,558	68,099	20,803	-41,005	-42,419	100,287

Sales			Eliminations due to replacement		Reclassifications			Balance as at 31/12/2020			Total
Historical cost depreciation	Accumulated depreciation	Accumulated write-downs	Historical cost depreciation	Accumulated depreciation	Historical cost depreciation	Accumulated depreciation	Accumulated write-downs	Historical cost depreciation	Accumulated depreciation	Accumulated write-downs	
-86,171	0	677	0	0	10,176	0	439	589,328	0	-17,779	571,549
-50,962	1,038	845	-15	0	-308	436	544	417,929	-9,314	-20,154	388,461
-14,610	2,379	194	-75	11	767	1,448	123	106,433	-21,048	-3,559	81,826
-28,406	1,515	379	-12	1	893	591	301	225,577	-13,726	-10,392	201,459
-27,119	2,529	401	-204	19	1,919	1,446	282	224,599	-26,162	-9,997	188,440
								0	0	0	0
-207,268	7,461	2,496	-306	31	13,447	3,921	1,689	1,563,866	-70,250	-61,881	1,431,735
0	0	0	0	0	-7,372	0		52,300	0	0	52,300
0	0	0	0	0	-33,921	0		49,900	0	0	49,900
0	0	0	0	0	-41,293	0	0	102,200	0	0	102,200
0	0	0	0	0	1,278	0		7,075	0	-1,253	5,822
0	0	0	0	0	574	-11		2,842	-38	0	2,804
0	0	0	0	0	150	-25		671	-86	0	585
0	0	0	0	0	328	-17		1,586	-59	0	1,527
0	0	0	0	0	314	-28		1,486	-95	0	1,391
0	0	0	0	0	2,644	-81	0	13,660	-278	-1,253	12,129
-207,268	7,461	2,496	-306	31	-25,202	3,840	1,689	1,679,726	-70,528	-63,134	1,546,064



Investment properties include assets held for leasing.

Properties under development are assets undergoing development or significant redevelopment in preparation for their subsequent lease.

Owner-occupied properties refer to the portion of the property in Milan, via Cornaggia that the Permanent Establishment uses as its Offices.

With respect to the changes in the year:

- as previously reported in the paragraph on the "Main events of the year", the increases due to the merger, totalling €68,099 thousand, refer to the two properties acquired through the merger of Covivio Attività Immobiliare 1 S.p.A. SIINQ, one of which is classified as "Investment properties" with an entry value of €44,393 thousand (divided between land and buildings based on an estimate supported by an independent expert, and further broken down into several components) and the other of which (named "Edificio School") is classified as "Properties under development" with an entry value of €23,706 thousand (divided between land and buildings based on an estimate supported by an independent expert)
- during the year, the Permanent Establishment incurred expenses totalling €18,042 thousand and classified as "Incremental costs" (in accordance with the accounting principles), €6,102 thousand of which referred to "Investment properties" and €11,940 thousand to "Properties under development". Furthermore, another €2,761 thousand was added, which at 31 December 2019 had been classified as "Properties under development". Incremental costs incurred for "Investment properties" entailed the elimination of certain components which were replaced (although they had not yet been fully depreciated) totalling €275 thousand

- depreciation of the year totalled €40,893 thousand, in addition to write-downs that became necessary as a result of impairment (assessed on the individual buildings) considered permanent (and supported by appraisals prepared by an independent expert) of €42,419 thousand
- as reported in more detail in the paragraph above on the "Main events of the year", the properties were revalued pursuant to law 126/2020 by a total of €100,286 thousand
- sales of the year concerned seven properties and the transfer of a surface right for a total sale price of €235,010 thousand, compared to a book value of €197,311 thousand for the same assets
- the Permanent Establishment reclassified certain buildings in the financial statements. Specifically:
 - certain properties, with a total value of €19,673 thousand, were reclassified from "Investment properties" to current assets in light of preliminary sale agreements
 - one property worth €53,311 thousand was reclassified from "Investment properties" to "Properties under development" as it is undergoing significant redevelopment
 - several properties, with a total value of €94,604 thousand, were reclassified from "Properties under development" to "Investment properties" when the related construction and marketing activities were completed
 - a portion of the property in Milan, via Cornaggia, worth €2,563 thousand, became the Permanent Establishment's Offices and was therefore reclassified from "Investment properties" to "Owner-occupied properties".

2) Other assets

(In € thousand)	Balance as at 31/12/2019					Sales		Elimination			Balance as at 31/12/2020		
	Historical cost	Accumulated depreciation	Total	Increases	Depreciation	Historical cost	Accumulated depreciation	Historical cost	Accumulated depreciation		Historical cost	Accumulated depreciation	Total
Office furniture and equipment	1,155	-441	714	40	-31	0	0	-326	326		869	-146	723
Electronic equipment	210	-138	72	35	-33	0	0	(7)	7		238	-164	74
Vehicles	0	0	0	0	0	0	0	0	0		0	0	0
Sundry equipment	205	-111	94	0	-25	0	0	0	0		205	-136	69
Other assets	1,570	-690	880	75	-89	0	0	-333	333		1,312	-446	866

3) Assets under construction and payments on account

At 31 December 2019, *Assets under construction and payments on account* included the cost of real estate redevelopment initiatives totalling €2,761 thousand, which were completed in 2020.

Financial fixed assets**Equity investments**

(In € thousand)	a) Subsidiaries	b) Associated companies	d-bis) Other companies	Total
Balance as at 31 December 2019	888,203	3	5,607	893,813
Start-ups, capital increases and other contributions	48,800	-	-	48,800
Acquisitions	-	-	95	95
Decreases due to extraordinary transactions (mergers/demergers)	-57,468	-	-	-57,468
Repayment of units	-	-	-88	-88
Write-downs	-345	-	-159	-504
Write-backs	515	-	23	538
Reclassification of current financial assets	-	-	-	0
Balance as at 31 December 2020	879,705	3	5,478	885,186

a) Subsidiaries

(In € thousand)	% investment	Investee company's equity	Book value of investment (A)	% of equity attributable to Covivio (B)	Difference between the book value of the equity investments and the corresponding % of equity (A)-(B)
Covivio Immobiliare 9 S.p.A. SIINQ	100%	124,861	115,554	124,861	-9,307
Covivio Development Italy S.p.A. SIINQ	100%	385,233	358,481	385,233	-26,752
Covivio 7 S.p.A.	100%	26,854	26,854	26,854	-
RGD Gestioni S.r.l.	100%	2,664	2,664	2,664	-
Attività Commerciali Beinasco S.r.l.	100%	1,671	1,671	1,671	-
Covivio Attività Immobiliari 2 S.r.l.	100%	11	11	11	-
Covivio Attività Immobiliari 3 S.r.l.	100%	11	11	11	-
Covivio Attività Immobiliari 4 S.r.l.	100%	10	10	10	-
Central Sicaf S.p.A.	51%	765,214	374,449	390,259	-15,810
TOTAL		1,306,529	879,705	931,574	-51,869

b) Associated companies

The year-end balance in both years refers exclusively to the 30% stake in Real Estate Solution & Technology S.r.l., a company specialised in information technology services for companies operating in the real estate sector.

d-bis) Other companies

(In € thousand)	% investment/ units	Balance as at 31 December 2019	Acquisitions/ subscriptions	Write-backs	Write-downs	Repayments of equity investments/ units	Balance as at 31 December 2020
Other companies							
Nomisma S.p.A.	4.09%	243	-	23	-	-	266
TOTAL OTHER COMPANIES		243	-	23	-	-	266
Securities							
Securis Real Estate fund	99	5,363	-	-	-159	-88	5,116
Porta Romana fund	1.910	-	96	-	-	-	96
TOTAL SECURITIES		5,363	96	-	-159	-88	5,212
TOTAL		5,606	96	23	-159	-88	5,478

Current assets

Inventories

Land and buildings

(In € thousand)	Balance as at 31/12/2019						Sales		Reclassifications			Balance as at 31/12/2020		
	Historical cost	Accumulated write-downs	Total	Purchases	Incremental costs	Write-downs	Historical cost	Accumulated write-downs				Historical cost	Accumulated write-downs	Total
Land	212	-72	140	0	0	-14	-144	38	0			68	-48	20
Building	54,758	-35,393	19,365	0	3,618	-4,884	-12,768	11,604	0			45,608	-28,673	16,935
Properties purchased for sale	54,970	-35,465	19,505	0	3,618	-4,898	-12,912	11,642	0			45,676	-28,721	16,955
Land	26,465	0	26,465	0	0	0	-26,300	0	8,337			8,502	0	8,502
Building	79,632	-22,949	56,683	0	0	-1,748	-79,069	22,949	11,336			11,899	-1,748	10,151
Properties held for leasing under disposal	106,097	-22,949	83,148	0	0	-1,748	-105,369	22,949	19,673			20,401	-1,748	18,653
TOTAL LAND AND BUILDINGS	161,067	-58,414	102,653	0	3,618	-6,646	-118,281	34,591	19,673			66,077	-30,469	35,608

Receivables

Trade receivables

(In € thousand)	31.12.2020	31.12.2019
Trade receivables due within one year		
Receivables from customers for sales of properties and investments	20,757	29,228
Receivables from tenants	34,957	43,157
Receivables from customers for services	134	17
Provision for doubtful debts - trade receivables	-22,905	-18,921
TOTAL TRADE RECEIVABLES DUE WITHIN ONE YEAR	32,943	53,481
Trade receivables due after one year		
Receivables from tenants	11,536	13,733
Receivables from customers for sales of properties and investments	97,600	78,160
TOTAL TRADE RECEIVABLES DUE AFTER ONE YEAR	109,136	91,893
TOTAL TRADE RECEIVABLES	142,079	145,374

Receivables from subsidiaries

(In € thousand)	31.12.2020	31.12.2019
Receivables from subsidiaries due within one year		
Trade receivables for services and leases	3,448	7,707
Receivables arising from the consolidation of IRES taxable income	294	838
TOTAL RECEIVABLES FROM SUBSIDIARIES DUE WITHIN ONE YEAR	3,742	8,545
Receivables from subsidiaries due after one year		
Trade receivables for services and leases	-	1,021
TOTAL RECEIVABLES FROM SUBSIDIARIES DUE AFTER ONE YEAR	-	1,021
TOTAL RECEIVABLES FROM SUBSIDIARIES	3,742	9,566

Receivables from others

(In € thousand)	31.12.2020	31.12.2019
Other receivables due within one year		
Guarantee deposits	63	109
Other receivables	14,425	8,114
Provision for other doubtful debts – within one year	-1,047	-1,394
TOTAL OTHER RECEIVABLES DUE WITHIN ONE YEAR	13,441	6,829
Other receivables due after one year		
Receivables from the Municipality of Rome for expropriations	7,432	7,432
Guarantee deposits	100	99
Provision for other doubtful debts – after one year	-1,858	-1,875
TOTAL OTHER RECEIVABLES DUE AFTER ONE YEAR	5,674	5,656
TOTAL RECEIVABLES FROM OTHERS	19,115	12,485

Profit and loss account data

Production revenues

A1 – Income from sales and services ⁽¹⁾	2020	2019	Cross reference with the revenue parameter – par. 2.1	
a) rental income	79,042	99,986		
● on properties held for leasing	77,666	98,619	77,666	(A)
● on properties purchased for sale and under sub-lease	1,375	1,367		
b) service income	3,520	3,219		
c) income on sales of properties purchased for sale	1,405	955		
TOTAL A1	83,967	104,160		

A5 – Other revenues and income	2020	2019	Cross reference with the revenue parameter – par. 2.1	
b) capital gains on the sale of fixed assets				
● capital gains on the sale of properties held for leasing	64,519	20,024	64,519	(B)
● capital gains on the sale of other fixed assets	189	-		
	64,708	20,024		
d) prior year income and non-existent assets				
● release of provisions for risks and charges	152	221	152	(F3)
● release of provision for doubtful debts	809	1,643	809	(F3)
● other prior year income	332	821		
● of which for recoveries of other costs and expenses	158	555	158	(F2)
● of which for other non-existent assets and prior year income	174	266		
● allowances receivable	-	-		
	1,293	2,686		
e) non-financial income and revenues from non-core business				
● penalties/income on lease terminations	-	330	-	(A)
● recovery of accessory costs from tenants	5,012	8,026	5,012	(F2)
● recovery of intragroup accessory costs and charges ⁽¹⁾	22	53	22	(F2)
● recovery of costs for seconded staff and Directors' fees recharged to the O.S. ⁽¹⁾	127	311	127	(F2)
	5,161	8,720		
TOTAL A5	71,162	31,430		

Financial income

Income from investments

	2020	2019	Cross reference with the revenue parameter – par. 2.1	
C15 – income from investments:				
a) in subsidiaries and associates				
of which dividends	36,526	54,874		
• from SIIG/SIING, SICAF and qualifying real estate funds (distributions of profits)	36,026	41,471	36,026	(C)
• from SICAF and corresponding to the distribution of equity-related reserves	-	12,750	-	(F1)
• from other subsidiaries and associated companies	500	653		
b) in parent companies	-	-		
c) in subsidiaries of parent companies	-	1		
d) in other companies	-	-		
TOTAL C15	36,526	54,875		

Other financial income

	2020	2019	Cross reference with the revenue parameter – par. 2.1	
C16 – Other financial income:				
a) on receivables classified as fixed assets	-	-		
b) on securities classified as fixed assets which are not equity investments	-	-		
c) on securities classified as current assets which are not equity investments	-	-		
d) income other than the above:	-	-		
• from subsidiaries ⁽¹⁾	142	127		
• from subsidiaries of parent companies	-	-		
• from others	498	4,004		
of which interest income from banks	4	230	4	(F8)
of which interest income and exchange differences	-	1		
of which interest on tax assets	58	143	58	(F8)
of which income for waivers of mortgage loans	-	3,630	-	(F5)
of which for receivable discounting	436	-		
TOTAL C16	640	4,131		

Adjustments to financial assets: Write-backs

	2020	2019	Cross reference with the revenue parameter – par. 2.1	
D18 - Write-backs				
a) equity investments				
of which investments in SIQ/SIINQ and SICAF	-	370		
of which investments in other companies	515	91	515	(F4)
TOTAL A) - EQUITY INVESTMENTS	515	461		
b) financial fixed assets that are not equity investments	23	19	23	(F4)
TOTAL B) - FINANCIAL FIXED ASSETS THAT ARE NOT EQUITY INVESTMENTS	23	19		
d) derivative financial instruments				
Ineffective portion of the option to convert bonds ("ORNANE")	7,179	-	4,080	(F6)
TOTAL D) - DERIVATIVE FINANCIAL INSTRUMENTS	7,179	-		
TOTAL D18 - WRITE-BACKS	7,717	480		

Taxes

	2020	2019	Cross reference with the revenue parameter – par. 2.1	
20 - Income taxes of the year:				
a) current taxes				
• prior year current tax income	-74	27		
b) deferred tax liabilities				
• accruals and releases of deferred tax liabilities	909	4,697	909	(F9)
• restatement of prior year deferred taxes	15	114	15	(F9)
c) deferred tax income				
• accruals and releases of deferred tax assets	-7,196	-3,014		
• restatement of prior year deferred taxes	-25	126		
d) tax consolidation income	288	840	288	(F9)
TOTAL 20	-6,083	2,790		



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Agenda and text of draft Resolutions for the Combined General Meeting of 20 April 2021

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4.1 Agenda and text of draft Resolutions for the Combined General Meeting of 20 April 2021

4.1.1 Agenda

4.1.1.1 Ordinary resolutions

- Approval of the company's financial statements for the year ended 31 December 2020
- Approval of the consolidated financial statements for the year ended 31 December 2020
- Appropriation of income – Distribution of dividends
- Approval of the Statutory Auditors' special report prepared in accordance with article L. 225-40 of the French Commercial Code and the agreements referred to in article L. 225-38 of the French Commercial Code referred to therein
- Approval of the remuneration policy applicable to the Chairman of the Board of Directors
- Approval of the remuneration policy applicable to the Chief Executive Officer
- Approval of the remuneration policy applicable to the Deputy General Managers
- Approval of the remuneration policy applicable to Directors
- Approval of the information referred to in article L. 22-10-9 I. of the French Commercial Code related to remuneration of all corporate executive officers
- Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid in the fiscal year ended 31 December 2020, or allocated for the same fiscal year, to Jean Laurent in his capacity as Chairman of the Board of Directors
- Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Christophe Kullmann in his capacity as Chief Executive Officer
- Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Olivier Estève in his capacity as Deputy General Manager
- Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated for the same fiscal year to Dominique Ozanne in his capacity as Deputy General Manager
- Renewal of the term of office of Sylvie Ouziel

- Renewal of the term of office of Jean-Luc Biamonti
- Renewal of the term of office of Predica
- Authorisation to be granted to the Board of Directors for the company to purchase treasury shares.

4.1.1.2 Extraordinary resolutions

- Delegation of authority to the Board of Directors to increase the company's share capital through the incorporation of reserves, profits or premiums
- Authorisation to be granted to the Board of Directors to reduce the company's share capital through the cancellation of shares)
- Delegation of authority to the Board of Directors to issue shares and/or transferable securities convertible into equity, maintaining the shareholders' preferential subscription right
- Delegation of authority to the Board of Directors to issue, through public offering, company shares and/or transferable securities convertible into equity, with waiver of shareholders' preferential subscription rights and a mandatory priority period for share issues
- Delegation of authority to the Board of Directors to issue shares and/or transferable securities convertible into equity, with waiver of shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the company
- Delegation of authority to the Board of Directors to issue shares and/or transferable securities convertible into equity, to pay for contributions in kind granted to the company consisting of capital shares or transferable securities convertible into equity, with waiver of shareholders' preferential subscription rights
- Delegation of authority to the Board of Directors to make capital increases reserved for employees of the company and companies in the Covivio group that are members of a company savings plan, with waiver of shareholders' preferential subscription right
- Amendment of articles 8 (*Crossing thresholds*) and 10 (*Rights and obligations attached to shares*) of the company's Articles of Association
- Powers for formal recording requirements.

4.1.2 Text of the draft resolutions

4.1.2.1 Ordinary resolutions

FIRST RESOLUTION

(Approval of the company's financial statements for the year ended 31 December 2020).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the company's financial statements for the fiscal year ended 31 December 2020 and the reports of the Board of Directors and Statutory Auditors on these annual financial statements, approves in full the report of the Board of Directors and the financial statements for the year ended 31 December 2020, which include the balance sheet, income statement and notes, as presented, showing a profit of €318,811,426.45.

The General Meeting consequently approves the transactions reflected in these financial statements and summarised in these reports.

The General Meeting notes that there were no expenditure and charges covered by Article 39.4 of the French General Tax Code, and observes that there is no corporate income tax payable in this respect.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the year ended 31 December 2020).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the reports of the Board of Directors and Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements for the year ended 31 December 2020, which include the balance sheet, income statement and notes, as presented, as well as the transactions reflected in these financial statements and summarised in these reports.

The General Meeting notes that the consolidated net income of the Group as at 31 December 2020 was €359,767 thousand.

THIRD RESOLUTION

(Appropriation of income – Distribution of dividends).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having noted that the profit of €318,811,426.45 for the year increased by the retained earnings of €1,536,686.40, bringing the distributable profit to a sum of **€320,348,112.85**, resolves, on a proposal from the Board of Directors,

- to allocate the distributable profit as follows:
 - (i) €41,730.90 to the legal reserve, bringing the amount of the legal reserve to 10% of share capital at year-end, i.e., €28,363,269.60
 - (ii) €320,306,381.95 as a dividend payment to shareholders

In accordance with the law, the General Meeting confirms that the dividends distributed for the previous three fiscal years were as follows:

Fiscal year	Type of dividend	Dividend paid per share	Amount of dividend eligible for the 40% rebate ⁽¹⁾	Amount of dividend not eligible for the 40% rebate
2017	Current	€4.50	-	€4.50
2018	Current	€4.50	€0.1479	€4.4521
2019	Current	€4.80	€0.7506	€4.0494

(1) In case of option for a progressive rate of the revenue tax.

- distribute of €20,179,749.65, taken from the "Merger premium" account.

Thus, each share will receive a dividend of €3.60.

The dividend will be distributed on 28 April 2021.

On the basis of the total number of shares comprising the share capital as of 17 February 2021, i.e., 94,579,481 shares, and subject to the possible application of the provisions of article 25.3 of the company's Articles of Association to shareholders for Withholding Tax, a total dividend of €340,486,131.60 will accordingly be allocated. This dividend only gives entitlement to the 40% rebate in the event of an annual, express, overall and irrevocable option for the progressive income tax scale pursuant to article 200 A 2 of the French General Tax Code, and only for the portion of this dividend deducted, where relevant, from earnings subject to corporation tax. In compliance with Article 158 3° b bis of the French General Tax Code, this rebate does not apply to earnings exempt from corporate income tax under the SIC plan in application of Article 208 C of the French General Tax Code.

The tax-exempt dividend pursuant to article 208 C of the French General Tax Code not eligible for the 40% rebate totals €277,301,509.20.

The dividend withheld on the profits subject to corporate tax totals €63,184,622.40.

The dividend drawn against the company's profits exempt from corporate income tax pursuant to article 208-3° quarter of the French General Tax Code totals €0.

It is specified that in the event of a change in the number of shares entitled to dividends, the overall amount of the dividend will be adjusted accordingly by deduction from the "Merger premium" account. Accordingly, the General Meeting grants all powers to the Board of Directors, with a right of sub-delegation, under the conditions stipulated by the legal and regulatory provisions, for the purposes of determining, considering in particular the number of shares held by the company at the record date prior to the dividend payment date and, where applicable, when considering the number of shares issued or cancelled before this date, the overall amount of the dividend and, consequently, the amount that will be withdrawn from the "Merger premium" account.

The General Meeting resolves that, pursuant to the provisions of Article L. 225-210 of the French Commercial Code, the amount the shareholders may have waived, as well as the amount corresponding to treasury shares on the dividend payment date, which do not grant a right to dividends, will be allocated to the "Retained earnings" account.

FOURTH RESOLUTION

(Approval of the Statutory Auditors' special report prepared in accordance with Article L. 225-40 of the French Commercial Code and the agreements referred to in Article L. 225-38 of the French Commercial Code referred to therein).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Statutory Auditors' special report on the regulated agreements and undertakings referred to in Articles L. 225-38 et seq. of the French Commercial Code, approves this report and such regulated agreements entered into or executed during the fiscal year ended 31 December 2020.

FIFTH RESOLUTION

(Approval of the remuneration policy applicable to the Chairman of the Board of Directors).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance pursuant to Article L. 225-37 of the French Commercial Code describing in particular the items of the remuneration policy of the legal representatives, approves pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy applicable to the Chairman of the Board of Directors presented and detailed in paragraph 4.3.4.1.1. of company's the Universal Registration Document (*document d'enregistrement universel*).

SIXTH RESOLUTION

(Approval of the remuneration policy applicable to the Chief Executive Officer).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance pursuant to Article L. 225-37 of the French Commercial Code describing in particular the items of the remuneration policy of the legal representatives, approves pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy applicable to the Chief Executive Officer presented and detailed in paragraph 4.3.2.1.2. of company's the Universal Registration Document (*document d'enregistrement universel*).

SEVENTH RESOLUTION

(Approval of the remuneration policy applicable to the Deputy General Managers).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance prepared in accordance with Article L. 225-37 of the French Commercial Code detailing in particular the items of the remuneration policy of the legal representatives, approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy applicable to the Deputy General Managers presented and detailed in paragraph 4.3.2.1.2. of company's the Universal Registration Document (*document d'enregistrement universel*).

EIGHTH RESOLUTION

(Approval of the remuneration policy applicable to the Directors).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance prepared in accordance with article L. 225-37 of the French Commercial Code, detailing in particular the components of the remuneration policy of the legal representatives, approves, pursuant to article L. 22-10-8 of the French Commercial Code, the remuneration policy applicable to the Directors presented and detailed in paragraph 4.3.4.1.3. of the company's Universal Registration Document (*document d'enregistrement universel*).

NINTH RESOLUTION

(Approval of the information referred to in article L. 22-10-9.-I. of the French Commercial Code relating to all remuneration of corporate officers).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance prepared in accordance with article L. 225-37 of the French Commercial Code, approves pursuant to article L. 22-10-34.-I. of the French Commercial Code the information referred to in article L. 22-10-9.-I. of the French Commercial Code related to remuneration of all corporate officers and detailed in paragraph 4.3.4.2 of the company's Universal Registration Document (*document d'enregistrement universel*).

TENTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Jean Laurent in his capacity as Chairman of the Board of Directors).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report by the Board of Directors on corporate governance prepared in accordance with article L. 225-37 of the French Commercial Code, approves, pursuant to article L. 22-10-34 II. of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of said fiscal year to Jean Laurent in his capacity as Chairman of the Board of Directors, as described in said report, and presented in paragraph 4.3.4.3.1. of the company's Universal Registration Document (*document d'enregistrement universel*).

ELEVENTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Christophe Kullmann in his capacity as Chief Executive Officer).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report by the Board of Directors on corporate governance prepared in accordance with article L. 225-37 of the French Commercial Code, approves, pursuant to article L. 22-10-34 II. of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of said fiscal year to Christophe Kullmann in his capacity as Chief Executive Officer, as described in said report, and presented in paragraph 4.3.4.3.2. of the company's Universal Registration Document (*document d'enregistrement universel*).

TWELFTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Olivier Estève in his capacity as Deputy General Manager).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report by the Board of Directors on corporate governance drafted pursuant to Article L. 225-37 of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Olivier Estève in his capacity as Deputy General Manager, as described in said report, and presented in paragraph 4.3.4.3.3. of company's the Universal Registration Document (*document d'enregistrement universel*), pursuant to Article L. 22-10-34-II. of the French Commercial Code.

THIRTEENTH RESOLUTION

(Approval of the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Dominique Ozanne in his capacity as Deputy General Manager).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report by the Board of Directors on corporate governance drafted pursuant to Article L. 225-37 of the French Commercial Code, approves the fixed, variable and exceptional components of the total remuneration and all benefits in kind paid during the fiscal year ended 31 December 2020 or allocated in respect of the said fiscal year to Dominique Ozanne in his capacity as Deputy General Manager, as described in said report, and presented in paragraph 4.3.4.3.4 of company's the Universal Registration Document (*document d'enregistrement universel*), pursuant to Article L. 22-10-34-II of the French Commercial Code.

FOURTEENTH RESOLUTION

(Renewal of the term of office of Sylvie Ouziel).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report by the Board of Directors, and having noted that the term of office of Sylvie Ouziel as a Director is due to expire at this General Meeting, resolves to reappoint, as of this day, Sylvie Ouziel as a Director of the company, for a period of four (4) years expiring at the end of the General Meeting of shareholders called in 2025 to approve the financial statements for the fiscal year ended 31 December 2024.

FIFTEENTH RESOLUTION

(Renewal of the term of office of Jean-Luc Biamonti).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report by the Board of Directors, and having noted that the term of office of Jean-Luc Biamonti as a Director is due to expire at this General Meeting, resolves, to reappoint, as of this day, Jean-Luc Biamonti as a Director for a period of four (2) years expiring at the end of the General Meeting of shareholders called in 2023 to approve the financial statements for the fiscal year ended 31 December 2022.

SIXTEENTH RESOLUTION

(Renewal of the term of office of Predica).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report by the Board of Directors, and having noted that the term of office of Predica as a Director is due to expire at this General Meeting, resolves to reappoint, as of this day, Predica as a Director of the company, for a period of four (4) years expiring at the end of the General Meeting of the shareholders called in 2025 to approve the financial statements for the fiscal year ended 31 December 2024.

SEVENTEENTH RESOLUTION

(Authorisation to be given to the Board of Directors for the company to purchase treasury shares).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Board of Directors and in accordance with the provisions of articles L. 22-10-62 et seq. of the French Commercial Code, European Regulation no. 596/2014 of the European Parliament and Council of 16 April 2014 and the market practices allowed by the *Autorité des Marchés Financiers* (French Financial Markets Authority):

- terminates, effective immediately, for the unused portion, the authorisation given by the Combined General Meeting of 22 April 2020
- authorises the Board of Directors, which may further delegate such authority under the conditions stipulated by the legal and regulatory provisions, to purchase treasury shares or cause them to be purchased, all at once or in several instances at the time of its choosing and

- decides that purchases of company shares as described in the paragraph above may be for a number of shares such that the number of shares that the company would purchase during the buyback programme does not exceed 10% of the shares making up the share capital of the company (at any time whatsoever, and this percentage applies to adjusted capital based on the impact of transactions subsequent to this General Meeting). It is stipulated that (i) a maximum of 5% of the shares comprising the company's share capital may be allocated for holding purposes and subsequent payment or exchange within the framework of a merger, split or contribution, and (ii) in the event of an acquisition within the context of a liquidity agreement, the number of shares taken into account for calculating the 10% limit on the total share capital mentioned above corresponds to the number of shares purchased less the number of shares resold during the term of this authorisation, and (iii) purchases made by the company may not under any circumstances lead to it owning more than 10% of the share capital of the company.

The maximum purchase price paid by the company for treasury shares must not exceed one hundred and thirty-five euros (€135) per share (excluding acquisition expenses). In case of capital transactions, specifically through the incorporation of reserves and the allocation of free shares and/or the splitting or consolidation of shares, this price will be adjusted by a multiplier coefficient equal to the ratio between the number of shares comprising the share capital prior to the transaction and the same number after the transaction. Therefore, in the event of a change in the share par value, a capital increase through the incorporation of reserves, the allocation of free shares, the splitting or consolidation of shares, the distribution of reserves or any other assets, the amortisation of capital or any other transaction affecting shareholders' equity, the General Meeting resolves to delegate to the Board of Directors the authority to adjust the aforementioned maximum purchase price in order to take these transactions into consideration in the share value.

The maximum amount of funds reserved for the share buyback programme will be one hundred and fifty million euros (€150,000,000).

Transactions relating to purchases, disposals, exchanges or transfers may be executed by any means, i.e., on the market or over the counter, including by acquisition or sale of blocks, as well as by recourse to financial instruments, specifically derivative financial instruments traded on a regulated or over-the-counter market, such as calls or puts options or any combinations thereof, or by recourse to warrants, under the conditions authorised by the competent market authorities and at such times as the company's Board of Directors deems fitting. The maximum portion of the share capital acquired or transferred in the form of blocks of shares may comprise up to the entire programme.

These transactions may take place at any time, subject to compliance with regulations in effect, unless a third party files a public offering for the shares of the company, until the end of the offer period.

This authorisation is intended to allow the company to pursue the following objectives, in compliance with the applicable legal and regulatory provisions:

- allocate shares to executive corporate officers or employees of the company and/or of companies belonging to its group, in accordance with the terms and conditions set out in the laws and regulations applicable to (i) the sharing in the benefits due to the company's growth, (ii) the stock option scheme stipulated by articles L. 225-177 et seq. of the French Commercial Code and its article L. 22-10-56, (iii) the scheme for allocation of free shares as stipulated in articles L. 225-197-1 et seq. of the French

Commercial Code and L. 22-10-59 and L. 22-10-60 of the Commercial Code and (iv) any employee savings plan, as well as to undertake any hedging transaction relating to these transactions, under the conditions stipulated by the market authorities and at such times as the Board of Directors or the individual acting on behalf of the Board of Directors deems suitable

- deliver shares during the exercise of rights attached to transferable securities giving the right, immediately or in the future, through redemption, conversion, exchange, presentation of a warrant or any other manner, to the allocation of company shares, as well as to undertake any hedging transaction in relation to the issue of such securities, under the conditions stipulated by the market authorities and at such times as the Board of Directors or the individual acting on behalf of the Board of Directors deems suitable
- hold the shares and deliver them later as payment or in exchange in the context of potential transactions for external growth, merger, split or contribution
- cancel all or part of the shares through a reduction in the share capital (specifically in order to optimise cash management, return on equity or earnings per share), subject to this General Meeting adopting the 19th resolution below;
- facilitate the liquidity of transactions and consistency in the trading of the company's shares or to prevent price swings not justified by market trends within the framework of a liquidity agreement entered into with an investment services provider operating in complete independence, under the conditions and in accordance with the methods set by regulation and recognised market practice and consistent with a Code of Ethics recognised by the *Autorité des Marchés Financiers*;
- and also with a view to any other practice that could be recognised by the law or the *Autorité des Marchés Financiers* or any other purpose to be authorised by the law or regulations in effect in future. In such a case, the company would inform its shareholders by sending out a notice.

This authorisation is given for eighteen (18) months as at the date of this General Meeting.

The General Meeting grants complete authority to the Board of Directors, which may further delegate such authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- to place all orders on the securities exchange or over the counter
- to enter into any agreements specifically with a view to maintaining records on the purchase and sale of shares
- to prepare all documents, including those for information
- allocate or reallocate the shares acquired to the various objectives pursued, under the applicable legal and regulatory conditions and
- to prepare any statements and execute any recording requirements of the *Autorité des Marchés Financiers* or any other public authority and, in general, to take all necessary measures.

The General Meeting acknowledges that, in the event that the Board of Directors uses this authorisation, the Board of Directors must report on it pursuant to article L. 225-100 of the French Commercial Code, in accordance with article L. 225-211 of the French Commercial Code.

4.1.2.2 Extraordinary resolutions

EIGHTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the company's share capital through the incorporation of reserves, profits or premiums).

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, and having reviewed the report of the Board of Directors:

- terminates, effective immediately, for the unused portion, the delegation given by the Combined General Meeting of 22 April 2020
- hereby fully authorises the Board of Directors, in accordance with the provisions of articles L. 225-129, L. 225-129-2, L. 225-130 and L.22-10-50 of the French Commercial Code, which may further delegate such authority, to decide to increase the company's share capital, on one or more occasions, in the proportions and at the times that it deems suitable, by incorporating all or part of the reserves, profits, premiums or any other sums that may be capitalised, to be executed through the issue of new free shares or an increase in the par value of the company shares or a combination of these two procedures
- notwithstanding the above, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this delegation of authority as of the date of the filing by a third party of a proposed public takeover offer for the company's shares, and until the end of the offer period
- resolves that the maximum nominal amount of the capital increases performed under this delegation, immediately or in the future, may not exceed a total of twenty-eight million euros (€28,000,000), plus, if applicable, the par value of the additional shares to be issued in order to protect the rights of the holders of transferable securities convertible into equity as required by legal, regulatory and contractual stipulations. This amount is set independently and separately from the caps on share capital increases as a result of share and/or transferable securities issues authorised by resolutions 20 through 24
- resolves that this delegation is valid for a period of twenty-six (26) months from the date of this General Meeting
- resolves that the rights forming fractional shares will be neither tradable nor transferable and that the corresponding shares will be sold; the sums resulting from the sale will be allocated to the holders of the rights as stipulated under the legislative and regulatory provisions applicable and
- resolves that the Board of Directors, which may further delegate such authority under the conditions stipulated by the legal and regulatory provisions, will have all powers to implement this delegation, specifically for the purposes of:
 - (i) determining the terms and conditions of the transactions authorised above, and more specifically determining in this respect the amount of sums to be capitalised and the shareholders' equity account or accounts against which they will be drawn
 - (ii) setting the amounts to be issued and the dividend entitlement date, applied retroactively or not, for the securities to be issued
 - (iii) making any adjustments in order to take into account the impact of transaction on the company's share capital

- (iv) setting the terms and conditions under which the rights of holders of transferable securities providing access to the share capital will be maintained, as relevant, in accordance with the legal and regulatory provisions in force and the conditions stipulated in any contracts in force
- (v) performing, either on its own or through an agent, all acts and formalities to finalise any capital increases that may be carried out as authorised under this resolution and
- (vi) amending the Articles of Association accordingly and, in general, doing whatever is necessary.

NINETEENTH RESOLUTION

(Authorisation to be granted to the Board of Directors to reduce the company's share capital through the cancellation of shares).

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of article L. 22-10-62 of the French Commercial Code:

- terminates, effective immediately, for the unused portion, the authorisation given by the Combined General Meeting of 22 April 2020
- authorises the Board of Directors, which may further delegate such authority, for a period of eighteen (18) months from the date of this General Meeting, to cancel, on one or more occasions and at times it deems fit, shares acquired by the company under the authority of resolution 17 or any other resolution with the same purpose and same legal basis, within the limit of 10% of the company's share capital per period of twenty-four (24) months, and to reduce the share capital accordingly, on the understanding that this percentage applies to the capital following any adjustments to take into account the impact of transactions subsequent to this General Meeting and
- authorises the Board of Directors to allocate the difference between the purchase value of the cancelled shares and their par value to the "Share premium" account or to any available reserves account, including legal reserves, to a maximum of 10% of the realised capital reduction.

The General Meeting grants all authority to the Board of Directors, which may further delegate such authority under the conditions stipulated by the legal and regulatory provisions, to undertake this (these) transaction(s) involving share cancellations and capital reductions, specifically to set the final value of the capital reduction, setting the conditions and confirming its fulfilment and undertaking the corresponding amendment of the company's Articles of Association, to take any formal recording measures, to make any efforts and statements to any public entities and, in general, to do anything necessary.

TWENTIETH RESOLUTION

(Delegation of the authority to the Board of Directors to issue shares and/or securities convertible into equity, maintaining the shareholders' preferential subscription right)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of articles L. 225-129, L. 225-129-2 and L. 228-91 et seq. of the French Commercial Code:

- terminates, effective immediately, for the unused portion, the delegation given by the Combined General Meeting of 22 April 2020
- delegates authority to the Board of Directors, which may further delegate said authority, for a period of twenty-six (26) months as from the date of this General Meeting, to decide, on one or more occasions, in the proportions and at the times it deems fit, both in France and abroad, on the issue, in euros or in foreign currency, maintaining the shareholders' preferential subscription rights, of company shares and/or transferable securities (including warrants to subscribe for new or existing shares), providing immediate or future access by any means to the company's share capital, whether issued free of charge or in return for payment. It is specified that this delegation may allow the issue of transferable securities under the conditions set forth by article L. 228-93 of the French Commercial Code
- notwithstanding the above, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this delegation of authority as of the date of the filing by a third party of a proposed public takeover offer for the company's shares, and until the end of the offer period
- resolves that the maximum nominal amount of the share capital increases performed under this delegation, immediately or in the future, may not exceed a total of seventy million euros (€70,000,000) plus, where applicable, the par value of any additional shares to be issued to protect the rights of the holders of transferable securities convertible into equity as required by applicable legal, regulatory and contractual stipulations. This amount is set independently and separately from the caps on share capital increases as a result of share and/or transferable securities issues authorised by resolutions 18 and 21 through 24 and
- also resolves that the par value of debt securities convertible into equity immediately and/or in the future that may be issued under this delegation may not exceed a total of seven hundred and fifty million euros (€750,000,000) or the equivalent of this on the date of this issue decision in the case of an issue in foreign currency or in a unit of account set by reference to several currencies. Please note that the nominal amount of the debt securities convertible into equity immediately and/or in the future issued under this delegation and resolutions 21 to 23 May not exceed a total of seven hundred and fifty million euros (€750,000,000), the overall cap for all debt securities. This amount is independent of the amount of the debt securities for which issue was decided or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code.

Shares or transferable securities convertible into equity may be subscribed for either in cash or by offsetting receivables against the company.

Shareholders have a preferential right, in proportion to the value of their shares, to subscribe the shares and securities issued under this resolution. The Board of Directors may establish, for shareholders, a subscription right on a reducible basis for the shares or transferable securities issued, which will be issued in proportion to their subscription rights and up to the maximum of their orders.

Consequently, if subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue of shares or transferable securities as defined above, the Board of Directors may use all or some of the options below in the order it deems appropriate:

- to restrict the issue to the amount of subscriptions, it being specified that in the event of a share issue, this limit may only be applied by the Board of Directors on condition that the subscriptions amount to at least three quarters (3/4) of the issue decided
- to freely distribute all or part of any securities not subscribed on an irreducible basis and, where relevant, on a reducible basis and
- to offer to the public all or part of the non-subscribed shares on the French and/or international markets and/or abroad.

The General Meeting acknowledges that the authorisation implies, as applicable, in favour of the holders of such transferable securities convertible into equity as may be issued under this delegation, waiver ipso jure by the shareholders of their preferential subscription right to shares in connection with such transferable securities.

The General Meeting resolves that the company's stock warrants may be issued by subscription offer, as well as by free allocations to owners of old shares, and that, in the event of a free allocation of stock warrants, the Board of Directors will be entitled to resolve that fractional allocation rights will not be negotiable and that the corresponding securities must be sold.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions stipulated by the legal and regulatory provisions, specifically for the purposes of:

- determining the dates, prices and other conditions of the issues as well as the form and features of the transferable securities to be created
- setting the amounts to be issued and the dividend entitlement date, applied retroactively or not, for the securities to be issued
- determining the method of release for the shares or other securities issued and, if applicable, the conditions for their purchase or exchange
- suspending, if applicable, the exercise of the share allocation rights attached to the transferable securities to be issued, for a period no longer than three (3) months
- setting the terms and conditions under which the rights of holders of transferable securities convertible into equity will be maintained, as relevant, in accordance with the legal and regulatory provisions in force and the conditions of any applicable contracts providing for other adjustments
- charging any amounts against the share premium as required, in particular the fees triggered by the issue, to deduct from this amount the necessary amounts corresponding to 10% of the nominal value of each issue for the legal reserve after each increase
- undertaking any formalities required for the listing for trading on a regulated market in France or abroad, of the rights, shares or transferable securities issued, and recording both the capital increase or increases resulting from any issue made through the use of this delegation and providing financial services for the securities in question and exercise of the corresponding rights

- deciding, in the event of an issue of transferable securities representing debt securities convertible into equity, subject to the conditions defined by law, whether or not they are subordinated, setting the interest rate and the currency, the maturity, which may be perpetual if applicable, the fixed or variable redemption price with or without premium, the conditions for amortisation based on market conditions, and the conditions under which these securities will be convertible into shares of the company and the other conditions for issue (including the act of granting guarantees or securities) and amortization and
- in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue performed through the use of this delegation, and amending the company's Articles of Association accordingly.

TWENTY-FIRST RESOLUTION

(Delegation of authority to the Board of Directors to issue, through public offering, company shares and/or securities convertible into equity, with waiver of shareholders' preferential subscription rights and a mandatory priority period for share issues).

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of articles L. 225-129, L. 225-129-2, L. 225-135, L. 22-10-51, L. 225-136, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- terminates, effective immediately, for the unused portion, the delegation given by the Combined General Meeting of 22 April 2020
- delegates to the Board of Directors, which may further delegate such authority, for a period of twenty-six (26) months as from the date of this General Meeting, the power to decide, on one or more occasions, in the proportions and at the times it deems fit, on the issue of company shares and/or transferable securities convertible into equity immediately or in the future, through public offering, in France or abroad, in euros or in foreign currency, with waiver of shareholders' preferential subscription rights. It is specified that this delegation of authority may allow for the issue of transferable securities under the conditions set forth by article L. 228-93 of the French Commercial Code
- notwithstanding the above, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this delegation of authority as of the date of the filing by a third party of a proposed public takeover offer for the company's shares, and until the end of the offer period
- resolves that the maximum nominal value of increases in the company's share capital made immediately or in the future under this delegation may not exceed twenty-eight million euros (€28,000,000). Added to this cap, as necessary, will be the additional par value of the shares or other equity instruments to be issued, in accordance with the applicable legal and regulatory provisions and any applicable contractual

stipulations providing for other cases of adjustment, to preserve the rights of holders of transferable securities representing receivables convertible into equity. This amount is set independently and separately from the caps on share capital increases as a result of share and/or transferable securities issues authorised by resolutions 18, 20 and 22 through 24 and

- resolves that the par value of all debt securities issued under this delegation may not exceed a total of seven hundred and fifty million euros (€750,000,000), the overall cap for debt securities stipulated herein and in resolutions 20, 22 and 23, or the equivalent of this amount on the date of the issue decision in the event of issue in foreign currency or in a unit of account set by reference to several currencies. This amount is independent of the amount of the debt securities for which issue was decided or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code.

Issuances decided under this delegation will be completed through public offering.

This delegation of authority expressly excludes the issue of preference shares or marketable securities providing access by any means to preference shares either immediately or in the future.

Shares or transferable securities convertible into equity may be subscribed for either in cash or by offsetting receivables against the company.

The General Meeting resolves:

- the shareholders' preferential subscription right to the shares and other securities issued under this delegation
- to grant shareholders, in connection with share issues, a priority period of at least three (3) trading days for all share issues through public offering made by the Board of Directors in accordance with articles L. 22-10-51 and R. 225-131 of the French Commercial Code and
- to delegate to the Board of Directors the option of granting a similar priority period for other non-equity issues.

A priority subscription period that does not lead to the creation of negotiable rights must be exercised in proportion to the portion of equity owned by each shareholder and could potentially be topped up by a subscription on a reducible basis, on the understanding that unsubscribed shares will be sold to public investors in France or, where applicable, offered for investment abroad.

In accordance with article L. 22-10-52 of the French Commercial Code, the General Meeting resolves that:

- the issue price of the shares will be at least equal to the minimum amount authorised by the laws and regulations in force at the time of use of this delegation (i.e. for information purposes on the date of this General Meeting, at a price at least equal to the weighted average price of the last three trading sessions of the Covivio share on Euronext Paris preceding the start of the public offering within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, possibly reduced by a maximum discount of 10%) and

- the issue price of transferable securities convertible into equity (whether immediately or in the future), issued under this delegation will be such that the sum immediately received by the company, plus any amount it might receive subsequently, for each share or other equity security issued as a consequence of the issue of these transferable securities, will be at least equal to the minimum subscription price defined in the previous paragraph, after adjustment, if any, of that amount to cover any difference in dividend eligibility dates.

If subscriptions have not absorbed the entire issue of shares or other transferable securities as defined above, the Board of Directors may use all or some of the options below, as it deems fit, and in the order it deems appropriate:

- limit the issue to the amount subscribed, provided that this is equal to at least three quarters (3/4) of the agreed value of the issue
- freely distribute all or part of the unsubscribed securities and
- offer all or part of the unsubscribed securities to the public.

The General Meeting acknowledges that this delegation implies a waiver by the shareholders of their preferential subscription right to the company's shares or other equity instruments to which the transferable securities to be issued on the basis of this delegation may entitle them.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions stipulated by the legal and regulatory provisions, specifically for the purposes of:

- determining the dates and conditions of the issues as well as the features of the transferable securities and shares to be created or associated with them
- setting the number of shares and/or other transferable securities to be issued, as well as their terms and conditions, in particular their issue price and, as applicable, the amount of the premium
- determining the payment method for the shares and/or securities issued
- determining the terms of payment for the shares and/or other securities issued setting the dividend entitlement date, with or without retroactive effect, of the securities to be issued and, as applicable, the conditions for their buyback or exchange
- suspending, as applicable, exercise of the rights attached to the securities for a period no longer than of three (3) months under the limits stipulated by the applicable legal and regulatory provisions
- setting the conditions to ensure preservation of the rights of holders of transferable securities or other instruments providing access to the share capital, in accordance with applicable legal and regulatory provisions and, as necessary, the applicable contractual stipulations providing for other adjustments
- charging any amounts against the share premium as required, in particular the fees triggered by the issue, to deduct from this amount the necessary amounts corresponding to 10% of the nominal value of each issue for the legal reserve after each increase
- undertaking any formalities required for the listing for trading on a regulated market in France or abroad, of the rights, shares or transferable securities issued, and ensuring both the capital increase or increases resulting from any issue made through the use of this delegation and providing financial services for the securities in question and exercising the corresponding rights

- deciding, in the event of the issue of transferable debt securities convertible into equity as stipulated under French law, whether these securities should be subordinated or not (and setting their subordination rank where applicable), setting their interest rate, currency, maturity (which may be perpetual), their fixed or variable redemption price (with or without premium), amortisation conditions based on market conditions, conditions under which these securities will entitle holders to company shares, and other conditions concerning their issue (including the act of granting guarantees or securities) and amortisation and

- in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue performed through the use of this delegation, and amending the company's Articles of Association accordingly.

TWENTY-SECOND RESOLUTION

(Delegation of authority to the Board of Directors to issue shares and/or securities convertible into equity, with waiver of shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the company).

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of articles L. 225-129 et seq., L. 22-10-54 and L. 228-91 et seq. of the French Commercial Code:

- terminates, effective immediately, for the unused portion, the delegation given by the Combined General Meeting of 22 April 2020
- delegates to the Board of Directors, which may further delegate such authority, for a period of twenty-six (26) months as from the date of this General Meeting, the power to decide, on one or more occasions, in the proportions and at the times it deems fit, on the issue of company shares and/or transferable securities convertible into equity, immediately or in the future, and by any means, through a public exchange offering launched by the company, in France or (depending on local criteria and regulations) abroad, for shares of another company whose securities are admitted to trading on a regulated market pursuant to article L. 22-10-54 of the French Commercial Code
- notwithstanding the above, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this delegation of authority as of the date of the filing by a third party of a proposed public takeover offer for the company's shares, and until the end of the offer period
- resolves to waive, as required, the shareholders' preferential subscription right to the shares and/or transferable securities issued under this delegation
- acknowledges that the authorisation implies waiver *ipso jure* by the holders of any transferable securities convertible into equity issued under this delegation of their preferential subscription right to shares in connection with such transferable securities
- resolves that the maximum nominal value of increases in the company's share capital made immediately or in the future under this delegation may not exceed 10% of its share capital (corresponding to its amount on the date of use of this delegation by the Board of Directors). Please note that the maximum nominal value of increases in the company's share capital made under this delegation and the delegation granted pursuant to resolution 23 May not exceed 10% of the company's share capital, the overall cap for all capital increases, now or in future, stipulated under this resolution and resolution 23 and

- resolves that the par value of all debt securities issued under this delegation may not exceed a total of seven hundred and fifty million euros (€750,000,000), the overall cap for debt securities stipulated herein and in resolutions 20, 21 and 23, or the equivalent of this amount on the date of the issue decision in the event of issue in foreign currency or in a unit of account set by reference to several currencies. This amount is independent of the amount of the debt securities for which issue was decided or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions stipulated by the legal and regulatory provisions, specifically for the purposes of:

- defining the terms, conditions and details of the transaction, within the limits set by this resolution and applicable legal and regulatory provisions
- determining the exchange ratio as well as any amount payable in cash
- recording the number of shares tendered to the exchange
- recording the number of securities tendered to the exchange offer determining the dates and issue conditions, in particular the price of the shares to be issued and their dividend entitlement date (possibly retroactive), or where applicable the dates and issue conditions of transferable securities convertible, now or in future, into company shares to be issued
- taking all required measures to protect the rights of holders of transferable securities or other instruments providing access to the share capital, in accordance with applicable legal and regulatory provisions and any contractual stipulations providing for other adjustments
- recording the difference between the issue price of the new shares and their par value in the "Liabilities" section of the balance sheet under an "Additional paid-in capital" account which will cover the rights of all shareholders;
- at its sole initiative, charging the fees for any issue to the amount of the "Additional paid-in capital" and deducting from this amount the necessary amounts corresponding to 10% of the nominal value of each issue for the legal reserve after each increase
- performing all required formalities for the rights and shares issued to be listed on a regulated market in France or abroad, providing financial services of the transferable securities in question and ensuring the exercise of their attached rights and
- in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue performed through the use of this delegation, and amending the company's Articles of Association accordingly.

TWENTY-THIRD RESOLUTION

(Delegation of authority to the Board of Directors to issue shares and/or transferable securities convertible into equity, to pay for the contributions in kind granted to the company consisting of capital shares or transferable securities convertible into equity, with waiver of shareholders' preferential subscription rights).

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of articles L. 225-129 et seq. of the French Commercial Code, in particular article L. 225-147, as well as article L. 22-10-53 of said Code:

- terminates, effective immediately, for the unused portion, the delegation given by the Combined General Meeting of 22 April 2020
- delegates to the Board of Directors, which may further delegate such authority, for a period of twenty-six (26) months as from the date of this General Meeting, the power to decide, based on the report of the contribution auditor(s) (commissaire aux apports) mentioned in paragraphs 1 and 2 of article L. 225-147 of the French Commercial Code, on the issue of existing or new company shares and/or transferable securities convertible into equity, immediately or in the future and by any means, pursuant to articles L. 228-91 et seq. of the French Commercial Code, to pay for contributions in kind granted to the company consisting of capital shares or transferable securities convertible into equity, when the provisions of article L. 22-10-54 of the French Commercial Code do not apply
- notwithstanding the above, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this delegation of authority as of the date of the filing by a third party of a proposed public takeover offer for the company's shares, and until the end of the offer period
- resolves that the maximum nominal amount of increases in the company's share capital made under this delegation, immediately or in the future, will be set at 10% of the company's share capital (as at the date of the Board of Directors' use of this delegation), the overall cap for capital increases now or in future set forth in this resolution and in resolution 22
- resolves that the par value of all debt securities issued under this delegation may not exceed a total of seven hundred and fifty million euros (€750,000,000), the overall cap for debt securities stipulated herein and in resolutions 20 through 22, or the equivalent of this amount on the date of the issue decision in the event of issue in foreign currency or in a unit of account set by reference to several currencies. This amount is independent of the amount of the debt securities for which issue was decided or authorised by the Board of Directors in accordance with article L. 228-40 of the French Commercial Code
- resolves to waive the preferential subscription right of shareholders to the shares and transferable securities issued under this delegation, as their purpose is solely to compensate contributions in kind and
- acknowledges that the authorisation implies waiver ipso jure by the holders of any transferable securities convertible into equity issued under this delegation of their preferential subscription right to shares in connection with such transferable securities.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions stipulated by the legal and regulatory provisions, specifically for the purposes of:

- ruling on the report of the contribution auditor(s) regarding the capital contributions
- defining the terms, conditions and details of the transaction, within the limits set by this resolution and applicable legal and regulatory provisions
- determining the exchange ratio as well as any amount payable in cash
- recording the number of securities issued in remuneration for the contributions in kind
- determining the dates and issue conditions, in particular the price and the entitlement date (even retroactive) of the new shares or other equity securities and, if relevant, the transferable securities providing immediate or future access to the company's share capital, evaluating the contributions and any special benefits that may be granted, and reducing the valuation of the contributions and any special benefits if agreed by the tenderers
- recording the difference between the issue price of the new shares and their par value in the "Liabilities" section of the balance sheet under an "Additional paid-in capital" account which will cover the rights of all shareholders
- at its sole initiative, charging the fees for any issue to the amount of the "Additional paid-in capital" and deducting from this amount the necessary amounts corresponding to 10% of the nominal value of each issue for the legal reserve after each increase
- generally take all necessary steps, enter into all agreements (in particular to ensure the successful completion of the issue), request all authorisations, carry out all formalities and do whatever is necessary to successfully complete the planned issues or postpone them, and in particular to record the capital increase(s) resulting from any issue carried out by the use of this delegation, to amend the company's Articles of Association accordingly, to request listing on a regulated market in France or abroad of the rights, shares or other transferable securities issued pursuant to this delegation and to ensure the financial service for the securities concerned and the exercise of the rights attached thereto.

TWENTY-FOURTH RESOLUTION

(Delegation of authority to the Board of Directors to undertake capital increases reserved for employees of the company and companies in the Covivio group that are members of a company savings plan, with waiver of shareholders' preferential subscription right).

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, to enable a capital increase to take place, reserved for employees belonging to a company savings plan at a level that remains consistent with the amount of the share capital, and in accordance with the provisions of articles L. 225-129-2, L. 225-129-6, L. 225-138 et seq. of the French Commercial Code, and L. 3331-1 et seq. of the French Labour Code:

- terminates, effective immediately, for the unused portion, the delegation given by the Combined General Meeting of 22 April 2020

- delegates to the Board of Directors, which may further delegate such authority, the authority to decide, on one or more occasions, in the proportions and at the times it deems appropriate, for twenty-six (26) months as from this General Meeting, the issue of shares and/or transferable securities convertible into equity, up to a maximum par value of five hundred thousand euros (€500,000) reserved for participants in a company or Group savings scheme provided by the company and by the companies and economic interest groups associated with the company, under the conditions set out in article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labour Code. This amount is set independently and separately from the caps on share capital increases as a result of share and/or transferable securities issues authorised by resolutions 18 and 20 through 23
- resolves to cancel, in favour of said participants, the preferential right of shareholders to subscribe for shares or transferable securities convertible into equity issued pursuant to this delegation
- resolves, in accordance with articles L. 3332-18 to L. 3332-24 of the French Labour Code, that the discount offered may not exceed 30% of the average most recent prices listed for the company's shares over the twenty trading days prior to the subscription opening date, and 40% of the same average when the expected holding period under the plan is ten years or more; however, the General Meeting explicitly authorises the Board of Directors to cancel or reduce the aforementioned discount, if it deems this appropriate, in response, *inter alia*, to local legal, accounting, financial and social security regimes. The Board of Directors may also replace all or part of the discount through the allocation of shares or other securities pursuant to the aforementioned provisions and
- resolves that the Board of Directors may stipulate the allocation of free shares or marketable transferable securities convertible into equity (other than preferred stock), on the understanding that the total benefit resulting from this allocation for the contribution or, where applicable, discount from the subscription price may not exceed the legal and regulatory limits, and the company's shareholders waive all rights to any securities that may be issued free of charge pursuant to this resolution.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions stipulated by the legal and regulatory provisions, specifically for the purposes of:

- determining, within the above-mentioned limits, the features, amount and conditions for any issue
- determining that the issues or allocations may be made directly to the beneficiaries or through an intermediate collective body
- conducting the capital increases resulting from this delegation, up to the cap set above
- setting the subscription price of the shares in cash pursuant to legal provisions
- stipulating, as needed, the establishment of a Group savings plan or the modification of existing plans

- determining the list of the companies whose employees will be the beneficiaries of the issues conducted under this delegation, set the period for payment of the shares and, as applicable, the seniority required for employees to participate in the operations, within the legal limits
- making all adjustments in order to take into account the impact of transactions on the company's share capital, particularly in the case of a change in the par value of the share, a capital increase through capitalisation of reserves, a free allocation of shares, a stock split or reverse split, a distribution of reserves or any other assets, the amortisation of capital, or any other transaction involving shareholders' equity
- as required, charging the fees incurred by the share capital increases to the amount of the related premiums and deducting from these amounts the necessary amounts corresponding to 10% of the nominal value of each issue for the legal reserve after each increase
- undertaking any formalities necessary for the listing for trading on a regulated market in France or abroad of the rights, shares or transferable securities issued, and ensuring the financial servicing of the securities issued under this delegation and the exercise of the corresponding rights
- performing, either on its own or through an agent, all acts and formalities to finalise any capital increases that may be carried out as authorised under this resolution and
- amending the Articles of Association accordingly and, in general, doing whatever is necessary.

TWENTY-FIFTH RESOLUTION

(Amendment of articles 8 (Crossing of thresholds) and 10 (Rights and obligations attached to shares) of the company's Articles of Association).

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, and having reviewed the report of the Board of Directors, resolves to amend:

- article 8.2 of the company's Articles of Association in order to limit, in the event of non-compliance with their obligation, the deprivation of voting rights at the General Meeting of any shareholder Concerned (as this term is defined in the Articles of Association) solely to shares not registered in registered form.

Therefore, article 8.2 of the Articles of Association now reads as follows:

"Article 8. - Crossing of thresholds

[...]

8.2 (i) Any shareholder other than a natural person that holds, directly or through entities that it controls within the meaning of article L. 233-3 of the French Commercial Code, a percentage of rights to dividends of the company at least equal to that mentioned in article 208 C II ter of the French General Tax Code; and

any shareholder who holds indirectly, through the company, a percentage of the share capital or rights to dividends of listed real estate investment companies in Spain (the "SOCIMI") at least equal to that mentioned in article 9.3 of the Spanish law 11/2009 of 26 October 2009 (the "law 11/2009")

(together a "Concerned Shareholder")

is required to register all of the shares of the company that they own in their name and such that the entities that they control within the meaning of article L. 233-3 of the French Commercial Code register all of the shares of the company that they own in registered form. Any Concerned Shareholder that has not met these obligations by the second working day prior to a General Meeting will have the voting rights it holds, either directly or via entities it controls pursuant to article L. 233-3 of the French Commercial Code, capped at the number of shares that it holds, at the relevant General Meeting, in registered form at this date. The above-mentioned Concerned Shareholder will regain all of the voting rights attached to the shares it holds, directly or through entities it controls within the meaning of article L. 233-3 of the French Commercial Code, at the next General Meeting, provided that it regularises its situation by registering all the shares it holds, directly or through entities it controls within the meaning of article L. 233-3 of the French Commercial Code, in registered form, by the second working day prior to that General Meeting.

The other provisions of article 8 of the company's Articles of Association remain unchanged.

- article 10 of the company's Articles of Association in order to update it with the recoding of the provisions of the last paragraph of article L. 225-123 of the French Commercial Code, now Article L. 22-10-46 of the French Commercial Code, pursuant to Order no. 2020-1142 of 16 September 2020, within the French Commercial Code, covering the creation of a division specific to companies whose securities are listed on a regulated market or on a multilateral trading facility.

Consequently, paragraph 3 of article 10 of the Articles of Association now reads as follows:

"Article 10. - Rights and obligations attached to shares

[...]

Each shareholder will have the same number of votes as the number of shares owned or represented. No double voting rights are granted pursuant to article L. 22-10-46 of the French Commercial Code."

The other provisions of article 10 of the company's Articles of Association remain unchanged.

TWENTY-SIXTH RESOLUTION

(Powers for formalities).

The General Meeting, ruling under the conditions of quorum and majority required by law, grants complete authority to the bearer of an original, a copy or an extract of these minutes recording its resolutions, in order to fulfil all legal or administrative requirements and to undertake any filings or notifications required by current law.

4.2 Report of the Board of Directors on the text of the draft resolutions presented to the Combined General Meeting of 20 April 2021

Ladies and Gentlemen,

We have convened a Combined General Meeting for the purpose of submitting draft resolutions to you. The purpose of this report is to provide you with comments on these drafts, the complete text of which will later be sent to you in the company's Universal Registration Document that will be submitted to the Financial Markets Authority (*Autorité des Marchés Financiers*) and made available to you in accordance with the legal and regulatory requirements.

4.2.1 Ordinary resolutions

Resolutions 1 to 17 fall within the scope of the Ordinary General Meeting.

4.2.1.1 Approval of the annual and consolidated financial statements, allocation of income and distribution of a dividend (Resolutions 1, 2 and 3)

The draft resolutions 1 and 2 concern approval of the annual and consolidated financial statements for the fiscal year ended 31 December 2020, approved by the Board of Directors on 17 February 2021, in accordance with the provisions of article L. 232-1 of the French Commercial Code.

Under resolution 3, you are hereby called upon to allocate the income for the 2020 fiscal year in the amount of €318,811,426.45, and to make a dividend distribution in the unit amount of €3.60 per share.

The dividend for fiscal year 2020 would be detached from the share on Monday, 26 April 2021 and would be paid on Wednesday, 28 April 2021. On the basis of the total number of shares comprising the share capital on 17 February 2021, i.e., 94,579,481 shares, a total dividend of €340,486,131.60 will be allocated.

4.2.1.2 Approval of the agreements referred to in article L. 225-38 of the French Commercial Code (Resolution 4)

The purpose of resolution 4 is to approve (i) the Statutory Auditors' special report on the agreements described in article L. 225-38 et seq. of the French Commercial Code, as well as (ii) the related-party agreements entered into or executed by the company during the fiscal year ended 31 December 2020. For more information, please refer to the Statutory Auditors' special report on related-party agreements, set out in section 4.4 of the Universal Registration Document.

Regulated agreements entered into during the financial year ended on 31 December 2020 are detailed below.

They are part of the development project, on Alexanderplatz in Berlin (Germany), of a real estate complex of approximately 60,000m² for mixed use of Offices, shops and housing (the "**Project**"). Their main terms and conditions are published on the Covivio website in accordance with articles L. 22-10-13 and R. 22-10-17 of the French Commercial Code.

- **Amendment no. 1 to the neighbourhood agreement of 26 April 2019, entered into between Covivio Alexanderplatz S.à.r.l. (a Covivio subsidiary) and BRE/GH II Berlin II Investor GmbH (an indirect subsidiary of Covivio Hotels), respectively on 8 and 9 April 2020 as regards the legal representatives of Covivio Alexanderplatz S.à.r.l., and on 21 April 2020, as regards the legal representative of BRE/GH II Berlin II Investor GmbH**

The purpose of amendment no. 1 is to confirm the entry into force of the Neighbour Agreement and to specify the agreements between the parties within the framework of the Project concerning in particular (i) the assumption of responsibility by Covivio Alexanderplatz S.à.r.l. of a portion of the costs related to the construction of an extension of one of the Park Inn hotel restaurants to accommodate another hotel restaurant that will be demolished as part of the Project; and (ii) remuneration by Covivio Alexanderplatz S.à.r.l. of a possible operating loss by the hotel operator related to the relocation of this restaurant.

This amendment, which was approved by the Board of Directors on 13 February 2020, allows Covivio to pursue the Project, which is a strategic real estate investment in terms of its geographical positioning and value creation potential.

As this is an amendment to a regulated agreement in view of the links between Covivio and Covivio Hotels, which are indirectly interested parties with common corporate officers, it must be approved in accordance with article L. 225-38 of the French Commercial Code.

● **Investment agreement signed on 23 December 2020 between Covivio, MMA IARD and Generali Vie in the presence of Covivio Alexanderplatz S.à.r.l.**

The investment protocol sets out the terms and conditions for implementation of the Project led by Covivio Alexanderplatz S.à.r.l. and more specifically:

- determines the terms and purpose of the respective investments of the partners of Covivio Alexanderplatz S.à.r.l.
- determines the main contracts that Covivio Alexanderplatz S.à.r.l. and the parties must enter into for implementation of the Project and
- sets the project implementation schedule.

It also stipulates the conclusion between these same parties of a shareholders' agreement relating to Covivio Alexanderplatz S.à.r.l. by no later than 30 April 2021.

The investment protocol and the partners' agreement, the conclusion of which was approved by the Board of Directors on 25 November 2020, enable Covivio to implement the Project.

In accordance with the AMF recommendations, a fairness opinion was issued by an independent expert, which confirms the fairness of the project's financial terms. The latter is made available to shareholders on the company's website during this General Meeting.

In view of Covéa Coopérations' term of office on the Board of Directors of Covivio, they must be approved in accordance with article L. 225-38 of the French Commercial Code.

4.2.1.3 Approval of the remuneration policy for corporate officers (Resolutions 5, 6, 7, and 8)

Pursuant to the provisions of article L. 22-10-8 of the French Commercial Code, the Board of Directors proposes that by voting on resolutions 5, 6, 7 and 8, you are called on to approve the remuneration policy for the corporate officers applicable to the Chairman of the Board of Directors (Resolution 5), the Chief Executive Officer (Resolution 6), the Deputy General Managers (Resolution 7) and the Directors (Resolution 8) in consideration of the exercise of their mandate for the 2021 financial year.

The remuneration policy for Covivio's legal representatives, approved by the Board of Directors on 16 December 2020 upon recommendation of the Appointments and Remuneration Committee is detailed in the Board of Directors' Report on corporate governance in section 4.3.4.1 of the Universal Registration Document. This remuneration policy will be submitted to the vote of the General Meeting each year and in the event of any major change in the remuneration policy.

4.2.1.4 Approval of the information referred to in article L. 22-10-9, -I. of the French Commercial Code relating to the remuneration paid and/or awarded to corporate officers for the financial year ended 31 December 2020 (Resolution 9)

Pursuant to article L. 22-10-34, -I. of the French Commercial Code, the Board of Directors proposes that by voting on Resolution 9, you are called on to approve the information referred to in article L. 22-10-9, -I. of the French Commercial Code related to remuneration of all corporate officers, including that of the corporate officers whose mandates ended and those newly appointed during the fiscal year ended, detailed in the Board of Directors' report on corporate governance in paragraph 4.3.4.2. of the Universal Registration Document.

4.2.1.5 Approval of the individual remuneration paid and/or allocated to corporate executive officers for the fiscal year ended 31 December 2020 (Resolutions 10, 11, 12 and 13)

Pursuant to article L. 22-10-34, II. of the French Commercial Code, you are called on to vote on resolutions 10, 11, 12 and 13, to approve the fixed, variable and exceptional components making up the total remuneration and benefits of any kind paid during the fiscal year ended on 31 December 2020 or allocated in relation to the said fiscal year to the corporate executive officers, resulting from implementation of the remuneration policy approved by the General Meeting of 22 April 2020 by voting on resolutions 6, 7, 8 and 9 it being specified that the components composing the variable and exceptional remuneration may only be paid out after approval by the shareholders that payment of variable or exceptional remuneration components will be subject to shareholders' approval of the individual remuneration of executive officers.

The individual remuneration components presented in the Board of Directors' report on corporate governance in paragraph 4.3.4.3. of the Universal Registration Document concern:

- Jean Laurent (Resolution 10)
- Christophe Kullmann (Resolution 11)
- Olivier Estève (Resolution 12)
- Dominique Ozanne (Resolution 13).

4.2.1.6 Reappointment of one Director and two Directors (Resolutions 14, 15 and 16)

As the terms of office as Directors of Sylvie Ouziel (Resolution 14), Jean-Luc Biamonti (Resolution 15) and Predica, represented on the Board of Directors by Jérôme Grivet (Resolution 16), which expire at the end of the Combined General Meeting of 20 April 2021, you will be invited under resolutions 14 to 16 to renew them in their duties.

As Jean-Luc Biamonti was appointed as a member of the company's Board of Directors in 2011, he will have been in office on the date of the next General Meeting for 10 years. Given the company's desire to have a high proportion of independent Directors sitting on its Board, and pursuant to the rule set forth in article 9.5.6 of the Afep-Medef Code, as revised, on the loss of an independent Director's capacity after holding office for more than 12 years, Jean-Luc Biamonti's renewal will be proposed only for the remainder of his independence, in other words, until the General Meeting to be convened in April 2023.

The terms of office of Sylvie Ouziel and Predica will be renewed for a period of four years, expiring at the end of the General Meeting of the shareholders called in 2025 to approve the financial statements for the fiscal year ended 31 December 2024.

- Sylvie Ouziel, independent Director, will continue to make a valuable contribution to the Board's work, in particular through her various leadership roles, which have given her a strong international exposure and knowledge of the functioning of major global groups. Over the four years of her tenure as Director, Sylvie Ouziel's attendance was 91%.
- Jean-Luc Biamonti, independent Director, will continue to provide the company with his real estate, strategic and banking expertise, and his experience in listed companies. Over the four years of his tenure as Director, Jean-Luc Biamonti's attendance was 100%.
- Subject to approval of the resolution 16, Predica (a subsidiary of the Crédit Agricole Assurances Group holding 8.20% of the share capital and voting rights of Covivio) will remain represented on the Board of Directors by Jérôme Grivet. He will continue to make an active contribution to the Board's work, in particular through his expertise in strategy and finance and his experience in listed companies. Over the four years of his tenure as Predica's representative Director, Jérôme Grivet's attendance was 87%.

Subject to approval of their renewal, they will thus keep actively contributing to the discussions and appropriate management of the company.

A biographical note, a list of all their terms of office and functions exercised over the last five financial years, their attendance and the number of shares they hold as of 31 December 2020, are provided in Section 4.3.2.1 of the Universal Registration Document.

4.2.1.7 Authorisation to be granted to the Board of Directors for the company to purchase treasury shares (Resolution 17)

Resolution 17 proposes that you authorise a share buyback programme. The principal characteristics of this programme will be the following:

- the number of shares bought back may not exceed 10% of the company's share capital
- the purchase price may not exceed €135 per share (excluding acquisition costs)
- the maximum amount of funds allocated to the buyback programme would be €150 million
- this programme may not be implemented during a public takeover bid.

The buyback by the company of its treasury shares would result in:

- allocating shares to corporate officers or employees of the company and/or of companies belonging to its group
- delivering shares upon the exercise of rights attached to securities entitled to the allocation of company shares

- delivering as payment or exchange (up to a limit of 5% of the capital), specifically within the context of potential external growth, merger, spin-off or contribution operations
- cancelling shares in whole or in part, subject to adoption of the resolution 19
- setting up a liquidity agreement, noting that by law, in the event of acquisition under a liquidity agreement, the number of shares considered for calculation of the 10% limit of the share capital amount would match the number of shares purchased, deducting the number of shares resold during the authorisation granted by the General Meeting and
- any other practice that may be recognised by the law or the French Financial Markets Authority or any other purpose that could be authorised by the law or regulations in effect, given that, in such a case, the company would inform its shareholders by sending out a notice.

This authorisation would be given to the Board of Directors for a period of eighteen (18) months with effect from the date of the General Meeting of 20 April 2021 and would immediately terminate, for the unused portion, the authorisation given by the Combined General Meeting of 22 April 2020.

Prior to its completion, the company will publish a description of the programme in the form stipulated in article 241-1 of the AMF General Regulations.

4.2.2 Extraordinary resolutions

4.2.2.1 Financial authorisations to be conferred upon the Board of Directors (Resolutions 18 to 24)

In the Extraordinary General Meeting, you will be asked to grant certain financial authorisations to your Board of Directors and to authorise it, within the limits and conditions that you will set, to decide on the issuance of shares and/or securities directly or indirectly convertible to equity.

The Board of Directors wishes to continue having the means that enable it, if necessary, by calling upon the markets, to gather the financial resources needed for the development of your company.

It is being proposed that you grant the Board of Directors the following financial authorisations:

- Resolution 18: capital increase through the incorporation of reserves, profits or premiums
- Resolution 20: issue of shares and/or transferable securities convertible to equity, maintaining shareholders' preferential subscription rights
- Resolution 21: issue of shares and/or transferable securities convertible to equity, through public offering, with waiver of shareholders' preferential subscription right and a mandatory priority period for share issues
- Resolution 22: issue of shares and/or transferable securities convertible to equity, through a public exchange offer launched by the company, with waiver of shareholders' preferential subscription right
- Resolution 23: issue of shares and/or transferable securities convertible to equity, with a view to compensating contributions in kind given to the company, made up of equity or transferable securities convertible to equity, with waiver of shareholders' preferential subscription right
- Resolution 24: capital increase reserved for employees of the company and the Covivio group companies, covered by a company or group savings plan, with waiver of shareholders' preferential subscription right.

You will also be asked, in Resolution 19, to authorise the Board of Directors to reduce the company's share capital by cancelling shares purchased within share buyback programmes adopted by the company.

In proposing to you that you grant these authorisations, the Board of Directors seeks to clearly explain to you the impact of the corresponding resolutions submitted to your approval.

In accordance with the relevant applicable regulations, the Board of Directors will prepare a supplementary report relating to the use of this delegation mentioning, in particular, the following:

- the impact of the issuance on the situation of holders of equity securities and securities convertible to equity (especially as regards their portion of shareholders' equity) and

- the theoretical impact of the aforementioned issuance on the stock market value of the company's shares.

The Statutory Auditors will prepare their own reports on the financial authorisations, which will be made available to you in accordance with the legal and regulatory conditions.

4.2.2.1.1 Delegation of authority to be granted to the Board of Directors to increase the share capital of the company through the capitalisation of reserves, earnings or premiums (Resolution 18)

Under Resolution 18, you will be called upon to decide on the authorisation to be granted to the Board of Directors, which may further delegate its authority, to carry out a capital increase, through capitalisation of all or part of the reserves, earnings, premiums or other sums for which capitalisation would be permitted. This transaction would not necessarily translate into the issue of new shares.

This delegation of authority would allow your Board of Directors to decide to perform one or more capital increases, up to a maximum nominal amount of €28 million (excluding adjustments to protect holders of transferable securities convertible to equity), representing approximately 10% of the share capital. This cap would be set independently and separately from the capital increase caps resulting from share or security issues likely to be approved under resolutions 20 to 24.

This delegation could not be used without your formal agreement during periods of public purchase or exchange offers on the company's shares.

This delegation, given for a period of 26 months as from the General Meeting of 20 April 2021, would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 22 April 2020.

4.2.2.1.2 Authorisation to the Board of Directors to reduce the company's share capital through the cancellation of shares (Resolution 19)

Concurrently with the authorisation given to the company to conduct transactions on treasury shares under Resolution 17, Resolution 19 proposes that you should authorise the Board of Directors, which may sub-delegate this authority, to cancel shares acquired by the company under the buyback programme authorisation submitted in Resolution 17, or in any resolution having the same purpose and the same legal basis.

As provided for under French law, shares may only be cancelled up to a limit of no more than 10% of the share capital per 24-month period.

Consequently, you will be asked to authorise the Board of Directors to reduce the share capital under the applicable legal conditions.

This authorisation, given for a period of 18 months as from the General Meeting of 20 April 2021, would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 22 April 2020.

4.2.2.1.3 Delegation of authority to be granted to the Board of Directors to issue shares and/or transferable securities convertible into equity, maintaining shareholders' preferential subscription rights (Resolution 20)

Resolution 20 proposes that you delegate to the Board of Directors, which may further delegate such authority, powers to issue shares in the company and/or other transferable securities (including warrants for new or existing shares), convertible by any means, immediately or in the future, into equity in the company, in a subsidiary in which the company holds more than 50% of the shares directly or indirectly, or in a company directly or indirectly holding more than 50% of the company's shares, issued free or against payment, maintaining shareholders' preferential subscription rights.

The Board of Directors may use this authority, in order to have the necessary funds available at the appropriate time to develop the company's business.

In proportion to the value of their shares, shareholders would have preferential subscription rights to the shares and securities issued under this delegation. In case of deferred access to shares of the company – i.e., by transferable securities granting access to company shares by any means – your approval of this resolution would imply a waiver by the shareholders of their preferential right to subscribe for the shares to which these securities would be entitled.

The maximum nominal amount of the capital increases likely to be made would be set at €70 million, representing approximately 25% of the share capital. This amount would be set independently and separately from the capital increase caps resulting from share and/or security issues approved under resolutions 18 and 21 to 24.

The nominal amount of the debt instruments convertible into equity that are likely to be issued may not exceed a total amount of €750 million. This amount would also constitute an overall nominal cap for transferable securities issues made under resolutions 21 to 23.

The issue price of the securities convertible to equity would be determined by the Board of Directors if and when it implements this delegation, complying with legal and regulatory provisions.

This delegation could not be used without your formal agreement during periods of public purchase or exchange offers on the company's shares.

This delegation would be given to the Board of Directors for a period of 26 months with effect from the General Meeting of 20 April 2021 and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 22 April 2020.

4.2.2.1.4 Delegation of authority to the Board of Directors to issue, through public offering, company shares and/or transferable securities convertible into equity, with waiver of shareholders' preferential subscription rights and a mandatory priority period for share issues (Resolution 21)

The Board of Directors may, in the interest of the company and its shareholders, in order to seize the opportunities offered by the financial markets, be led to issue such securities without preferential subscription rights.

You are also asked, through Resolution 21, to grant the Board of Directors the power, which may further delegate such authority, to issue by means of a public offering (including the public offerings mentioned paragraph 1 of article L. 411-2 of the Monetary and Financial Code), without preferential subscription rights for shareholders, company shares and/or debt securities providing access to existing or new company shares, or shares in a subsidiary which is majority-held by the company, whether directly or indirectly, or a company which directly or indirectly holds more than 50% of the company's shares.

Your decision would imply a waiver of your preferential subscription right to the shares and other equity securities and securities that could be issued based on this delegation, in the understanding that this authorisation implies, in favour of the holders of such securities convertible into equity as may be issued under this delegation of authority automatic waiver by the shareholders of their preferential subscription right to shares or other capital securities of the company in connection with such securities.

We would like to point out that the Board of Directors would be obliged to grant shareholders a priority subscription period of at least three (3) trading days, solely for issues of shares through public offering conducted by the Board of Directors, in accordance with articles L. 22-10-51 and R. 225-131 of the French Commercial Code; this priority period is an option for the issue of all securities other than shares.

The maximum nominal amount of the capital increases likely to be carried out by the company under this delegation may not exceed €28 million, representing around 10% of the share capital, and would be independent and separate from the caps for capital increases resulting from the issue of shares and/or transferable securities authorised by resolutions 18, 20 and 22 to 24.

The nominal amount of the total debt securities likely to be issued may not exceed €750 million, the overall nominal cap for all debt instruments set by Resolution 20.

The issue price of the shares and/or securities convertible into equity would be determined by the Board of Directors if and when it implements this delegation, complying with legal and regulatory provisions.

This delegation could not be used without your formal agreement during periods of public purchase or exchange offers on the company's shares.

This delegation would be given to the Board of Directors for a period of 26 months with effect from the General Meeting of 20 April 2021 and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 22 April 2020.

4.2.2.1.5 Delegation of authority to the Board of Directors to issue shares and/or transferable securities convertible into equity, with waiver of shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the company (Resolution 22)

In Resolution 22, you are asked to approve the delegation of authority granted to the Board of Directors, which may further delegate such authority, to issue shares and/or transferable securities convertible into equity, on one or more occasions, in the event of a public exchange offer initiated by the company.

You will therefore be expressly asked to waive your preferential subscription rights to the new shares and/or securities convertible into equity that could be issued based on this delegation, in the understanding this authorisation implies, for the holders of such securities convertible to the company's share capital as may be issued under this delegation of authority automatic waiver by the shareholders of their preferential subscription right to shares in connection with such securities.

The maximum nominal value of increases in the company's share capital that might be made immediately or in the future may not exceed 10% of the share capital of the company (corresponding to its amount on the date of use of this delegation by the Board of Directors), on the understanding that the overall maximum nominal value of the capital increases to be made under resolutions 22 and 23 May not exceed 10% of the share capital of the company, the overall cap for all capital increases that might be made immediately or in the future under resolutions 22 and 23.

The nominal amount of the total debt securities likely to be issued may not exceed €750 million, the overall nominal cap for all debt instruments set by Resolution 20.

For each individual offer, the Board of Directors would have to determine the nature and characteristics of the shares to be issued. The amount of the increase in share capital would depend on the result of the offer and the number of securities tendered under the exchange offer, taking into account the exchange ratio and the shares issued.

This delegation could not be used without your formal agreement during periods of public purchase or exchange offers on the company's shares.

It would be given to the Board of Directors for a period of 26 months with effect from the General Meeting of 20 April 2021 and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 22 April 2020.

4.2.2.1.6 Delegation of authority to the Board of Directors to issue shares and/or transferable securities convertible into equity, in order to pay for the contributions in kind granted to the company consisting of capital shares or transferable securities convertible into equity, with waiver of shareholders' preferential subscription rights (Resolution 23)

In accordance with the option offered by article L. 22-10-53 of the French Commercial Code, you are asked, under Resolution 23, to authorise the Board of Directors, which may further delegate such authority, to issue shares and/or transferable securities convertible into equity, in consideration for the contributions in kind made to the company consisting of shares or transferable securities convertible into equity, when article L. 22-10-54 of the French Commercial Code is not applicable.

The maximum nominal amount of capital increases in the company's share capital that may be performed under this delegation, immediately or in the future, will be set at 10% of the company's share capital (existing at the date of the Board of Director's use of this delegation), the overall cap for all capital increases that might be made immediately or in the future under resolutions 22 and 23.

The nominal amount of the total debt securities likely to be issued may not exceed €750 million, the overall nominal cap for all debt instruments set by Resolution 20.

You will be requested to expressly waive your shareholder's preferential subscription right to new shares and/or to securities convertible into equity in favour of holders of shares or transferable securities forming the object of a contribution in kind, in the understanding this delegation of authority automatically entails that the shareholders waive, to the benefit of the holders of securities that may be issued and convertible into equity, their preferential subscription rights to the shares to which these securities give right.

This delegation could not be used without your formal agreement during periods of public purchase or exchange offers on the company's shares.

The Board of Directors would specifically be required to approve the report of the contribution auditor(s) to be appointed, set the exchange ratio and, if applicable the amount of the balance to be paid in cash, record the number of transferable securities to be issued in remuneration for contributions, determine the dates and conditions of issues of shares and/or transferable securities giving immediate or future access to the company's capital, and value the contributions.

This delegation would be given to the Board of Directors for a period of 26 months with effect from the General Meeting of 20 April 2021 and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 22 April 2020.

4.2.2.1.7 Delegation of authority to the Board of Directors to undertake capital increases reserved for employees of the company and companies in the Covivio group that are members of a company savings plan, with waiver of shareholders' preferential subscription right (Resolution 24)

You will be asked, under Resolution 24, to authorise the Board of Directors, which may further delegate such authority, to decide to increase the share capital under the provisions of the French Commercial Code and French Labour Code relating to the issue of shares or transferable securities convertible to existing company shares or shares to be issued, for the benefit of employees covered by a company savings plan offered by the company and/or its affiliates under the conditions of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labour Code.

This delegation of authority would be granted for a maximum nominal amount of the capital increase immediately or in the future, resulting from the issues made pursuant to this delegation (including the capitalisation of reserves, earnings or premiums), of €500,000, representing 0.18% of the share capital, set irrespective of the par value of the shares that may be issued as a result of adjustments made to protect the holders of transferable securities giving future access to shares. This cap would be independent of any other authorisation granted by the General Meeting.

You will be requested to expressly waive your shareholder's preferential subscription right to new shares or to securities convertible to equity in favour of the said employees.

The subscription price of the shares and the discount offered will be set by the Board of Directors under the conditions of article L. 3332-19 of the French Labour Code on the understanding that the discount offered may not exceed 30% of the average share price for the twenty trading days preceding the date of the decision to open the subscription period, and 40% of this same average when the retention period stipulated in the plan is greater than or equal to ten years, provided that the Board of Directors may also replace all or part of said discount by the allocation of shares or other transferable securities.

The Board of Directors may likewise provide for the allocation of free shares or other securities convertible to equity, it being understood that the total benefit resulting from this allocation as a company contribution or, where applicable, the discount on the subscription price, may not exceed the legal and regulatory limits and that the shareholders would waive all rights to shares or other securities convertible to equity that may be issued by virtue of this resolution.

This delegation would be given to the Board of Directors for a period of 26 months with effect from the General Meeting of 20 April 2021 and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 22 April 2020.

4.2.2.2 Approval of amendments to the Articles of Association (Resolution 25)

By voting on Resolution 25, you are asked to change:

- Article 8 of the Articles of Association, in order to modify the consequences on the voting rights of a Shareholder Concerned (as this term is defined in the Articles of Association), in the event of non-compliance by the latter with their obligation to register all of their registered shares no later than the second business day preceding the date of any General Meeting. The provisions of Article 8.2 of the Articles of Association currently provide for capping, where applicable, the voting rights of this Shareholder Concerned to one-tenth of the total number of shares held, a sanction that now seems disproportionate: if shares are acquired shortly before the Shareholders' Meeting, a Shareholder Concerned may not be able to fulfil their statutory obligation within the time limits set due to the technical time-frames required for registering recently acquired shares in their name, time-frames over which they have no control. In addition to penalising the shareholder in question, such a situation could penalise the company itself by upsetting the balance of governance from which it currently benefits and which enables it to grow. It is therefore proposed to deprive the Shareholder Concerned only of the voting rights attached solely to shares not held in registered form.
- The proposed cap, which is in line with the market practice of listed real estate investment companies, would therefore still make it possible to penalise a shareholder holding more than 10% of the share capital and voting rights of the company, but only in relation to their shares not held in registered form, and not on the other shares they hold and for which they have fulfilled their registration obligation. Furthermore, this proposed amendment to the Articles of Association would have no effect on the voting rights of the other shareholders of the Company. The Board of Directors therefore recommends that shareholders adopt this amendment to the Articles of Association in the interests of the Company.
- Article 10 of the Articles of Association in order to update it with the recodification of the provisions of article L. 225-123, last paragraph of the French Commercial Code, now article L. 22-10-46 of the French Commercial Code under the terms of Order no. 2020-1142 of 16 September 2020 creating, within the French Commercial Code, a division specific to companies whose securities are listed on a regulated market or on a multilateral trading facility.

4.2.2.3 Powers for formal recording requirements (Resolution 26)

Resolution 26 is a standard resolution concerning the granting of the powers required to make announcements and perform legal formalities related to holding the General Meeting.

We believe that these transactions, under these conditions, are a timely measure and we ask you to approve the resolutions to be presented to you.

The Board of Directors

4.3 Report by the Board of Directors on corporate governance

This report, drawn up by the Board of Directors pursuant to the provisions of article L. 225-37, paragraph 6, of the French Commercial Code, provides an account to the shareholders in accordance with the provisions of articles L. 22-10-8 to L. 22-10-11 et L. 225-37-4 of the French Commercial Code, on the composition of the Board, the conditions for preparing and organising its work as well as the limitations imposed by the Board on the powers of the Chief Executive Officer and the Deputy General Managers. This report, which also provides information regarding the terms of office and functions of the corporate officers, sets out the remuneration policy applicable to them for the 2021 fiscal year, as well as the total and individual remuneration paid to each of the corporate officers for the 2020 fiscal year. It sets out the diversity policy applicable to the members of the Board of Directors (its goals, its conditions of implementation and the results obtained), and describes the information on the manner the company implements a balanced gender representation within the management bodies of the company. Finally, it provides for the special terms and conditions of shareholder attendance at the General Meeting, the components likely to have an impact in the event of a public offer, the related-party agreements entered into between a corporate officer or a shareholder holding more than 10% of Covivio's voting rights and another company over which Covivio exercises its control within the meaning of article L. 233-3

of the French Commercial Code, the procedure for assessment of the agreements relating to transactions entered in the ordinary course of business and on arms' length terms, as well as the ongoing and effective financial delegations for a capital increase.

This report has been prepared on the basis of the deliberations of the Board of Directors, taken upon advice from the Appointments and Remunerations Committee, and assistance has been provided by the Legal (Corporate and M&A) Department, the Human Resources Department, and the Chief Operating Officer (COO), who relied in particular on the work carried out and reports produced by the High Committee on corporate governance and on the basis of the various recommendations made and reports produced by the *Autorité des Marchés Financiers*.

It was approved by the Board of Directors on 17 February 2021 and was subject to a certification by the Statutory Auditors included in the report on the annual accounts.

The report on corporate governance and the Statutory Auditors' report on the annual financial statements were made public when they were published on the company's website following the filing of the Universal Registration Document with the AMF.

Governance principles

1. Adherence to the Afep-Medef Code

Covivio uses the Afep-Medef Code as reference framework for corporate governance. This decision was the subject of a press release published on 29 December 2008. Today, the company refers to the Afep-Medef Code in the version that was updated and published on 30 January 2020, which can be consulted on the Afep website at: <https://afep.com/publications/lafe-et-le-medef-publient-une-version-revisee-du-code-de-gouvernances-des-societes-cotees/>.

Covivio continuously analyses the best practices in corporate governance as consolidated in the Afep-Medef Code, undated in January 2020, and is committed to applying them.

The changes made in 2019 to the composition of its Board and its Committees strengthened the compliance of the company's governance with the independence criteria defined by the Afep-Medef Code. In addition, following the last formal assessment of the Board's operations and its ability to meet shareholders' expectations, the governance bodies studied various improvement proposals in 2020 which they intend to implement from 2021 onwards.

These initiatives are part of a relentless drive to consolidate an open, transparent, efficient and pragmatic governance, in order to serve the long-term interests of the company, its shareholders, tenants, employees and all of its stakeholders.

On the date of approval of the present report by the Board of Directors, Covivio complies with all principles and recommendations of the Afep-Medef Code and has never been investigated by the High Committee on corporate governance.

Covivio's corporate governance is also reflected by the company's Articles of Association, supplemented by the provisions of the Internal Regulations of the Board of Directors adopted on 31 January 2011 and which the Board of Directors will have reviewed on a regular basis to ensure they are adapted to ongoing legal and regulatory developments in governance rules and practices.

Thus, in 2020 the Board of Directors continued to adapt its Rules of Procedure, in particular to:

- to set the terms and conditions under which the Board may adopt the decisions referred to in Article L. 225-37 of the French Commercial Code by written consultation
- extend the missions of the Board to :
 - the setting of gender diversity targets within the governing bodies and the setting up of the procedures for presentation to the Board of their implementation by General Management and the results obtained
 - the determination of a process for the selection of Deputy General Managers making it possible to guarantee the presence of at least one person of each gender among the candidates
- extend the Appointments and Remunerations Committee missions to the formulation of proposals regarding the remuneration policy for all corporate officers.

The full versions of the Articles of Association and of the Board of Directors' Rules of Procedure as updated, plus the guide on the prevention of insider dealing, are available via the company's website at the following address: <https://www.Covivio.eu/fr/profil/strategie/gouvernance/>.

2. Balance of powers

Separation of the duties of Chairman of the Board of Directors and Chief Executive Officer

Since 31 January 2011, Covivio has been organised according to a one-tier Board system, with a Board of Directors which, at its meeting on the same date, decided to separate the functions of Chairman and Chief Executive Officer.

This structure ensures a clear distinction between the Chairman's duty, which consists of ensuring the proper functioning of the Board of Directors, and the operational and executive functions for which General Management is responsible. The appointment, in 2012, of the Chief Executive Officer as a Director has allowed him to be involved, in the same way as the other Directors, in defining and making decisions relating to company strategy, which he is responsible for implementing.

Limitation of the powers of General Management

To ensure a balance of powers and good governance, the company has endeavoured to put in place limits on the powers of the Chief Executive Officer and the Deputy General Managers as decided by the Board of Directors and the Strategic and Investment Committee.

In addition, General Management is structured around three Management Committees set up in France, Germany and Italy,

and an Executive Committee at European level, a body for reflection, consultation and decision-making on the Group's major policies.

Independence of the Board of Directors and effectiveness of the specialised Committees

The balance of powers within the Board of Directors is based mainly on its composition, which includes a high proportion of independent Directors, a diversity of skills among its members, and a staggering of the renewal of their terms of office, thus guaranteeing shareholders and Directors that the Board's missions are performed with the necessary independence and objectivity.

The balance of powers is also ensured by the three specialised Committees responsible for preparing the work of the Board. They are mainly composed of independent members of the Audit Committee and the Appointments and Remuneration Committee.

Procedure to prevent conflicts of interest

The Chief Operating Officer closely monitors the application of the system for the prevention of conflicts of interest, even potential ones, under the terms of which each Director has a formal obligation to declare potential conflicts of interest that may concern him or her and, in any event, cause, refrain from participating in the corresponding discussions and deliberations.

4.3.1 Management bodies

4.3.1.1 General Management

Since 31 January 2011, the company has been under the management of Christophe Kullmann, Chief Executive Officer, with the assistance of Olivier Estève and Dominique Ozanne, Deputy General Managers.

Members of the General management	Title	Nationality	Date of first appointment	Term of office	Date of renewal	Date term expires
Christophe Kullmann	Chief Executive Officer	French	31/01/2011	4 years	01/01/2015 01/01/2019	31/12/2022
Olivier Estève	Deputy General Manager	French	31/01/2011	4 years	01/01/2015 01/01/2019	31/12/2022
Dominique Ozanne	Deputy General Manager	French	14/02/2018	4 years	-	31/12/2021

Upon the recommendation of the Appointments and Remunerations Committee, the Board of Directors chose not to have the terms of office of the Chief Executive Officer and Deputy General Manager end on the date of the General Meeting, so that the Appointments and Remunerations Committee and the Board of Directors can fully devote itself to the calm discussion of the renewal of their terms of office and the remuneration conditions of the executive corporate officers outside the time of the General Meeting.

Note that the term of Christophe Kullmann as a Director allows him to be even more directly aligned with the company's strategy, for which he is responsible at the same level as the other Directors.

The provisions relating to the appointment and dismissal of members of the Executive Board, as well as the powers granted to them, are defined in article 19 of the company's Articles of Association, as set out in paragraph 5.5.2. below and are supplemented by the provisions of the Rules of Procedure.

The list of Offices held and roles exercised by the company's executive officers (information as at 31 December 2020)⁽¹⁾



Biography:

Christophe Kullmann has spent his whole career in the real estate industry. He was in charge of financial management at Immobilière Batibail, a publicly traded REITs, from 1992 until its merger in 1999 with Gecina, where he oversaw its financial management.

At the helm of Covivio since its creation in 2001, Christophe Kullmann serves as Chief Executive Officer and is a member of the Board of Directors.

Founding member of the Fondation Palladio with Covivio, he is also Honorary Chairman of the FSIF.

Christophe Kullmann

Age: 55 years old

Nationality: French

Business address: 30, avenue Kléber, 75116 Paris

Main functions exercised: Covivio's Chief Executive Officer

Offices held within Covivio:

Chief Executive Officer

Date of appointment: 31 January 2011

Date of renewal: 1 January 2015 – 1 January 2019

Expiry year of term of office: 31 December 2022

Director

Date of appointment: 25 April 2012

Date of renewal: 27 April 2016 – 22 April 2020

Expiry of term of office: General Meeting of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Number of shares held as at 31 December 2020: 131,389 (plus beneficial ownership rights to 18,000 additional shares whose bare ownership was transferred)

Other Offices held within the Covivio group:

Chairman of the Supervisory Board: Covivio Hotels SCA (public company)

Chairman of the Supervisory Board: Covivio Immobilien SE (European company incorporated under German law)

Chairman of the Board of Directors and Director: Foncière Développement Logements – FDL SA

Legal representative of Covivio, Chairman: Technical SAS, 6 Rue Fructidor SAS

Legal representative of Covivio, General Manager: SCI Esplanade Belvédère II, SCI Le Ponant 1986, SCI Latécoère, SCI Latécoère 2, SCI Lenovilla, SCI Meudon Saulnier, SCI 11 Place de l'Europe, SCI du 15 rue des Cuirassiers, SCI du 288 rue Duguesclin, SCI du 9 rue des Cuirassiers, SCI N2 Batignolles, SNC Cœur d'Orly Promotion, SCCV Bobigny le 9e Art, Chartres Avenue de Sully SCCV (since 25.08.2020)

Covivio's Legal Representative, Co-Manager: Fontenay-Sous-Bois Rabelais SCCV

Other Offices held outside the Covivio group:

Honorary Chairman: FSIF (trade association)

Director: IEIF (Association)

Terms of office expired within the last five fiscal years (not including Covivio group subsidiaries):

Director: EPRA (ended 2018)

Member of the Executive Board: EPRA (ended in 2017)

Chairman of the Board of Directors: FSIF (ended 2019)

(1) Including the information referred to under point 12.1 of Annex 1 of delegated Regulation (EU) 2019/980 of 14 March 2019.



Biography:

Olivier Estève is a graduate of École Spéciale des Travaux Publics (ESTP). After a 12-year career in the Bouygues Group (1990-2001), where in particular he served as Director of Development in the SCREG Bâtiment subsidiary, he joined Covivio in September 2002.

After having been Real Estate Manager, he now oversees all of Covivio's development activities, external partnerships and coworking activities.

Olivier Estève has been Deputy General Manager of Covivio since 2011.

Olivier Estève

Age: 56 years old

Nationality: French

Business address: 30, avenue Kléber, 75116 Paris

Main function: Deputy General Manager of Covivio

Offices held within Covivio:

Deputy General Manager

Date of appointment: 31 January 2011

Date of renewal: 1 January 2015 – 1 January 2019

Expiry year of term of office: 31 December 2022

Number of shares held on 31 December 2020: 79,083

Other Offices held within the Covivio group:

Chairman: Covivio 2 SAS

Chairman and Chief Executive Officer: République SA

Permanent representative of Covivio, Director: Foncière Développement Logements – FDL SA

Member of the Audit Committee: Covivio Hotels SCA (public company)

Member of the Supervisory Board: Covivio Hotels SCA (public company),

Vice-Chairman of the Supervisory Board: Covivio Immobilien SE (European company incorporated under German law)

General Manager: SNC Jean Jacques Bosc, SCI Terres Neuves, SCI Rue de la Louisiane, Covivio Développement SNC, Covivio Ravinelle SARL, Euromarseille Invest EURL, SCI Euromarseille 1, SCI Euromarseille 2, Covivio 4 EURL, Covivio 7 EURL, Fédération EURL, BGA Transaction SARL, Foncière Margaux SARL, SARL du 2 rue Saint Charles, SARL du 106-110 rue des Troènes, Telimob Paris SARL, Imefa 127 SCI, SCI Atlantis, SCI Pompidou Metz, SNC Palmer Plage, SCI Dual Center, Lenopromo SNC, SCI Charenton, Latepromo SNC, Promomurs SNC, Covivio Participations EURL, SCI Avenue de la Marne, Omega B SARL, SCI Rueil B2, Wellio SNC, SNC Le Clos de Chanteloup, SNC Bordeaux Lac, SNC Sully Chartres, SNC Sucy Parc, SNC Gambetta Le Raincy, Orly Promo SNC, Silxpromo SNC, SCI du 21 rue Jean Goujon, SNC La Marina Fréjus, SNC Villouvette Saint Germain, SNC Gauguin St Ouen l'Aumône, SNC Le Printemps Sartrouville, SNC Normandie Niemen Bobigny, SCI Cité Numérique, SCI Danton Malakoff, SNC Meudon Bellevue, SNC Tours Coty, SNC Valence Victor Hugo, SNC Nantes Talensac, SNC Marignane St Pierre, Fructipromo SNC, SNC André Lavignolle, Covivio Alexanderplatz S.à.r.l, SNC Saint Germain Hennemont (since 17.01.2020), SNC Antony Avenue de Gaulle (since 09.04.2020), SNC Aix en Provence Cezanne (depuis le 15.10.2020)

Legal representative of Fédération, General Manager: Federimmo SCI

Legal representative of République, General Manager: Gespar SC, Parking de la Comédie SNC, Parking de la Gare Charles de Gaulle SNC

Legal Representative of République, Chairman: Société du Parc Trinité d'Estienne d'Orves SAS

Legal representative of Telimob Paris SARL, General Manager: Telimob Est SNC, Telimob Nord SNC, Telimob Ouest SNC, Telimob Paca SNC, Telimob Paris SNC, Telimob Rhône-Alpes SNC, Telimob Sud-Ouest SNC

Legal representative of Foncière Margaux, General Manager: SCI du 1 rue de Châteaudun, SCI du 2 rue de l'III, SCI du 3 Place A. Chaussy, SCI du 10 bis et 11 à 13 Allée des Tanneurs, SCI du 20 Avenue Victor Hugo, SCI du 32 Avenue P. Grenier, SCI du 40 rue Jean-Jacques Rousseau, SCI du 125 Avenue du Brancolar, SCI du 1630 Avenue de la Croix Rouge

Legal representative of SCI Euromarseille 1, General Manager: SCI Euromarseille BL, SCI Euromarseille BI, SCI Euromarseille BH

Legal representative of SCI Euromarseille 2, General Manager: SCI Euromarseille PK, SCI Euromarseille H

Legal representative of Covivio, General Manager: SCI Esplanade Belvédère II, SCI Le Ponant 1986, SCI Latécoère, SCI Latécoère 2, SCI Lenovilla, SCI Meudon Saulnier, SCI 11 Place de l'Europe, SCI du 15 rue des Cuirassiers, SCI du 288 rue Duguesclin, SCI du 9 rue des Cuirassiers, SCI N2 Batignolles, SNC Cœur d'Orly Promotion, SCCV Bobigny le 9e Art, Chartres Avenue de Sully SCCV (since 25.08.2020)

Legal representative of Covivio, Co-Manager: Fontenay-Sous-Bois Rabelais SCCV

Legal representative of Covivio 2, General Manager: SCI Cœur d'Orly Bureaux

Legal representative of Covivio, Chairman: Technical SAS, 6 Rue Fructidor SAS

Other Offices held outside the Covivio group:

None

Terms of office expired within the last five fiscal years (not including Covivio group subsidiaries):

None



Biography:

A graduate of ESTP and HEC (MS), Dominique Ozanne joined Covivio in 2003 as adviser to the Chief Executive Officer. In 2005, with the creation of Covivio Hotels (Covivio's SIIC subsidiary formed to acquire outsourced real estate portfolios), he was appointed Chief Operating Officer, then Head of Development and Asset Management.

In 2011, he became Chief Executive Officer of the company, which manages more than 400 hotels. In 2014, he was at the origin of the launch of the investment activity in hotel properties initiated by Covivio. He is one of the founders of AHTOP, an association whose aim is to foster loyalty among hotel industry professional and economic stakeholders as a whole who strive to provide quality lodging, to help boost the appeal of tourism in France.

In addition to his duties as Chief Executive Officer of Covivio Hotels, Dominique Ozanne has been Deputy General Manager of Covivio since 2018.

Dominique Ozanne

Age: 42 years old

Nationality: French

Business address: 10, avenue Kléber, 75116 Paris

Main function: Deputy General Manager of Covivio

Offices held within Covivio:

Deputy General Manager

Date of appointment: 14 February 2018

Expiry of term of office: 31 December 2021

Number of shares held on 31 December 2020: 66,992

Other Offices held within the Covivio group:

Chairman of Covivio Hotels Gestion, Managing partner: Covivio Hotels SCA (public company)

Chairman of the Board of Directors: B2 Hotel Invest SPPICAV

Chairman: Covivio Hotels Gestion SAS, Foncière Ulysse SAS, Foncière B2 Hotel Invest SAS, Foncière B3 Hotel Invest SAS, Foncière B4 Hotel Invest

Chairman of Covivio Hotels Gestion, Managing Partner (Gérant Commandité) of Covivio Hotels, General Manager: Foncière Otello SNC, Hôtel 37 Place René Clair SNC, SCI Hôtel Porte Dorée, SCI Ruhl Cote d'Azur

Chairman of Covivio Hotels Gestion, General Partner of Covivio Hotels, Chairman: SAS Samoëns, Société Immobilière Verdun SAS (since 7.09.2020)

General Manager of Covivio Hotels Gestion Immobilière, Directors of Belgian companies: Foncière IGK SA, Foncière Gand Cathédrale SA, Foncière Bruxelles Saint Catherine SA

General Manager: Foncière Manon SARL, Loire SARL, Covivio Hotels Gestion Immobilière SNC

Legal representative of Covivio, Chairman: Technical SAS, 6 Rue Fructidor SAS

Legal representative of Covivio, General Manager: SCI Esplanade Belvédère II, SCI Le Ponant 1986, SCI Latécoère, SCI Latécoère 2, SCI Lenovilla, SCI Meudon Saulnier, SCI 11 Place de l'Europe, SCI du 15 rue des Cuirassiers, SCI du 288 rue Duguesclin, SCI du 9 rue des Cuirassiers, SCI N2 Batignolles, SNC Cœur d'Orly Promotion, SCCV Bobigny le 9e Art, Chartres Avenue de Sully SCCV (since 25.08.2020)

Legal representative of Covivio, Co-Manager: Fontenay-Sous-Bois Rabelais SCCV

Director of Belgian limited companies: Foncière Vielsalm, Sunparks Oostduinkerke, Foncière Kempense Meren, Foncière No Bruges Centre, Foncière No Bruxelles Grand Place, Foncière IB Bruges Centre, Foncière IB Bruxelles Aéroport, Foncière IB Bruxelles Grand Place, Foncière Gand Opéra, Foncière Gand Centre, Foncière Bruxelles Expo Atomium, Foncière Antwerp Centre, Foncière No Bruxelles Aéroport, Tulipe Holding Belgique, Narcisse Holding Belgique, Foncière Brugge Station, Foncière Bruxelles Sud, Foncière Louvain Centre, Foncière Liège, Foncière Bruxelles Aéroport, Foncière Bruxelles Tour Noire, Foncière Louvain, Foncière Malines, Foncière Bruxelles Gare Centrale, Foncière Namur

Chief Executive Officer of German companies: Iris Berlin GmbH, Iris Essen Bochum GmbH, Iris Frankfurt GmbH, Iris General Partner GmbH, Iris Investor Holding GmbH, Iris Nurnberg GmbH, Iris Stuttgart GmbH, BRE/GH II Berlin I Investor GmbH, BRE/GH II Berlin II Investor GmbH, BRE/GH II Berlin III Investor GmbH, BRE/GH II Dresden I Investor GmbH, BRE/GH II Dresden II Investor GmbH, BRE/GH II Dresden III Investor GmbH, BRE/GH II Dresden IV Investor GmbH, BRE/GH II Dresden V Investor GmbH, BRE/GH II Erfurt I Investor GmbH, BRE/GH II Leipzig I Investor GmbH, BRE/GH II Leipzig II Investor GmbH

General Manager of Spanish companies: Investment FDM Rociatierra SL, Bardiomar SL, Trade Center Hotel SLU, B&B Invest Spain SLU

Member of Partnership Committee: SAS Samoëns

Offices held in companies in which the Covivio group holds a minority stake but exercises the operational management of the companies:

Chairman of the Board of Directors: Oteli France SPPICAV, Kombon SAS

Director: Iris Invest 2010 SPPICAV, Camp Invest SPPICAV

Chairman: Foncière Iris SAS, Sables d'Olonne SAS, Campeli SAS

Chief Executive Officer: Iris Holding France SAS

General Manager of Covivio Hotels Gestion Immobilière, Chairman: CBI Orient SAS, CBI Express SAS, Kombon SAS

General Manager of Covivio Hotels Gestion Immobilière, Sole Manager: Jouron SPR (Belgian company)

Member: Strategic Committee of Iris Holding France SAS, Management Board of SCI Dahlia

Offices held outside the Covivio group:

Manager: Maro Lux SARL, Roma Lux

Terms of office expired within the last five fiscal years (not including Covivio group subsidiaries):

None

4.3.1.2 Powers of the Chief Executive Officer and the Deputy General Managers and their limitations

The Chief Executive Officer is fully empowered to act in any situation on behalf of the company. He or she exercises these powers within the limits of the company object and subject to the powers granted expressly by law and the Articles of Association to General Meetings of shareholders and the Board of Directors. The Chief Executive Officer represents the company in its relationships with third parties.

In agreement with the Chief Executive Officer, the Board of Directors will determine the scope and duration of the powers granted to the Deputy General Managers. With respect to third parties, the Deputy General Managers have the same powers as the Chief Executive Officer.

The powers of the Chief Executive Officer and the Deputy General Managers are limited by the provisions of Article 4.2 of the Internal Regulations of the Board of Directors.

Each year, the Board of Directors sets an overall amount within which the Chief Executive Officer may guarantee commitments on behalf of the company made by a third party other than a controlled company in the form of sureties, endorsements or guarantees, and/or an amount beyond which each of the above commitments cannot be made. Any exceeding of the overall ceiling or the maximum amount set for a commitment must be subject to a special authorisation by the Board. In addition, the authorisations of guarantees of commitments in the name of the company taken on behalf of controlled companies within the meaning of article L. 233-16 II of the French Commercial Code or granted to the tax and customs authorities are delegated by the Board of Directors to the Chief Executive Officer without limit of amount.

The following decisions cannot be made without approval from the Strategic and Investment Committee:

- any investment made directly by the company or through a fully consolidated subsidiary, when the total amount of the investment, plus any liabilities attached to the assets in question, is between €30,000,000 and €100,000,000 (Group Share)
- any sale by the company or through a fully consolidated subsidiary, with the exception of companies whose shares are listed for trading on a regulated market, of any business division, any investment in any company or any assets, whenever the

total amount of the corresponding disinvestment, plus any liabilities attached and transferred, is between €30,000,000 and €100,000,000 (Group Share) inclusive, with the exception of intra-group transactions.

The prior authorisation of the Board of Directors is required after consulting the Strategic and Investment Committee concerning adoption of the following decisions:

- any investment made directly by the company or through a fully consolidated subsidiary, when the total amount of the investment, plus any liabilities attached to the assets in question, is equal to or greater than €100,000,000 (Group Share)
- any sale by the company or through a fully consolidated subsidiary, with the exception of companies whose shares are listed for trading on a regulated market, of any business division, any investment in any company or any assets, whenever the total amount of the corresponding disinvestment, plus any liabilities attached and transferred, is equal to or greater than €100,000,000 (Group Share) with the exception of intra-group transactions.

In addition, the prior authorisation of the Board of Directors is required for adoption of the following decisions:

- approval of the annual budget and the strategic business plan and any subsequent significant amendments to them
- incurrence of any debt (including bond issues) or the assumption of liabilities whenever, in each case, the total amount (Group Share) exceeds €100,000,000 (except for intra-group transactions), in the understanding that the Chief Executive Officer is authorised to conclude financing transactions for less than that amount and may also sign the related sureties
- signature of contracts for any merger, divestment or contribution of assets, except for intra-group transactions, or if the transactions have been approved by the said Committee and/or the Board.
- acceptance by an executive corporate officer of the company of a new Directorship in a non-group company, listed on a French or foreign regulated.

The decisions described in this section are made by a simple majority vote of the Board.

In accordance with the relevant legal provisions, these limitations are not binding on third parties.

4.3.1.3 Investment in the equity by General Management

Transactions carried out by members of General Management in Covivio shares during the 2020 fiscal year

General Management members	Purchase of financial instruments	Price (in €)	Sale of financial instruments	Price (in €)	Number of shares held on 31 December 2020 (to the company's knowledge)
	18,859 shares ⁽¹⁾	-			
Christophe Kullmann	10,830 shares	49.61	-	-	131,389 ⁽²⁾
	10,814 shares ⁽¹⁾	-			
Olivier Estève	7,185 shares	47.80	-	-	79,083
	40 shares ⁽¹⁾	-			
Dominique Ozanne	7,139 shares	47.80	-	-	66,992
TOTAL					277,464

(1) Award of free shares that became available during the 2020 fiscal year.

(2) Fully owned shares to which 18,000 beneficially owned shares are added from a bare ownership transfer.

To the company's knowledge, the executive officers held 0.29% of the share capital on 31 December 2020.

Subsequent to the end of the fiscal year:

- Christophe Kullmann wholly owns 146,212 shares after the final allocation of 11,946 performance shares and 2,877 free shares delivered on 15 February 2021

- Olivier Estève owns 86,770 shares after the final allocation of 6,791 performance shares and 896 free shares delivered on 15 February 2021

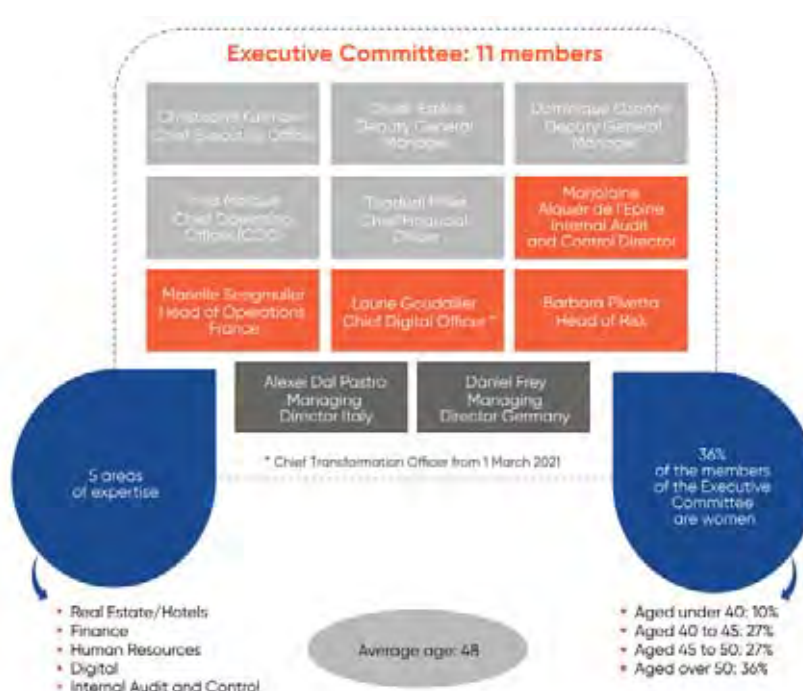
- Dominique Ozanne wholly owns 72,981 shares after the final allocation of 5,989 performance shares delivered on 15 February 2021.

4.3.1.4 Role of the Executive Committee in General Management

The Committees, and especially the Executive Committee, are central to General Management, especially in Europe.

The Executive Committee, which is at the heart of the corporate governance system, is a forum for reflection, consultation and decision-making on the Group's major strategies. Composed of representatives of all of the Group's "country" and "product" activities, as well as various corporate functions. It is in charge of implementing the strategy defined by the Board of Directors, monitoring transnational and cross-functional projects, and coordinating European activities. It aims at ensuring coordination

and consultation between its members whenever a transaction or an important decision affecting the general approach of the company or group must be considered or taken. In particular, it is consulted for each major decision or transaction of *Foncière des Régions* concerning governance, monitoring of subsidiaries and holdings, and financial/asset turnover policies. It validates all investment and disposal files whose value exceeds €5 million. In addition, its members are in charge of implementing the CSR objectives of the Group within their particular area of responsibility in coordination with the Sustainable Development Department.



The Executive Committee is supported by Management Committees set up in France, Germany and Italy, in charge of (i) monitoring and boosting operations, (ii) implementing the budget. (finance, asset management, portfolio) and (iii) HR, digital and organisational matters.

The diversity of these bodies, in terms of gender, nationality, age, experience and skills, equips it to support the Group's strategic challenges.

4.3.1.5 Policy on diversity in management bodies

We are resolutely committed to countering discrimination and fostering diversity. We have a *non*-discrimination and diversity policy to promote balanced representation of women and men in the company's governing bodies.

Covivio was a signatory to the Diversity Charter in 2010 and the Global Compact in 2011. Its General Management is convinced that diversity, *i.e.*, the variety of human profiles, is a factor for innovation, performance and quality of life within the company. The Human Resources Department is determined to diversify the talent profiles that support the Group's growth. Covivio also wants to see more women in management positions and guarantees equivalent conditions of employment to men and women. We are committed to analysing the gender pay gap in the same business population, in cooperation with employee representative bodies.

In 2017 Covivio launched the *ex-aequo* programme with the objective of fostering the promotion of women within the Group. It consists of two main components:

- raising employee awareness about gender equality through surveys and information meetings
- a mentoring programme designed to support and guide women who wish to receive guidance on their professional career and benefit from the support of a mentor who is a member of the European Management team.

The breakdown of the female headcount in France is stable: 56% at end 2020 compared with 58.4% end 2019. Similarly, there is an even split in managerial roles: 50% of managers were women on 31 December 2020, as at the end of 2019.

In 2020, the proportion of women on the Executive Committee of Covivio increased significantly, reaching at the end of the financial year 36% compared to 27% in 2019 (and that within the France Management Committee is 40% compared to 44% in 2019). The percentage of women in the top 10% most senior positions is 44.7%, compared with 40.6% in 2019.

In February 2020, the Board of Directors approved a proposal by the Appointments and Remunerations Committee that some performance objectives resulting in the allocation of free performance shares to corporate officers, should be linked to the number of women in management positions. As such, the Board set a target based on an index incorporating:

- the proportion of women on the Executive Committee
- the proportion of women on the Management Committee
- the proportion of women who are managers
- the equality index published annually.

In addition, on the proposal of General Management, and after review by the Appointments and Remunerations Committee, the Board of Directors of Covivio set, at its meeting of 16 December 2020, the objective of gradually increasing the number of women on the Executive Committee. The objective set by the Board is to increase it to 40% or more by 2023. Similarly, the Board has set the objective of increasing the average number of women in the three national Management Committees (France, Germany and Italy), from 26% to 40% by 2023. To this end, Covivio's General Management intends to promote an environment conducive to gender parity at all levels of the Group, notably through the following methods:

- strengthen gender balance in recruitment
- ensure equal opportunities in career paths, in particular through mentoring programmes for women
- guarantee equal pay for men and women in the same job, for the same level of skills, responsibilities and results
- guaranteeing equality in terms of professional development and salary in the event of a career break in the context of parental, maternity or adoption leave.

Lastly, in order to promote the balanced representation of women and men within the General Management and pursuant to the provisions of article L. 225-53 of the French Commercial Code ensure that at least one person of each gender is among the candidates throughout the selection process for the Deputy General Managers.

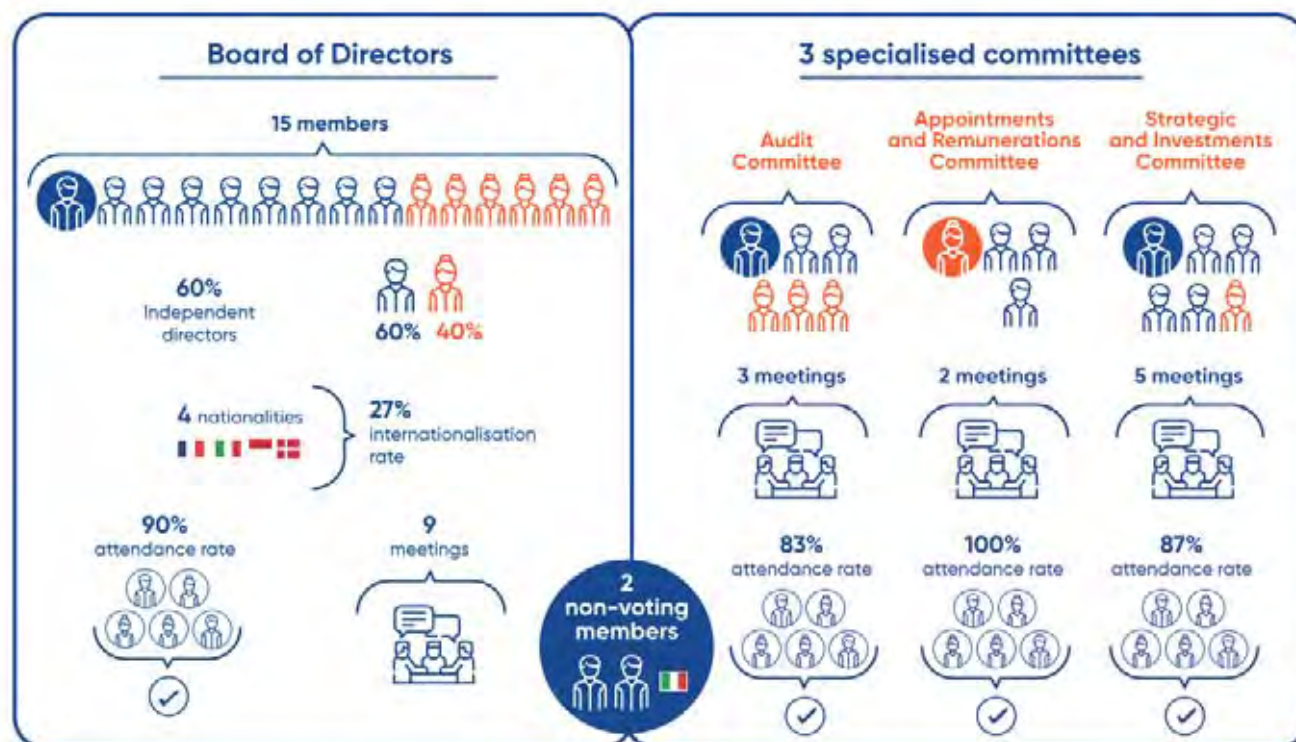
4.3.1.6 Succession plans

The Appointments and Remunerations Committee is responsible for overseeing the establishment of succession plans for executive corporate officers. It conducts regular reviews of the management team and, for several years, has ensured, through specific free performance share plans, the retention of potential candidates identified for access to management positions.

4.3.2 Board of Directors

4.3.2.1 Activity of the Board of Directors in 2020

Summary of the composition of the Board of Directors in 2020:



A Board of Directors focused on independence and a variety of expertise

	2011	2015	2020 ⁽¹⁾
 Total number of members of the Board of Directors	10	14	15
 Independence ⁽²⁾	40%	57%	60%
 Female composition	10%	36%	40%
 Nationalities represented	3	4	4
 Average attendance rate	91%	82%	90%

(1) Following the combined General Meeting of 22 April 2020

(2) Within the meaning of the Afep-Medef Code on corporate governance to which Covivio refers

The table below summarises the composition of the Board of Directors and of the Committees as of 31 December 2020.

Personal information

		Age	Gender	Nationality	Number of shares held at 31 December 2020		Main functions exercised
Jean Laurent	Chairman of the Board of Directors	76			1,746		Chairman of the Board of Directors Covivio
Leonardo Del Vecchio	Vice-Chairman of the Board of Directors	85			1 ⁽²⁾		Chairman & Chief Executive Officer of Luxottica Group SPA and Chairman of EssilorLuxottica SA
ACM Vie					Legal Entity	Physical person	
represented by Catherine Allonas-Barthe then by Stéphanie de Kerdrel	Director	45			7,289,917	0	Deputy Chief Investment Officer of ACM
Romolo Bardin	Director	42			13		Deputy Manager of Delfin S.a.r.l
Jean-Luc Biamonti	Director	67			506		Deputy Chairman of Société des Bains de Mer de Monaco
Covéa Coopérations					Legal Entity	Physical person	
represented by Laurent Tollié then by Olivier Le Borgne	Director	54			581 ⁽⁴⁾	0	Chief Investment Officer at Covea
Christian Delaire	Director	53			241		Senior Advisor at Foncière Atland
Sigrid Duhamel	Director	55		 	252		Chairman of the Management Board of BNP Paribas REIM France
Christophe Kullmann	Chief Executive Officer and Director	55			131,389 ⁽⁵⁾		Chief Executive Officer of Covivio
Alix d'Ocagne	Director	51			0		Head of the company
Sylvie Ouziel	Director	50			2		International Chairman of Envision Digital International Pte Ltd
Olivier Piani	Director	66			701		Chairman of ODP Conseils
Predica					Legal Entity	Physical person	
represented by Jérôme Grivet	Director	58			7,352,435 ⁽⁶⁾	0	Deputy General Manager in charge of Crédit Agricole SA Group Finances
Patricia Savin	Director	54			205		Partner at DS Avocats
Catherine Soubie	Director	55			686		Chief Executive Officer of Arfilia
Sergio Erede	Non-Voting members	80			N/A		N/A
Ariberto Frasati	Non-Voting members	74			N/A		N/A

(1) The data is expressed in number of years and months from the date of 1st appointment of natural persons.

(2) It being specified that the Delfin Group holds 25,765,290 shares.

(3) This duration takes into account seniority within the company.

(4) It being specified that the Covéa Group holds 6,797,240 shares.

(5) To which 18,000 beneficially-owned shares are added following a bare ownership transfer.

(6) It being specified that the Crédit Agricole Assurances Group holds 7,750,975 shares.

Agenda and text of draft Resolutions for the Combined General Meeting of 20 April 2021
Report by the Board of Directors on corporate governance

Experience		Position in the Board					Participation in Board Committees				Compensation
	Number of Directorships in public companies outside the Covivio group	Independent member	Date of first appointment to the Board of Directors	Date of renewal	Year term of office ends	Seniority on the Board ⁽¹⁾	Number of Board of Directors meetings	Number of Audit Committee meetings	Number of meetings of Appointments and Compensation Committee	Number of meetings of the Strategic and Investments Committee	Gross amount of Gross amount of attendance fees (in €)
							9	3	2	5	
							Attendance at meetings of the Board of Directors	Attendance at Audit Committee meetings	Attendance at Appointments and Compensation Committee meetings	Attendance at Strategic and Investments Committee meetings	
	0	✓	31/01/2011	17/04/2015 17/04/2019	2023	10.1 ⁽³⁾	100%	/	/	100%	/
	1	X	31/01/2011	17/04/2015 17/04/2019	2023	12.7 ⁽³⁾	44%	/	/	60%	30.000
	0	X	31/01/2011	17/04/2015 19/04/2018	2022	0.1	100%	/	/	100%	43.000
	2	X	17/04/2015	19/04/2018	2022	12.7 ⁽³⁾	100%	67%	/	100%	52.000
	1	✓	31/01/2011	17/04/2015 26/04/2017	2021	9.1	100%	100%	100%	/	66.000
	0	X	17/02/2016	17/04/2019	2023	0.1	89%	/	/	80%	37.000
	2	✓	17/04/2019	/	2023	1.8	100%	100%	/	/	42.000
	1	✓	28/04/2014	19/04/2018	2022	6.8	67%	33%	/	/	28.000
	0	X	25/04/2012	27/04/2016 22/04/2020	2024	8.8	100%	/	/	/	/
	0	✓	13/02/2020	/	2022	0.1	88%	/	/	/	21.250
	0	✓	24/04/2013	26/04/2017	2021	7.8	89%	100%	/	/	38.000
	1	✓	17/04/2019	/	2023	1.8	100%	/	100%	/	37.000
	1	X	31/01/2011	17/04/2015 26/04/2017	2021	9.11	78%	/	100%	80%	/
	0	✓	27/04/2016	22/04/2020	2024	4.8	100%	100%	/	/	42.000
	2	✓	27/04/2016	22/04/2020	2024	4.8	100%	/	100%	/	44.000
	N/A	N/A	17/04/2015	17/04/2019	2023	12.7 ⁽³⁾	78%	/	50%	80%	42.000
	N/A	N/A	17/04/2019	/	2023	1.8	100%	/	/	100%	43.000
							Average attendance rate: 90%	Average attendance rate: 83%	Average attendance rate: 100%	Average attendance rate: 87%	Total amount: €565,250



4.3.2.1.1 Changes in the composition of the Board of Directors during 2020

Governance body	Date	Departure	Appointment/Coopting	Renewal
	13 February 2020		Alix d'Ocagne	
Board of Directors	22 April 2020			Christophe Kullmann Patricia Savin Catherine Soubie
	1 December 2020	Catherine Allonas Barthe ⁽¹⁾ Laurent Tollié ⁽²⁾	Stéphanie de Kerdrel ⁽¹⁾ Olivier Le Borgne ⁽²⁾	
Audit Committee	22 April 2020			Patricia Savin
Appointments and Remunerations Committee	22 April 2020			Catherine Soubie (Chairwoman)
Strategic and Investment Committee	1 December 2020	Catherine Allonas Barthe Laurent Tollié	Stéphanie de Kerdrel Olivier Le Borgne	

(1) permanent representative of ACM Vie

(2) permanent representative of Covéa Coopérations.

Impact of the 2020 changes to the governance bodies in terms of diversification

The composition of the Board of Directors was maintained at 15 members during the 2020 fiscal year. The change in the composition of the governance bodies has no impact on the various diversification indicators monitored by the company.

	Number of members		Percentage of independence members		Percentage of women		Percentage of international		average age	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Board of Directors	15		60%		40%		27%		59 year-old	58 year-old
Audit Committee	6		83%		50%		50%		53 year-old	54 year-old
Appointments and Remunerations Committee	4		75%		25%		25%		61 year-old	62
Strategic and Investment Committee	6		17%		17%		33%		63 year-old	60 year-old

4.3.2.1.2 Changes in the proposed composition of the Board of Directors for the 2021 fiscal year

The expiry in April 2021 of the terms of office as Directors of Sylvie Ouziel, Jean-Luc Biamonti and Predica have led the Appointments and Remunerations Committee to examine changes in the composition of the Board of Directors.

At its meeting of 16 December 2020 and further to the opinion submitted by the Appointments and Remuneration Committee, the Board of Directors:

- to propose the renewal of the terms of office as independent Directors of Sylvie Ouziel and Jean-Luc Biamonti. As Jean-Luc
- to propose the renewal of the term of office of Predica, with Jérôme Grivet as permanent representative.

Impacts of changes in the composition of the Board of Directors subject to approval by the Combined shareholders' Meeting of 20 April 2021 of the aforementioned Directorships.

Biamonti was appointed as a member of the company's Board of Directors in 2011, he will have been in office on the date of the next General Meeting for 10 years. Given the company's desire to have a high proportion of independent Directors sitting on its Board, and pursuant to the rule set forth in article 9.5.6 of the Afep-Medef Code, as revised, on the loss of an independent Director's capacity after holding office for more than 12 years, Jean-Luc Biamonti's renewal will be proposed only for the remainder of his independence, in other words until the General Meeting to be convened in April 2023



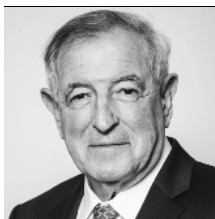
4.3.2.1.3 Profiles, experience and expertise of the non-executive corporate officers (information as at 31 December 2020)⁽¹⁾

The renewal of Directors' terms of office that expired in 2020 and the co-opting of Alix d'Ocagne following the resignation of Delphine Benchetrit allowed the Board, with its 15 members, to maintain the balance sought in terms of the skills and expertise

deemed necessary for proper administration of the company. The Directors are complementary due to their different professional experiences. Their personal skills and expertise cover the following areas related to Covivio's strategy:

	Real Estate/Hotels	Bank/Finance	Environment/CSR	Strategy and M&A	Experience in public companies	International experience
Jean Laurent			✓	✓	✓	✓
Leonardo Del Vecchio	✓	✓		✓	✓	✓
Romolo Bardin	✓	✓		✓	✓	✓
Jean-Luc Biamonti Age:	✓	✓		✓	✓	✓
Christian Delaire	✓	✓		✓	✓	✓
Sigrid Duhamel	✓		✓	✓	✓	✓
Jérôme Grivet	✓	✓		✓	✓	✓
Olivier Le Borgne	✓	✓		✓	✓	
Christophe Kullmann	✓	✓	✓	✓	✓	✓
Stéphanie de Kerdrel	✓	✓				
Alix d'Ocagne	✓	✓	✓	✓		
Sylvie Ouziel			✓	✓	✓	✓
Olivier Piani	✓		✓	✓	✓	✓
Patricia Savin	✓		✓	✓		
Catherine Soubie	✓	✓		✓	✓	

(1) Including the information referred to under point 12.1 of Annex 1 of delegated Regulation (EU) 2019/980 of 14 March 2019.

**Biography:**

Jean Laurent is a graduate of École Nationale Supérieure de l'Aéronautique (1967) and holds a Master of Science from Wichita State University. He has spent his entire career within the Crédit Agricole Group, initially in the Crédit Agricole branches in Toulouse, then in Loiret and in Paris Region where he held or supervised various roles in retail banking. He then joined Caisse Nationale du Crédit Agricole, first as Deputy General Manager (1993-1999), and then as Chief Executive Officer (1999-2005). In this capacity, he handled the IPO of Crédit Agricole SA (2001), then the acquisition and integration of Crédit Lyonnais in the Crédit Agricole group. Director of public companies, he was appointed Chairman of the Board of Directors of Covivio in 2011.

Jean Laurent

Age: 76

Nationality: French

Business address: 30, avenue Kléber, 75116 Paris

Main function exercised: Chairman of the Board of Directors of Covivio**Offices held within Covivio:****Chairman of the Board of Directors****Independent Director****Member of the Strategic and Investment Committee****Date of appointment:** 31 January 2011**Date of renewal:** 17 April 2015-17 April 2019**Expiry of term of office:** General Meeting of 2023 approving the annual financial statements for the fiscal year ended 31 December 2022**Number of shares held on 31 December 2020:** 1,746**Other Offices held within the Covivio group:**

None

Other Offices held outside the Covivio group:

None

Terms of office expired within the last five fiscal years:**Vice-Chairman of the Supervisory Board, Chairman of the Audit Committee and member of the Finance Committee:** Eurazeo SA (listed company – ended in 2017)**Director, Lead Director, Chairman of the Appointments and Remunerations Committee:** Danone SA (listed company – ended in 2018)**Director:** Beni Stabili SpA SIIQ (merger-absorption in 2018)**Biography:**

Leonardo Del Vecchio is the founder of the Luxottica Group, a world leader in the design, manufacturing and distribution of eyewear, which has been listed on the New York Stock Exchange since 1990. He had been the Chairman of the company's Board of Directors since its creation in 1961 and was appointed Chairman and Chief Executive Officer on 29 January 2016. In 2017, he created the Del Vecchio Foundation to support non-profit charitable initiatives. Following completion of the strategic merger between Essilor and Luxottica, he was appointed Chairman and Chief Executive Officer of EssilorLuxottica SA for which acted as General Manager until December 2020.

In 1986, Leonardo Del Vecchio was also appointed Cavaliere dell'Ordine al "Merito del Lavoro" (Knight of the Italian order of merit in industry), an award granted by the President of the Italian Republic.

Leonardo Del Vecchio

Age: 85

Nationality: Italian

Professional address: 24, avenue Princesse Grace, Le Roccabella, 98000 Monaco

Main function exercised: Chairman and Chief Executive Officer of Luxottica Group SpA and Chairman of EssilorLuxottica SA**Offices held within Covivio:****Director****Vice-Chairman of the Board of Directors****Chairman of the Strategic and Investment Committee****Date of appointment:** 31 January 2011**Date of renewal:** 17 April 2015-17 April 2019**Expiry of term of office:** General Meeting of 2023 approving the annual financial statements for the fiscal year ended 31 December 2022**Number of shares held on 31 December 2020:** 1 (it being specified that the Delfin group holds 25,765,290 shares)**Other Offices held within the Covivio group:**

None

Other Offices held outside the Covivio group:**Director and Chairman:** EssilorLuxottica SA (listed company), Delfin SARL (foreign company), Aterno SARL (foreign company), Fondazione Leonardo Del Vecchio (foundation)**Chairman and Chief Executive Officer:** Luxottica Group SpA (foreign company)**Terms of office expired within the last five fiscal years:****Chairman and Chief Executive Officer:** EssilorLuxottica SA (listed company – ends in December 2020)**Director:** Beni Stabili SpA SIIQ (merger-absorption in 2018), Gianni Versace SpA (foreign company), GIVI Holding SpA (foreign company)

ACM VIE SA

Strasbourg Trade and Companies Register T1 332 377 597

4, rue Frédéric-Guillaume-Raiffeisen, 67000 Strasbourg

Offices held within Covivio:

Director

Date of appointment: 31 January 2011

Date of renewal: 17 April 2017 – 19 April 2018

Expiry of term of office: General Meeting of 2022 approving the annual financial statements for the fiscal year ended 31 December 2021

Number of shares held on 31 December 2020: 7,289,917

Other Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels SCA (listed company)

Other Offices held outside the Covivio group:

Director: Sérénis Assurances SA, ACM GIE, Assurances du Crédit Mutuel Services SA, Foncière Massena SA, Agrupacio AMCI de Seguros y Reaseguros SA, GACM Seguros Generales, Compania de Seguros y Reaseguros SAU (formerly AMGEN Seguros Generales SAU), GACM Spain SA, Valinvest Gestion

Member of the Supervisory Board: SCPI CMCIC Pierre Investissement, SCPI Crédit Mutuel Pierre 1, SCPI Selectipierre 1, SCPI Logipierre 1, SCPI Logipierre 3

Terms of office expired within the last five years:

Member of the Supervisory Board: SCPI Ouest Pierre Investissement (ended in 2017)

Director: Serenis Vie SA (merger in 2016), ACMN IARD (ended in 2016), Partners Assurances SA (foreign company – ended in 2017)



Stéphanie de Kerdrel

Age: 45

Nationality: French

French Professional address: 94/96, boulevard Haussmann, 75008 Paris

Main function exercised: Deputy Chief Investment Officer of ACM

Offices held within Covivio:

Permanent representative of ACM Vie, Director

Member of the Strategic and Investment Committee

Date of appointment: 1 December 2020

Expiry of term of office: General Meeting of 2022 approving the annual financial statements for the fiscal year ended 31 December 2021

Number of shares held as at 31 December 2020: None

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Permanent representative of ACM Vie SA on the Board: SAS Immobilière ACM

Terms of office expired within the last five years:

Chair: SAS EEMI (European School of Internet Professions – ended in 2016), SAS EEMI pro (ended in 2016)

Biography:

Stephanie de Kerdrel holds a Master's degree in Banking-Finance-Insurance and a Master's Degree in International Economics and Finance from the University of Paris-Dauphine. She began her career in fixed income management at Assurances du Crédit Mutuel. In 2007, she chose to focus on teaching and training for around ten years. Her main achievement is the management of the creation of a new higher education school in the digital professions (EEMI), founded in 2011 by Xavier Niel, Marc Simoncini and Jacques-Antoine Granjon, of which she was then the General Manager. After achieving the objectives of this project, she decided to return to the field of finance, and joined Assurances du Crédit Mutuel in 2018 as Deputy Investment Director for fixed income and real estate asset management.

**Biography:**

Romolo Bardin is a graduate of Business Management at Ca'Foscari University in Venice. He is Deputy Manager of Delfin SARL. Prior to that he held positions at Sunglass Hut Europe in London, and Luxottica Group in Italy.

Romolo Bardin

Age: 42 years old

Nationality: Italian

Professional address: 7, rue de la Chapelle, L-1325 Luxembourg

Main function exercised: Deputy Manager of Delfin SARL

Offices held within Covivio:

Director

Member of the Strategic and Investment Committee

Member of the Audit Committee

Date of appointment: 17 April 2015 (it being specified that Romolo Bardin had been the permanent representative of Aterno, Director since 31 January 2011)

Date of renewal: 19 April 2018

Expiry of term of office: General Meeting of 2022 approving the annual financial statements for the fiscal year ended 31 December 2021

Number of shares held on 31 December 2020: 13,277

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Deputy Manager: Delfin SARL (foreign company)

Member of the Board of Directors, member of the Strategic and Investments Committee and member of the Appointments Committee: Assicurazioni Generali S.p.a (foreign listed company),

Member of the Board of Directors, member of the Risk and Oversight Committee and Member of the Appointments and Remunerations Committee: EssilorLuxottica SA (listed company)

Member of the Board of Directors and Chairman and Chief Executive Officer of foreign companies: Aterno SARL, DFR Investment SARL, Immochapelle SA, Vast Gain Group Ltd SARL

Member of the Board of Directors of foreign companies: Fondazione Leonardo Del Vecchio (foundation), Luxair SA

Terms of office expired within the last five fiscal years:

Member of the Board of Directors: Acciaitalia S.p.A. (foreign company – ended in 2017)

Member of the Board of Directors and Chairman and Chief Executive Officer: DFR Holding SARL (ended in 2017), Redfern SARL (ended in 2017), Delfin Finance SA (ended in 2019)

Member of the Risks and Audit Committee: Assicurazioni Generali S.p.A (foreign listed company – until 2019)

Chairman and Chief Executive Officer: Delfin H S.r.l (ended in 2018)

Manager: Batistica SARL (ended in 2018), Covivio Berlin I SARL (ended in 2018), Covivio Berlin V SARL (ended in 2018), Covivio Lux Residential SARL (ended in 2018), Covivio Berlin Prime SARL (ended in 2018), Berlin Prime Commercial SARL (ended in 2018), Covivio Valore 4 SARL (ended in 2018), Covivio Valore 6 SARL (ended in 2018)



Biography:

Holder of an MBA from Columbia University and a graduate of ESSEC, Jean-Luc Biamonti joined Goldman Sachs as an investment banker and held various Offices there for 16 years. As a partner in the firm, he was responsible for banking business in France and for coverage of the distribution and mass market consumer goods industry in Europe. After having left the bank in 2008, he founded Calcium Capital and developed an SME investment business via this group. Since January 2013, he has been Deputy Chairman of Société des Bains de Mer Monaco, where he has been a Director since 1985 and Chairman of the Board of Directors since 1995.

Jean-Luc Biamonti

Age: 67

Nationality: Monegasque

Professional address: 8, rue du Gabian, MC 98000 Monaco, Principauté de Monaco

Main function exercised: Deputy Chairman of Société des Bains de Mer Monaco

Offices held within Covivio:

Independent Director

Member of the Audit Committee

Member of the Appointments and Remunerations Committee

Date of appointment: 31 January 2011

Date of renewal: 17 April 2015 – 26 April 2017

Expiry of term of office: General Meeting of 2021 approving the annual financial statements for the fiscal year ended 31 December 2020

Number of shares held on 31 December 2020: 506

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Director, Chairman of the Board of Directors and Deputy Chairman: Société des Bains de Mer Monaco SA (S. B. M. – foreign listed company)

Director: S.F.E.

Chairman: S.B. M. USA Inc.

Permanent representative of S.B. M., Director: S.H.L

Chairman of the Board Committee: Betclic Everest Group
Terms of office expired within the last five fiscal years:

Chairman of the Appointments and Remunerations Committee: Covivio (public company – ended in 2019)

COVEA COOPERATIONS

Le Mans Trade and Companies Register 439 881 137

14, boulevard Marie-et-Alexandre-Oyon, 72030 Le Mans

Offices held within Covivio:

Director

Date of appointment: 17 February 2016

Date of renewal: 17 April 2019

Expiry of term of office: General Meeting of 2023 approving the annual financial statements for the fiscal year ended 31 December 2022

Number of shares held on 31 December 2020: 581 (it being specified that the Covéa Group holds 6,797,240 shares)

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Director: Assurland.com SA, AZ Plus SA, Carma SA, Covéa Lux, Covéa Protection Juridique SA, Gespré Europe SA, GMF Assurances SA, MAAF Assurances SA, MAAF Vie SA, MMA IARD SA, MMA Vie SA.

Chairman of the Strategy Committee: CAT.SA SAS

Chairman: CAT.SA SAS, Cesvi France SAS, Coparex SAS

Terms of office expired within the last five years:

Director: Caja de Seguros Reunidos – Compania de Seguros y Reaseguros SA (CASER – foreign company – ended in 2020), Eurosic SA (listed company – ended in 2017), Lybnet Assurances SA (ended in 2018).

Member of the Investments Committee: Eurosic SA (listed company – ended in 2017)

Member of the Sustainable Development Committee: Eurosic SA (listed company – ended in 2017)

Member: Covéa Immobilier Support GIE (ended in 2019)

**Biography:**

Olivier Le Borgne, a graduate of the Institut Supérieur de Gestion de Paris, began his career as a Management Controller. In 1992, he joined the administrative and Technical Department of GMF Vie. In 1998, he joined the Finance Department of Azur-GMF until 2006 where he held various positions. Firstly, as a management controller in charge of monitoring the companies, then as head of earnings forecasts and finally as head of financial control. From 2006 to 2015, he was appointed Chief Financial Officer of GMF.

Since 2015, he had been Head of Investments and Assets-Liabilities at Covéa.

Olivier Le Borgne was appointed Chief Investment Officer of Covéa with effect from 1 December 2020.

Olivier Le Borgne

Age: 54

Nationality: French

Business address: 86, rue Saint-Lazare, 75009 Paris

Main function exercised: Chief Investment Officer at Covéa

Offices held within Covivio:

Permanent representative of Covéa Coopérations, Director

Member of the Strategic and Investment Committee

Date of appointment: 1 December 2020

Expiry of term of office: General Meeting of 2023 approving the annual financial statements for the fiscal year ended 31 December 2022

Number of shares held as at 31 December 2020: None

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Deputy General Manager: GMF Assurances SA, MAAF Assurances SA, MAAF Vie SA, MMA Iard SA, MMA Vie SA

Member of the Supervisory Board: Covéa Salariés FCPE [Employee Shareholding Fund]

Member of the Strategic Committee: Lagune SAS, ALMA LMB LUX SAS, Lagune International SAS

Member of the Strategic Steering Committee: Orestate SPICAV, Oricore SPICAV

General Manager: SCI Covéa Real Estate Développement

Representative of Covéa Coopérations, Chairman: Coparex SAS

Logistic Representative, Director: GIE Cibail

Representative of MAAF Assurances SA, Chairman: CORE II SASU

Terms of office expired within the last five years:

Representative of Assistance Protection Juridique, member of the Supervisory Committee: Covéa Finance SAS

Permanent representative of GMF Vie, Director: Cegereal SA (ended in 2016)

Permanent representative of GMF Vie, member of the Supervisory Board: Foncière de Paris SA (formerly Cofitem-Cofimur - ended in 2017)

Permanent representative of Covéa Coopérations, Director: Eurosic SA (ended in 2017)

**Biography:**

Christian Delaire is a graduate of ESSEC. He built his career around finance and real estate. After having occupied several positions at AXA Real Estate, he was appointed Chief Investment Officer of AXA Real Estate in 2006. He then undertook the following positions: Chief Executive Officer at AEW Europe from 2009 to 2014 and Chief Executive Officer at Generali Real Estate from 2014 to 2016. His ambition to evolve toward the non executive part of the business led him to leave Generali in order to join Foncière Atland (listed company of the Atland group dedicated to investments and asset management) as a senior counsel. He is also independent Director of CERIT since 2017 and Atenor since 2018.

Christian Delaire

Age: 53

Nationality: French

Business address: 40 avenue George V, 75008 Paris

Main function exercised: Senior Advisor at Foncière Atland

Offices held within Covivio:

Independent Director

Member of the Audit Committee

Date of appointment: 17 April 2019

Expiry of term of office: General Meeting of 2023 approving the annual financial statements for the fiscal year ended 31 December 2022

Number of shares held on 31 December 2020: 241

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Managing Director: CDE Advisors SARL

Director: CERIT SA (listed foreign company), Atenor SA (listed foreign company)

Terms of office expired within the last five years:

Chief Executive Officer: Generali Real Estate (ended in 2016)

Chairman: Generali Real Estate SGR (foreign company - ended in 2016), CityLife (foreign company - ended in 2016)



Biography:

Sigrid Duhamel has chaired the Management Board of BNP Paribas REIM France since 29 September 2017. Previously, she chaired CBRE Global Investors France. After graduating from ESTP in 1990, she joined Bouygues Construction and spent four years managing major industrial renovation and construction projects. She then earned an MBA at INSEAD and joined the US group, United Technologies, where she spent three years managing mergers and acquisitions. After four years' experience in executive recruitment at Eric Salmon & Partners, in 2005, she moved into the real estate business at Tishman Speyer in London, where she spent four years in charge of business development in Europe. In 2008, she joined Carrefour Property, where she was international portfolio Director for three years, before joining the PSA Peugeot Citroën Group in June 2011 as Real Estate Director.

Sigrid Duhamel

Age: 55 years old

Nationality: French and Danish

Professional address: 167, quai de la Bataille-de-Stalingrad, 92867 Issy-les-Moulineaux

Main function exercised: Chair of the Management Board of BNP Paribas REIM France

Offices held within Covivio:

Independent Director

Member of the Audit Committee

Date of appointment: 28 April 2014

Date of renewal: 19 April 2018

Expiry of term of office: General Meeting of 2022 approving the annual financial statements for the fiscal year ended 31 December 2021

Number of shares held on 31 December 2020: 252

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Chair and member of the Management Board: BNP Paribas REIM France SA

Director, member of the Audit Committee: CNIM (listed company)

Director, Vice-Chair: BNP Paribas REIM Italy

Chair of the Board of Directors, Director: Technical Property Fund 2 SPICAV SA,

Chair of the Board of Directors, Director: BNP Paribas Diversipierre SPICAV SA

Member of the Board of Directors: SPAMI (association)

Governing Trustee: ULI (Urban Land Institute - association)

Terms of office expired in the last 5 years:

Member of the Supervisory Board: SA Selectirente (listed company - ended in 2017)

Chair: ULI (Urban Land Institute) France (association - ended in 2016)



Biography:

Alix d'Ocagne has a law degree from the University of Paris 1 Panthéon-Sorbonne and an Executive MBA from HEC. She has spent her entire career in the notary profession, specialising in real estate transactions for major accounts.

She worked for 25 years at the Cheuvreux law firm as an associate, partner, managing partner and president. She actively participated in the development of this law firm.

Alix d'Ocagne

Age: 51

Nationality: French

Business address: 4, rue Saint-Florentin, 75001 Paris

Main function exercised: CEO

Offices held within Covivio:

Independent Director

Date of appointment: 13 February 2020

Expiry of term of office: General Meeting of 2022 approving the annual financial statements for the fiscal year ended 31 December 2021

Number of shares held as at 31 December 2020: None

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Chairman: DOCK75 SAS, SEGC SAS

Member of the Supervisory Board: Eukratos SAS

Director: Association B2X

Terms of office expired in the last 5 years:

Chairman: Cheuvreux SAS

Director: Fondation de la Croix Saint Simon

**Biography:**

Since January 2020, Sylvie Ouziel has been International Chair of Envision Digital, having served as Global CEO of Allianz Assistance (known in France as Mondial Assistance) from 2016 and CEO Asia Pacific Allianz Partners. A graduate of Centrale Paris, Sylvie Ouziel had previously been Chair and Chief Executive Officer of Allianz Managed Operations & Services (Amos) since 2012, after having held the position of Global Deputy General Manager of Accenture Management Consulting (previously Andersen Consulting), a company where she began her career, occupying, during 20 years, various positions of leadership bringing her a strong international exposure.

Sylvie Ouziel

Age: 50 years old

Nationality: French

Business address: 1 Harbourfront Avenue # 17-01 Keppel Bay Tower- 098632 Singapore

Main function exercised: International Chair of Envision Digital International Pte Ltd**Offices held within Covivio:****independent Director****Member of the Audit Committee****Date of appointment:** 24 April 2013**Date of renewal:** 26 April 2017**Expiry of term of office:** General Meeting of 2021 approving the annual financial statements for the fiscal year ended 31 December 2020**Number of shares held on 31 December 2020:** 2,449**Other Offices held within the Covivio group:**

None

Other Offices held outside the Covivio group:

None

Terms of office expired in the last 5 years:**Global CEO Assistance and CEO Asie Pacific:** Allianz Worldwide Partners**Member of the Board:** AMOSA (Amos of America – foreign company)**Chair and Chief Executive Officer:** Allianz Managed Operations & Services (Amos – foreign company)**Member of the Board of Directors:** AWP Health & Life, AWP P&C**Member of the Supervisory Board:** M6 Métropole TV (listed company)**Biography:**

Olivier Piani is a graduate of the European business school, ESCP and holds an MBA from Stanford University. He has more than 30 years of experience in real estate. After 13 years at Groupe Paribas, he joined UIC-Sofal as Chief Executive Officer to restructure and sell the company.

He joined GE Capital Real Estate in 1998, where he held the position of Chairman and Chief Executive Officer of GE Real Estate Europe from 2002 to 2008 and successfully grew the company and its pan-European real estate portfolio. He was also Chairman and Chief Executive Officer of Allianz Real Estate from 2008 to 2015. In 2016, he decided to found OP Conseils, a real estate and finance consulting firm. He has also been the principal consultant and Chairman of the Investment Committee of Ardan Real Estate since 2016.

Olivier Piani

Age: 66

Nationality: French

Business address: 91 bis, rue du Cherche-Midi, 75006 Paris

Main functions exercised: Chairman of OP Conseils**Offices held within Covivio:****independent Director****Member of the Appointments and Remunerations Committee****Date of appointment:** 17 April 2019**Expiry of term of office:** General Meeting of 2023 approving the annual financial statements for the fiscal year ended 31 December 2022**Number of shares held on 31 December 2020:** 701**Other Offices held within the Covivio group:**

None

Other Offices held outside the Covivio group:**Director:** Prologis (foreign listed company), Grosvenor Europe (foreign company), Yam Invest (foreign company)**Terms of office expired in the last 5 years:**

None

Predica

Paris Trade and Companies Register 334 028 123

16/18 boulevard de Vaugirard, 75015 Paris

Offices held within Covivio:

Director

Date of appointment: 31 January 2011

Date of renewal: 17 April 2015 – 26 April 2017

Expiry of term of office: General Meeting of 2021 approving the annual financial statements for the fiscal year ended 31 December 2020

Number of shares held on 31 December 2020: 7,352,435

Other Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels SCA (listed company)

Director: B2 Hotel Invest OPPI

Other Offices held outside the Covivio group:

Director: AEW Immo commercial OPCI, Fonds Nouvel Investissement 1 SICAV, Fonds Nouvel Investissement 2 SICAV, Aéroport de Paris SA (listed company), Gecina SA (listed company), Messidor OPCI, Frey SA (listed company), La Médicale de France SA, CAAM Mone Cash SICAV, Korian SA (listed company), CAA Commerces 2 OPCI, Patrimoine et Commerce SCA (listed company), Carmila (listed company), Previsio Obsèques SA, Lesica, Semmaris, Fonds Stratégique de Participations SICAV, Argan (listed company), Française des Jeux (listed company)

Member of the Supervisory Board: Altarea SCA (listed company), Effi-Invest II SCA, SCA, CA Grands Crus SAS, Sopresa SA, Interfimo SA, Preim Healthcare

Non-voting member of the Board of Directors: Siparex Associés SA, Tivana France Holding SAS

Co-General Manager: Predicare SARL

Chairman: Prédi Rungis

Terms of office expired within the last five fiscal years:

Member of the Supervisory Board: Effi Invest I SCA (ended in 2018)

General Manager: Citadel SAS, Citadel Holding SAS

Director: River Ouest OPCI (ended in 2019), Sanef (listed company – ended in 2018), Ramsay Générale de Santé SA (listed company – ended in 2018), Eurosic SA (ended in 2017), Louvresses Development I SAS (ended in 2018), CA Life Greece SA (foreign company – ended in 2018), République SA (ended in 2017), Foncière Développement Logements – FDL SA (ended in 2017)



Biography:

Jérôme Grivet is a graduate of ESSEC, the Paris Institute of Political Sciences (Sciences Po), and of ENA. He spent his early career in administration (general inspection of finances, advisor to the Prime Minister for European Affairs) and went on to join Crédit Lyonnais in 1998, first as Financial Director of the retail banking business in France, and then as Director of Strategy. He was Deputy General Manager of Calyon from 2007 to 2010. From 2010 to 2015, he served as Chief Executive Officer of Crédit Agricole Assurances and Chief Executive Officer of Predica. He is a member of the Executive Committee of Crédit Agricole SA. Since 21 May 2015, he has been serving as Assistant General Manager of Crédit Agricole SA responsible for the Group Finance Division.

Jérôme Grivet

Age: 58

Nationality: French

French Professional address: 12, place des États-Unis, 92120 Montrouge

Main function: Assistant General Manager of Crédit Agricole SA in charge of the Group Finance division

Offices held within Covivio:

Permanent representative of Predica, Director

Member of the Strategic and Investment Committee

Member of the Appointments and Remunerations Committee

Date of appointment: 31 January 2011

Date of renewal: 17 April 2015 – 26 April 2017

Expiry of term of office: General Meeting of 2021 approving the annual financial statements for the fiscal year ended 31 December 2020

Number of shares held as at 31 December 2020: None

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Assistant General Manager in charge of the Group Finance Division and member of the Executive Committee and of the Management Committee: Crédit Agricole SA (listed company)

Director: Crédit Agricole Assurances SA, CACEIS SA, CACEIS Bank France SA

Vice-Chairman of the Supervisory Board and member of the Audit and Accounts Committee: Fonds de Garantie des Dépôts

Director, member of the Audit and Accounts Committee and member of the Investment Committee: Nexity SA (listed company)

Terms of office expired in the last 5 years:

Chairman: CA Life Greece SA (foreign company)

Permanent Representative of Predica, Chairman: Fonds Stratégique de Participations (SICAV)

Director, Chairman of the Board of Directors: Spirica SA

Vice-Chairman: BES Vida

Chief Executive Officer: Crédit Agricole Assurances SA, Predica SA

Director: Icade SA (listed company), Caagis SAS, Crédit Agricole Vita SpA (foreign company), Pacifica SA, CA Indosuez Private Banking, CA Cheuvreux, Cedecam, Ubaf, Newedge Group, Lcl Obligation Euro,, Korian (listed company)

Deputy General Manager, member of the Executive Committee: Calyon

Managing Director: CLSA BV, Sticing CLSA Foundation

Permanent representative of Calyon, Director: Fletirec

Permanent representative of Predica, Director: Siparex Associés, La Médicale de France

Permanent representative of Crédit Agricole Assurances SA, Director: Caci SA

Permanent representative of Predica, member of the Supervisory Board: CA Grands Crus SAS, Cape

Chairman and Chief Executive Officer, Director: Mescas

General Manager: SNGI, CA Assurances Italie Holding, Dolcea Vie

Non-voting member of the Board: Aéroports de Paris, CA Immobilier, La Médicale de France SA



Biography:

A graduate of Institut de Droit Public des Affaires (IDPA), and a lawyer registered with the Paris Bar, Patricia Savin holds a Ph.D. in private law from IHEDN (Economic Intelligence Session). A Partner at DS Avocats, she co-manages the Environment and Sustainable Development Department where she is specifically tasked with cases involving logistics, polluted soils and sustainable urban environments. Patricia Savin is a member of the Council on Biodiversity and COPIL on circular economy in the French Ministry on the Environment.

As Chairwoman of the Orée association and the Environment and Sustainable Development Commission of the French Bar Association (Ordre des Avocats de Paris), she is regularly consulted by the Ministries of Ecology and Justice on the draft texts under discussion.

Before joining DS Avocats, Patricia practised law with the firms Moquet Borde (which has since become Paul Hastings) and then Pardieu Brocas, before acting as co-head of the law firm Savin Martinet Associés between 2001 and 2015.

She was elected member of the French National Bar Council, of which she was Secretary General for the 2010-2013 period.

Patricia Savin

Age: 54

Nationality: French

Professional address: 6, rue Duret, 75116 Paris

Main function exercised: Partner at DS Avocats

Offices held within Covivio:

Independent Director

Member of the Audit Committee

Date of appointment: 27 April 2016

Date of renewal: 22 April 2020

Expiry of term of office: General Meeting of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Number of shares held on 31 December 2020: 205

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Chairman: OREE (association)

Terms of office expired in the last 5 years:

None



Biography:

A graduate of ESCP Europe, Catherine Soubie started her career in 1989 at Lazard in London then in Paris. She subsequently held various posts at Morgan Stanley in Paris, before becoming Assistant General Manager of Rallye, from 2005 to 2010. In 2010, Catherine Soubie joined Barclays where she was, until 2016, Managing Director in charge of Investment Banking France-Belgium-Luxembourg. She is today the Chief Executive Officer of Arfilia and also independent Director on the Boards of Directors of Korian and Sofina.

Catherine Soubie

Age: 55 years old

Nationality: French

French Professional address: 137, rue de l'Université, 75007 Paris

Main function exercised: Chief Executive Officer of Arfilia

Offices held within Covivio:

Independent Director

Chairman of the Appointments and Remunerations Committee

Date of appointment: 27 April 2016

Date of renewal: 22 April 2020

Expiry of term of office: General Meeting of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Number of shares held on 31 December 2020: 686

Other Offices held within the Covivio group:

None

Other Offices held outside the Covivio group:

Chief Executive Officer: Arfilia, Alixio, Taddeo

Director, Chairwoman of the Audit Committee and member of the Appointments and Remunerations Committee: Korian SA (listed company)

Director and Chair of the Remuneration Committee: Sofina SA (listed company)

Chair: Financière Verbatteam

Terms of office expired in the last 5 years:

Managing Director, Head of Banking France & Belgium – Luxembourg: Barclays

4.3.2.1.4 Share capital of members of the Board of Directors

Trading in Covivio shares by members of the Board of Directors and related persons in the 2020 fiscal year

Members of the Board of Directors	Purchase of financial instruments	Mean value (in €)	Sale of financial instruments	Mean value (in €)	Number of shares held on 31 December 2020 (to the company's knowledge)
Jean Laurent	1,171 shares	43.98	-	-	1,746
Leonardo Del Vecchio	-	-	-	-	1
(persons related to Leonardo Del Vecchio)	2,752,350 shares	47.85	80,000 shares	53.40	25,833,581
ACM Vie	665,239 shares	47.80	-	-	7,289,917
Stéphanie de Kerdrel	-	-	-	-	0
Romolo Bardin	9,101 shares	55.24	-	-	13,277
Jean-Luc Biamonti Age:	46 shares	47.80	-	-	506
Covéa Coopérations	53 shares	47.80	-	-	581
(persons related to Covéa Coopérations)	620,225 shares	47.80	-	-	6,796,659
Olivier Le Borgne	-	-	-	-	0
Christian Delaire	215 shares	90.78	-	-	241
Sigrid Duhamel	-	-	-	-	252
Alix d'Ocagne	-	-	-	-	0
Sylvie Ouziel	2,000 shares	110.94	-	-	2,449
Olivier Piani	700 shares	74.75	-	-	701
Predica	670,944 shares	47.80	-	-	7,352,435
(persons related to Predica)	37,290 shares	48.58	3,569 shares	40.75	398,540
Jérôme Grivet	-	-	-	-	0
Patricia Savin	18 shares	47.80	-	-	205
Catherine Soubie	-	-	-	-	686
TOTAL					47,691,777

To the company's knowledge, the non-executive corporate officers (and persons related to them) held 50.44% of the share capital at 31 December 2020.

4.3.2.2 Methods of organisation and operation of the Board of Directors

4.3.2.2.1 Role of the Chairman of the Board of Directors

The Board of Directors is chaired by Jean Laurent, appointed to this position on 31 January 2011 and renewed on 17 April 2015 and 17 April 2019 for the duration of his term of office as Director.

He represents the Board of Directors, working in close coordination with the Chief Executive Officer. He acts and speaks on its behalf and oversees the organisation of the Board of Directors and its Committees, as well as ensures that they are working smoothly. Discussions with the Chief Executive Officer and Deputy General Managers prior to Board meetings help to improve the operations of the Board and the efficiency of its meetings. He ensures that all Directors are always kept fully notified of any information complete and relevant to the implementation of the strategy. He leads the Board's discussions and helps to summarise its views. In close coordination with the actions taken in these matters by General Management, the Chairman ensures that the quality of the Board's relationships with the company's shareholders, major partners and customers of the Group as well as with public authorities, institutional and regulatory authorities, the media and investors deemed to be economic players, are maintained. The Chairman may, further to a

delegation from the Board of Directors, be responsible for shareholders' relations with the Board, notably on subjects of corporate governance, and, if applicable, give an account thereto of his assignment. He also presides over the company's General Meetings and participates in the oversight of the governance of the company's subsidiaries. Moreover, he oversees the proper functioning of the audit and risk management bodies.

The Chairman provides the Chief Executive Officer and the Deputy Managing Directors with help and advice on designing and implementing the strategy, whilst not infringing on the latter's executive responsibilities. At the request of the Chief Executive Officer and/or of the Deputy Managing Directors, he can attend internal meetings with the company's primary executives and teams to provide clarifications on strategic issues. He also helps to promote the image and values of Covivio, both within and outside the Group.

As non-executive Chairman, he attends meetings of the Appointments and Remuneration Committee as a guest and participates in the process of recruiting new Directors. He also provides his vision and knowledge of the in-house teams when succession plans are being established.

In 2020, Jean Laurent chaired all the meetings of the Board of Directors and attended all the meetings of the Strategic and Investment Committee of which he is a member as well as those of the Audit Committee and the Remuneration Committee and appointments to which he was invited. He also met with individual Directors during the year and met numerous times with the members of the company's Management Committee.

4.3.2.2.2 Missions of the Board of Directors

The Board of Directors gives its opinion on all decisions relating to major strategic, economic, social and financial issues for the company and oversees their implementation by General Management. The Board focuses on the creation of value over the long term, in consideration of the social and environmental impacts in accordance with its corporate Purpose adopted by the Board of Directors on 21 November 2019. Subject to the powers expressly reserved for General Meetings of shareholders and within the limits of the corporate purpose, the Board of Directors may seize any question affecting the operation of the company and govern its business through its deliberations. It carries out the checks and verifications that it considers necessary.

If a material investment or disposal is being considered, the Board and General Management assess the strategic interest of the transaction and ensure that the process is conducted in accordance with the best interests of the company. The company may, on this basis, set up an *ad hoc* Committee. Moreover, in addition to the operations already listed in the Internal Regulations that specifically require the Board's prior authorisation, any material operation requires prior authorisation by the Board of Directors. Further details are given in section 4.3.1.2. below on the limitations to the powers of the Chief Executive Officer and Deputy General Managers.

The Board is responsible for approving all investments and transactions, notably relating to a sale or disposal, whose value exceeds €100 million. In connection with the strategy it has designed, it examines the financial, legal, operational, social and environmental risks and opportunities as well as the measures adopted accordingly. If necessary, it guarantees the implementation of a range of measures for preventing and detecting corruption and trafficking in influence. It is also responsible for ensuring that all executive officers are implementing a non-discrimination and diversity policy, notably with regard to the gender balance within governing bodies. To this end, it determines, on the proposal of the General Management, the gender equality objectives within these governing bodies, and is informed of the methods of implementation of the objectives, with an action plan and the time horizon within which one these actions will be carried out, as well as the results obtained annually.

The Board is also kept informed of changes in the market and competitive environment and of any significant events in the domain of corporate, social and environmental responsibility for the company. Furthermore, it receives regular updates on the financial situation, cash flow situation, and commitments of the company. It is the Board's responsibility to approve the company's financial communication policy and to oversee its relevance and quality.

The Board also defines whether the General Management of the company is assumed by the Chairman or by another physical person who may or may not be a Director, appointed by the Board and with the title of Chief Executive Officer, and provides the reasons for its decision. As such, it appoints the corporate officers responsible for managing the company. for this purpose, and determines a selection process that guarantees the presence of at least one person of each gender among the candidates. The Board may appoint a lead Director from among the independent Directors, notably when the decision has been made not to split the role of Chairman and Chief Executive Officer. With regard to the split of the roles currently in force, the Board has set the limitations to the powers of the Chief Executive Officer and the Deputy General Managers. The Board of Directors may also appoint one or more Non-voting members (natural persons or legal entities) and a Vice Chairman.

The Board implements the authorisations and delegations of powers and competence conferred upon it by the General Meeting.

It rules on the approval of regulated agreements submitted to it and implements a procedure to regularly assess whether the agreements relating to current transactions and concluded under normal conditions meet these conditions.

The Board of Directors defines the remuneration policy of the corporate officers upon recommendation of the Appointments and Remunerations Committee: in this respect, the Board sets the terms of allocation of the remuneration granted to the Directors and it sets the amount and the methods used for the calculation and payment of the Chairman's remuneration, if applicable, and determines and sets out the reasons underlying its decisions in relation to the remuneration paid to the Chief Executive Officer and the Deputy General Managers, which are set out in section 4.3.4.2. below.

The Board approves the annual and half-year financial statements and the forward-looking management documents and convenes General Meetings.

Each year, prior to publication of the Universal Registration Document, the Board examines on a case-by-case basis the situation of each of the Directors and then discloses to the shareholders the results of this examination in order for the independent Directors to be identified.

Finally, it ensures that shareholders and investors receive relevant, balanced and instructive information on the company's strategy, development model, consideration of significant non-financial concerns, as well as its long-term outlook.

4.3.2.2.3 Agreements submitted to the Board of Directors

4.3.2.2.3.1 Agreements referred to under Article L. 225-37-4 of the French Commercial Code

In accordance with the provisions of article L. 225-37-4 2° of the French Commercial Code, we draw your attention to the following agreements entered into in the 2020 fiscal year, either directly or through intermediaries, between one of the corporate officers or shareholders with more than 10% of voting rights on the one hand and, on the other, a company controlled by the company under the definition of article R. 233-3 of the French Commercial Code, with the exception of standard transactions and transactions carried out under normal conditions:

- Investment Agreement signed on 23 December 2020 between Covivio, MMA IARD and Generali Vie in the presence of Covivio Alexanderplatz S.à.r.l.

4.3.2.2.3.2 Procedure for evaluating standard agreements entered into under normal conditions

Pursuant to article L. 22-10-12 of the French Commercial Code, at its meeting on 21 November 2019, the Board of Directors introduced a procedure for an annual review of standard agreements entered into under normal conditions by an established Committee within the company.

The procedure involves setting up an internal Committee which meets annually and the remit of which is:

- to review criteria for determining standard agreements entered into under normal conditions defined in the internal charter of the Covivio group on related-party agreements in order to ensure they are appropriate and in line with market practices
- to analyse in more detail the extent to which financial conditions are normal and
- to submit the agreements that meet these criteria to the Board for approval.

The list of all agreements reviewed by the Committee as well as the results of the evaluation and any proposed amendments to the criteria of these agreements are presented to the Board of Directors each year when it meets to discuss the annual financial statements.

Thus:

- should the evaluation Committee consider that an agreement signed by two companies within the Covivio group constitutes a related party agreement, it is then subject to the procedure for auditing related party agreements referred to under article L. 225-38 of the French Commercial Code
- if the evaluation Committee is uncertain of the characterisation of an agreement, it shall submit it for the evaluation of the Board of Directors. Anyone with a direct or indirect interest in the agreement does not take part in its evaluation.

Having implemented this procedure, the Board of Directors updated the internal charter of the Covivio group on related-party agreements published on the company's website to include these provisions.

In accordance with the procedure, at a meeting on 17 February 2021 the Board of Directors was provided with a list of all standard agreements entered into under normal conditions within the Group having been reviewed by the Committee as well as the results of its evaluation on the characterisation of all of these agreements as standard and entered into under normal conditions.

4.3.2.2.4 Rules relating to the composition of the Board of Directors

4.3.2.2.4.1 General rules applicable to the composition of the Board of Directors and to the appointment of Directors

The rules governing the appointment and dismissal of members of the Board of Directors are the legal and statutory rules set out in articles 12 et seq. of the company's Articles of Association and included in paragraph 5.5.1, complemented by certain provisions of the Rules of Procedure. They are described below, it being stipulated that:

- the Board of Directors is comprised of between three and eighteen Directors, subject to statutory exemptions, and appointed by the Ordinary General Meeting of shareholders
- Directors may be dismissed at any time by the General Meeting, without indemnity or prior notice.

Chairman and Vice-Chairman

The Board elects as Chairman one of its members, who must be a physical person. In addition to the Chairman, the Board of Directors may elect one or more Vice-Chairmen from among its members. The Vice-Chairman acts on the Chairman's behalf in the event of incapacity or absence. In a case of temporary incapacity, this delegation is given for a limited period and may be renewed. If the Chairman dies, this delegation is valid until the appointment of a new Chairman of the Board.

The office of Vice-Chairman is held by Leonardo Del Vecchio, appointed by the Board of Directors on 31 January 2011 and then re-appointed on 17 April 2015 and 17 April 2019 for a term of four years, expiring at the end of the General Meeting convened in 2023 to approve the financial statements for the fiscal year ending 31 December 2022.

The Board sets the term of office for the Chairman and the Vice-Chairman which may not exceed the term of their appointment as Director. In case of absence, the Chairman and the Vice-Chairman are replaced by the eldest Director present. The Chairman and the Vice-Chairman may be re-elected and may be dismissed by the Board at any time.

Non-voting members

The Board of Directors may appoint one or more Non-voting members (physical persons or legal entities). It defines their term of office and any remuneration if they are assigned a particular mission. The Non-voting members of the Board of Directors attend meetings of the Board as observers and may be consulted by the Board. They must be called to every meeting of the Board of Directors. They receive a portion of the remuneration allocated by the General Meeting to the Board of Directors, according to the same conditions for distribution as those defined for the Directors.

The Non-voting members attend the Board of Directors meetings on a consultative basis and may also be invited to attend meetings of the Committees created within the said Board of Directors. The Non-voting members are bound by the same general confidentiality obligation the Directors are bound to, as well as the same loyalty duty and abstention obligation on the shares.

Based on recommendations from the Appointments and Remunerations Committee, the Board of Directors has appointed two Non-voting members:

Sergio Erede 80 years 		At the end of his Director's term of office expiring on 17 April 2015, the Board of Directors appointed Sergio Erede as Non-voting Board member and reconfirmed in the role on 17 April 2019 for a term of four (4) years expiring at the end of the General Meeting convened in 2023 to approve the financial statements for the fiscal year ending 31 December 2022. As a Non-voting Director, Sergio Erede provides the Board with his legal expertise as a recognised Italian business lawyer.
Ariberto Fassati 74 years 		On 20 February 2019, the Board of Directors has also appointed a second Non-voting member for a period of 4 years, Ariberto Fassati, who previously presided the Board of Directors of Beni Stabili, in order to bring his expertise of the Italian finance at Sergio Erede's side.

Lead Director

Given the separation of the functions of the Chairman and Chief Executive Officer, the Board of Directors decided that there is no need to appoint a lead Director.

Secretary of the Board

The Board of Directors also appoints a Secretary, who may be a Board member or an external appointee. It defines the Secretary's duties, which it may terminate at any time. The Secretary ensures that procedures relating to the operation of the Board and its Committees are followed and records the minutes at its meetings.

Yves Marque 53 years 		These functions are currently held by Yves Marque, the Chief Operating Officer (COO) of Covivio, who was appointed by the Board of Directors on 31 January 2011, and reappointed on 17 April 2015 and 17 April 2019 for a term of four years expiring at the end of the General Meeting convened in 2023 to approve the financial statements for the fiscal year ending 31 December 2022.

Employee representatives

The Board of Directors does not include any Director representing employees. This lack of representation on the Board is due to the fact that Covivio does not fall within the scope of the provisions laid down in article L. 225-27-1 paragraph 1 of the French Commercial Code.

Employee shareholder representatives

Since employee shareholder investment in Covivio is below the threshold of 3% of the capital set by the provisions of article L. 225-23, paragraph 1, of the French Commercial Code, the Board of Directors does not include any Director representing employee shareholders.

However, two employees sitting on the Social and Economic Committee are invited to each meeting, and attend with access to the same information as the Directors.

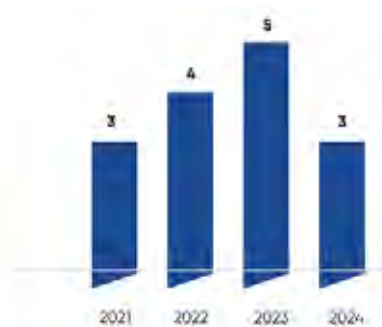
4.3.2.2.4.2 Duration and staggering of terms of office

Directors are appointed without exception for a four-year term so that shareholders can have a frequent say on their election. The term of a Director expires at the end of the Ordinary General Meeting called to approve the financial statements for the previous year, held in the year in which the term of the said Director expires.

To promote the Board's harmonious renewal, the Directors' terms of office are now staggered over time since 2015.

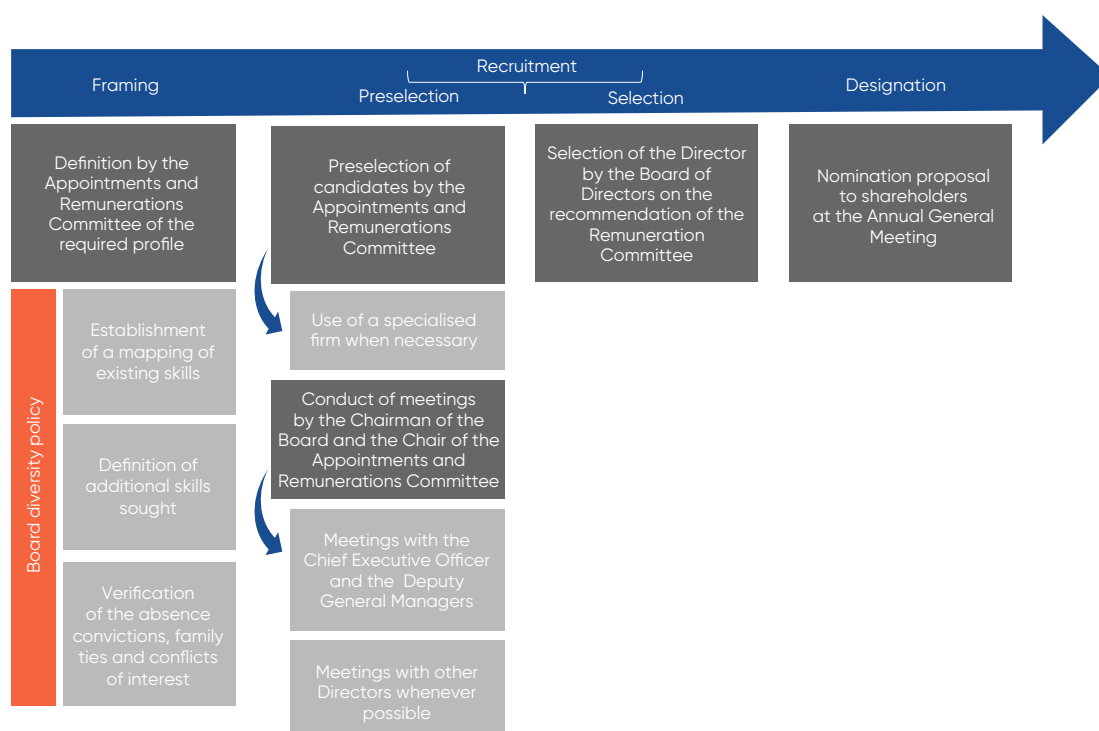
The shareholders' regular renewal of Directors has thus been facilitated, both due to the limitation of their terms of office to four years, and to the staggering of expiration dates for the various tenures, allowing the General Meeting to vote on several Directorships every year.

Status of the staggered expiration of terms of office



4.3.2.2.4.3 Recruitment procedure and the lack of any convictions, family ties and conflicts of interest

When new Directors are recruited, the Board requests that the Appointments and Remuneration Committee put forward candidates. The Committee draws up a map of the skills in place and defines the additional skills sought in the future Director with regard to the Board of Directors' diversity policy. It ensures that there are no convictions, no family ties with a corporate officer of the company and no conflicts of interest. In addition to the technical expertise sought, candidates should have solid experience as active Management or Executive Committee members, be willing and able both to contribute constructive opinions to discussions and to help summarise views and take part in decision-making. The candidates, who may in certain cases be pre-selected by a specialised firm, meet with the Chairman of the Board, the Chairman of the Appointments and Remuneration Committee, the Chief Executive Officer and the Deputy General Managers and, wherever possible, with other Directors. Finally, following a presentation of the profiles made by the Chair of the Appointments and Remunerations Committee and on the latter's proposal/recommendation, the Board chooses the candidate who will be put to the vote of the General Meeting of the shareholders.



As part of the review of the annual returns filed by the corporate officers in response to a request made by the company while preparing this Universal Registration Document, the company's corporate officers have declared to the company, pursuant to articles 12.1 and 12.2 of the EC delegated Regulation 2019/980 14 March 2019:

- that they have not been convicted of fraud during at least the last five years
- that they have not been involved in bankruptcy, receivership or liquidation proceedings during at least the last five years
- that they have not been subject to any official public incrimination or sanction by a statutory or regulatory authority (including appointed professional bodies) at least the last five years
- that they have not been forbidden by a court to serve as a member of an administrative, management or supervisory body, or from being involved in managing or leading a company's business during at least the last five years

This diversity, which is a source of dynamism and high performance, provides a guarantee of the quality of the debates and decisions of the Board and contributes to the efficiency of the work carried out by the Committees.

To achieve this, the Board of Directors has put in place a policy regarding the composition of the governance bodies:

- that he or she has no close family ties with a corporate officer of the company
- not be aware of potential conflicts of interest between his or her duties towards the company, and his or her private interests and/or other duties.

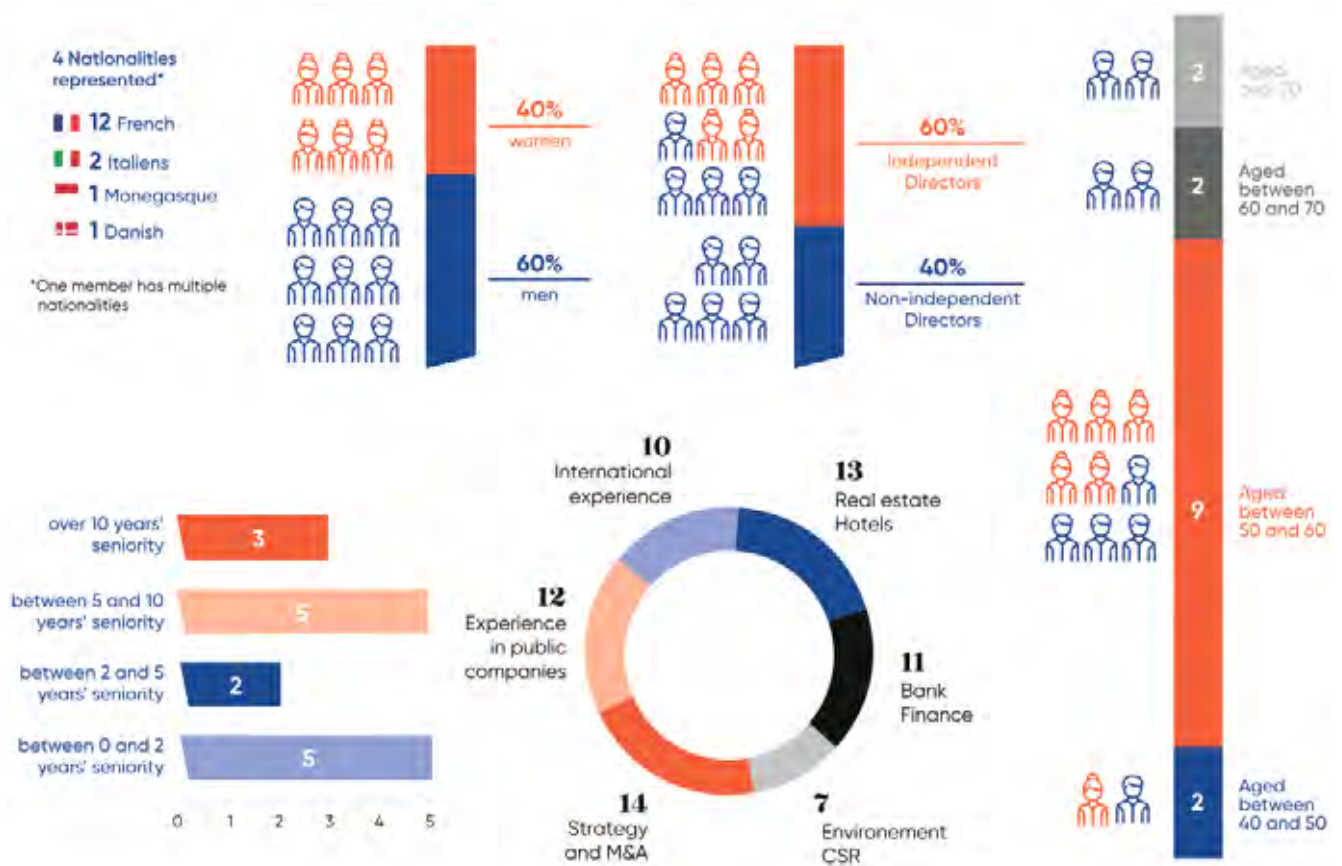
4.3.2.2.5 Diversity policy of the Board of Directors

4.3.2.2.5.1 Principles

Each year, in the context of the review of its composition and of the renewal and/or appointment proposals submitted for approval to the annual General Meeting, the Board of Directors questions the desired balance of its composition and of the governance Committees set up, notably in terms of diversity. Its aim at all times is to improve gender balance, the independence of its members, the range of skills, expertise, international experience, ages and geographical origins among members in order to provide shareholders with a guarantee that all assignments are being performed with the necessary independence and objectiveness.

Criteria	Targeted objectives	Implementation and results achieved during the financial year
Representation of women and men	☐ Seeking a balanced representation of women and men on the Board and Committees: → the proportion of women has changed appreciably since the end of 2013 to gradually reach 40% at the end of the Combined General Meeting of 27 April, 2016.	☐ The Board of Directors considers that the percentage of female Directors corresponds to a balanced representation of men and women: - 40% on the Board - 50% within the Audit Committee, which, of course, can still improve with future movements. ☐ The Remunerations and Appointments Committee is chaired by a woman.
Duration and staggering of terms of office	☐ Securing continuity within the Board via the regular renewal of appointments limited to 4 years on an overlapping basis.	☐ The term of office of Directors, set by the Articles of Association, allows shareholders to vote with sufficient frequency. ☐ The terms of office have been staggered since 2015, allowing shareholders to vote on several terms of office each year. ☐ Shareholders will be asked to renew the term of office as Director of Jean-Luc Biamonti for a period reduced to two years, thus making it possible to satisfy the 6 th independence criterion for the duration of his term of office.
Independence of members	☐ Having a high proportion of independent members, guaranteeing an independence of judgment: → The percentage of members who are independent, which was 50% in 2014, has risen reach 60% since 2016.	☐ The Board of Directors considers that the proportion of Independent Directors of 60% is balanced with regard to the composition of the shareholders.
Skills and experience	☐ Promote a diversity of skills and experiences. ☐ Combine the skills required to implement the company's strategy and its growth objectives.	☐ In particular, the Board of Directors, supported by the Appointments and Remunerations Committee, ensures that its members have a wide range of varied, complementary and balanced skills, thereby enabling an in-depth understanding of the development challenges facing the Company and a decision-making process which is informed, independent and high-quality. ☐ These skills are described in detail in section 4.3.2.3.2. together with the Directors' biographies, which also set out the experience and area of expertise of each individual Director.
Age and seniority	☐ Seeking a balance between ages. ☐ Seeking a balanced distribution in terms of seniority on the Board.	☐ The Directors are aged between 42 and 85. ☐ The average age is 58. ☐ The Board believes that its composition is balanced with, on the one hand, Directors who have already served for several years and have an in-depth knowledge of the Group and, on the other hand, Directors who bring new experience that can serve the interests of the Group and in particular its growth.
Nationality	☐ Favour the recruitment of profiles with a diversity of geographical origins and knowledge of the main markets of the company (Directors of foreign nationality or international culture and/or with international experience in the Company's strategic markets).	☐ The Board of Directors has four different nationalities (French, Danish, Monegasque and Italian). ☐ The majority of Directors have international experience ☐ 4 Directors are based abroad. ☐ The Board of Directors is supported by two non-voting members of foreign nationality.

The Board of Directors oversees all changes in its composition and, to the extent possible, in the composition of its Committees to ensure compliance with this policy.



Given the elements set out above and in view of the diversity policy implemented by the company, the Board of Directors considers that its composition for the financial year 2020 is relevant and that the changes which will be proposed to the General Meeting of the shareholders on 20 April 2021 (as presented in section 4.3.2.1.2.) related to the terms of office that are about to expire, will maintain the desired balance.

However, following the most recent annual assessment of the functioning of the Board of Directors and its Committees, the results of which are presented in section 4.3.2.2.6.3. below, the Board intends to implement the proposals made by the Appointments and Remunerations Committee regarding its composition.

4.3.2.2.5.2 Independent member

The Internal Regulations of the company stipulate that the Board of Directors must include a significant proportion of independent Directors and specify in Article 6 that an independent Director is one who has no relationships of any kind with the company, its group or its Management that might compromise his or her independent judgement.

Each year, based on the recommendations of the Appointments and Remuneration Committee, the Board of Directors devotes one item on its agenda to assessing the independence of its members in terms of the independence criteria implemented by the company.

In assessing the independence of each Director, the Board of Directors initially draws on the criteria set out in the Afep-Medef Code as a reference, which state that an independent Director must meet all of the following independence criteria:

Criterion 1	Employee and corporate officer within the previous five years He or she is not and has not been within the previous five years: • an employee or executive corporate officer of the company • an employee, executive corporate officer or Director of a company consolidated by the company • an employee, executive corporate officer or Director of the parent company of the company or of a company consolidated by that parent company.
Criterion 2	Cross appointments He or she is not an executive corporate officer of a company in which the company directly or indirectly holds the office of Director, or in which an employee designated as such or an executive corporate officer of the company (currently or within the last five years) holds a position as Director.
Criterion 3	Significant business relationships He or she is not a significant client, supplier, commercial banker, financier, consultant: • of the company or its Group • or for which the company or its Group represents a significant share of its business. Determining whether the relationship with the company or its Group is significant or not is a debated by the Board and the quantitative and qualitative criteria having led to this assessment (continuity, commercial dependence, exclusivity, etc.) are set out in the annual report.
Criterion 4	Family ties He or she has no close family ties to a corporate officer.
Criterion 5	Statutory Auditors He or she has not served as a Statutory Auditor for the company during the past five years.
Criterion 6	Term of office of more than 12 years He or she has not been a Director of the company for more than 12 years. A Director ceases to be an independent Director on the twelfth anniversary of his or her appointment.
Criterion 7	Status of non-executive corporate officer A non-executive corporate officer cannot be considered to be independent if he or she receives variable remuneration in cash or shares or any remuneration connected to the performance of the company or the group.
Criterion 8	Significant shareholder status Directors representing significant shareholders of the company or of its parent company may be considered as independent if not involved in the oversight of the company. However, above a threshold of 10% of the share capital or voting rights, the Board, further to a report by the Appointments Committee, must systematically question the independent status of a Director by taking into account the composition of the company's share capital and the existence of potential conflicts of interest.

As a second step, and in accordance with Article 9.4 of the Afep-Medef Code, beyond the mere observation of compliance or non-compliance with these criteria, the Board seeks, in particular, to establish whether a Director, who could be presumed independent in terms of the Afep-Medef Code, has no other important ties (frequent or materially significant professional or personal ties in relation to Covivio's operating costs) which may restrict his or her freedom of analysis and of decision-making. Conversely, the Board also seeks to establish whether a Director, who may be presumed non-independent according to one of the

criteria set out in the Code, is not considered as free of constraints, if the criterion in itself not leading to any loss of independence with respect to the company's particular situation.

Taking into account the recommendations of the AMF and the High Committee on corporate governance, the Board also assesses, where appropriate, the material or non-material nature of the business relationships between the Directors and the company or its group, particularly with regard to the type of relationship and amounts involved therein.

The Board has adopted a multi-criteria approach to the material nature of a business relationship, with a focus on qualitative analysis. To this end, it took into account all of the following criteria:

Qualitative criterion	• Significance of the business relationship for the Director and the company (potential economic dependence, exclusivity or influence of the business relationship within the sector, etc.). • Structure of the relationship, including the position of the Director concerned in the contracting company (seniority of the mandate as Director, existence of an operational function within the entity concerned, direct decision-making power over the contracts constituting the business relationship, direct interest for the Director or contract-related remuneration paid to the Director, etc.). • Term and continuity of the business relationship.
Quantitative criterion	• Share of the company's turnover in the business relationship with the entities to which the Director is related.

In anticipation of a potential situation of conflict of interest, Delphine Benchetrit has decided to resign from her mandate as Director with effect on 31 December 2019.

With a view to providing for her replacement, the Board of Directors co-opted Alix d'Ocagne as an independent Director and submitted the ratification of her co-opting to the shareholders at the Combined General Meeting of 22 April 2020.

Following the examination in February 2020 of the independence of these Directors by the Board of Directors, in view of the following observations, the company, 60% of whose Directors are independent, complies in the fiscal year 2020 with the threshold recommended by the Afep-Medef Code for independent Directors.

Jean-Luc Biamonti	Jean-Luc Biamonti has been a member of the Board of Directors in a personal capacity since 31 January 2011. He meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a direct or indirect business relationship and has never held any executive position within Covivio or a company of its group or under its management. He has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Jean-Luc Biamonti as an independent Director.
Christian Delaire	Christian Delaire has been a member of the Board of Directors in a personal capacity since 17 April 2019. He meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a direct or indirect business relationship and has never held any executive position within Covivio or a company of its group or under its management. He has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Christian Delaire as an independent Director.
Sigrid Duhamel	Sigrid Duhamel has been a member of the Board of Directors in a personal capacity since 28 April 2014. She meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a significant direct or indirect business relationship and has never held any executive function within Covivio or a company in its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Sigrid Duhamel to be an independent Director.
Jean Laurent	Jean Laurent has been a member of the Board of Directors in a personal capacity since 31 January 2011, and has been its Chairman since the same date. He is not directly or indirectly in a business relationship with the company and does not represent any of its shareholders. Given the segregation of the duties of Chairman and Chief Executive Officer implemented by the Board of Directors, Jean Laurent has no management or executive prerogative within the company and, pursuant to Article L. 225-51 of the French Commercial Code, limits his duties as Chairman to the organisation and direction of the work of the Board of Directors and oversight of the smooth operation of the corporate bodies. His role is therefore non-executive. The remuneration for this role only includes a fixed portion, in proportion to the scope of his role and is not such as to compromise his independence. In terms of his status as an independent Director of Covivio, he was also a non-executive Director on the Board of Directors of Beni Stabili up until its takeover by Covivio completed on 31 December 2018. This non-executive role contributed to strategic coherence within the group and was not likely to lead to conflicts of interest, as Jean Laurent abstained, at the Covivio level, from participating in any discussions or deliberations by the Board that could have possibly impacted the interests of the subsidiary. Therefore, this Directorship (which has come to an end at the end of 2018) never impacted Jean Laurent's status as an independent Director.
Alix d'Ocagne	Alix d'Ocagne has been a member of the Board of Directors in a personal capacity since 13 February 2020. She meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a significant direct or indirect business relationship and has never held any executive function within Covivio or a company in its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Alix d'Ocagne to be an independent Director.
Sylvie Ouziel	Sylvie Ouziel has been a member of the Board of Directors in a personal capacity since 24 April 2013. She meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a direct or indirect business relationship and has never held any executive function within Covivio or a company in its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Sylvie Ouziel to be an independent Director.
Olivier Piani	Olivier Piani has been a member of the Board of Directors in a personal capacity since 17 April 2019. He meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a direct or indirect business relationship and has never held any executive position within Covivio or a company of its group or under its management. He has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Olivier Piani as an independent Director.
Patricia Savin	Patricia Savin has been a member of the Board of Directors in a personal capacity since 27 April 2016. She meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a significant direct or indirect business relationship and has never held any executive function within Covivio or a company in its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Patricia Savin to be an independent Director.
Catherine Soubie	Catherine Soubie has been a member of the Board of Directors in a personal capacity since 27 April 2016. She meets all of the aforementioned Afep-Medef criteria and, in particular, is not in a direct or indirect business relationship and has never held any executive function within Covivio or a company in its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Catherine Soubie to be an independent Director.

In line with AMF Recommendation No. 2012-02, as revised on 3 December 2019, the table below shows the situation of the independent members of the Board of Directors in light of the independence criteria defined by the Afep-Medef Code, it being stipulated that ✓ represents an independence criterion that has been met and X represents an independence criterion that has not been met.

Criteria used by the Afep-Medef Code	Criterion 1: Employee as corporate officer during the 5 previous years	Criterion 2: Cross mandates	Criterion 3: Significant business relationships	Criterion 4: Family link	Criterion 5: Statutory Auditors	Criterion 6: Mandate length exceeding 2 years	Criterion 7: Status of the non-executive corporate officer	Criterion 8: Significant shareholder status	Qualification adopted by the Board of Directors
Romolo Bardin	✓	✓	✓	✓	✓	✓	N/A	X	Non-independent
Jean-Luc Biamonti	✓	✓	✓	✓	✓	✓	N/A	✓	Independent
Leonardo Del Vecchio	X	✓	✓	✓	✓	✓	N/A	X	Non-independent
Mr Christian Delaire	✓	✓	✓	✓	✓	✓	N/A	✓	Independent
Sigrid Duhamel	✓	✓	✓	✓	✓	✓	N/A	✓	Independent
Predica, represented by Jérôme Grivet	X	✓	X	✓	✓	✓	N/A	✓	Non-independent
ACM Vie, represented by Stéphanie de Kerdrel	X	✓	X	✓	✓	✓	N/A	✓	Non-independent
Christophe Kullmann	X	X	✓	✓	✓	✓	N/A	✓	Non-independent
Jean Laurent	X	✓	✓	✓	✓	✓	✓	✓	Independent
Covéa Coopérations, represented by Olivier Le Borgne	✓	✓	X	✓	✓	✓	N/A	✓	Non-independent
Alix d'Ocagne	✓	✓	✓	✓	✓	✓	N/A	✓	Independent
Sylvie Ouziel	✓	✓	✓	✓	✓	✓	N/A	✓	Independent
Olivier Piani	✓	✓	✓	✓	✓	✓	N/A	✓	Independent
Patricia Savin	✓	✓	✓	✓	✓	✓	N/A	✓	Independent
Catherine Soubie	✓	✓	✓	✓	✓	✓	N/A	✓	Independent

On 17 February 2021, the Board of Directors has decided, on proposal by the Appointments and Remunerations Committee, to maintain in 2021 the qualification of independence of Jean-Luc Biamonti, Christian Delaire, Sigrid Duhamel, Jean Laurent, Sylvie Ouziel, Olivier Piani, Patricia Savin and Catherine Soubie.

However, in view of the duration of the term of office as independent Director of Jean-Luc Biamonti, which will be ten years on the date of the Combined General Meeting of the shareholders on 20 April 2021, and taking into account the

company's desire to have a significant proportion of independent Directors on its Board, and in accordance with the rule set out in article 9.5.6 of the revised Afep-Medef Code, on the loss of the status of independent Director after a term of office of more than twelve years, the renewal of his term of office will be proposed only for the duration of his independence, i.e., for a period of two years, and will end at the end of the General Meeting to be convened in April 2023.



4.3.2.2.5.3 Gender parity

Occupational gender equality and diversity are key to effectiveness and economic and social performance and have been among Covivio's core concerns over recent years. With 40% of the Board of Directors' members being women, the company has fulfilled the recommendations of the Afep-Medef Code since 2016, doing so a year earlier than the legal deadline set for April 2017. Following the resignation of Delphine Benchetrit on 31 December 2019, the Board of Directors co-opted Alix d'Ocagne who, by her experience and expertise, will complement the skills of the Board, while maintaining balanced gender representation.

4.3.2.2.5.4 Nationality

Of the Directors on the Board, 27% are non-French, including two Italians, one person from Monaco and one Dane. This diversity ensures that its discussions encompass a wide range of views and that the topics reviewed at its meetings are analysed from a broader perspective.

4.3.2.2.5.5 Training

This year, the company continued with its induction programme for new Directors to enable them to gain a better understanding of the company and its business sector. As such, Directors who were not familiar with the industry and the company have had the opportunity to meet with the Chief Executive Officer of the company, the Deputy Executive Officers, the Chief Operating Officer, the Chief Audit and Internal Control Officer and the Chief Financial Officer several times, and are also entitled to additional training on the specifics of the company, its work and its industry, if they deem it necessary. The new edition of the strategic seminar of the Board of Directors 2019, held in London for two days in June also discussed in detail and in particular the economic and financial environment in which the company is evolving, as well as the real estate markets.

4.3.2.2.5.6 Chief Executive Officer's presence on the Board of Directors

The appointment in 2012 of Christophe Kullmann (who is also the company's Chief Executive Officer) as a Director has enabled him to be even more directly involved in the company's strategy, for which he is responsible at the same level as the other Directors.

4.3.2.2.6 Rules governing the organisation and operation of the Board of Directors**4.3.2.2.6.1 Procedure to prevent conflicts of interest**

Article 9 of the Internal Regulations of the Board of Directors establishes a procedure to prevent conflicts of interests, even potential ones, in the presentation of investment projects submitted to the Board and/or to the Strategic and Investment Committee.

Prior to sending the investment files, and if there are serious reasons to believe that a member of the Board or the Strategic and Investment Committee is in a situation presenting a conflict of interest, the company's Chief Operating Officer ensures the

prevention of any conflict of interest for the latter, by providing the member with information on each of the investment files submitted, thus allowing the member to determine in good faith the existence or absence of a conflict of interest. It is further hereby stated that each member of the Board or the Strategic and Investment Committee is under an obligation to notify the company's Chief Operating Officer, at all times, of any intention to take a position, directly or indirectly, on any investment file that he or she believes, in good faith, is likely to interest and be considered by the company.

Any member of the Board or Strategic and Investment Committee who fails to confirm the absence of a conflict of interest will not receive the presentation of the investment projects in question and will not be able to participate in the Board or Strategic and Investment Committee meeting during the discussion of the corresponding agenda items.

In the event that, despite these precautions, the members of the Board or the Strategic and Investment Committee would be privy to the investment files and would believe, on reading the latter, that they are in a situation of conflict of interest, they must notify it to the Chief Operating Officer as soon as possible prior to the governance meeting. As such, they will not be able to attend the Board or Strategic and Investment Committee meeting during the discussion of the agenda items subject to the conflict of interest. This fact will also be reported to the Chairman of the Board and/or to the Chairman of the Strategic and Investment Committee.

If a conflict of interest situation arises during the review of the investment project, the member concerned must, as soon as he or she is aware of the conflict, notify the Chairman and the Chairman of the Strategic and Investment Committee. He or she will no longer attend the Board or Strategic and Investment Committee meetings devoted to a discussion of the agenda items relating to this investment project, and more generally, shall be under strict duty of confidentiality.

If a conflict of interest situation ceases to exist, the Board or Strategic and Investment Committee member may once again participate in the deliberations of the Board or the Strategic and Investment Committee as of receipt, by the Chairman of the Strategic and Investment Committee and the Chairman of the Board, of notification of the conflict of interest's disappearance from the member concerned.

Any decision by the Board regarding conflicts of interest will be recorded in the Board minutes of the Board of Directors and of the Strategy and Investments Committee.

This system for the prevention of conflicts of interest may also be implemented when files are submitted to the Audit Committee.

In 2020, as part of the presentation and review of the files submitted to the Board and the Audit Committee, the company is aware of several identified potential conflicts of interest. It managed them in accordance with the provisions set out above.

4.3.2.2.6.2 Ethical guidelines for the members of the Board of Directors

The rules of ethics and duties of the members of the Board of Directors are defined in Article 5 of the company's Internal Regulations.

Skills	Before taking up their duties, Board members must be familiar with the legal or regulatory texts governing their duties, the company's Articles of Association and the Board's Internal Regulations. All Board members must ensure that they fully comply with legal requirements related to the holding of multiple terms of office (no more than four other terms of office in public companies outside of the Group, including foreign companies), and must inform the Board of terms of office as Director held in other companies, including their participation in the Board Committees of any French or foreign companies. Whenever a Board member also holds an executive position, he or she must, in addition to seeking authorisation from the Board prior to accepting any other new term of office in a listed company outside the Group, refrain from accepting more than two other terms of office in public companies, including foreign companies, outside the Group.
Shareholding	The company shares held by each member of the Board at the time he or she takes office must be recorded in registered form (pure or administered). The same will apply for any shares acquired at a later date. As an internal guideline and as a way to reflect their involvement in the company's management, the members of the Board must hold a number of company shares equivalent to around a year's worth remuneration in consideration of their activity.
Transparency	In accordance with the provisions of article L. 621-18-2 of the French Monetary and Financial Code and the applicable provisions of the General Regulations of the AMF, each member of the Board is required to declare to the company and to the AMF any transaction, in particular any purchase, sale, subscription, conservation, borrowing, lending or exchange transactions that he or she has completed involving company securities, as well as any derivatives or other related financial instruments. This declaration must be made within three trading days after the execution of such transactions, when the total amount of the transactions made during the calendar year is greater than €20,000. Any agreement governed by the provisions of article L. 225-38 of the French Commercial Code is, furthermore, subject to the communication, authorisation and control formalities required by articles L. 225-38 to L. 225-42 of the same code.
Duty of loyalty	Each person participating in the work of the Board, whether Board members or permanent representatives of a legal-entity Board member, must make their best efforts to determine in good faith whether a conflict of interest, even potential ones, exists. Such person is bound to inform the Chairman of the Board thereof as soon as he or she learns of any situation that could constitute a conflict of interest between (i) him or herself or the company for which he or she is the permanent representative, or any company of which he or she is an employee or executive corporate officer, or any company of the same group and (ii) the company or any company in its Group. In case of a standing conflict of interest, the Board member concerned (or the permanent representative of the legal-entity Board member concerned) must submit his or her resignation. Moreover, each member of the Board is required to make a sworn statement on the existence of any conflict of interest, even potential, at the time of his or her appointment, and each year in response to a request in this regard by the company during preparation of the Universal Registration Document.
Duty of diligence	Each member of the Board is required to devote the time and attention necessary to the performance of his or her duties. He or she must be diligent and, to the extent possible, attend all of the meetings of the Board and, as the case may be, the Committees of which he or she is a member as well as the General Meetings of shareholders.
Duty of confidentiality	In the case of non-public information acquired in connection with his or her duties and deemed to be confidential, each person attending to the Board will be bound to professional secrecy, beyond the simple obligation of discretion provided for by Article L. 225-37 of the French Commercial Code, and must strictly preserve its confidentiality.
Duty of abstention on securities	Each member of the Board must refrain from trading company securities pursuant to the rules on insider dealing and from trading securities of companies on which he or she has privileged information due to his or her duties, pursuant to the principles stipulated by the Guide on the Prevention of Insider Trading attached to the Board's Internal Regulations.

4.3.2.2.6.3 Work assessment by the Board of Directors

The Board assesses its ability to meet the expectations of shareholders who have entrusted it with the mandate of managing the company, periodically reviewing its composition, organisation and working methods, as well as those of its Committees.

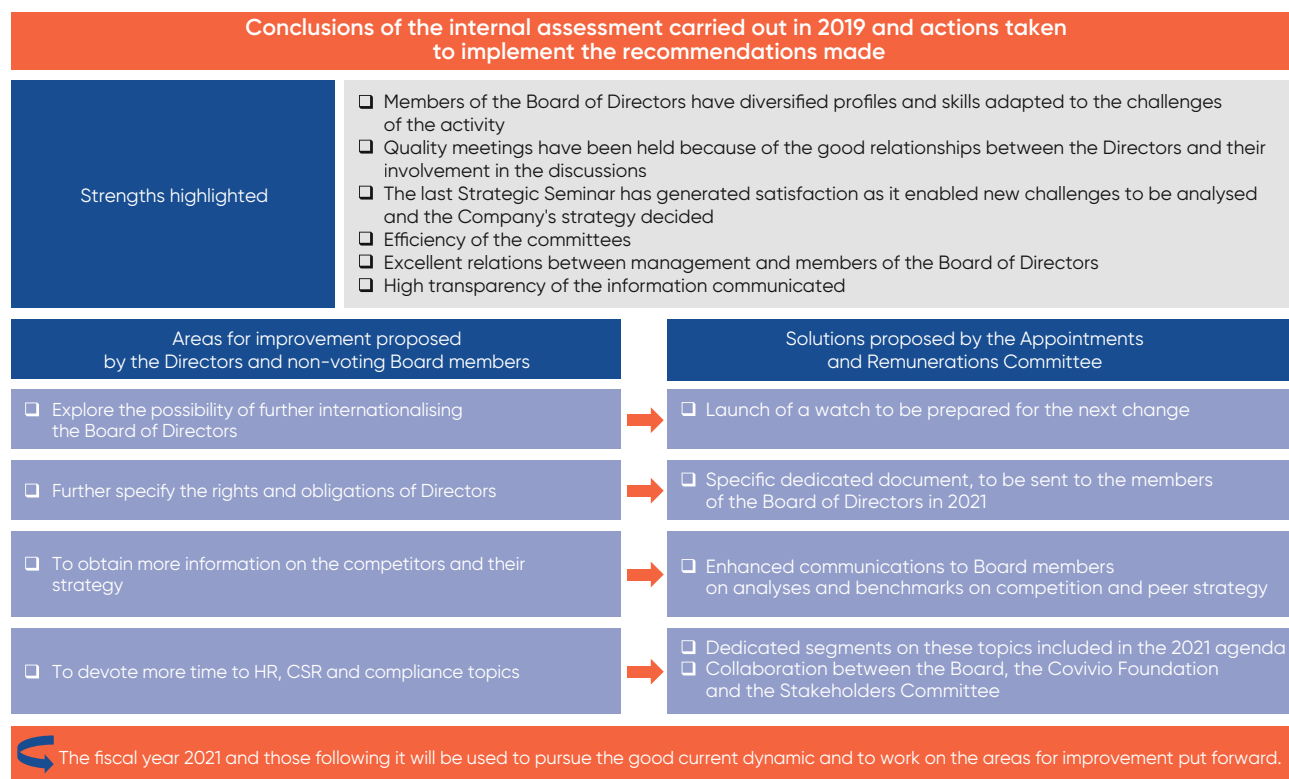
In accordance with the provisions of its Internal Regulations, the Board holds an annual discussion on its working methods and that of its Committees and carries out a formal evaluation at least every three years, with the help of an external consultant.

The assessment of the Board's work aims to review the Board of Directors' working methods (and where appropriate, the relevance of the governance procedures implemented by the company), verify that important matters are correctly prepared and discussed, and may also allow for an opinion on the measure of each Director's actual contribution to the Board's work. At this time, non-executive Directors, under the leadership of the

Appointments and Remunerations Committee, may also evaluate the performance of the Chairman, the Chief Executive Officer and the Deputy General Managers.

In accordance with the recommendations of the Afep-Medef Code, at the end of the 2013 financial year, the company carried out a first independent assessment carried out by the Egon Zehnder consultancy, following a decision by the Board of Directors and then two other internal assessments carried out in 2016 and 2019. The last internal assessment consisted of an anonymous and exhaustive questionnaire prepared by the Secretary of the Board on the basis of market practices, which he sent to all Directors and Non-voting members, reviewing its composition and organisation, the operating procedures of the Board and the Committees during 2019 and including for the first year the actual individual contribution of each of the Directors. During this assessment, no Director requested an individual interview with the Chief Operating Officer.

This third assessment confirmed that the Board of Directors is deemed efficient, in a positive dynamic, and has all of the tools necessary for successful performance of its mission.



4.3.2.2.6.4 Organisation of the Board of Directors

Governance timetable

The provisional governance timetable for the year N+1 is sent to members, to Non-voting members, to representatives of the Social and Economic Committee, as well as to the Statutory Auditors during the meeting of the Board of Directors called to review and approve the half-year financial statements. The final governance timetable is sent to them in September.

Meetings

The Board of Directors meets as often as required by the interests of the company and whenever the Chairman deems necessary, upon notice from the Chairman.

A simultaneous French/Italian interpretation system is used during meetings for the benefit of all participants.

In addition, since 2015, the Board meets every two years for two full days for a strategic seminar, which is also an opportunity to visit some of the Group's real estate holdings.

Option to deliberate without the executive officers being present

The Internal Regulations of the Board in force provides for an obligation for the Directors to meet at least once per year, during or after a meeting, without the executive officers being present.

In 2020, this sequence took place at the end of the meeting of 13 February, on the occasion of and after the report on the work of the Appointments and Remunerations Committee and the review - deliberations and votes - of the decisions concerning the components of executive remuneration, allowing them to continue their discussions on other matters.

Form of notice of the meeting

Notices of meeting, to Directors and the other attendees, are made by any written method at least five days in advance. This five-day period may be reduced if one third of the Directors agree to a shorter notification period. Meetings are held at the company's registered office or any other location indicated in the notice of meeting.

Other attendees

The Deputy General Managers, as well as certain members of the Group's Executive Committee and its Corporate M&A Legal Director attend as guests at Board meetings.

The Non-voting members, appointed by the Board of Directors, attend Board of Directors meetings on an advisory basis.

In accordance with the provisions of Article L. 2312-72 of the French Labour Code, two representatives of the Social and Economic Council, designated by said Council, attend Board meetings on an advisory basis. These representatives have the same documents at their disposal as those provided to Board members.

The Statutory Auditors are called to attend meetings during which the annual and half-yearly corporate or consolidated financial statements are examined or prepared.

The Secretary of the Board also attends the meetings but has no vote.

Depending on the items on the agenda, the Chairman may deem it useful to invite employees or outside consultants to attend.

Information for the members of the Board

The company provides the Directors and the Non-voting members with the information they need to effectively participate in the Board's work in order to enable them to perform their role in appropriate conditions. This ongoing information must include all relevant items concerning the company, including press articles and financial analysis reports.

At each Board meeting, the Chairman informs the members of the main facts and significant events affecting the Group's business since the previous Board meeting. In addition, the files to be sent to the Directors, and to any Non-voting members of the Board of Directors and employee representatives attending Board meetings, and, if relevant, to the Statutory Auditors, which contain the information and documents required to perform their mission (including all documents relating to transactions that the Board is required to review in order to enable the Board to assess the impact), are prepared before each Board meeting and made available to attendees in a timely manner, with a reasonable notification period before the date of the meeting.

Since 2015, the company has been using a digital platform wherein all governance files are made available in a secure digital format

along with a historical electronic management of the documentation of the Board and Committees (files, minutes, Internal Regulations, etc.) with complete confidentiality. Since 2018, electronic tablets have also been provided at Board meetings in order to avoid printing paper copies of files.

Board deliberations

The Board of Directors validly deliberates only if at least one half of its members are present. Subject to the applicable laws and regulations, the meetings of the Board of Directors may be held via videoconference or telecommunications or any other method allowed under the law and the regulations under the conditions defined by the Internal Regulations adopted by the Board of Directors.

Decisions are adopted by a majority of the members present or represented. In the event of a tied vote, the meeting's Chairman does not have the casting vote.

The deliberations of the Board of Directors are recorded in minutes prepared by the Secretary of the Board at the end of each meeting. After approval, they are transcribed in the register of minutes of Board meetings.

4.3.2.3 Activity of the Board of Directors in 2020

During the 2020 fiscal year, the Board of Directors met nine times, convened by its Chairman. The average duration of the meetings of the Board of Directors was two hours.

4.3.2.3.1 Attendance of the members of the Board of Directors

In 2020, the average attendance of Directors at Board meetings was 90%. It was also 90% for all Committee meetings.

Number of meetings	1	2	3	4	5	6	7	8	9	Attendance rate
Jean Laurent										100%
Leonardo Del Vecchio										44%
Catherine Allonas Barthe ⁽¹⁾										100%
Romolo Bardin										100%
Jean Luc Biamonti										100%
Christian Delaire										100%
Sigrid Duhamel										67%
Jérôme Grivet										78%
Stéphanie de Kerdrel ⁽²⁾										100%
Christophe Kullmann										100%
Olivier Le Borgne ⁽³⁾										100%
Alix d'Ocagne ⁽⁴⁾										88%
Sylvie Ouziel										89%
Olivier Piani										100%
Laurent Tollié ⁽⁵⁾										88%
Catherine Soubie										100%
Patricia Savin										100%

(1) Catherine Allonas Barthe was the permanent representative of ACM Vie until 30 November 2020

(2) Stéphanie de Kerdrel has been the permanent representative of ACM Vie since 1 December 2020

(3) Olivier le Borgne has been the permanent representative of Covéa Coopérations since 1 December 2020

(4) Alix d'Ocagne was co-opted by the Board of Directors on 13 February, 2020.

(5) Laurent Tollié was the permanent representative of Covéa Coopérations until 30 November 2020

 Present in meetings

 Total number of meetings

Each time certain Directors were unable to attend meetings, the Chairman, the Chief Executive Officer and the Deputy General Managers arranged to send them the reports reviewed during the meetings, asked for their opinions and shared them with the rest of the Board.

In 2020, for personal or professional reasons, some Directors were unable to attend certain Board meetings. Their lower attendance rates do not, however, diminish their strong involvement and contribution to the preparatory work of the Board, given the opinions that they have previously issued on the information and transactions presented during meetings. The significant decrease in Leonardo Del Vecchio's shareholding is mainly due to the increased exercise of his duties as Chairman and CEO of Luxottica Group SPA and Chairman of EssilorLuxottica SA in the context of the global crisis. Furthermore, Sigrid Duhamel did not attend two meetings of the Board due to the application of the procedure for prevention of conflicts of interest.

4.3.2.3.2 Main tasks of the Board of Directors

In addition to matters falling within its legal or regulatory powers, the Board of Directors, in its main areas of activity, discussed and decided on the following points, with a focus on taking its decisions in consideration of social issues and the environmental impact of the company's activities. Thus, during a real estate

investment, the environmental performance of the asset is always presented to the members of the Board of Directors. Following adoption of the company's *raison d'être*, the Board regularly analyses its decisions in light of it.

Three meetings of the Board of Directors were held on an extraordinary basis – on 4 April, 18 June and 25 November 2020 – as part of the management of the health and economic crisis, it being specified that a more in-depth strategic reflection, accompanied by a medium-term action plan, will be shared at a new strategic Board seminar scheduled for June 2021.

Members of the Board have been systematically informed about the work, recommendations and decisions of the Strategic and Investment Committee, the Appointments and Remuneration Committee and the Audit Committee, as well as the work and opinions of the Statutory Auditors. The Chief Executive Officer and/or the Deputy Executive Officers have regularly reported to the Board of the delegations that had been granted to them by the latter.

In accordance with the recommendations of the Afep-Medef Code, the Board of Directors deliberated on matters concerning the remuneration paid to corporate executive officers in their absence during presentation of the proposals made by the Appointments and Remunerations Committee.

Monitoring of the group's strategies and activities	● Study of the short-term consequences of the health crisis on the company's environment and markets and approval of measures to be implemented in 2020 and 2021 ● Approval of investment, development, asset sharing and disposal and legal restructuring transactions ● Regular progress reports on the various projects previously authorised ● Regular information on the development of the Group's activity, its portfolios, its financial situation, its financial indicators, its environment, its stock market performance and valuation and its cash position. ● Monitoring of the political environment on the regulation of housing rents in Berlin ● Monitoring of permanent establishment control activities in Italy
corporate governance	● Report on the results of the formal assessment of the functioning and work of the Board of Directors and its Committees and approval of the proposed changes to be implemented ● Review of changes in the composition of the Board of Directors and Committees with regard to the terms of office expiring in April 2020 and the resignation of Delphine Benchetrit on 31 December 2019 ● Co-opting of Alix d'Ocagne ● Approved the proposals to renew Directors' terms of office expiring in April 2020 ● Reviewed the independence of the Directors with regard to the criteria defined by the Afep-Medef Code ● Renewal of the term of office of Catherine Soubie as Chairman of the Appointments and Remunerations Committee and of the term of office of Patricia Savin as a member of the Audit Committee. ● Approval of updates to the Board's Rules of Procedure and its appendix relating to the guide on the prevention of insider trading ● Assessment of compliance with the requirements of good repute, integrity, professionalism and the fight against money laundering by Alix d'Ocagne, Stéphanie de Kerdrel and Olivier Le Borgne with regard to the Bank of Italy's Regulations ● Review of the composition of the Board of Directors with regard to the terms of office expiring in April 2021 ● Communication of the governance agenda for 2020 and 2021 and abstention periods
General Meeting	● Convening of the General Meeting of the shareholders on 22 April 2020: approval of its agenda, draft resolutions and terms of the various reports made available to shareholders ● Appointment of Christophe Kullmann as Deputy Director in order to chair the General Meeting in the absence of the Chairman and Vice-Chairman of the Board ● Delegation of authority granted to the Chief Executive Officer to set the new terms of meetings and participation of shareholders at the General Meeting ● Delegation granted to the Chief Executive Officer to answer written questions from shareholders at the Annual General Meeting ● Approval of the procedures for holding the General Meeting in camera ● Report of the General Meeting of the shareholders and results of voting on resolutions
Remunerations	● Approved the economic and CSR criteria for long-term incentive schemes for executive corporate officers ● Approved the amount of the 2019 bonus, the 2019 long-term incentive, the criteria for allocation of the 2020 bonus to the Chief Executive Officer and the Deputy General Managers, the amount of the long-term incentive granted to Christophe Kullmann and Olivier Estève for 2016, achievement of the performance conditions and the fixed remuneration of Dominique Ozanne ● Approval of the remuneration policy for corporate executive officers submitted for approval to the General Meeting of 22 April 2020 ● Approved the conditions for allocation of free shares to corporate executive officers and employees of the Group, as well as the terms for delivery of the free shares after their vesting period over 2021/2022
Financial management	● Examination and approval of the Covivio group's consolidated financial statements and the parent company's financial statements for the fiscal year ended 31 December 2019. ● Determination of the allocation of the 2019 income proposed to the Annual General Meeting of 22 April 2020 and the amount of the dividend ● Approval of the proposed dividend payment option in shares, determination of the issue price of the shares to be issued and information on the results of the latter ● Update on liquidity and financing ● Approved the financial statements and management planning documents and related reports ● Authorisation of a bond issue of €500m ● Authorisation of an EMTN program (Euro Medium Term notes) ● Authorisation of a "Green" private placement. ● Adjustment of half-year earnings forecasts ● Examination and approval of the consolidated financial statements for the first half of 2020 ● Regular updates on the progress of the 2020 budget ● Monitoring the landing of the 2020 budget and adoption of the budget for the year 2021 ● Approved the financial press releases ● Implementation of the share buyback programme and report of transactions on treasury shares allocated to the various objectives of the programme ● Report on the use of the authorisation of sureties, endorsements and guarantees granted during the year and renewal of the annual authorisations granted to the Chief Executive Officer to issue sureties, endorsements and guarantees. ● Approval of a financing transaction ● Report of the adjustment of the conversion price of the convertible bonds maturing in 2021 and of the capital increases resulting in particular from the final allocation of free shares. ● Report of the results of the investment by UES Covivio employees of the profit-sharing scheme for fiscal year 2019 (plus the matching contribution) in company shares.

Risk management	● Review of the organisation of Audit and Internal Control activities ● Review of the compliance system in terms of personal data protection, prevention of corruption risks and the fight against money laundering ● Monitoring of the measures for preventing and detecting corruption and insider trading ● Validation of the risk management policy through the review of the mapping of the financial, legal, operational, social and environmental risks associated with the company's activity. ● Review of the action plans implemented for the major risks identified ● Validation of the 2020/2021 audit plan ● Monitoring of tax disputes ● Examination of the results of the internal assessment of the review of agreements relating to current transactions concluded under normal conditions ● Update on the health status and measures implemented within the Group ● Update of the charter on related-party agreements and on the procedure relating to the valuation of agreements relating to day-to-day transactions concluded under normal conditions ● Reminder to Directors and Non-voting members of the obligations incumbent on anyone holding an executive office (and any persons closely associated with them) under the regulations on market abuse, including rules on refraining from (i) disclosing inside information and (ii) trading in securities when in possession of inside information.
Corporate and social responsibility	● Approval of the Consolidated Statement of Non-Financial Performance ● Review of CSR policy actions ● Approval of the diversity policy applied to members of the Board and Committees, its implementation methods and the results obtained ● Approval of the company's policy on gender equality and equal pay ● Approved the non-discrimination and diversity policy, particularly concerning gender balance on management bodies ● Examined the list of social and environmental risks inherent to Covivio, as highlighted by an analysis of the risk mapping, and approved the action plans to be implemented ● Monitoring of the Covivio raison d'être deployment plan: creation of the Covivio Foundation and the Stakeholders' Committee (setting its missions, objectives, composition and budget allocated to it). ● Approval of various societal actions
Related party agreements	● Review of all related-party agreements signed and/or authorised in 2019 ● Review of commitments outside the scope of regulated agreements ● Voted on the continuing application of the related-party agreements signed and authorised during previous fiscal years, the performance of which continued into 2020 ● Examination and authorisation to enter into new related-party agreements with regard to their interest for the company

4.3.2.3.3 Stakeholder Committee support in the work of the Board of Directors

In order to monitor, challenge and renew the commitments associated with expressing its Corporate purpose in 2019, Covivio created a Stakeholders' Committee in 2020. Chaired by Bertrand de Feydeau, former independent Director of Covivio, Chairman of the Fondation Palladio and the Fondation des Bernardins, it currently brings together the following persons:

- Stephan de Fay, former Chief Executive Officer of EPA Bordeaux Euratlantique, now Chief Executive Officer of Grand Paris Aménagement
- Siegrid Henry, Advisor to the French High Commissioner for Employment and Business Engagement, at the French Ministry of Labour (formerly Chargée de mission to the French Digital Ambassador)
- Sonia Lavadinho, Founding Director of Bfluid, Institute for forward-looking research and expertise in mobility and territorial development
- Patricia Savin, Partner at DS AVOCATS, Chair of OREE, independent Director, Covivio
- Jean Paul Viguier, Architect, Chairman of VIGUIER architecture urbanisme paysage [Architecture, Urban Planning and Landscaping].

These well-known personalities in the fields of environment, sociology and anthropology, digital technology, urban construction and regional planning, are responsible, alongside Jean Laurent, Chairman of the Board of Directors and Christophe Kullmann, Chief Executive Officer, to help Covivio anticipate the ongoing social, societal and environmental changes in order to integrate them into its strategy, its products and its services.

The Committee met for the first time in December 2020, and will continue its work in 2021.

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The Committee members are notified of meetings by any written method at least five days in advance (unless the matter is urgent) and the Committee's documentation is forwarded at least two days prior to the Committee meeting.

The Audit Committee has an average of two days to review the financial statements before they are reviewed by the Board.

The presence of at least half of the members of the Audit Committee is required for meetings to be valid. The meetings are also attended by the Chief Financial Officer, the Accounts Director and the Audit and Internal Control Director. Members who are represented are included in the calculation of the quorum.

The opinions of the Audit Committee are adopted by simple majority vote of the members present or represented, and the Committee reports on its work at the next Board meeting.

4.3.3.1.3 Missions

Under the terms of Article 23 of the Internal Regulations, the Audit Committee must monitor matters related to the preparation and control of accounting and financial information. In particular, it is responsible for:

- monitoring the process of preparing financial information and, where applicable, making recommendations to ensure its integrity
- reviewing the accounting methods and conditions for valuing the assets of the Covivio group
- reviewing the preliminary company and consolidated financial statements prepared by the company before they are presented to the Board
- preparing Board decisions on the monitoring of internal audits
- monitoring the effectiveness of internal control and risk management systems, as well as internal audits involving procedures relating to the creation and processing of accounting, financial and extra-financial information; to do this, it reviews the information in the Board of Directors' management report on the internal control and risk management mechanisms

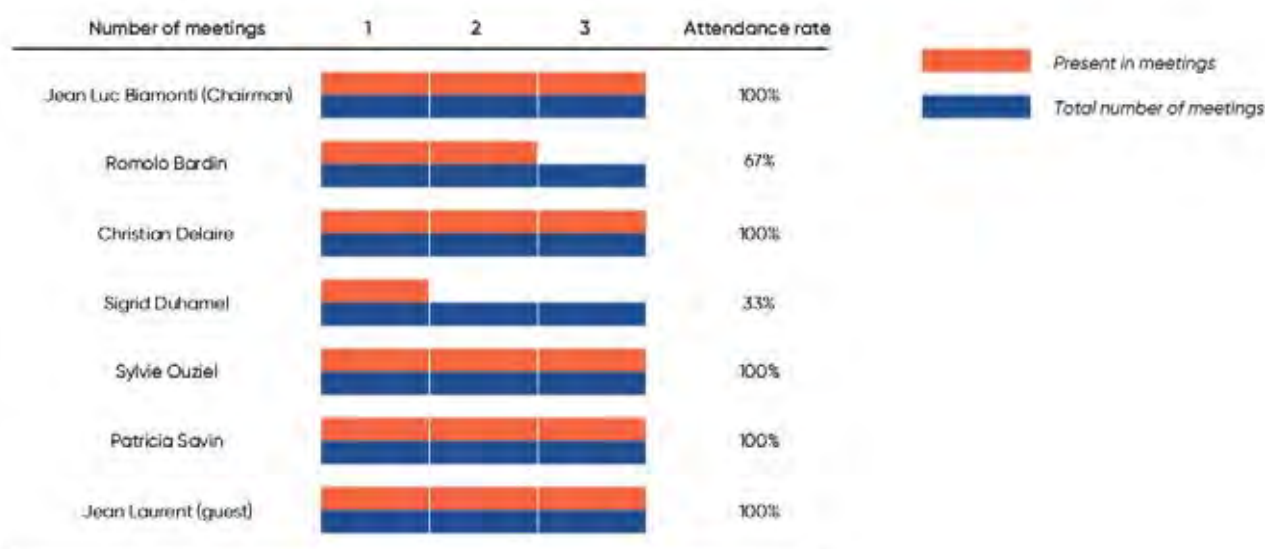
and, where applicable, makes comments, giving its opinion on the organisation of the internal audit and risk management department

- monitoring the statutory audit of the annual and consolidated financial statements by the Statutory Auditors
- ensuring the independence of the Statutory Auditors
- reviewing the agreements executed between the company and those who hold a direct or indirect investment in the company
- reviewing appointment proposals involving the Statutory Auditors and issuing recommendations on the Statutory Auditors to be proposed for approval by the General Meeting
- ensuring oversight of the management of the information to be provided to the shareholders and the markets and verification of its clarity
- reviewing press releases on financial results
- reviewing significant risks and off-balance sheet commitments
- giving their approval for services other than the certification of the financial statements provided by the Statutory Auditors to the company before such services are completed and
- examining the additional report of the Statutory Auditors drawn up pursuant to the provisions of Article 11 of Regulation (EU) No. 537/2014.

The Audit Committee reports to the Board of Directors on its work, expresses any opinions or suggestions it deems advisable, and informs the Board of any points that require a Board decision. In performing its tasks, the Audit Committee may examine the scope of the consolidated companies and, where applicable, the reasons for which companies are not included. It may use the services of external experts as required. However, the Audit Committee did not deem it necessary to do so in 2020.

4.3.3.1.4 Work of the Audit Committee in 2020

The Audit Committee met three times, with 83% attendance rate by its members.



The fall in Sigrid Duhamel's attendance is due to the fact that she did not attend an Audit Committee meeting owing to application of the conflict of interest prevention procedure.

During these meetings, the members of the Audit Committee were addressed by the Statutory Auditors, as well as the Chief Financial

Officer, the Director of Accounting and the Director of Audit and Internal Control, who attend all meetings.

Several specific meetings were also held between the Statutory Auditors and these Directors which were not attended by General Management.

The review of the financial statements by the Audit Committee included a presentation by the Statutory Auditors who stressed the essential points, not only concerning the results but also the accounting options used, and a presentation from the Chief Financial Officer describing the company's risk exposure, including

social and environmental risk, and significant off-balance sheet commitments. The Audit Committee works in consultation with the Audit and Internal Control Director with regular ongoing dialogue on how risks and risk developments are perceived operationally.

At its meetings in 2020, the Audit Committee examined the following issues in particular:

Meeting of 13 February 2020	● Review of the highlights of the 2019 fiscal year and the summary of financial indicators ● Property valuation report ● Examination of the parent company and consolidated financial statements for the fiscal year ended 31 December 2019 ● Review of the planned press release on the financial income ● Adoption of changes in EPRA standards on NAVs ● Update of the 2019 audit plan ● Presentation of fees relating to services other than the certification of financial statements (SACC)
Meeting of 15 July 2020	● Review of key events of the first half-year of 2020 and the summary of indicators as at 30 June 2020 ● Property valuation report ● Review of the consolidated financial statements as at 30 June 2020 ● Review of the planned press release on the financial income ● Review of the main impacts of the crisis ● Focus on the development pipeline and the amount of committed funds at risk
Meeting of 23 September 2020	● Update on the organisation and activity of the Audit and Internal Control Department ● Review of internal control tools and systems in place within the Group ● Monitoring compliance news ● Focus on the incident database and major incidents ● Review of the previous risk mapping and progress report on the action plans implemented ● Update on risks related to new activities ● Presentation of the risks of the 2020 mapping and focus on the major risks and associated action plans ● Monitoring of the 2020 audit plan ● Approval of the 2021 audit plan.

Following the meeting of 23 September 2020, a meeting was held between the Statutory Auditors and the members of the Audit Committee, at which the company's management was not present.

At that time, the Statutory Auditors underscored the quality of the relationship with the Financial Department and the Audit and Internal Control Department.

4.3.3.2 Appointments and Remunerations Committee

The role of the Appointments and Remunerations Committee is to ensure that the Board of Directors is in the best possible position to determine remuneration policy and all remuneration and benefits for the executive officers. Its scope also include making recommendations to the Board on the composition of the executive bodies, the appointment of new Directors, the renewal of the terms of office due to expire, and succession plans for the executive officers.

4.3.3.2.1 Composition

Following the renewal of her term of office as Director, the Board of Directors, which met on 22 April 2020, re-appointed Catherine Soubie as Chair of the Appointments and Remunerations Committee.

At the end of the 2020 fiscal year, the Appointments and Remunerations Committee still has four members and invites the Chairman of the Board of Directors and the non-voting member, Sergio Erede to attend meetings. Independent Directors account for 75% of the members, including the Chairwoman of the Committee. The Appointments and Remunerations Committee includes a Monegascan national.

There is no executive corporate officer on this Committee. However, the Chief Executive Officer is consulted by the Appointments and Remunerations Committee on the subjects of appointments and succession plans.

The composition of this Committee, chaired by an independent Director, and the discussions that take place between this independent Director and the other independent members of the Board of Directors, ensure the adequate representation of the interests of the various shareholders of the company. In addition, pursuant to the provisions of the Afep-Medef Code, the Chairman of the Board of Directors is involved in the work of the Committee on succession planning.

4.3.3.2.2 Operation

The Appointments and Remunerations Committee meets at the initiative of its Chairwoman or at the request of the Chairman of the Board of Directors. It meets at least twice a year and, in principle, before Board meetings when the agenda involves making a decision within the scope of the duties assigned to the Appointments and Remunerations Committee by the Board.

The Chairwoman of the Appointments and Remunerations Committee or, in her absence, the Chairman of the Board of Directors sets the agenda for the Committee's meetings. She presides over the discussions and organises the vote on the matters submitted to the Appointments and Remunerations Committee.

The presence of at least half of the members of the Appointments and Remunerations Committee is required for meetings to be valid, in the understanding that members who are represented are included in the calculation of the quorum.

The opinions of the Appointments and Remunerations Committee are adopted by simple majority vote of the members present or represented, and the Committee reports on its work at the next Board meeting.

4.3.3.2.3 Missions

Under Article 19 of the Internal Regulations, the Appointments and Remunerations Committee is responsible for:

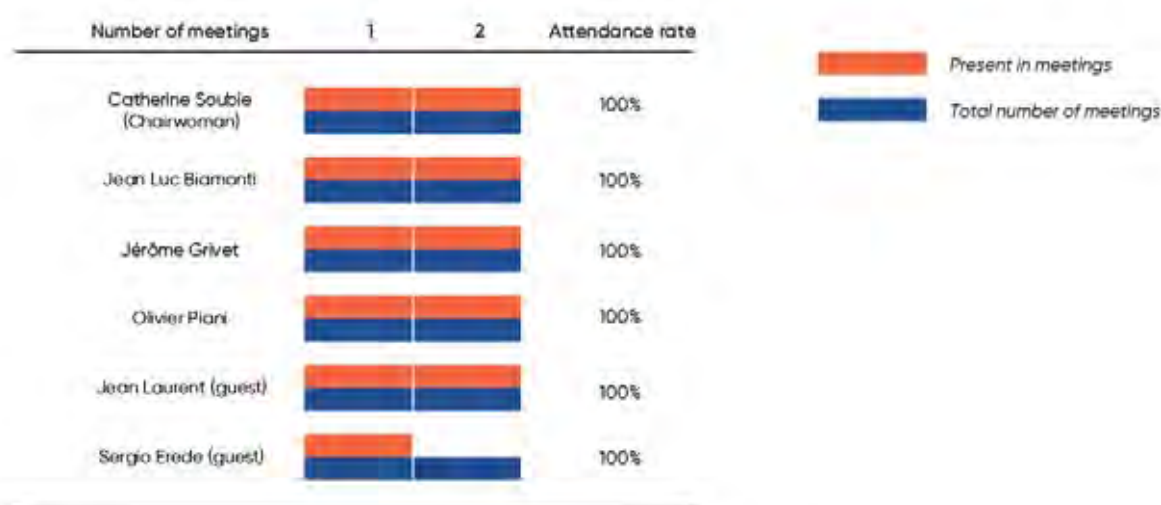
- evaluating any candidate for appointment to the Board or to the position of Chief Executive Officer or Deputy General Manager, searching for or assessing possible candidates and expressing an opinion and/or recommendation to the Board, taking into consideration the desirable balance among Board members based on the composition of and changes in the company's shareholders
- assessing the advisability of reappointments, in particular, in the case of Directors, based on their regular attendance at governance meetings and their actual contribution to the work of the Board and Committees

- supervising the establishment of succession plans for the executive officers
- proposing the appointment or renewal of the term of the Chairman of the Audit Committee
- proposing the total budget and terms for the remuneration awarded to each Board member, which will be submitted for the approval of the General Meeting
- formulating proposals for the remuneration of the Chairman, Chief Executive Officer and Deputy General Managers (the amount of fixed remuneration and definition of the rules for variable remuneration, ensuring that these rules are consistent with the annual assessment of the performance of the corporate officers and with the company's medium-term strategy, as well as monitoring the annual application of these rules)
- issuing a preliminary opinion on any proposal for exceptional remuneration proposed by the Board to remunerate one of its members to whom it has assigned a mission or task pursuant to article L. 225-46 of the French Commercial Code
- making proposals to the Board, as necessary, on stock option programmes and the allotment and award of free shares
- giving the Board an opinion on the qualifications of Board members based on the company's independence criteria
- making recommendations on the financial conditions for termination of corporate Offices.

The Committee also looks into retirement schemes for the company's management and employees, the tax arrangements for different remuneration methods, as well as changes to such arrangements, and the potential succession of various executive corporate officers. It may call on external consultants, particularly in the prospecting of potential candidates as part of succession plans. However, the Appointments and Remunerations Committee did not consider it necessary to use it in 2020.

4.3.3.2.4 Work of the Appointments and Remunerations Committee in 2020

The Appointments and Remunerations Committee met twice, with 100% attendance rate by its members.



The Appointments and Remunerations Committee works closely with the Chief Operating Officer, who is the head of the company's Human Resources Department. He attends Committee meetings as a guest and Secretary.

In its 2020 meetings, the Appointments and Remunerations Committee examined the following subjects in particular:

Meeting of 12 February 2020	● Review of the composition of the Board of Directors: proposal for the renewal and co-opting of Directors, review of the independence of Directors ● Remuneration of executive corporate officers: review of the economic and CSR criteria of the long-term incentive, the amount of the bonus for 2019, the long-term incentive for 2019, the criteria for the allocation of the 2020 bonus for executive officers, and the amount of the long-term incentive granted in 2016 to Christophe Kullmann and Olivier Estève in view of the achievement of the performance conditions and the change in the fixed remuneration of Dominique Ozanne. ● Review of the remuneration policy for executive corporate officers submitted for approval to the Combined General Meeting of 22 April 2020 ● Proposal of free share plans for executive corporate officers and Group employees
Meeting of 25 November 2020	● Review of the composition of the Board of Directors with: proposed renewal of Directors' terms of office expiring in April 2021 ● Review of the remuneration policy for executive corporate officers submitted for approval to the Combined General Meeting of 20 April ● Review of proposals for changes resulting from the formal assessment of the functioning and work of the Board of Directors and its Committees ● Review of the diversity policy applicable to members of the Board and of the Committees ● Review of the non-discrimination and diversity policy, particularly concerning gender balance on management bodies ● Review of the company's policy on gender equality and equal pay ● Proposal of free share plans for Group employees

4.3.3.3 Strategic and Investment Committee

The Strategic and Investment Committee is in charge of studying and preparing for the Board's deliberations on strategy, investments and sales. All Directors are informed of its meetings and agenda and receive the documents sent to members.

4.3.3.3.1 Composition

Following the appointment on 1 December 2020 of the new permanent representatives of ACM Vie and Covéa Coopérations, the Board of Directors has appointed Stéphanie de Kerdrel and Olivier Le Borgne as members of the Strategic and Investments Committee as of this date, replacing Catherine Allonas Barthe and Laurent Tollié as of this date.

The Committee is chaired by Leonardo Del Vecchio. At the end of the financial year, the Strategic and Investments Committee is composed of six members, and invites the non-voting members and all Directors to attend its meetings, who are free to attend if they so wish to the extent of their availability.

It has one independent member, Jean Laurent, and two Italian members.

4.3.3.3.2 Operation

The Strategic and Investment Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board of Directors and, in principle, before Board meetings when the agenda includes a decision that falls within the scope of the duties assigned to the Committee by the Board.

The Chairman of the Strategic and Investment Committee or, in his absence, the Chairman of the Board of Directors sets the agenda for the Committee's meetings. He presides over the discussions and organises the vote on the issues submitted to the Strategic and Investment Committee.

The presence of at least half of the members of the Strategic and Investment Committee is required for meetings to be valid, in the understanding that members who are represented are included in the calculation of the quorum.

The opinions of the Strategic and Investments Committee are adopted by simple majority vote of the members present or represented, and the Committee reports on its work at the next Board meeting. On this occasion, a wide-ranging report on its work is presented to the Board, so that the Directors can make an informed decision on the company's strategy, based on the preparatory work of the Committee.

4.3.3.3.3 Missions

Under the terms of Article 15 of the Internal Regulations, the Strategic and Investment Committee is in charge of reviewing and issuing an opinion on the following transactions prior to any decision by the Board:

- investment made directly by the company or through a fully consolidated subsidiary, when the total amount of the investment, plus any liabilities attached to the assets in question, is greater than €100,000,000 (Group Share)
- the sale by the company or through a fully consolidated subsidiary, with the exception of companies whose shares are listed for trading on a regulated market, of any business division, any investment in any company or any assets, whenever the total amount of the corresponding disinvestment, plus any liabilities attached and transferred, is greater than €100,000,000 (with the exception of intra-group transactions).

In addition, the Strategic and Investment Committee is in charge of reviewing and authorising the following transactions prior to any decision by the Chief Executive Officer:

- investment made directly by the company or through a fully consolidated subsidiary, when the total amount of the investment, plus any liabilities attached to the assets in question, is greater than €30,000,000 (Group Share)
- the sale by the company or through a fully consolidated subsidiary, with the exception of companies whose shares are listed for trading on a regulated market, of any business division, any investment in any company or any assets, whenever the total amount of the corresponding disinvestment, plus any liabilities attached and transferred, is greater than €30,000,000 (with the exception of intra-group transactions).

More generally, the Strategic and Investment Committee is in charge of:

- reviewing major strategic projects for expansion through mergers and acquisitions or partnerships
- analysing the medium-term plans and projections of the Covivio group, as applicable

- meeting with experts to review the opportunities presented by the strategic options considered, as necessary and
- keeping the Board's strategy considerations up-to-date between meetings specifically dedicated to these issues.

4.3.3.4 Work of the Strategic and Investments Committee in 2020

The Strategic and Investments Committee met five times, with an attendance of 87% by its members. These meetings were also attended by a significant number of guest Directors.

Number of meetings	1	2	3	4	5	Attendance rate
Leonardo Del Vecchio (Chairman)						60%
Catherine Allonas Barthe ⁽¹⁾						100%
Romolo Bardin						100%
Jérôme Grivet						80%
Stéphanie de Kerdrel ⁽²⁾						100%
Jean Laurent						100%
Olivier Le Borgne ⁽³⁾						100%
Laurent Tollié ⁽⁴⁾						75%
Sergio Erede (guest)						80%
Ariberto Fassati (guest)						100%

(1) Catherine Allonas Barthe was the permanent representative of ACM Vie until 30 November 2020

(2) Stéphanie de Kerdrel has been the permanent representative of ACM Vie since 1 December 2020

(3) Olivier le Borgne has been the permanent representative of Covéa Coopérations since 1 December 2020

(4) Laurent Tollié was the permanent representative of Covéa Coopérations until 30 November 2020

Present in meetings
 Total number of meetings

In its 2020 meetings, the Strategic and Investments Committee examined the following subjects in particular:

Meeting of 13 February 2020	• Presentation and approval of a development project
Meeting of 22 April 2020	• Presentation and approval of planned disposals • Presentation of the investment transactions post-mortem
Meeting of 14 October 2020	• Presentation and approval of a plan to share a development operation and a planned development • Presentation of the investment transactions post-mortem
Meeting of 25 November 2020	• Progress report on a planned development • Presentation and approval of a planned development and partnership ad planned disposals • Presentation of a redevelopment operation post-mortem
Meeting of 16 December 2020	• Presentation and approval of planned investments and disposals • Presentation of an investment operation post-mortem

4.3.4 Remuneration of corporate officers

4.3.4.1 The remuneration policy for executive corporate officers submitted for approval by the General Meeting of the shareholders on 20 April 2021 (ex-ante Say on Pay)

In an ex-ante vote as required under article L. 22-10-8 of the French Commercial Code, the remuneration policy applicable to the Chairman of the Board of Directors, the Chief Executive Officer, Deputy General Managers and Directors, was set out in draft resolutions (5, 6, 7 and 8) submitted for the approval of the Combined General Meeting of 20 April 2021. Every year and with each major change, this remuneration policy will be put to vote at the General Meeting.

4.3.4.1.1 Remuneration policy applicable to the Chairman of the Board of Directors (Resolution 5)

4.3.4.1.1.1 Composition of the remuneration of the Chairman of the Board of Directors

The remuneration of Covivio's Chairman of the Board of Directors comprises a fixed component only (currently €400K), divided into annual remuneration and the benefit in kind, in this case a company car. There is no variable remuneration, performance bonus or remuneration paid in treasury share. This remuneration is not usually reviewed during the course of the mandate. It has remained the same since 2011, since when the company has experienced significant growth.

The Board ensures that it is in line with the remuneration of the non-executive Chairmen of the SBF 120 and that it respects the company's corporate interest. He/she reserves the right to change it during a new term of office, justifying the reasons for his/her choice. It is intended to remain unchanged for the duration of the term of office, unless in exceptional circumstances.

The Chairman of the Board of Directors also has the same health and pension plan as employees of the Group in France.

He receives no other remuneration allocated by the company or its subsidiaries for exercising his duties.

The Chairman of the Board of Directors has no employment contract and is not entitled to:

- any remuneration or benefits payable or likely to be payable as a result of termination/change of function, or subsequent thereto, or any conditional entitlements awarded in respect of pension commitments
- any commitment or conditional entitlement
- any commitment in respect of a non-complete remuneration.

The remuneration policy applicable to the Chairman of the Board of Directors does not include any exemptions in the event of exceptional circumstances.

In accordance with article R. 22-10-14 of the French Commercial Code, the Chairman of the Board of Directors is appointed by the Board from among its members, for a term that may not exceed

his Directorship, set at four years, and ending following the meeting of the Ordinary General Meeting having approved the financial statements for the most recent year ended and held in the year in which his term expires. The Chairman may be reappointed based on the same terms but his Directorship may be revoked by the General Meeting at any time without remuneration or notice.

4.3.4.1.1.2 Decision-making process for determining, reviewing and implementing the remuneration of the Chairman of the Board of Directors

In accordance with the provisions of article 18 of the Articles of Association, the Board of Directors sets the amount, calculation methods and payment of any remuneration of the Chairman. Pursuant to article 19 of the Board of Directors' Rules of Procedure, the Appointments and Remunerations Committee submits proposals to the Board on the Chairman's remuneration.

Remuneration of the Chairman of Covivio's Board of Directors is set by the Board for the duration of his four-year term.

His remuneration was initially set by the Board of Directors on 31 January 2011 at €400K when the company became a limited company and the positions of Chairman and Chief Executive Officer were separate.

When he was reappointed as Chairman for a second and third time, the Board of Directors agreed to maintain his annual remuneration and decided that he would continue to benefit from the Group's health and pension plans.

In accordance with article L. 22-10-8 of the French Commercial Code, the components of this remuneration policy applicable to the Chairman of the Board of Directors were approved by the Board of Directors' meeting held on 16 December 2020, it being specified that this remuneration policy has not been modified compared to that previously approved by the Board of Directors on 13 February 2020.

In addition, it is specified, pursuant to article R. 22-10-14 of the French Commercial Code, that:

- the company's decision-making process involves two-tier approval, following the aforementioned opinion of the Appointments and Remunerations Committee, by the Board of Directors and General Meeting, which helps to prevent conflicts of interest
- given the structure of the remuneration of the Chairman of the Board of Directors, the remuneration and employment conditions of company employees need not be factored in.

4.3.4.1.2 Remuneration policy applicable to the Chief Executive Officer and Deputy General Managers (Resolutions 6 and 7)

4.3.4.1.2.1 Composition of the remuneration of the Chief Executive Officer and Deputy General Managers

The remuneration of the Chief Executive Officer and Deputy General Managers comprises only the following components which are in the company's interests and support the company's commercial strategy and long-term prospects.

4.3.4.1.2.1.1 Fixed part

The Appointments and Remunerations Committee and the Board of Directors ensure, on a regular basis, that the amount of fixed remuneration paid to executive officers is positioned correctly in relation to the market by using benchmarks relating to Directors of SBF80 companies and those companies with stock market capitalisation equivalent to that of Covivio, complemented by French and European sector-based research. In 2020, the fixed remuneration of the Chief Executive Officer was €700K, and that of the 2 Deputy General Managers was €400K. In principle, the Board only reviews this remuneration at regular set intervals, in line with any potential changes to responsibilities or events that have affected the company.

4.3.4.1.2.1.2 Variable portion

For the variable portion of remuneration (bonus), the Appointments and Remunerations Committee evaluates executive corporate officers based on clear, specific, measurable and operational targets. These targets are determined every February, by the Board of Directors based on proposals put forward by the Appointments and Remunerations Committee. They are determined according to the strategic plan and budget approved by the Board for the current year and the company's current priorities and, as such, support the company's commercial strategy and long-term prospects.

The target bonus for the Chief Executive Officer and Deputy General Managers equals 100% of their fixed annual salary.

In an effort to provide differentiation, motivation and an incentive to outperform, provision is made for an upside of as much as 50% of the target bonus to reward performance that goes beyond the targets set at the beginning of the year. In an effort to align this with the interests of shareholders, the Committee proposes that this upside portion of the bonus be paid, if at all, not in cash but in free shares, which are to be conditional on the beneficiary remaining in the company's employment for three years after the award.

Finally, a "circuit breaker" system provides for bonuses to be withheld in the event of a significant deterioration in the company's performance over the year.

4.3.4.1.2.1.3 Exceptional bonus

The variable remuneration scheme explained above is designed not to have any exceptional bonus paid out. The Board of Directors has not paid any exceptional bonus to executive corporate officers since the start of their terms of office.

The only way that the Board would consider paying any exceptional bonus is under exceptional circumstances:

- situations that do not fall within the framework of the annual strategic and operational goals determined at the beginning of the year

- situations that were not foreseeable at the time that the criteria were set for determining the annual variable portion
- situations that affect the company in terms of its size, scope or strategy.

In all cases, this exceptional bonus would be determined so as not to exceed 50% of the target bonus of the Chief Executive Officer and the Deputy General Managers.

4.3.4.1.2.1.4 Long-Term Incentive plan (LTI)

The principles used to allocate performance shares to the Chief Executive Officer and Deputy General Managers are as follows:

- the allocation of shares, which is the third component of remuneration, is a long-term incentive plan, and is a top-up for the fixed and variable portion of salary
- LTI for year N is allocated after the financial statements are approved, at the beginning of year N+1
- this lag, suggested by the Appointments and Remunerations Committee, makes it possible to allocate shares contingent on the achievement of operational results and the achievement of individual targets, and to record the performances in consideration of the closing of the financial statements for the fiscal year N
- the Appointments and Remunerations Committee, in setting this annual share allocation period, has made it possible to avoid any windfall effect through any share price volatility.

This long-term incentive plan has the following aims for the beneficiaries of the shares:

- foster loyalty: employee retention shares are not definitively allocated until the end of the vesting period (usually 3 years) on the condition that beneficiaries are still employed by the company
- motivation and involvement: long-term share values ultimately depend on the company's performance in its sector, which is reflected in the share price
- aligning the interest of executive corporate officers with those of shareholders: shares are only definitively allocated when performance targets are achieved
- lastly, enabling executive corporate officers to create a pension scheme, given the lack of a supplementary pension scheme in the company.

The LTI target accounts for 40% of the Chief Executive Officer's total remuneration and one third of the total remuneration of Deputy General Managers. In all cases, it is capped at 150% of the fixed salary.

100% of share allocations will be subject to the following performance conditions, each analysed over the three-year vesting period, given that the number of shares allocated, subject to performance requirements, may not exceed the target number listed at the time of allocation.

Prior to the allocation in February 2019 of performance shares in respect of 2018, the conditions were as follows:

50%

Presence condition and performance relative to the market:

- the overall performance of Covivio's share compared with the "Eurozone" EPRA index, defined by the changes to the share price over the 3-year benchmark, taking into consideration all dividends or advances on gross dividends
- the target number of shares will be allocated in the event of outperformance by two points compared with the index. An outperformance of 5 points will lead to an allocation representing 110% of the target (130% for 20 points). Performance equal to the index will lead to a 95% allocation of the target number of shares. An underperformance of 20 points will lead to the cancellation of 30% of the target shares, and an underperformance of 30 points will cancel all share allocations.

50%

Presence conditions and internal performance condition not affected by the market:

- the number of performance shares is weighted by a coefficient corresponding to the average rate of achievement of the bonus objectives between the year of allocation and the year preceding the acknowledgement of the achievement of the performance target
- this average performance rate will be applied to the target number of shares.

The second condition was amended by the Board of Directors, on the proposal of the Appointments and Remunerations Committee, following objections by certain proxy advisors and investors, who lamented the fact that there was overlap between the LTI and annual bonus criteria. From 2019 it was replaced by performance conditions based on financial indicators and CSR objectives.

50%	Presence condition and performance relative to the market: - the overall performance of Covivio's share compared with the "Eurozone" EPRA index, defined by the changes to the share price over the 3-year benchmark, taking into consideration all dividends or advances on gross dividends - the target number of shares will be allocated in the event of outperformance by two points compared with the index. An outperformance of 5 points will lead to an allocation representing 110% of the target (130% for 20 points). Performance equal to the index will lead to a 95% allocation of the target number of shares. An underperformance of 20 points will lead to the cancellation of 30% of the target shares, and an underperformance of 30 points will cancel all share allocations.
30%	Presence condition and economic performance relative to the market: 15% = Relative change in Covivio NAV/share vs. EPRA outside UK (with the same scale as for the TSR) 15% = Relative change in the Covivio EPRA Earnings/share vs. EPRA outside UK (with the same scale as for the TSR).
20%	Presence and non-financial performance condition: 10% = Objective for improving the environmental performance of portfolio: Example for the 2019 LTI: 50% of shares delivered if environmental performance by end 2022 between 87% and 90%, 100% of target number of shares if 90%, 130% if 100% (linear between the bounds) 5% = Commitment Barometer Example for the 2019 LTI: split into 2 packages: 0% of shares if total 2021 score < 1/2 of 2019 score, 25% if 2021 = 1/2 of 2019 score, 50% if total 2021 score = 2019 score, 65% if 2021 score = 2019 score +5pt - Specific targets on the Germany score, according to the same calculation logic 5% = Gender parity: Example for the 2019 LTI: scoring internal structure established by the Board (30% feminisation of the Executive Committee, 30% feminisation of the country CODIRs, 20% feminisation of management, 20% equality index), and with a score in 2019 of 56/100: 0% of shares delivered if 2022 score < 56 100% if 2022 score = 70 130% if 2022 score > 85 (linear calculation between bounds).

Non-financial quantified performance objectives may change or be adjusted over the years as they progress in order to ensure continuous progression. Once met they may be replaced with other objectives.

These conditions combine external and internal performances, thus providing shareholders with assurances that:

- the long-term remuneration of senior managers is directly linked to Covivio's stock market performance
- it is also tied to the company's operating performance and CSR performance.

The Chief Executive Officer and the Deputy General Managers make a formal commitment not to use any hedging transactions for their risk related to the holding of Covivio shares.

In the event of involuntary termination of office (excluding voluntary resignation), the Board may, under circumstances, be required to maintain all or part of the performance shares under the vesting period. This possibility will only be exercised in the event of "good leaver" departure, excluding in particular any departure related to misconduct. Furthermore, in such a situation, the Board would evaluate whether performance criteria had been achieved by the deadline, to determine the percentage of shares that would still be allocated.

For information purposes, the number of performance shares allocated to the Chief Executive Officer and Deputy General Managers for 2020 represented 18% of all shares allocated within the Group.

Since 2008, the Board of Directors, on the recommendation of the Appointments and Remunerations Committee, has put an end to schemes for allocation of stock options that were previously activated in parallel with the schemes for allocation of free shares.

4.3.4.1.2.1.5 Other benefits

The Chief Executive Officer and the Deputy General Managers also receive the following benefits:

- a company car
- the same health and pension plan as Group employees in France, with the same employer contribution
- job loss insurance with GSC.

4.3.4.1.2.1.6 Remuneration payable at the end of the term of office

In exchange for waiving the right to receive severance benefits, the Board of Directors has implemented a termination benefit for the Chief Executive Officer and the Deputy General Managers.

The benefits for Christophe Kullmann and Olivier Estève were approved by the Board of Directors on 21 November 2018 and by the shareholders at the Combined General Meeting on 17 April 2019 voting on Resolutions 6 and 7. Remuneration to be paid out to Dominique Ozanne upon termination of his term of office was approved by the Board of Directors on 14 February 2018 and by the shareholders during the Combined General Meeting of 19 April 2018 under Resolution 5.

This remuneration would only be paid out in the event of involuntary termination, which excludes cases where they would leave the company of their own volition, change jobs within the Group or exercise their right to early retirement.

(i) Theoretical remuneration

The theoretical remuneration amount would be equal to 12 months' total remuneration including the fixed salary and the annual variable part, plus one month's additional remuneration per year of service at the company regardless of the positions held, it being understood that the current remuneration system does not include payment of an exceptional bonus. This amount is capped at 24 months total remuneration (fixed +bonus).

(ii) Performance criteria

In accordance with the recommendations of the Afep-Medef Code, entitlement to this remuneration would be subject to stringent internal and external performance criteria:

- 50% of the theoretical amount of remuneration is tied to the NAV over the last three fiscal years preceding termination of duties: if the change of the EPRA NAV of Covivio is 25% lower than the average of fundamentals composing the EPRA Index, the portion of severance pay tied to this criteria shall not be paid. If the contrary applies, the theoretical amount of this portion of the remuneration will be adjusted to reflect the change in the company's revalued net assets during the applicable period. In addition, for Christophe Kullmann and Olivier Estève, the Board of Directors introduced a criterion of non-payment of remuneration in the event of a 50% reduction in Covivio's NAV in absolute terms or for the three-year period preceding the cessation of functions
- 50% of the theoretical amount of the remuneration would be conditioned by achievement of the targeted levels of performance for the three financial years preceding the cessation of functions. The criteria for allocation of performance bonus are reviewed annually by the Remuneration and Appointments Committee and based on ambitious operating and strategic goals. Their achievement is assessed on the basis of a range of precise criteria. Should the average achievement of the targeted levels of performance for the last three financial years be less than 80%, the portion of remuneration associated with this criterion would not be paid. If the contrary applied, the theoretical amount of this portion of the remuneration would be adjusted to reflect the average achievement of the last three financial years.

In any event, albeit any excess performance for one of the two aforementioned criteria may offset any eventual shortfall for the other criterion, the total amount of the aforementioned termination remuneration is limited to two years' total remuneration. This cap rule applies to all forms of severance pay and includes any other remuneration paid for any other reason at the end of a term of office, it being specified that the Chief Executive Officer and Deputy General Managers will not receive any remuneration from Covivio other than that paid for their term of office.

As a result of the performance criteria listed above being set, the Board will be able, where appropriate, to reflect the target and actual performance of the Chief Executive Officer and Deputy General Managers on the severance pay. As the goals conditioning the payment of the variable portion of remuneration are aligned on the company's operating performance and on the deployment of its strategy, any remuneration paid would necessarily be proportional to the results achieved, thus fully meeting the requirements of the recommendations included in the Afep-Medef Code.

These commitments are not subject to performance conditions.

4.3.4.1.2.1.7 Remuneration allocated for serving as a Director or member of the Supervisory Board

The Chief Executive Officer and Deputy General Managers receive no remuneration linked to their attendance at meetings of the company's Board of Directors or Board of Directors or Supervisory Boards of Group subsidiaries.

4.3.4.1.2.1.8 Supplementary pension schemes

Neither the Chief Executive Officer nor the Deputy General Managers benefits from a specific defined benefits or defined contributions pension scheme.

4.3.4.1.2.1.9 Employment contract

Neither the Chief Executive Officer nor the Deputy General Managers have an employment contract.

Pursuant to the recommendation in the Afep-Medef Code that "when an employee is appointed as executive corporate officer of the company, it is recommended to terminate the employment contract with the company, whether through contractual termination or resignation", Christophe Kullmann's employment contract was terminated by common accord between him and Covivio on 26 November 2008, without payment of remuneration.

Christophe Kullmann has since that date received GSC unemployment insurance.

He also has supplementary group mutual insurance covering healthcare expenses. He does not benefit from the Group Incentive Plan.

Similarly, the employment contract of Olivier Estève, Deputy General Manager, was terminated on 1 November 2012, without payment of remuneration, and that of Dominique Ozanne, Deputy General Manager, on 1 March 2018. Since that date, he also receives GSC unemployment insurance, as well as supplementary group mutual insurance covering healthcare expenses. They do not benefit from the Group Incentive Plan.

4.3.4.1.2.1.10 Non-competition remuneration

Neither the Chief Executive Officer nor the Deputy General Managers receive any remuneration related to a non-compete clause.

4.3.4.1.2.1.11 Welcome bonus (Golden hello)

Covivio has never paid any signing bonus to a Chief Executive Officer or Deputy General Manager. If such a situation arose, the Board would ensure that the premium was calculated in such a way as to cover the losses caused by the recruitment of the officer due to having left his previous employment.

4.3.4.1.2.1.12 Obligation to retain shares

The Afep-Medef Code recommends that the Board set a share retention requirement for them on free shares and shares that is sufficiently restrictive. This makes it possible to adequately take into account the company's long-term performance. Covivio's Board of Directors has set a retention requirement of 50% for performance shares throughout the term of office, until they hold shares equivalent to two years' worth of fixed remuneration. Above this threshold, they are free to dispose of shares.

4.3.4.1.2.1.13 Clawback clause

There is no such thing as a "clawback" clause in the remuneration policy for the Chief Executive Officer and the Deputy General Managers, requiring the executive corporate officer to return sums already received for a given reason.

Pursuant to article R. 22-10-14 of the French Commercial Code, the Chief Executive Officer is appointed by the Board of Directors, which sets his term of office, and he may be reappointed or dismissed at any time. Moreover, Deputy General Managers are appointed by the Board of Directors on the proposal of the Chief Executive Officer. Deputy Executive Officers may be dismissed at any time by the Board of Directors, at the suggestion of the Chief Executive Officer.

Christophe Kullmann, Olivier Estève and Dominique Ozanne have been appointed to their respective positions for a four-year term.

4.3.4.1.2.2 Decision-making process for determining, reviewing and implementing the remuneration of the Chief Executive Officer and Deputy General Managers

The remuneration policy for the Chief Executive Officer and Deputy General Managers is determined by the Board of Directors based on work carried out and proposals made by the Appointments and Remunerations Committee. This Committee met twice in 2020, to ensure that this policy is in line with the principles listed by the latest changes to the Afep-Medef Code of corporate governance.

The Appointments and Remunerations Committee makes proposals to the Board of Directors as to the remuneration of the Chief Executive Officer and Deputy General Managers (amount of fixed remuneration and rules for calculating variable remuneration), ensuring that these rules are consistent with the annual performance review of corporate officers and the company's medium-term strategy and enforcing these rules over the year.

The Committee and the Board are particularly keen to follow these guidelines:

- the remuneration is granted exhaustively via three main components: a fixed portion, a variable portion, and the allocation of free shares; in-kind benefits mainly consist of a company vehicle and covering the cost of job loss insurance.

The basic principles sought are:

- a balance between the various components, short term and long-term, fixed and variable
- remuneration correctly situated in the market and designed to foster loyalty
- simple, easy-to-read tools for the market and shareholders
- a strong link between remuneration and operational performance
- a variable portion based on objective quantifiable performance criteria that combine the interests of the company, its staff and its shareholders, at the same time providing an incentive for outperformance and a "circuit breaker" system to sanction any deterioration of key company indicators
- a financial alignment with the long-term interests of shareholders
- development that is generally consistent with the remuneration and employment terms of the company's employees.

The Committee and the Board use industry-based benchmarks and general research studies simply to check that overall remuneration packages are in line with market rates.

All conditions and components of remuneration allocated to Christophe Kullmann and Olivier Estève, proposed by the Appointments and Remunerations Committee were approved on 21 November 2018 by the Board of Directors upon their reappointment as Chief Executive Officer and Deputy General Manager, respectively, for a four-year term from 1 January 2019.

The conditions and components of remuneration of Dominique Ozanne, proposed by the Appointments and Remunerations Committee were approved on 14 February 2018 by the Board of Directors following his appointment as Deputy General Manager from that date.

The components of the remuneration were published on the company's website on 15 February 2018 in the case of Dominique Ozanne and 26 November 2018 in the case Christophe Kullmann and Olivier Estève.

Pursuant to article L. 22-10-8 of the French Commercial Code, the components of this remuneration policy applicable to the Chief Executive Officer and Deputy General Managers were approved by the Board of Directors at its meeting on 16 December 2020.

Moreover, pursuant to article R. 22-10-14 of the French Commercial Code, the company's decision-making process involves two-tier approval, following the aforementioned opinion of the Appointments and Remunerations Committee, by the Board of Directors and the General Meeting, which helps to prevent conflicts of interest.

On the occasion of the ex-post Say on Pay vote at the Combined General Meeting of the shareholders of 22 April, 2020, there was relative opposition (85% approval) to the resolution related to the Chief Executive Officer's 2019 remuneration. The analysis carried out by the Appointments and Remunerations Committee revealed that certain shareholders considered that the stock market and economic criteria (TSR, EPRA Earnings and NAV) scale of the LTI was not sufficiently penalising in the event of relative underperformance. After discussion, the Committee and the Board decided that this rating scale should be retained, for the following reasons:

- the remuneration policy for the Chief Executive Officer (and the Deputy General Managers) intends to remain simple and clear
- it is thus based exclusively on 3 components: the fixed salary, the annual bonus and the LTI. The Chief Executive Officer does not benefit from any employment contract, additional pension, non-compete clause, exceptional bonus, deferred bonus, etc. He also receives, where applicable, the upside his bonus not in cash but in free shares delivered 3 years later, subject to continued employment
- the balance sought for this remuneration policy is to **pay for performance**, as well as to ensure **retention** of managers and their **alignment of interests with shareholders**
- the criterion for awarding the LTI is therefore calibrated to reward performance: for example, it is necessary to outperform the market by 2 points to receive 100% of the shares awarded. An equivalent market performance results in a discount of 5% of the number of shares awarded. Underperformance is also penalised: an underperformance of 20 points would result in cancellation of 30% of the target shares, and an underperformance of 30 points would cancel out any payment of shares
- on the other hand, a scale of allocation that would completely deprive the corporate officers of the shares allocated at the slightest underperformance would cancel all or part of the retention power of the LTI.

In addition, the increase in the relative weight of the LTI compared to the other components of the remuneration of the Chief Executive Officer meets the objective of long-term alignment with the interests of shareholders.

4.3.4.1.3 Remuneration policy applicable to Directors (Resolution 8)

4.3.4.1.3.1 Composition of the remuneration of Directors

The remuneration of Directors, as non-executive corporate officers according to the Afep-Medef Code, is made up of a fixed and variable portion. The annual amount agreed by the General Meeting as the total allocation for the remuneration of members of the Board of Directors is €800,000.

The criteria for allocation and financial conditions of remuneration are as follows:

- the fixed portion is allocated annually to each Director according to his or her position on the Board of Directors and on any Committees and
- the variable portion is based on a per-meeting amount, which allows the actual contribution of each Director to the work of the Board and its Committees to be factored in.

On the Board of Directors

- Fixed portion per Director per annum: €6,000.
- Additional allowance for the Chairman per annum: €4,000.
- Variable portion for attendance per Director: €4,000 per meeting.

On specialised Committees

- Fixed portion per member per annum: €3,000.
- Additional allowance for the Chairman of the Audit Committee per annum: €17,000.
- Additional allowance for the Chairman of the Appointments and Remunerations Committee per annum: €7,000.
- Additional allowance for the Chairman of the Strategic and Investment Committee per annum: €3,000.
- Variable portion for attendance per member:
 - members of the Strategic and Investment Committee and the Appointments and Remunerations Committee: €2,000 per meeting
 - members of the Audit Committee: €3,000 per meeting.

The variable portion of Directors' remuneration is preponderant as it represents 72% of the total remuneration allocated in 2020.

Notes:

- the variable portion is paid even if attendance at a meeting is by video conference or any other means of telecommunication
- following his appointment and/or resignation, the Director receives the fixed portion of his remuneration *pro rata temporis* over the fiscal year
- no additional remuneration is allocated to non-resident Directors.
- no remuneration is deducted for non-attendance at Board and Committee meetings.
- in the event that the Board meets several times on a given day, particularly on the day of the General Meeting, only one meeting is taken into account for the purposes of attendance
- any amount paid to each Director is reduced by the same percentage so that the total amount paid remains within the maximum budget set by the General Meeting

- tax and employment deductions are paid by the company directly to the tax administration
- in order to convey their involvement in the management of the company, from their second year in office, members of the Board of Directors are invited to hold a number of Covivio shares of a value equivalent to around one year of remuneration.

The Director in the position of Chairman of the Board of Directors or Chief Executive Officer and for which he is remunerated does not receive additional remuneration for his Directorship.

In accordance with the Articles of Association and Internal Regulations, the Directors and Non-voting members of the Board are entitled to reimbursement for travel expenses and costs incurred from attending Board and Committee meetings, upon producing supporting documents.

The remuneration policy applicable to the Directors does not contain provisions for any exemptions in the event of exceptional circumstances nor for the company to request the repayment of the variable remuneration. Nor does it contain provision for any deferral periods nor performance criteria.

In addition, it is specified, in accordance with article R. 22-10-14 of the French Commercial Code, that Directors do not benefit from:

- any remuneration in shares
- any remuneration or benefit payable or likely to be payable as a result of termination/change of function, or subsequent thereto, or any conditional entitlement awarded in respect of pension commitments
- any commitment or conditional entitlement
- any commitment in respect of a non-complete remuneration.

The remuneration allocated to Directors rewards their contribution to the work of the Board of Directors and its Committees, as well as their level of responsibility within the company. Its aim is to attract and retain high-quality professionals, able to maintain the required balance in skills and expertise deemed necessary for the proper administration of the company. This remuneration may be suspended where the composition of the Board of Directors does not meet the requirements of the first paragraph of article L. 225-18-1 of the French Commercial Code (proportion of women under 40%), pursuant to the provisions of article L. 22-10-3 of said Code.

The term of office of Directors is, without exception, four years ending at the end of the Ordinary General Meeting having approved the financial statements for the recent year ended and held in the year in which their term expires. Directors may be reappointed indefinitely, subject to the provisions of the Articles of Association governing age limit. Directors may be dismissed at any time by the General Meeting, without remuneration or prior notice.

4.3.4.1.3.2 Decision-making process for determining, reviewing and implementing the remuneration of Directors

The remuneration policy for Directors, including remuneration distribution methods defined under Article 10 of the Board's Internal Rules, is approved, subject to the prior opinion of Appointments and Remunerations Committee, by the Board of Directors which sets the maximum budget for remuneration to be submitted to the General Meeting.

The maximum annual budget is authorised by the General Meeting.

The Board of Directors allocates Non-voting members a share of the remuneration allocated to it by the General Meeting, based on the same allocation methods.

The Combined General Meeting of 19 April 2018 awarded the Board of Directors a gross annual sum of €800,000 for the current year and subsequent years, until a new decision is made by a General Meeting.

Current methods for allocating this remuneration among Directors were adopted by the Board of Directors on 14 February 2018.

The total annual budget authorised by the General Meeting and the methods of allocation approved by the Board of Directors are reviewed with the support of the Appointments and Remunerations Committee in the event of any significant changes within the company and/or the market by producing benchmarks.

Pursuant to article L. 22-10-8 of the French Commercial Code, the elements of this remuneration policy applicable to Directors were approved by the meeting of the Board of Directors held on 16 December 2020, it being specified that this remuneration policy has not been modified compared to that previously approved by the Board of Directors on 13 February 2020.

In addition, it is specified, pursuant to article R. 22-10-14 of the French Commercial Code, that:

- the company's decision-making process involves two-tier approval, following the aforementioned opinion of the Appointments and Remunerations Committee, by the Board of Directors and General Meeting, which helps to prevent conflicts of interest
- given the structure of the remuneration of Directors, the remuneration and employment conditions of company employees need not be factored in.

4.3.4.2 Implementation of the executive corporate officer remuneration policy for the fiscal year ended 31 December 2020 (ex-post Say on Pay referred to as "global")

In a "global" ex-post Say on Pay vote pursuant to article L. 22-10-34 I. of the French Commercial Code, the information referred to in article L. 22-10-9 of the French Commercial Code is included in a draft resolution (Resolution 9) subject to the approval of the Combined General Meeting on 20 April 2021.

4.3.4.2.1 Remuneration paid and/or allocated to executive corporate officers within a consolidated scope for the fiscal year ended 31 December 2020

4.3.4.2.1.1 Information mentioned in article L. 22-10-9 of the French Commercial Code relating to the remuneration paid and/or awarded to executive corporate officers for the financial year ended 31 December 2020.

No executive corporate officer was paid or allocated remuneration from a company within Covivio's scope of consolidation for the fiscal year ended 31 December 2020, pursuant to article L. 233-16 of the French Commercial Code.

4.3.4.2.1.1.1 Fixed portion

On 21 November 2018, on the proposal of the Appointments and Remunerations Committee, the Board of Directors reappointed Christophe Kullmann for four years, and increased his fixed remuneration to €700 thousand from January 2019. This remuneration was unchanged in 2020 and will remain unchanged in 2021.

Similarly, at its meeting on 21 November 2018, based on a proposal of the Appointments and Remunerations Committee, the Board of Directors renewed the appointment of Olivier Estève for a term of four years and increased his fixed remuneration to €400 thousand. This remuneration was unchanged in 2020 and will remain unchanged in 2021.

Finally, the fixed remuneration of Dominique Ozanne was approved by the Board of Directors on 14 February 2018. It applied for the first two years of his term of office. The Board meeting of 13 February 2020 decided to revalue it to €400K (annual basis, applied from March 2020, without modification of the remuneration structure), for the reasons set out in the Universal Registration Document for 2019 (in section 4.3.2.2.1.1.1). It will remain unchanged in 2021.

The relative proportion of fixed remuneration in 2020 represents:

- 34% of Christophe Kullmann's total remuneration
- 41% of Olivier Estève's total remuneration
- 42% of Dominique Ozanne's total remuneration.

4.3.4.2.1.1.2 Variable portion

It is recalled that the target bonus for the Chief Executive Officer and Deputy General Managers is equal to 100% of their fixed annual salary.

For 2020, the "circuit breaker" was based on a Loan To Value (LTV) threshold, the crossing of which would have entailed non-payment of the bonus.

For 2020, the criteria for allocating the variable portion of the Chief Executive Officer's remuneration were set as follows:

- 80% based on quantitative targets
- 20% based on qualitative targets.

On 10 February 2021, the Appointments and Remunerations Committee reviewed the achievement of these targets using precise analytical frameworks. Regarding the qualitative objectives, the Appointments and Remunerations Committee had established an evaluation grid assigning a score to each criterion, focusing on assessing the concrete achievements for each of them during the year. This method has made it possible not to discount objectives of strategic importance that the Lead Director of the company is expected to meet and whose measurement cannot be obtained using a standardised numerical indicator.

The Appointments and Remunerations Committee, then the Board, decided not to revise the objectives set at the beginning of the year, even despite the exceptional circumstances experienced in 2020 in the context of the global crisis. For example, the target income (EPRA Earnings) notified to the market in February 2020 (€5.40 per share) was the subject of a guidance withdrawal in March and then a revised notification in July 2020. For all that, it is, of course, the initial target which has been maintained for a review of achievement of the 2020 bonus criteria, and not the revised target. This decision applied to all the criteria, which explains the significant decrease in the 2020 bonus compared to the 2019 bonus (down by 43%).

The Committee thus recorded the following levels of achievement for each target:

	Chief Executive Officer: Christophe Kullmann Key:Target/ actual	(in €K)			Bonus allocated		
		% of bonus	Min.	target	Max. (in% of the target)	(in €K)	
Quantitative = 80% of the variable portion	EPRA Earnings/share: target €5.40/share (guidance notified in 02/2020), upside of 150% if €5.80/share , downside 50% if < €5.00 Achievement = €4.21/share	30%	0	210	315	0%	0
	EPRA NAV/share: 101.4 €/share for a target of 106.6 €	20%	0	140	210	48%	67
	Strengthening in major European cities Investments of €1.8 bn in 2020, including acquisition of Godewind (€1.1 bn) and ROCCO hotel portfolio (€248m Group Share) GME concentration = +2pt, at 94% At the end of 2020, 91% of the portfolio in Top European Cities and Top business districts In 2020, +6 points of exposure to Germany Strengthening of Germany Offices Acquisition of Godewind for €1.1 billion Progress with the Alexanderplatz project and share of the project at 45% Reloading the development projects pipeline Investments in the pipeline of €335M in 2020, including land acquisitions of €75M Success in the Porta Romana tender (land investment of €91M) +€500M in pipeline in 2021, concentrated at 96% in city centres, with value creation potential > 30%	30%	0	210	315	125%	263
Qualitative = 20% of the variable portion	Good management team dynamics and talent retention Effective management of Covivio teams during the crisis Resignation turnover < 2019 Reinforcement of the Executive Committee with a function dedicated to the risk approach Implementation of the IT and digital strategy Ongoing implementation of SAP in Europe, on schedule Continuation of the ongoing harmonisation of processes and tools at European level: continuation of the Move to Cloud project, deployment of Salesforce and the Mon Building app in Italy Management of German teams Overhaul of the management team and support for the new CEO Germany Continued strengthening of customer centricity Reinforcement of the complementarity between the flex offer and the lease: successful pre-letting of the Gobelins building (4,500m ²) Client Satisfaction Questionnaire = Fairest Landlord in Focus Money survey 2020, with very good rating in the 6 categories, score > 75/100 in Bureaux France [France Offices] Launch of the All in One offer Raison d'être: launch of the Foundation and the Stakeholders Committee Launch of the work of the Stakeholders Committee in 2020 Creation in 2020 of the Covivio Foundation and launch of the sourcing projects	20%	0	140	210	120%	168
	TOTAL	100%	0	700	1,050	71%	498

Consequently, the Committee made a proposal to the Board, which approved it on 17 February 2021 – that the 2021 bonus should be paid at **71%** of the target, i.e., a sum of **€498K**. Subject to its approval by the Combined General Meeting of 20 April 2021, it will be paid in cash.

This bonus for 2020 highlights a **decrease of 43%** compared to the 2019 bonus, much more significant than that of Covivio's 2020 result, down by 15% in M€ and by 21% per share. This reduction of the bonus is also appreciably higher than that affecting all the Covivio teams (down by an average of 9% for the teams) and the executives (down by 20% to 30%).

Olivier Estève's 2020 bonus is calculated:

- 80% based on quantitative targets
- 20% based on qualitative targets.

On 17 February 2021, the Appointments and Remunerations Committee reviewed the achievement of these targets using precise analytical frameworks. Regarding the qualitative objectives, the Appointments and Remunerations Committee has established an evaluation grid assigning a score to each criterion, focusing on assessing the concrete achievements for each of them during the year. This method has made it possible not to discount objectives of strategic importance that the Deputy General Manager of the company is expected to meet and

whose measurement cannot be obtained using a standardised numerical indicator.

As with the CEO, the Appointments and Remunerations Committee, and then the Board, decided not to revise the targets set at the start of the year, despite the exceptional circumstances experienced in 2020 against the background of the world crisis. For example, the target income (EPRA Earnings) notified to the market in February 2020 (€5.40 per share) was the subject of a guidance withdrawal in March and then a revised notification in July 2020. For all that, it is of course the initial target which has been maintained for a review of achievement of the 2020 bonus criteria, and not the revised target. This decision applied to all the criteria, which explains the significant decrease in the 2020 bonus compared to the 2019 bonus (down by 51%).

The Committee thus recorded the following levels of achievement for each target:

	Deputy General Manager: Olivier Estève Key : Target: actual	(in €K)				Actual	
		% of bonus	Min.	target	Max.	(in% of the target)	(in €K)
Quantitative = 80% of the variable portion	EPRA Earnings/share: target €5.40/share (guidance notified in 02/2020), upside of 150% if €5.80/share , downside 50% if < €5.00 Achievement = €4.21/share	30%	0	120	180	0%	0
	EPRA NAV/share: 101.4 €/ share for a target of 106.6 €	20%	0	80	120	48%	39
	Overseeing pipeline development and reloading projects Investments in the pipeline of €335M, including land acquisitions of €75M 9 deliveries (91,000m ²) for €359M and €19.5M in value creation Share of the Alexanderplatz project at 45% Launch of projects to transform Offices into housing: Meudon, Bordeaux Lac, Le Raincy, etc. Acceleration on Germany Offices Acquisition of Godewind for €1.1 billion Marketing 72,500m ² of new leases/182,000m ² of renewals, +0.7% of Bureau France rental income on a like-for-like basis Wellio Gobelins pre-let (Paris 5, 4,500m ²) EBITDA up to €5.7M	30%	0	120	180	76%	91
Qualitative = 20% of the variable portion	Contribution to strategic thinking Active participation in the preparation of the Board dedicated to the strategy Strengthening Covivio's external reach Media exposure with expert position during the crisis +development of Covivio's service image Onboarding new Director of Development Successful support in taking up the position and overhaul of the organisation Synergies between Sales Development, Wellio and Operations teams Reorganisation of the Wellio marketing and offering (launch of the All in One offer) Establishment of a Strategic and Operational Monitoring Committee Significant contribution to the achievement of the 2020 sales plan: €871M, with a margin of +8% Cross-departmental operation of the European teams (in particular on Alexanderplatz) Coordination of the project with all stakeholders: progress in obtaining the PC, financing, and negotiation of sharing Contribution to the smooth running of the Covivio CEO and Executive Committee Strong involvement during the crisis, particularly as Chairman of the CSE	20%	0	80	120	140%	112
	TOTAL	100%	0	400	600	60%	242

Consequently, the Committee made a proposal to the Board, which it approved on 17 February 2021, that the bonus should be paid at 60% of the target, i.e., a total of €242K. Subject to its approval by the Combined General Meeting of 20 April 2021, it will be paid in cash.

This 2020 bonus shows a fall of 51% compared to the 2019 bonus, much more significant than that of Covivio's 2020 result, down 15% in M € and 21% per share. This reduction of the bonus is also appreciably higher than that affecting all the Covivio teams (down by an average of 9% for the teams) and the executives (down by 20% to 30%).

Dominique Ozanne's 2019 bonus is calculated:

- 80% based on quantitative targets
- 20% based on qualitative targets.

On 10 February 2021, the Appointments and Remunerations Committee reviewed the achievement of these targets using precise analytical frameworks. Regarding the qualitative objectives, the Appointments and Remunerations Committee has

established an evaluation grid assigning a score to each criterion, focusing on assessing the concrete achievements for each of them during the year. This method has made it possible not to discount objectives of strategic importance that the Deputy General Manager of the company is expected to meet and whose measurement cannot be obtained using a standardised numerical indicator.

As with the CEO, the Appointments and Remunerations Committee, and then the Board, decided not to revise the targets set at the start of the year, despite the exceptional circumstances experienced in 2020 against the background of the world crisis. For example, the target income (EPRA Earnings) notified to the market in February 2020 (€5.40 per share) was the subject of a guidance withdrawal in March and then a revised notification in July 2020. For all that, it is, of course, the initial target which has been maintained for a review of achievement of the 2020 bonus criteria, and not the revised target. This decision applied to all the criteria, which explains the significant decrease in the 2020 bonus compared to the 2019 bonus (down by 53%).

The Committee thus recorded the following levels of achievement for each target:

		(in €K)				Actual
Deputy General Manager: Dominique Ozanne Key : Target: actual		% of bonus	Min.	target	Max.	(in% of the target) (in €K)
Quantitative = 80% of the variable portion	EPRA Earnings/share: target €5.40/share (guidance notified in 02/2020), upside of 150% if €5.80/share, downside 50% if < €5.00 Achievement = €4.21/share	30%	0	120	180	0%
	EPRA NAV/share: 101.4 €/share for a target of 106.6 €	20%	0	80	120	48%
	Hospitality disposals €174M in disposals of non-strategic assets: Invest. Purchase of a pan-European portfolio of €575M (at 100%), enabling new European markets to be penetrated: Italy, Czech Republic, Hungary Covivio Hotels indicators: NAV and EPRA Earnings Targets not achieved Improving the portfolio's environmental performance 71.7% of the portfolio at the end of 2020 = +14.9pt including the UK portfolio	30%	0	120	180	46%
Qualitative = 20% of the variable portion	Contribution to the Group's strategic thinking Active participation in the preparation of the Board dedicated to the strategy, and, for the hotel sector, screening of the portfolio with regard to the analysis of recovery Strengthening Covivio's external reach Intense press and network coverage, with expert positioning in the hotel sector during the crisis Contribution to the implementation of the digital roadmap: hotel tools, Salesforce Active involvement in the ONE project (SAP) and in the development of Salesforce, successful redesign of Franchise management tools. Contribution to cross-departmental projects (Alexanderplatz, etc.) Strong involvement on Alexanderplatz (internal land transfer) Contribution to the smooth running of the Covivio CEO and Executive Committee Strong involvement during the crisis	20%	0	80	120	140%
TOTAL		100%	0	400	600	51%
						206

Consequently, the Committee made a proposal to the Board, which it approved on 13 February 2020, that the bonus should be paid at **51%** of the target. This variable portion amounts to **€206K**. Subject to its approval by the Combined General Meeting of 20 April 2021, it will be paid in cash.

This 2020 bonus shows a fall of 53% compared to the 2019 bonus, much more significant than that of Covivio's 2020 result, down 15% in M € and 21% per share. This reduction of the bonus is also appreciably higher than that affecting all the Covivio teams (down by an average of 9% for the teams) and the executives (down by 20% to 30%).

The relative portion of variable remuneration accounts for:

- 23% of Christophe Kullmann's total remuneration
- 22% of Olivier Estève's total remuneration
- 20% of Dominique Ozanne's total remuneration.

4.3.4.2.1.1.3 Long-Term Incentive

The 2020 LTI was allocated on 17 February 2021 in accordance with the remuneration policy approved by the General Meeting.

The number of shares allocated is the following:

- Christophe Kullmann: 30,333 performance shares, *i.e.*, potentially up to 0.03% of the share capital
- Olivier Estève: 13,046 performance shares, *i.e.*, potentially up to 0.01% of the share capital
- Dominique Ozanne: 13,046 performance shares, *i.e.*, Potentially up to 0.01% of the share capital.

These allocations were made in compliance with the remuneration policy approved by the shareholders at the Combined General Meeting of 22 April 2020, consisting of allocating a total amount, then translated into the number of shares, taking into account the valuation made by an independent expert. The share price contributed to an increase in the number of shares in February 2021 compared to the number granted in February 2020. However, the consistency of the allocation method and schedule over the years makes it possible to prevent any windfall effect for

executive corporate officers over time. By way of illustration, the number of shares for the LTI 2019 was calculated in February 2020 on the basis of a historically high price level. In addition, maintaining the consistency of the method is consistent with the determination of the 2020 bonuses, which are significantly lower than in 2019, and are also calculated according to the methodology approved by the shareholders in February 2020, not modified or adapted due to the health crisis.

In addition, on 10 February 2021, the Appointments and Remunerations Committee reviewed the achievement of the performance criteria set for the shares granted in February 2018 for the year 2017, and in particular noted that Covivio's stock market performance criterion was met at 73.1%, and that the achievement rates for the targets over the period were achieved at 111% for Christophe Kullmann, 97% for Olivier Estève and 98% for Dominique Ozanne. As a result, the performance shares awarded in February 2018 were partially delivered in February 2021 to the beneficiaries:

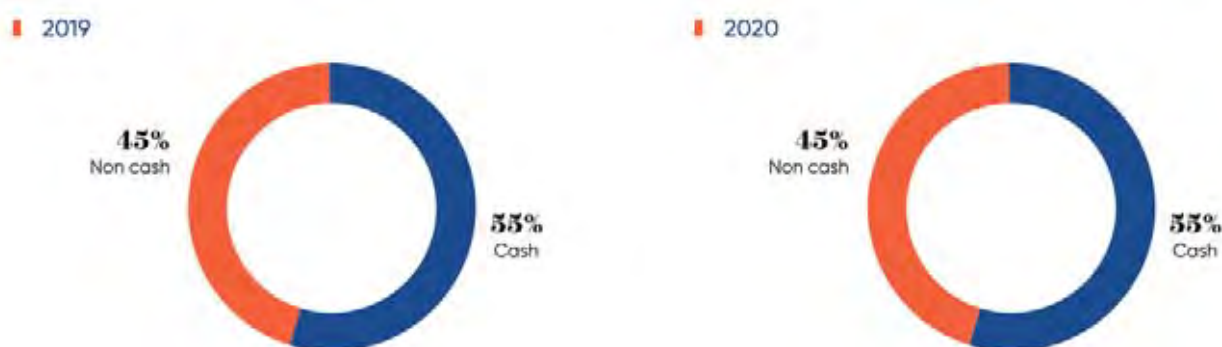
- 11,946 shares for Christophe Kullmann, *i.e.*, 91.9% of the 13,000 shares granted
- 6,791 shares for Olivier Estève, *i.e.*, 84.9% of the 8,000 shares granted
- 5,989 shares for Dominique Ozanne, *i.e.*, 85.6% of the 7,000 shares granted.

In addition, the free shares allocated under the upside of the 2017 bonus were delivered in February 2021, *i.e.*, 2,877 shares for Christophe Kullmann and 896 shares for Olivier Estève.

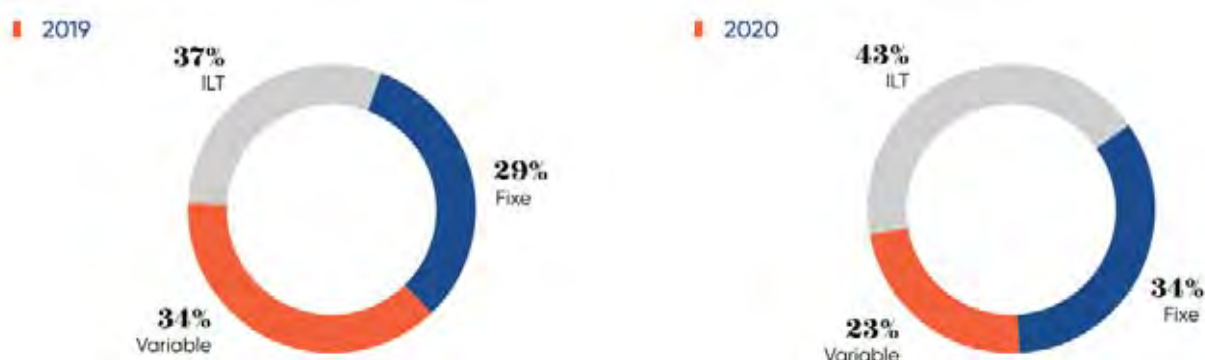
Finally, there is no stock option plan.

In the end, Christophe Kullmann's remuneration for 2020 was down by 15% compared to 2019, due to the significant decrease in the bonus (-43%).

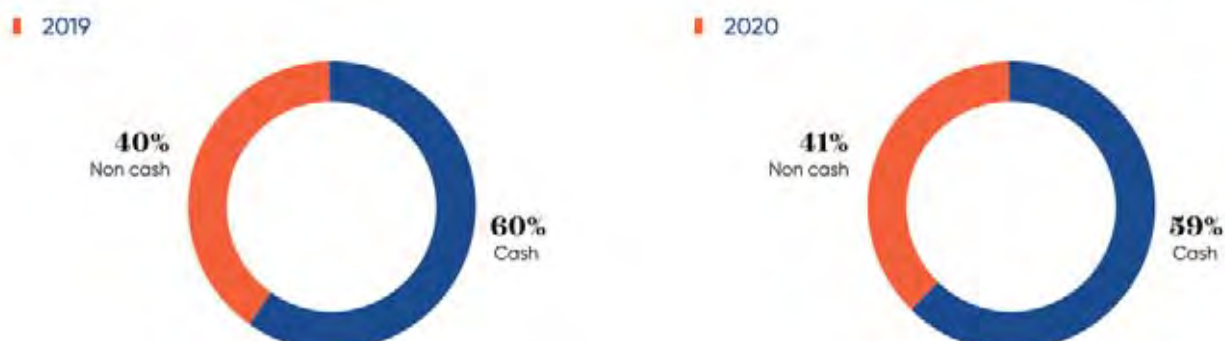
The graph below reflects the change in the cash/non-cash mix from 2018 to 2019.



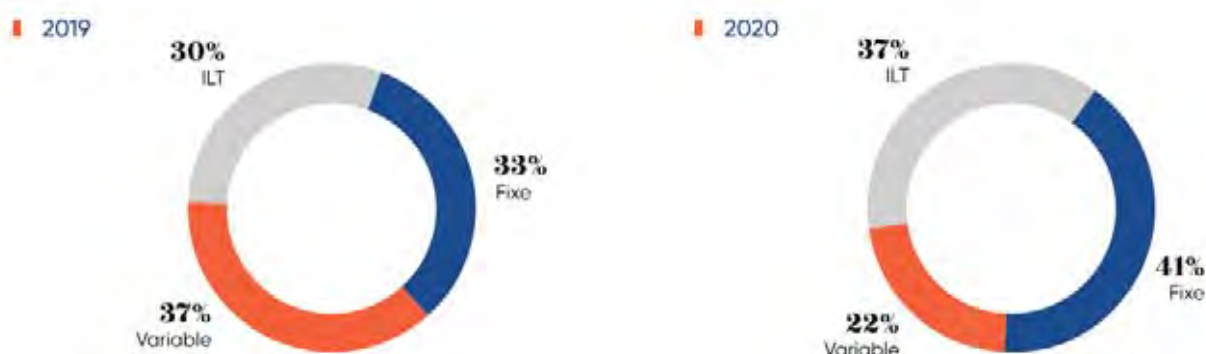
The change in the Fixed/Variable/LTI mix between 2019 and 2020 below shows that 66% of the Chief Executive Officer's remuneration is subject to performance requirements.



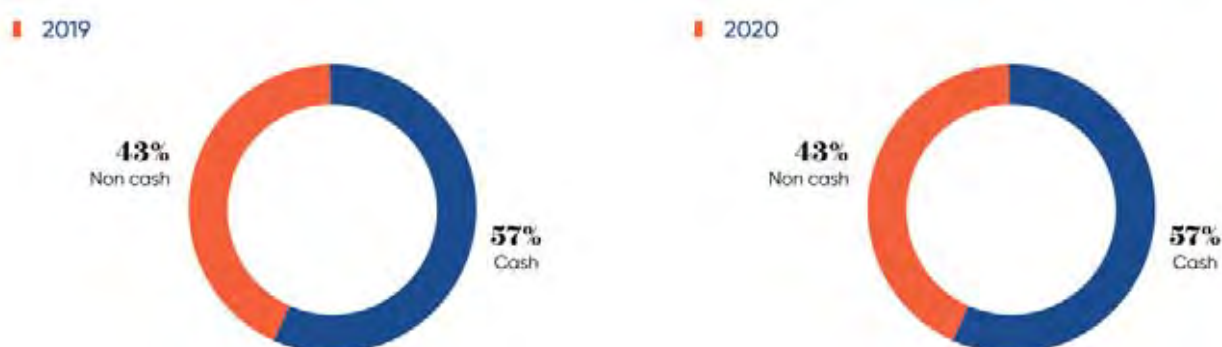
Olivier Estève's remuneration for 2020 was down by 19% compared to 2019, due to the significant decrease in the bonus (-51%).
The graph below reflects the change in the cash/non-cash mix from 2019 to 2020.



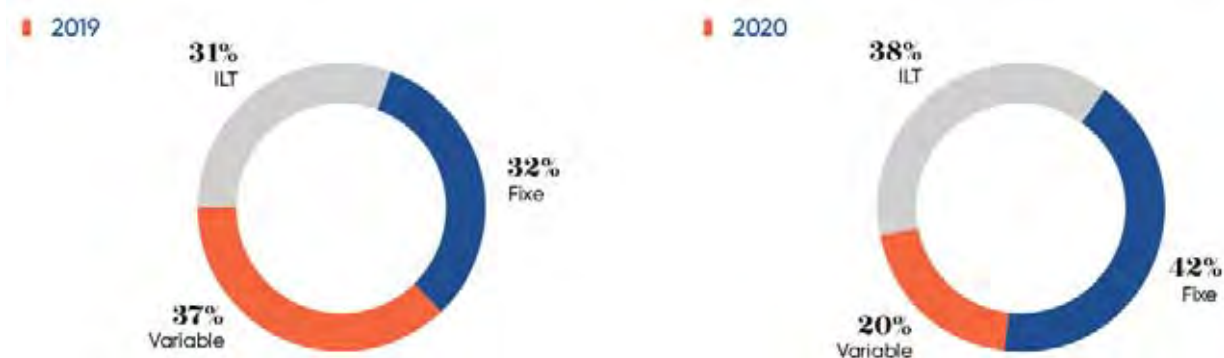
The change in the Fixed/Variable/LTI mix between 2019 and 2020 below shows that 59% of Olivier Estève's remuneration is subject to performance requirements.



Dominique Ozanne's remuneration for 2020 was down by 11% compared to 2019, due to the significant reduction in the bonus (-53%).
The graph below reflects the change in the cash/non-cash mix from 2019 to 2020.



The change in the Fixed/Variable/LTI mix between 2019 and 2020 below shows that 58% of Dominique Ozanne's remuneration is subject to performance requirements.



4.3.4.2.1.4 Remuneration to be paid out upon termination of office

After terminating without remuneration their employment contracts, which provided for the payment of a termination benefit in the event of forced departure, the Board of Directors proposed implementing end-of-service severance pay for Christophe Kullmann, Chief Executive Officer, Olivier Estève, Deputy General Manager, and Dominique Ozanne, Deputy General Manager.

Such benefit would be paid only in the event of forced departure due to a change of control or a change of strategy. This would exclude cases in which they were to leave the company at their own initiative, change roles within the Group or be able to collect retirement benefits within a short period of time.

The calculation methods and theoretical amount of the remuneration are set out in paragraph 4.3.4.1.2.1.6. on the composition of the remuneration of the Chief Executive Officer and the Deputy General Managers in respect of their remuneration policy.

The total amount of severance pay that may be paid is capped at two years of total remuneration (fixed +variable portion), i.e., an estimate to date, based on the year 2020 alone:

- €2,396K for Christophe Kullmann
- €1,284K for Olivier Estève and
- €1,198K for Dominique Ozanne.

Remuneration to be paid at the end of Christophe Kullmann and Olivier Estève's terms of office was approved by the Board of Directors on 21 November 2018, and then by the shareholders

during the Combined General Meeting of 17 April 2019, by a vote on Resolutions 6 and 7. Remuneration to be paid out to Dominique Ozanne upon termination of his term of office was approved by the Board of Directors on 14 February 2018 and by the shareholders during the Combined General Meeting of 19 April 2018 under Resolution 5.

The amount and conditions for awarding this remuneration were the subject of a press release published on 15 February 2018 (for Dominique Ozanne) and on 26 November 2018 (for Christophe Kullmann and Olivier Estève) on the company's website.

4.3.4.2.1.2 Summary tables of the remuneration of executive corporate officers, prepared in accordance with Appendix 4 of the Afep-Medef Code

The information and tables below:

- provide a summary of the total remuneration and benefits in kind paid or allocated to Christophe Kullmann (Chief Executive Officer) and Olivier Estève and Dominique Ozanne (Deputy General Managers) for the fiscal year ended 31 December 2020
- were drawn up in accordance with the Afep-Medef Code in its latest revised version
- comply with AMF recommendations no. 2012-02 updated 3 December 2019 on "corporate governance and executive remuneration in companies referring to the Afep-Medef Code – Consolidated presentation of the recommendations contained in the AMF annual reports" and no. 2021-02 for the guide to preparing Universal Registration Documents ("AMF Recommendations").

Table 1 * – Summary of remuneration and options and shares allocated to each executive corporate officer

	2019		2020	
	Amounts allocated in respect of 2019	Amounts paid in 2019	Amounts allocated in respect of 2020	Amounts paid in 2020
Christophe Kullmann: Chief Executive Officer				
Remuneration (see table 2 for details)	1,606,969	1,556,969	1,238,376	1,610,376
Valuation of multiannual variable remuneration	0	0	0	0
Valuation of options granted	0	0	0	0
Valuation of performance shares awarded (see table 6 for details) **	930,000	601,125	930,000	930,000
Valuation of other long-term remuneration plans	0	0	0	0
TOTAL	2,536,969	2,158,094	2,168,376	2,540,376

* Since the allocation of performance shares awarded in fiscal year N is delayed until N+1, for the purposes of the accuracy and completeness of the information provided, Table 1 distinguishes between amounts paid and those awarded for each fiscal year.

** The valuation of the shares does not include the portion of the bonus paid in free shares, already included, where applicable, in Table 2.

Note: The share valuations are calculated by an independent expert.

Table 2 – Summary of remuneration for each executive corporate officer

	2019		2020	
	Amounts allocated in respect of 2019	Amounts paid in 2019	Amounts allocated in respect of 2020	Amounts paid in 2020
Christophe Kullmann: Chief Executive Officer				
Fixed remuneration	700,000	700,000	700,000	700,000
Annual variable remuneration ⁽¹⁾	870,000	820,000	498,000	870,000
Multiannual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Remuneration allocated in respect of Directorship	0	0	0	0
Benefits in kind (company car, GSC insurance, check up)	36,969	36,969	40,376	40,376
TOTAL	1,606,969	1,556,969	1,238,376	1,610,376

(1) The variable amount due for 2019 of €870 thousand comprises €700 thousand, paid in cash during 2020 and 2,340 free shares awarded in 2020.

The variable due in respect of 2020 of €498 thousand will be paid in cash during 2021, subject to the approval of the General Meeting of 20 April 2021.

Table 1 * – Summary of remuneration and options and shares allocated to each executive corporate officer

	2019		2020	
	Amounts allocated in respect of 2019	Amounts paid in 2019	Amounts allocated in respect of 2020	Amounts paid in 2020
Olivier ESTEVE: Deputy General Manager				
Remuneration (detailed in table 2)	936,552	816,552	683,926	939,926
Valuation of multiannual variable remuneration	0	0	0	0
Option values	0	0	0	0
Valuation of performance shares (see table 6 for details) **	400,000	360,675	400,000	400,000
Valuation of other long-term remuneration plans	0	0	0	0
TOTAL	1,336,552	1,177,227	1,083,926	1,339,926

* Since the allocation of performance shares awarded in fiscal year N is delayed until N+1, for the purposes of the accuracy and completeness of the information provided, Table 1 distinguishes between amounts paid and those awarded for each fiscal year.

** The valuation of the shares does not include the portion of the bonus paid in free shares, already included, where applicable, in Table 2.

Note: The share valuations are calculated by an independent expert.

Table 2 – Summary of remuneration for each executive corporate officer

	2019		2020	
	Amounts allocated in respect of 2019	Amounts paid in 2019	Amounts allocated in respect of 2020	Amounts paid in 2020
Olivier ESTEVE: Deputy General Manager				
Fixed remuneration	400,000	400,000	400,000	400,000
Annual variable remuneration ⁽¹⁾	498,000	378,000	242,000	498,000
Multiannual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Remuneration allocated in respect of Directorship	0	0	0	0
Benefits in kind (company car & GSC insurance, check up)	38,552	38,552	41,926	41,926
TOTAL	936,552	816,552	683,926	939,926

(1) The variable amount due for 2019 of €498 thousand comprises €400 thousand, paid in cash during 2020 and 1,349 free shares awarded in 2020.

The variable amount due for 2020 of €242 thousand will be paid in cash during 2021, subject to approval by the General Meeting on 20 April 2021.

Table 1 * – Summary of remuneration and options and shares allocated to each executive corporate officer

	2019		2020	
	Amounts allocated in respect of 2019	Amounts paid in 2019	Amounts allocated in respect of 2020	Amounts paid in 2020
Dominique Ozanne: Deputy General Manager				
Remuneration (detailed in table 2)	814,220	811,220	643,326	875,326
Valuation of multiannual variable remuneration	0	0	0	0
Option values	0	0	0	0
Valuation of performance shares (see Table 6 for details) **	360,000	360,675	400,000	360,000
Valuation of other long-term remuneration plans	0	0	0	0
TOTAL	1,174,220	1,171,895	1,043,326	1,235,326

* Since the allocation of performance shares awarded in fiscal year N is delayed until N+1, for the purposes of the accuracy and completeness of the information provided, Table 1 distinguishes between amounts paid and those awarded for each fiscal year.

** The valuation of the shares does not include the portion of the bonus paid in free shares, already included, where applicable, in Table 2.

Note: The share valuations are calculated by an independent expert.

Table 2 – Summary of remuneration for each executive corporate officer

	2019		2020	
	Amounts allocated in respect of 2019	Amounts paid in 2019	Amounts allocated in respect of 2020	Amounts paid in 2020
Dominique Ozanne: Deputy General Manager				
Fixed remuneration	360,000	360,000	393,000	393,000
Annual variable remuneration ⁽¹⁾	438,000	435,000	206,000	438,000
Multiannual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Remuneration allocated in respect of Directorship	0	0	0	0
Benefits in kind (company car, GSC insurance)	16,220	16,220	44,326	44,326
TOTAL	814,220	811,220	643,326	875,326

(1) The variable amount due for 2019 of €438 thousand comprises €360 thousand, paid in cash during 2020 and 1,074 free shares awarded in 2020.

The variable amount due for 2020 of €206 thousand will be paid in cash during 2021, subject to approval by the General Meeting on 20 April 2021.

Table 4 – Subscription or stock options awarded during the fiscal year to each executive corporate officer by the issuer and by any company in the Group

Name of the executive corporate officer	No. and date of plan	Type of shares (purchase or subscription)	Valuation of the options based on the method used for the consolidated financial statements	Number of options awarded during the fiscal year	Exercise price	Exercise period
Christophe KULLMANN	None	None	None	None		
Olivier ESTEVE	None	None	None	None		
Dominique OZANNE	None	None	None	None		

Table 5 – Subscription or stock options exercised during the fiscal year by each executive corporate officer

Name of the executive corporate officer	No. and date of plan	Number of options exercised during the fiscal year	Exercise price
Christophe KULLMANN	None	None	None
Olivier ESTEVE	None	None	None
Dominique Ozanne	None	None	None

Table 6 – Performance shares awarded to each executive corporate officer by the issuer and by any company in the Group

Name of the executive corporate officer	Plan date	Number of shares awarded during the fiscal year*	Valuation of the shares based on the method used for the consolidated financial statements ⁽¹⁾	Vesting date	Date of availability	Performance conditions
Christophe KULLMANN	13/02/2020	16.370	56.81	13/02/2023	13/02/2023	● - 50% = relative stock market performance compared to EPRA ● - 30% = relative economic criteria (evolution of EPRA Earnings and NAV) vs EPRA ● - 20% = CSR criteria
Christophe KULLMANN	13/02/2020	2,340**	72.63	13/02/2023	13/02/2023	
Olivier ESTEVE	13/02/2020	7.041	56.81	13/02/2023	13/02/2023	
Olivier ESTEVE	13/02/2020	1,349**	72.63	13/02/2023	13/02/2023	
Dominique OZANNE	13/02/2020	6.337	56.81	13/02/2023	13/02/2023	
Dominique OZANNE	13/02/2020	1,074**	72.63	13/02/2023	13/02/2023	

* For the year N-1

** Upside portion of bonus, paid in shares without performance conditions

⁽¹⁾ Value of the share calculated by an independent expert

Table 7 – Free performance shares awarded becoming available during the fiscal year for each executive corporate officer

Name of the executive corporate officer	Plan date	Number of shares available during the fiscal year	Vesting conditions	Vesting date
Christophe KULLMANN	15/02/2017	18.859	Presence condition +relative stock market performance (1/2) and achievement of objectives (1/2)	15/02/2020
Olivier ESTEVE	15/02/2017	10.814		15/02/2020
Dominique OZANNE	22/11/2017	40	Presence conditions	22/11/2020

Table 9 – Record of performance share allocations
Information about performance shares

	Plan 3 of 27 April 2016	Plans 1 & 2 of 27 April 2016	Plan 3 of 27 April 2016	Plan 3 of 27 April 2016	Plan of 23 November 2016	Plan of 15 February 2017	Plan of 22 November 2017	Plan of 22 November 2017
General Meeting date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016
Board of Directors date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	23/11/2016	15/02/2017	22/11/2017	22/11/2017
Total number of free shares awarded, the number of which awarded to:								
	31,491	59,410	47,500	15,000	58,145	37,923	65,130	27,900
Mr Jean Laurent	0	0	0	0	0	0	0	0
Christophe KULLMANN	17,184	0	0	0	0	18,859	0	0
Olivier Estève	9,307	0	0	0	0	10,814	0	0
Dominique Ozanne								
Vesting date of France shares	27/02/2019	27/11/2018	27/04/2020	27/04/2019	23/11/2019	15/02/2020	22/11/2020	22/11/2019
End of retention period for France shares	27/02/2019	27/11/2018	27/04/2020	/				
Vesting date of Germany, Italy and Spain shares	27/02/2019	27/11/2018	27/04/2020	27/04/2019	23/11/2019	15/02/2020	22/11/2020	/
End of holding period for Germany, Italy and Spain shares	/							
Performance conditions	For executive corporate officers, presence +50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates		Retention plan, presence +50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates	3 performance criteria		For executive corporate officers, presence +50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates		
Number of shares vested at 31/12/2020	31,491	50,416	45,000	15,000	50,345	37,923	56,180	27,900
Number of cancelled or lapsed shares	0	8,994	2,500	0	7,800	0	8,950	0
Free shares still being vested at the end of the year	0	0	0	0	0	0	0	0

Agenda and text of draft Resolutions for the Combined General Meeting of 20 April 2021
Report by the Board of Directors on corporate governance

Plan of 14 February 2018	Plan of 14 February 2018	Plan of 21 November 2018	Plan of 20 February 2019	Plan of 21 November 2019	Plan of 13 February 2020	Plan of 13 February 2020	Plan of 13 February 2020	Plan of 16 December 2020	Plan of 16 December 2020	Plan of 16 December 2020
27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	17/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019
14/02/2018	14/02/2018	21/11/2018	20/02/2019	21/11/2019	13/02/2020	13/02/2020	13/02/2020	16/12/2020	16/12/2020	16/12/2020
40,523	104,000	79,680	42,208	70,930	41,511	43,500	4,340	19,500	6,020	71,805
0	0	0	0	0	0	0	0	0	0	0
15,877	0	0	15,985	0	18,710	0	0	0	0	0
8,896	0	0	7,785	0	8,390	0	0	0	0	0
7,000	0	0	8,688	0	7,411	0	0	0	0	0
14/02/2021	14/02/2022	21/11/2021	20/02/2022	21/11/2022	13/02/2023	13/02/2024	N/A	16/12/2024	16/12/2023	16/12/2023
/										
14/02/2021	14/02/2022	21/11/2021	20/02/2022	21/11/2022	13/02/2023	13/02/2024	13/02/2023	16/12/2024	N/A	16/12/2023
/										
For executive corporate officers, presence +50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates	Retention plan, presence +50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates		For executive corporate officers, presence +50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates		For executive corporate officers, +50% linked to the relative stock market performance compared to the EPRA, 30% linked to the relative performance compared to the NAV and EPRA Earnings vs EPRA and 20% linked to CSR criteria	Retention plan, presence +50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates		Retention plan Presence		
0	0	0	0	0	0	0	0	0	0	0
0	22,000	6,430	0	2,250	0					
40,523	82,000	73,250	42,208	68,680	41,511	43,500	4,340	19,500	6,020	71,805

Table 11

	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due by reason of termination of or change of role		Compensation for non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive corporate officers								
Christophe KULLMANN Chief Executive Officer Start of term of office: 1/1/2019 - End of term of office: 31/12/2022		X		X	X			X
Olivier ESTEVE Deputy General Manager Start of term of office: 1/1/2019 - End of term of office: 31/12/2022		X		X	X			X
Dominique OZANNE Deputy General Manager Start of term of office: 14/02/2018 End of term of office: 31/12/2021		X		X	X			X

4.3.4.2.1.3 Equity ratio

The data relating to sub-paragraphs 6 and 7 of paragraph I. of article L. 22-10-9 of the French Commercial Code presented below were calculated in accordance with the updated AFEP guidelines in February 2021.

The remuneration retained for executives is calculated based on **elements paid or awarded** during the year N, on a gross basis. It corresponds to the remuneration displayed each year in the remuneration summary tables presented in the Universal Registration Document and submitted to the vote of the shareholders: fixed, annual bonus, LTI, benefits in kind.

In order to present the largest possible panel, the workforce taken into account for calculating the ratio is, on the one hand, 100% of the company's workforce (Covivio lines), and, on the other hand, 100% of the French workforce in the Group (on the UES Covivio line). All employees present during the full year, with the exception of work-study students and interns, were used for the calculation of a year. Part-time employees were considered on a full-time basis. The remuneration components used are: fixed, bonus, free shares or performance shares (valued according to the same method as for executive corporate officers), benefits in kind, profit-sharing and profit-sharing.

Table of ratios under I.6 ° and 7 ° of Article L. 22-10-9 of the French Commercial Code

Information on the remuneration of corporate officers	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY
Remuneration of the Chairman of the Board of Directors: Jean Laurent	448,000	446,000	440,592	400,000	400,000
Change (in%) of the remuneration of the Chairman of the Board of Directors	-0.4%	-0.4%	-1.2%	-9.2%	0.0%
Remuneration of the Chief Executive Officer: Christophe Kullmann	2,059,636	2,085,213	2,049,611	2,158,594	2,540,376
Change (in%) of the remuneration of the Chief Executive Officer	0.5%	1.2%	-1.7%	5.3%	17.7%
Remuneration of the Deputy General Manager: Olivier Estève	1,161,788	1,211,026	1,181,118	1,177,627	1,339,926
Change (in%) in the remuneration of the Deputy General Manager	8.5%	4.2%	-2.5%	-0.3%	13.8%
Remuneration of the Deputy General Manager: Dominique Ozanne	N/A	N/A	1,095,510	1,171,895	1,235,326
Change (in%) of the remuneration of the Chief Executive Officer	N/A	N/A	N/A	7.0%	5.4%
Information on the scope of the listed company: Covivio					
Average employee remuneration	100,070	111,938	107,783	97,882	107,832
Change (in%) of the average employee remuneration	0.7%	11.9%	-3.7%	-9.2%	10.2%
Ratio of Jean Laurent to average employee remuneration	4.5	4.0	4.1	4.1	3.7
Change of the ratio (in%) compared with the prior fiscal year	-1.2%	-11.0%	2.6%	0.0%	-9.2%
Ratio of Jean Laurent to median employee remuneration	6.0	5.8	5.7	5.5	5.0
Change of the ratio (in%) compared with the prior fiscal year	-1.3%	-3.2%	-2.0%	-3.9%	-9.2%
Ratio of Christophe Kullmann to average employee remuneration	20.6	18.6	19.0	22.1	23.6
Change of the ratio (in%) compared with the prior fiscal year	-0.3%	-9.5%	2.1%	16.0%	6.8%
Ratio of Christophe Kullmann to median employee remuneration	27.8	27.3	26.6	29.7	31.7
Change of the ratio (in%) compared with the prior fiscal year	-0.4%	-1.5%	-2.5%	11.5%	6.8%

Information on the remuneration of corporate officers	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY
Ratio of Olivier Estève to average employee remuneration	11.6	10.8	11.0	12.0	12.4
Change of the ratio (in%) compared with the prior fiscal year	7.7%	-6.8%	1.3%	9.8%	3.3%
Ratio of Olivier Estève to median employee remuneration	15.7	15.9	15.4	16.2	16.7
Change of the ratio (in%) compared with the prior fiscal year	7.5%	1.4%	-3.3%	5.5%	3.3%
Ratio of Dominique Ozanne compared with average employee remuneration	N/A	N/A	10.2	12.0	11.5
Change of the ratio (in%) compared with the prior fiscal year	N/A	N/A	N/A	17.8%	-4.3%
Ratio of Dominique Ozanne compared with median employee remuneration	N/A	N/A	14.2	16.1	15.4
Change of the ratio (in%) compared with the prior fiscal year	N/A	N/A	N/A	13.2%	-4.3%
Additional information on the extended scope: UES Covivio					
Average employee remuneration	97,309	103,650	106,533	96,202	106,310
Change (in%) of the average employee remuneration	4.6%	6.5%	2.8%	-9.7%	10.5%
Ratio of Jean Laurent to average employee remuneration	4.6	4.3	4.1	4.2	3.8
Change of the ratio (in%) compared with the prior fiscal year	-4.8%	-6.5%	-3.9%	0.5%	-9.5%
Ratio of Jean Laurent to median employee remuneration	6.3	5.8	5.7	5.4	5.0
Change of the ratio (in%) compared with the prior fiscal year	-6.1%	-6.5%	-2.0%	-6.4%	-6.9%
Ratio of Christophe Kullmann to average employee remuneration	21.2	20.1	19.2	22.4	23.9
Change of the ratio (in%) compared with the prior fiscal year	-3.9%	-5.0%	-4.4%	16.6%	6.5%
Ratio of Christophe Kullmann to median employee remuneration	28.7	27.3	26.6	28.9	31.7
Change of the ratio (in%) compared with the prior fiscal year	-5.2%	-4.9%	-2.5%	8.5%	9.5%
Ratio of Olivier Estève to average employee remuneration	11.9	11.7	11.1	12.2	12.6
Change of the ratio (in%) compared with the prior fiscal year	3.7%	-2.1%	-5.1%	10.4%	3.0%
Ratio of Olivier Estève to median employee remuneration	16.2	15.9	15.4	15.8	16.7
Change of the ratio (in%) compared with the prior fiscal year	2.3%	-2.1%	-3.3%	2.8%	5.9%
Ratio of Dominique Ozanne to average employee remuneration	N/A	N/A	10.3	12.2	11.6
Change of the ratio (in%) compared with the prior fiscal year	N/A	N/A	N/A	18.5%	-4.6%
Ratio of Dominique Ozanne to median employee remuneration	N/A	N/A	14.2	15.7	15.4
Change of the ratio (in%) compared with the prior fiscal year	N/A	N/A	N/A	10.2%	-1.9%
Company performance					
EPRA NAV (€ per share)	86.8	94.5	99.7	105.8	101.4
Change (in%) compared with the prior fiscal year	9.3%	8.9%	5.5%	6.1%	-4.2%
EPRA Earnings (€ per share)	4.86	4.86	5.08	5.31	4.21
Change (in%) compared with the prior fiscal year	5.9%	0.0%	4.5%	4.5%	-20.7%
Dividend (€ per share)	4.40	4.50	4.60	4.80	3.60
Change (in%) compared with the prior fiscal year	2.3%	2.3%	2.2%	4.3%	-25.0%
Portfolio (bn € 100%)	19.2	21.2	22.8	24.0	25.7
Change (in%) compared with the prior fiscal year	8.6%	9.9%	7.8%	5.3%	7.1%
Net revenue (bn € 100%)	856.2	856.2	964.4	980.7	816.1
Change (in%) compared with the prior fiscal year	3.3%	0.0%	12.6%	1.7%	-16.8%

4.3.4.2.2 Remuneration paid and/or allocated to non-executive corporate officers within a consolidated scope in respect of the fiscal year ended 31 December 2020

4.3.4.2.2.1 Information mentioned in article L. 22-10-9 of the French Commercial Code.

4.3.4.2.2.1.1 Information on the Chairman of the Board of Directors

In accordance with the remuneration policy applicable to the Chairman of the Board of Directors, approved by 99.85% of shareholders at the Combined General Meeting held on 22 April 2020 under Resolution 6, the remuneration of Covivio's Chairman of the Board of Directors, whose role is presented under 4.3.2.2.1. above, was set on 17 April 2019 by the Board for the duration of his new four-year term, at a total fixed amount of €400K. There was no change in this remuneration from the previous term. It has therefore remained unchanged since 2011.

Alongside this fixed remuneration there is no variable portion, performance bonus or remuneration allocated in respect of his Directorship, or remuneration paid in treasury share.

In 2020, this remuneration of €400K was broken down as follows:

- €391 thousand fixed remuneration
- €9 thousand benefits in kind (company car).

In respect of the fiscal year ended 31 December 2020, the Chairman of the Board of Directors did not receive:

- any variable or exceptional remuneration, or any benefits in kind
- any remuneration, remuneration or benefit by reason of taking up an office, end-of service, or changes to duties, or subsequent to exercising these, particularly in the form of pension commitments or other life annuities
- any remuneration paid or allocated by a company within Covivio's scope of consolidation as defined in Article R. 233-16 of the French Commercial Code.

As such, the relative proportion of fixed remuneration represents 100% of total remuneration.

The data relating to sub-paragraphs 6 and 7 of paragraph I. of article L. 22-10-9 of the French Commercial Code are presented in paragraph 4.3.4.2.1.3. above.

4.3.4.2.2.1.2 Information on the Directors

In accordance with the remuneration policy applicable to Directors presented above, the company paid for the financial year ended on 31 December 2020 to the members of the Board of Directors (including the Non-voting Directors) for their participation in the meetings of the Board of Directors, the work of the latter and the specialist Committees set up within it, a total gross remuneration of €565,250, the breakdown of which is indicated in sections 4.3.4.2.2.2. and 4.3.4.4. below, it being specified that the remuneration attached to the participation of the Directors and non-voting members in the meetings of the Board of Directors on 4 April, 18 June and 25 November 2020, held as part of the management of the crisis, was the subject of a donation made by Covivio to its Foundation.

The gross mean remuneration allocated per Board member, calculated on the basis of all executive corporate officers (including Non-voting members) having received remuneration in respect of the 2020 fiscal year, was €40,375.

A single lump sum of 12.8% and employment deductions of 17.2%, i.e., a total of 30%, were deducted from remuneration paid to members of the Board of Directors, natural persons who are tax resident in France, representing a total sum of €64,275 in 2020.

A single lump sum of 12.8% was deducted from remuneration paid to members of the Board of Directors (including non-voting members), natural persons who are not tax resident in France, representing a total sum of €34,688 in 2020.

These deductions, totalling €98,963, were paid directly by the company to the French tax authorities.

It is specified that:

- Jean Laurent and Christophe Kullmann have received no remuneration in respect of their Directorship
- since 1 January 2019, Predica, represented by Jérôme Grivet, has waived all of its remuneration due in respect of its Directorship of Covivio and membership of Covivio Hotels' Supervisory Board as well as their Committees
- ACM Vie, a Covivio Director, is also a member of the Supervisory Board of Covivio Hotels, and received a gross sum of €3,500 from Covivio Hotels in respect of this position.

In respect of the fiscal year ended 31 December 2020, Directors did not receive:

- any exceptional remuneration or benefits in kind
- any remuneration, remuneration or benefit by reason of taking up an office, end-of service, or changes to duties, or subsequent to exercising these, particularly in the form of pension commitments or other life annuities.

As such, the relative proportion of fixed remuneration represents 28% of total remuneration.

With 40% women, the company's Board of Directors is compliant with the provisions of articles L. 225-69-1 and L. 22-10-21 of the French Commercial Code.

4.3.4.2.2.2 Summary tables on the remuneration of non-executive corporate officers prepared in accordance with Appendix 4 of the Afep-Medef Code

The information and tables below:

- present a summary of the total remuneration and benefits in kind paid or allocated during the fiscal year ended 31 December 2020 to Jean Laurent (Chairman of the Board of Directors) as well as to Director in their capacity of non-executive corporate officers
- were prepared in accordance with the revised version of the Afep-Medef Code published in January 2020 and the AMF Recommendations.

Table 3 – Table 3 on the remuneration of non-executive corporate officers paid and/or allocated by the company and companies within its scope of consolidation under the definition of Article L. 233-16 of the French Commercial Code – AfeP-Medef Code standards

Non-executive officers	Financial year ended 31 December 2019		Fiscal year ending 31 December 2020	
	Amounts allocated	Amount paid	Amounts allocated	Amount paid
Jean Laurent				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€0	€0	€0	€0
Other remuneration	€400,000	€400,000	€400,000	€400,000
Total	€400,000	€400,000	€400,000	€400,000
Leonardo Del Vecchio				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€34,000	€34,000	€30,000	€30,000
Other remuneration	€0	€0	€0	€0
Total	€34,000	€34,000	€30,000	€30,000
ACM Vie represented by Catherine Allonas Barthe until 30 November 2020 then by Stéphanie de Kerdrel⁽ⁿ⁾				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€37,000	€37,000	€43,000	€43,000
## Other remuneration in respect of her position on the Supervisory Board of Covivio Hotels	€3,100	€3,100	€3,500	€3,500
Total	€40,100	€40,100	€46,500	€46,500
Mr Romolo Bardin				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€48,000	€48,000	€52,000	€52,000
Other remuneration	€0	€0	€0	€0
Total	€48,000	€48,000	€52,000	€52,000
Jean-Luc Biamonti				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€58,666	€58,666	€66,000	€66,000
Other remuneration	€0	€0	€0	€0
Total	€58,666	€58,666	€66,000	€66,000
Covéa Coopérations represented by Laurent Tollié until 30 November 2020 then by Olivier Le Borgne⁽ⁿ⁾				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€27,000	€27,000	€37,000	€37,000
Other remuneration	€0	€0	€0	€0
Total	€27,000	€27,000	€37,000	€37,000
Christian Delaire				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€28,000	€28,000	€42,000	€42,000
Other remuneration	€0	€0	€0	€0
Total	€28,000	€28,000	€42,000	€42,000
Sigrid Duhamel				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€34,000	€34,000	€28,000	€28,000
Other remuneration	€0	€0	€0	€0
Total	€34,000	€34,000	€28,000	€28,000
Alix d'Ocagne				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€0	€0	€21,250	€21,250
Other remuneration	€0	€0	€0	€0
Total	€0	€0	€21,250	€21,250
Sylvie Ouziel				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€35,000	€35,000	€38,000	€38,000
Other remuneration	€0	€0	€0	€0
Total	€35,000	€35,000	€38,000	€38,000

Non-executive officers	Financial year ended 31 December 2019		Fiscal year ending 31 December 2020	
	Amounts allocated	Amount paid	Amounts allocated	Amount paid
Olivier Piani				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€24,000	€24,000	€37,000	€37,000
Other remuneration	€0	€0	€0	€0
Total	€24,000	€24,000	€37,000	€37,000
Predica represented by Jérôme Grivet				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€0	€0	€0	€0
## Other remuneration in respect of her position on the Supervisory Board of Covivio Hotels	€0	€0	€0	€0
Total	€0	€0	€0	€0
Patricia Savin				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€38,000	€38,000	€42,000	€42,000
Other remuneration	€0	€0	€0	€0
Total	€38,000	€38,000	€42,000	€42,000
Catherine Soubie				
Remuneration (fixed, variable) in respect of his Covivio Directorship	€37,667	€37,667	€44,000	€44,000
Other remuneration	€0	€0	€0	€0
Total	€37,667	€37,667	€44,000	€44,000
TOTAL	€851,100	€851,100	€883,750	€883,750

(1) Remuneration was paid to the company and not its permanent representative.

4.3.4.3 Remuneration paid and/or allocated to the Chairman of the Board of Directors and members of the General Management in respect of the fiscal year ended 31 December 2020 ("individual" ex-post Say on Pay)

In an "individual" ex-post Say on Pay vote pursuant to article L. 22-10-34 II. of the French Commercial Code, the fixed, variable and exceptional remuneration that make up total remuneration and benefits in kinds paid in respect of the fiscal year ended 31 December 2020 or allocated in respect of the same year, to the Chairman of the Board of Directors and Deputy General Managers of the company, are the subject of separate draft resolutions (Resolutions 10, 11, 12 and 13) submitted for the approval of the Combined General Meeting on 20 April 2021.

4.3.4.3.1 Remuneration paid and/or allocated by the company to Jean Laurent in his capacity as Chairman of the Board of Directors in respect of the fiscal year ended 31 December 2020 (Resolution 10)

Elements of remuneration due for the fiscal year ended	Amounts, or valuation for accounting purposes, subject to vote	Presentation
Fixed remuneration	€391K paid in 2020	This fixed remuneration was approved upon his reappointment for a four-year term from 17 April 2019. It will remain unchanged in 2021.
Annual variable remuneration	€0	Not applicable
Deferred variable remuneration	€0	Not applicable
Multiannual variable remuneration	€0	Not applicable
Extraordinary remuneration	€0	Not applicable
Share options	N/A	Not applicable
Performance shares	€0	Not applicable
Remuneration allocated in respect of Directorship	€0 thousand	Not applicable
Valuation of benefits of any kind	€9 thousand	This amount includes a company car.

Elements of remuneration due or granted for the fiscal year ended which are subject, or have been subject, to a vote by the General Meeting under the related-party agreements procedure

	Amount subject to a vote	Presentation
Severance pay	€0	Not applicable
Remuneration for non-compete clause	Not applicable	There is no non-compete clause.
Supplementary pension scheme	€0	There is no supplementary pension scheme in place.
Employment contract	€0	There is no employment contract.

4.3.4.3.2 Remuneration paid and/or allocated by the company to Christophe Kullmann in his capacity as Chief Executive Officer in respect of the fiscal year ended 31 December 2020 (Resolution 11)

Elements of remuneration due for the fiscal year ended	Amounts, or valuation for accounting purposes, subject to vote	Presentation
Fixed remuneration	€700K paid in 2020	This fixed remuneration was approved upon his reappointment for a four-year term, from 1 January 2019. It will remain unchanged in 2021.
Annual variable remuneration	€498K	The target variable remuneration equals 100% of the fixed annual salary. An upside of as much as 50% of the target is provided for in the event of objectives being exceeded. It is, as the case may be, paid in free shares, themselves subject to a condition of remaining in the company for three years after the allocation. After examining performance in 2020, described in section 4.3.4.2.1.1.2. of the 2020 Universal Registration Document, the Board approved a bonus that represents 71% of the target. The payment of this annual variable remuneration is subject to approval by the Combined General Meeting of 20 April 2021 of the remuneration components for Christophe Kullmann.
Deferred variable remuneration	€0	Not applicable
Multiannual variable remuneration	€0	Not applicable
Extraordinary remuneration	€0	Not applicable
Share options	N/A	Not applicable
Performance shares	€930K	The principles for the allocation of performance shares as well as the performance conditions are described in section 4.3.4.2.1.1.3. of the 2020 Universal Registration Document.
Remuneration allocated in respect of Directorship	€0 thousand	Not applicable
Valuation of benefits of any kind	€40K	This amount comprises a company car and GSC unemployment insurance against loss of office and the arranging of a medical check-up.

Elements of remuneration due or granted for the fiscal year ended which are subject, or have been subject, to a vote by the General Meeting under the related-party agreements procedure

	Amount subject to a vote	Presentation
Severance pay	€0	The theoretical remuneration amount is equal to 12 months of total remuneration (fixed salary and the variable portion), plus one month of additional remuneration per year of employment with the company. Receiving this remuneration is subject to achieving strict internal and external performance criteria: • 50% of the theoretical remuneration amount is linked to changes in the NAV during the three fiscal years prior to the termination of office; • 50% of the theoretical amount of the remuneration would be conditioned by achievement of the targeted levels of performance for the three financial years preceding the cessation of functions. The potential remuneration such as described above (and detailed in sections 4.3.4.1.2.1.6. and 4.3.4.2.1.1.4. of the 2020 Universal Registration Document) would be paid only in the event of forced departure due to a change of control or strategy. This would exclude cases in which the Chief Executive Officer leaves the company at his own initiative, changes roles within the Group or exercises rights to retirement benefits on short notice. It was approved by the Board of Directors on 21 November 2018 and by the General Meeting of 17 April 2019, through a vote on Resolution 6.
Remuneration for non-compete clause	Not applicable	There is no non-compete clause.
Supplementary pension scheme	€0	There is no supplementary pension scheme in place.
Employment contract	€0	There is no employment contract.

4.3.4.3.3 Remuneration paid and/or allocated by the company to Olivier Estève in his capacity as Deputy General Manager in respect of the fiscal year ended 31 December 2020 (Resolution 12)

Elements of remuneration due for the fiscal year ended	Amounts, or valuation for accounting purposes, subject to vote	Presentation
Fixed remuneration	€400K paid in 2020	This fixed remuneration was approved upon his reappointment for a four-year term, from 1 January 2019. It will remain unchanged in 2021.
Annual variable remuneration	€242K	The target variable remuneration equals 100% of the fixed annual salary. An upside of as much as 50% of the target is provided for in the event of objectives being exceeded. With a view to aligning with the interests of shareholders, where applicable, it is paid in free shares, which themselves are conditional on the recipient remaining in the company's employ for three years after the allocation. After examining performance in 2020 described in section 4.3.4.2.1.1.2 of the 2020 Universal Registration Document, the Board approved a 2020 bonus that represents 60% of the target. The payment of this annual variable remuneration is subject to approval by the Combined General Meeting of 20 April 2021 of the remuneration components for Olivier Estève.
Deferred variable remuneration	€0	Not applicable
Multiannual variable remuneration	€0	Not applicable
Extraordinary remuneration	€0	Not applicable
Share options	N/A	Not applicable
Performance shares	€400K	The principles for the allocation of performance shares as well as the performance conditions are described in section 4.3.4.2.1.1.3. of the 2020 Universal Registration Document.
Remuneration allocated in respect of Directorship	€0	Not applicable
Valuation of benefits of any kind	€42K	This amount comprises a company car and GSC unemployment insurance against loss of office and the arranging of a medical check-up.

Elements of remuneration due or granted for the fiscal year ended which are subject, or have been subject, to a vote by the General Meeting under the related-party agreements and commitments procedure

Amount subject to a vote	Presentation
Severance pay	€0
Remuneration for non-compete clause	Not applicable
Supplementary pension scheme	€0
Employment contract	€0

4.3.4.3.4 Remuneration paid and/or allocated by the company to Dominique Ozanne in his capacity as Deputy General Manager in respect of the fiscal year ended 31 December 2020 (Resolution 13)

Elements of remuneration due for the fiscal year ended	Amounts, or valuation for accounting purposes, subject to vote	Presentation
Fixed remuneration	€393K paid in 2020	The Board meeting of 13 February 2020 decided to revalue the fixed remuneration of Dominique Ozanne to €400K (annual basis, applied from March 2020) (see 2019 Universal Registration Document (in section 4.3.2.2.1.1.1)). It will remain unchanged in 2021.
Annual variable remuneration	€206K	The target variable remuneration equals 100% of the fixed annual salary. An upside of as much as 50% of the target is provided for in the event of objectives being exceeded. With a view to aligning with the interests of shareholders, where applicable, it is paid in free shares, which themselves are conditional on the recipient remaining in the company's employ for three years after the allocation. After examining performance in 2020 described in section 4.3.4.2.1.1.2. of the 2020 Universal Registration Document, the Board approved a 2020 bonus that represents 51% of the target. The payment of this annual variable remuneration is subject to approval by the Combined General Meeting of 20 April 2021 of the remuneration components for Dominique Ozanne.
Deferred variable remuneration	€0	Not applicable
Multiannual variable remuneration	€0	Not applicable
Extraordinary remuneration	€0	Not applicable
Share options	N/A	Not applicable
Performance shares	€400K	The principles for the allocation of performance shares as well as the performance conditions are described in section 4.3.4.2.1.1.3. of the 2020 Universal Registration Document.
Remuneration allocated in respect of Directorship	€0	Not applicable
Valuation of benefits of any kind	€44K	This amount comprises a company car and GSC unemployment insurance.

Elements of remuneration due or granted for the fiscal year ended which are subject, or have been subject, to a vote by the General Meeting under the related-party agreements and commitments procedure

	Amount subject to a vote	Presentation
Severance pay	€0	This potential remuneration is granted under almost all the same conditions as those pertaining to the Chief Executive Officer, described above and in sections 4.3.4.1.2.1.6. and 4.3.4.2.1.1.4. of the 2020 Universal Registration Document. It was approved by the Board of Directors on 14 February 2018, and then by the shareholders during the Combined General Meeting of 19 April 2018 through a vote on Resolution 5.
Remuneration for non-compete clause	Not applicable	There is no non-compete clause.
Supplementary pension scheme	€0	There is no supplementary pension scheme in place.
Employment contract	€0	There is no employment contract.

4.3.4.4 Remuneration paid and/or allocated to Non-voting members in respect of the fiscal year ended 31 December 2020

Non-voting members	Financial year ended 31 December 2019		Fiscal year ending 31 December 2020	
	Amounts allocated	Amount paid	Amounts allocated	Amount paid
Sergio Erede				
Remuneration (fixed, variable) for his term of office as Covivio Non-voting member	€42,000	€42,000	€42,000	€42,000
Other remuneration	€0	€0	€0	€0
Total	€42,000	€42,000	€42,000	€42,000
Ariberto Frasati				
Remuneration (fixed, variable) for his term of office as Covivio Non-voting member	€22,000	€22,000	€43,000	€43,000
Other remuneration	€0	€0	€0	€0
Total	€22,000	€22,000	€43,000	€43,000
TOTAL	€64,000	€64,000	€85,000	€85,000

4.3.5 Specific procedures relating to shareholder participation in General Meetings and summary of current financial delegations in the area of capital increases

4.3.5.1 Special procedures for shareholder participation in General Meetings

Shareholder participation at General Meetings is governed by the legal and regulatory provisions in force and applicable to companies whose shares are listed for trading on a regulated market.

These procedures are described in article 22 of the company's Articles of Association, the content of which is presented in full in Section 5.2.1.16. of the Universal Registration Document. It should be noted that Covivio has maintained, at the end of its General Meeting of 17 April 2015, the "One share = one vote" principle, approved by the shareholders by waiving the automatic allocation of the double voting right provided by the Florange law of 29 March 2014.

Any shareholder, regardless of the number of shares held, may attend the General Meeting.

The voting right attached to a share belongs to the beneficial owner for Ordinary General Meetings and to the bare owner for Extraordinary General Meetings.

Pursuant to article R. 22-10-28 of the French Commercial Code, the right of any shareholder to attend the General Meeting or to be represented at the meeting is subject to book-entry of his shares either in his name or in the name of the intermediary registering the shares on his behalf, by no later than midnight on the second business day preceding the meeting, Paris time (record date), or in the registered share accounts kept for the company by its proxy holder, BNP Paribas Securities Services, or in the bearer share accounts held by the authorised intermediary.

The registration of securities in the bearer share accounts held by the authorised intermediary must be recorded by a participation certificate issued by the intermediary, if necessary by electronic means pursuant to the conditions set out in Article R. 225-61 of the French Commercial Code, as an appendix to the remote or proxy voting form or to the application for an admission card issued in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary.

A template for an attendance certificate, included as an appendix to the Methodological Guide on processing votes in General Meetings published on 30 January 2020 by the Association Française des Professionnels des Titres (AFTI), has been produced for the purposes of article R. 22-10-28 II (last sentence) of the French Commercial Code in the event that the shareholder does not receive their admission card.

The record date of the Combined General Meeting of 20 April 2021 is set for Friday, 16 April 2021.

Consequently, the date on which the share must be traded in order to entitle the holder to attend the General Meeting (*ex-date*) is 15 April 2021 (*i.e.*, in France D-5 before the General Meeting).

Shareholders may exercise their voting right in three ways:

- personally attend the General Meeting by requesting an admission card
- use a postal or proxy voting form, which gives the shareholder the option of choosing one of the following three options:
 - give proxy to the Chairman of the General Meeting: the latter will then vote in the shareholder's name in favour of the adoption of the draft resolutions presented or approved by the Board of Directors and vote against the adoption of all other projects
 - vote by post by following the voting instructions provided
 - give proxy to any other physical or legal person of his choice attending the General Meeting by registering the contact details of this person
- vote online before the General Meeting via a secure dedicated website called Voteaccess.

In accordance with new legal and regulatory provisions, abstentions are no longer recorded as votes against the resolutions put to the vote. Like blank and void votes, they are now excluded when counting the votes of shareholders present or represented.

The single postal or proxy ballot paper, updated to take into account these new legal and regulatory provisions, is also available on the company's website.

After each General Meeting, the company publishes a summary of the meeting, including the results of the vote for each of the resolutions presented to shareholders.

4.3.5.2 Summary of financial authorisations currently in force in the area of capital increases

The General Meeting regularly grants the Board of Directors financial authorisations to increase the company's share capital by issuing shares and/or securities convertible to equity.

In accordance with the provisions of article L. 225-37-4 3° of the French Commercial Code, we hereby present to you a summary of these delegations currently in force granted by General Meetings of the shareholders on 17 April 2019 and 22 April 2020 concerning capital increases and the use made of them in 2020 and after the year end.

General Meeting date	Description of the authorisation	Validity of the delegation	Use of the authorisation	
17 April 2019 Thirtieth resolution	Authorisation to be granted to the Board of Directors to allocation new or existing free shares to employees and/or corporate officers of the company and its affiliates, with waiver of the shareholders' preferential subscription right in respect of the shares to be issued. Cap set at 1% of the share capital on the day of the decision to allocate them by the Board of Directors	38 months Expiry on 17/06/2022	2020: Allocation of 186,676 free shares	2021: Free allocation of 61,675 shares
22 April 2020 Twenty-first resolution	Delegation of authority granted to the Board of Directors to increase the company's share capital through the capitalisation of reserves, profits or premiums. Nominal capital increase cap set at €26,000,000.	26 months Expiry on 22/06/2022		None
22 April 2020 Twenty-third resolution	Delegation of authority to the Board of Directors to issue shares and/or securities convertible to equity, maintaining the shareholders' preferential subscription right. Nominal capital increase cap set at €65,000,000. The nominal amount of the total debt instruments convertible to equity likely to be issued may not exceed €750,000,000 (the total cap for all debt securities that may be issued pursuant to said delegation and pursuant to delegations of authority granted under Resolutions 24, 25 and 26).	26 months Expiry on 22/06/2022		None
22 April 2020 Twenty-fourth resolution	Delegation of authority to the Board of Directors to issue, through public offering, company shares and/or securities convertible to equity, with waiver of shareholders' preferential subscription rights and a mandatory priority period for share issues. Nominal capital increase cap set at €26,000,000. The nominal cap on the issue of debt securities set at €750,000,000 (set against the overall cap for all debt securities set by Resolution 23).	26 months Expiry on 22/06/2022		None
22 April 2020 Twenty-fifth resolution	Delegation of authority granted to the Board of Directors to issue shares and/or securities giving access to the company's share capital, with waiver of shareholders' preferential subscription right, in the event of a public exchange offer initiated by the company, up to a maximum of 10% of the company's share capital (maximum nominal amount of capital increases that may be carried out pursuant to this delegation and the authority granted under Resolution 26). The nominal cap on the issue of debt securities set at €750,000,000 (set against the overall cap for all debt securities set by Resolution 23).	26 months Expiry on 22/06/2022		None
22 April 2020 Twenty-sixth resolution	Delegation of authority granted to the Board of Directors to issue shares and/or securities giving access to the company's capital to remunerate contributions in kind granted to the company and consisting of equity securities or securities giving access to the capital, with waiver of shareholders' preferential subscription right, up to a limit of 10% of the share capital (against the overall nominal capital increase set by Resolution 25). The nominal cap on the issue of debt securities set at €750,000,000 (set against the overall cap for all debt securities set by Resolution 23).	26 months Expiry on 22/06/2022		None
22 April 2020 Twenty-seventh resolution	Delegation of authority granted to the Board of Directors to capital increase reserved for employees of the company and the companies of the Covivio group covered by a company savings plan, with waiver of shareholders' preferential subscription right. Nominal capital increase cap set at €500,000.	26 months Expiry on 22 June 2022		None

4.3.6 Elements that could be relevant in the event of a public offer

In accordance with the provisions of article L. 22-10-11 of the French Commercial Code, the elements likely to have an impact in the event of a takeover bid or exchange offer are set out below.

4.3.6.1 Structure of the company's share capital

The structure of the share capital is presented in Sections 5.3.2. and 5.3.3. of the Universal Registration Document.

4.3.6.2 Statutory restrictions on the exercise of voting rights and share transfers or clauses of agreements brought to the attention of the company pursuant to article L. 233-11 of the French Commercial Code.

Article 8.1 of the Articles of Association establishes an obligation to declare to the company every instance in which a shareholder's stakehold exceeds the threshold of 1% (or any multiple of this percentage) of the capital or the voting rights relating thereto, including the legal and regulatory thresholds. Such notification must be made by registered letter with return receipt addressed to the registered office within the time limit stipulated in Article R. 233-1 of the French Commercial Code. Mutual fund management firms must carry out such reporting for the entirety of the shares of the company held by the funds that they manage.

Unless a declaration has been made under the conditions outlined above, shares above the fraction which should have been declared will have no voting rights attached for any General Meeting held within two (2) years after the date of regularisation of the declaration, at the request, recorded in the minutes of the General Meeting, of one or several shareholders together holding at least one per cent (1%) of the share capital.

Article 8.2 of the company's Articles of Association provides (i) for legal entities directly or indirectly holding more than 10% of the share capital and (ii) for shareholders indirectly holding, through the company, a percentage of the share capital or dividend rights of public limited companies listed on the Spanish real estate market ("SOCIMI") at least equal to that referred to in Article 9.3 of the law of the Kingdom of Spain 11/2009 of 26 October 2009, and whose shares are not recorded in registered form at the latest on the second business day preceding the date of any General Meeting of the company's shareholders, a cap on voting rights at one-tenth of the number of shares held. This situation may be resolved by ensuring that all the shares held directly or indirectly are registered no later than the second working day prior to the General Meeting in question.

At the date of the Universal Registration Document, the company is not aware of clauses of agreements providing for preferential disposal or acquisition terms for shares involving at least 0.5% of the capital or voting rights in the company.

4.3.6.3 Direct or indirect interests in the company's equity that are known to the company pursuant to articles L. 233-7 and L. 233-12 of the French Commercial Code

These elements are described in Section 5.3.4. of the Universal Registration Document.

4.3.6.4 Holders of securities providing special control rights and a description thereof

None.

4.3.6.5 Control mechanisms provided for in any employee shareholding scheme where rights of control are not exercised by the latter

None.

4.3.5.6 Agreements between shareholders that are known to the company and that could restrict the transfer of shares and the exercise of voting rights

There are no agreements between shareholders that are known to the company and that could restrict the transfer of shares and the exercise of company voting rights.

4.3.6.7 Rules applicable to the appointment and replacement of members of the Board of Directors and changes in the company's Articles of Association

The company's Articles of Association on these matters do not differ from the generally accepted guidelines for French public limited companies.

4.3.6.8 Powers of the Board of Directors, in particular as regards the issue or redemption of shares

This information is provided in section 4.3.2.2.2. above and in sections 5.3.8. and 5.5.1.4. of the Universal Registration Document. The delegations of authority granted by the General Meeting to the Board of Directors in the area of capital increases are mentioned in section 4.3.5.2 below. Unless authorised by the General Meeting of the shareholders, these are suspended from the date on which a third party submits a proposed public offer for the company's securities until the end of the offer period (with the exception of delegations of authority relating to employee shareholding).

4.3.6.9 Agreements entered into by the company that are amended or terminated in the event of a change of control of the company, unless such disclosure, except in the case of a legal obligation to disclose, would seriously affect its interests

The majority of Covivio's financing agreements contain clauses concerning a change of control, which, if triggered, could result in the cancellation or early repayment of the debts concerned, provided the lenders so require.

4.3.6.10 Agreements setting out any remuneration payable to members of the Board of Directors or employees in the event that they resign or are dismissed without cause or if their employment ceases due to a public offering.

Unlike the remuneration awarded under certain circumstances to the company's executive officers detailed in paragraphs 4.3.4.1.2.1.6 and 4.3.4.2.1.1.4 above, there are no specific agreements stipulating remuneration on termination of a Directorship or applicable to employees.

4.4 Statutory auditors' special report on related party agreements and regulated commitments

To the annual general meeting of Covivio,

In our capacity as statutory auditors of your Company, we hereby report on related party agreements and commitments.

We are required to inform you, based on the information we have been given, of the terms and conditions and interest for the Company of those agreements and commitments indicated to us, or that we may have discovered during our assignment. We are not required to comment on whether they are beneficial or appropriate or to ascertain if any other agreements and commitments exist. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition we are required, where applicable, to inform you, in accordance with Article R. 225-31 of the French Commercial Code, of any agreements and commitments previously approved by shareholders which were executed during the year.

We have performed the procedures that we deemed necessary to comply with the professional standards applicable in France to such engagements. Those procedures consisted in verifying that the information we were given was consistent with the underlying documentation.

Agreements and commitments submitted for approval by the General Meeting

Agreements authorised and signed during the year

In accordance with Article L. 225-40 of the French Commercial Code, we were advised of the following agreements signed during the year, which were previously approved by your Board of Directors.

With Covivio Alexanderplatz S.à.r.l., a subsidiary of your Company, and BRE/GH II Berlin II Investor GmbH, an indirect subsidiary of Covivio Hotels

Person concerned

Messrs Christophe Kullmann, CEO and a Board member of your Company and Chairman of the Supervisory Board of Covivio Hotels; Dominique Ozanne, Deputy CEO of your Company, legal representative of the general managing partner of Covivio Hotels and CEO of BRE/GH II Berlin II Investor GmbH; and Olivier Estève, Deputy CEO of your Company, a member of the Supervisory Board of Covivio Hotels and General Manager of Covivio Alexanderplatz S.à.r.l.; Predica, a Board member of your Company represented by Mr Jérôme Grivet and a member of the Supervisory Board of Covivio Hotels represented by Mr Emmanuel Chabas, and Assurances du Crédit Mutuel Vie S.A., a Board member of your Company represented by Mrs Catherine Allonas-Barthe until 30 November 2020 and by Mrs Stéphanie de Kerdrel since 1 December 2020 and a member of the Supervisory Board of Covivio Hotels represented by Mr François Morrisson.

Nature and purpose

Addendum 1 to the Neighbour Agreement of 26 April 2019, authorised by your Board of Directors on 13 February 2020 and signed on 8 and 9 April 2020 by the legal representatives of Covivio Alexanderplatz S.à.r.l. And on 21 April 2020 by the legal representative of BRE/GH II Berlin II Investor GmbH.

Terms and conditions

This addendum was signed as part of the mixed-use property development project located on Alexanderplatz in Berlin, spanning 60,000 sq. metres of office space, shops, housing and storage space (the "Project").

Addendum 1 confirms the effective application of the Neighbour Agreement signed on 26 April 2019 and sets out the agreements signed between the parties as part of the Project, mainly that:

- (i) Covivio Alexanderplatz S.à.r.l. agrees to cover part of the costs to build an extension to one of the restaurants at the Park Inn Hotel, in order to accommodate another hotel restaurant that will be demolished as part of the Project; and
- (ii) Covivio Alexanderplatz S.à.r.l. agrees to offset any operating losses incurred by the hotel operator due to the relocation of this restaurant.

Interest of the agreement for the company

Your Board of Directors justified the interest of this agreement as follows:

This addendum enables the Company to continue the Project, which is a strategic property investment in terms of its geographical positioning and potential for value creation.

With MMA IARD and Generali Vie, in the presence of Covivio Alexanderplatz S.à.r.l., subsidiary of your Company

Person concerned

Covéa Coopérations, a Board member of your Company represented by Laurent Tollié until 30 November 2020 and by Olivier Le Borgne since 1 December 2020, and a shareholder of MMA IARD.

Nature and purpose

Investment memorandum of understanding authorised by your Board of Directors on 25 November 2020 and signed on 23 December 2020.

Terms and conditions

The investment memorandum of understanding, which comes under the Project, aims to organise the terms and conditions for the implementation of the Project led by Covivio Alexanderplatz S.à.r.l., and more specifically to:

- (i) set the terms and purpose of the respective investments of shareholders of Covivio Alexanderplatz S.à.r.l.;
- (ii) determine the main agreements that Covivio Alexanderplatz S.à.r.l. And the parties must sign for the implementation of the Project; and
- (iii) set the timeline for the advancement of works on the Project.

Furthermore, it stipulates that a shareholders' agreement must be signed by these parties relating to Covivio Alexanderplatz S.à.r.l. by 30 April 2021, which was also authorised by your Board of Directors on 25 November 2020. In accordance with the recommendations of the AMF, a fairness opinion was issued by an independent expert, who confirmed that the Project's financial terms are equitable. This opinion has been provided for shareholders on the company's website for this General Meeting.

Interest of the agreement for the company

Your Board of Directors justified the interest of this agreement as follows: The investment memorandum of understanding and shareholders' agreement enable your Company to implement the Project, a strategic property investment in terms of its geographical positioning and potential for value creation.

Agreements and commitments previously approved by the General Meeting

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreements and commitments, previously approved by General Meetings of previous years, were executed during the year.

With Covivio Alexanderplatz S.à.r.l., a subsidiary of your Company, and BRE/GH II Berlin II Investor GmbH, an indirect subsidiary of Covivio Hotels

Person concerned

Messrs Christophe Kullmann, CEO and a Board member of your Company and Chairman of the Supervisory Board of Covivio Hotels; Dominique Ozanne, Deputy CEO of your Company, legal representative of the general managing partner and member of the Supervisory Board of Covivio Hotels and CEO of BRE/GH II Berlin II Investor GmbH; and Olivier Estève, Deputy CEO of your Company, a member of the Supervisory Board of Covivio Hotels and General Manager of Covivio Alexanderplatz S.à.r.l.; Predica, a Board member of your Company represented by Mr Jérôme Grivet and a member of the Supervisory Board of Covivio Hotels represented by Mr Emmanuel Chabas, and Assurances du Crédit Mutuel Vie S.A., a Board member of your Company represented by Mrs Catherine Allonas-Barthe until 30 November 2020 and by Mrs Stéphanie de Kerdrel since 1 December 2020 and a member of the Supervisory Board of Covivio Hotels represented by Mr François Morrisson.

Nature and purpose

Framework Deed and Neighbour Agreement signed in the framework of the Project.

Terms and conditions

Within the framework of the Project, the following agreements were signed on 26 April 2019:

- (i) A Framework Deed between BRE/GH II Berlin II Investor GmbH and Covivio Alexanderplatz S.à.r.l., defining terms and conditions for the sale of the land rights and existing shops;
- (ii) A Neighbour Agreement between BRE/GH II Berlin II Investor GmbH and Covivio Alexanderplatz S.à.r.l., governing the neighbourhood relationships in the framework of performance of the Project and equally providing for the payment by Covivio Alexanderplatz S.à.r.l. to BRE/GH II Berlin II Investor GmbH of €26.5 million in compensation for the total demolition of certain shops and the partial demolition of the Primark store in 2022 (said payment to be made within thirty days of commencement of the demolition planned for 2024);

With OPCI Predica Bureaux

Person concerned

Predica, a Board member of your Company represented by Jérôme Grivet, and a shareholder of OPCI Predica Bureaux.

Nature and purpose

Investment memorandum of understanding and shareholders' agreement for 6 rue Fructidor.

Terms and conditions

On 29 October 2019, your Company signed with OPCI Predica Bureaux, in the presence of 6 rue Fructidor:

- (i) An investment memorandum of understanding, in the presence of Predica; and
- (ii) A shareholders' agreement;

for the purpose of governing the relationships between the shareholders in 6 rue Fructidor in the framework of the redevelopment and apportionment of an office building (Seine-Saint-Denis, France).

With SCI DS Campus, in the presence of Predica and SCI Latécoère 2

Person concerned

Predica, a Board member of your Company represented by Jérôme Grivet and a shareholder of S.C.I. DS Campus.

Nature and purpose

Addendum 3 to the shareholders' agreement dated 18 June 2015 (modified on 24 July and 26 December 2017) in respect of S.C.I. Latécoère 2.

Terms and conditions

On 12 December 2019, your Company signed with S.C.I. DS Campus addendum 3 to the shareholders' agreement dated 18 June 2015, and modified on 24 July and 26 December 2017, designed to govern the relationships between the shareholders of S.C.I. Latécoère 2 in the framework of the DS Campus project for the extension of the Dassault Systèmes campus via the construction of new property assets and a ten year extension of the leases for the existing campus assets.

b- Nature and purpose

Addendum 1 to the shareholders' agreement dated 19 October 2012 (modified on 24 July 2017) in respect of S.C.I. Latécoère.

Terms and conditions

On 20 April 2015, your Company signed with S.C.I. DS Campus addendum 1 to the shareholders' agreement dated 19 October 2012, and modified on 24 July 2017, designed to govern the relationships between the shareholders of S.C.I. Latécoère in the framework of the DS Campus project involving apportionment of property assets located in Vélizy-Villacoublay (Yvelines, France).

With Assurances du Crédit Mutuel Vie S.A., in the presence of SCI N2 Batignolles

Person concerned

Assurances du Crédit Mutuel Vie S.A., a Board member of your Company represented by Catherine Allonas-Barthe until 30 November 2020 and by Stéphanie de Kerdrel since 1 December 2020, and a shareholder of S.C.I. N2 Batignolles.

Nature and purpose

Shareholders' agreement in respect of S.C.I. N2 Batignolles.

Terms and conditions

On 25 May 2018 your Company and Assurances du Crédit Mutuel Vie S.A. signed a shareholders' agreement designed to govern the relationships between the shareholders of S.C.I. N2 Batignolles in the framework of the N2 development consisting in the apportionment of a property asset under construction in the Clichy Batignolles urban development zone in Paris (17th arrondissement).



With Assurances du Crédit Mutuel Vie SA, in the presence of SCI du 15 rue des Cuirassiers and SCI du 9 rue des Cuirassiers

Person concerned

Assurances du Crédit Mutuel Vie S.A., a Board member of your Company represented by Catherine Allonas-Barthe until 30 November 2020 and by Stéphanie de Kerdrel since 1 December 2020, and a shareholder of S.C.I. du 15 rue des Cuirassiers and S.C.I. du 9 rue des Cuirassiers.

a- Nature and purpose

Shareholders' agreements relating to S.C.I. du 15 rue des Cuirassiers and S.C.I. du 9 rue des Cuirassiers.

Terms and conditions

The shareholders' agreements dated 7 December 2017 between your Company and Assurances du Crédit Mutuel Vie S.A. were intended to organise the shareholder relationships within S.C.I. du 9 rue des Cuirassiers and S.C.I. du 15 rue des Cuirassiers with regard to the Silex 1 and Silex 2 developments involving apportionment of property assets located in Lyon Part-Dieu.

b) Nature and purpose

The provision of a yield guarantee in the framework of the Silex development.

Terms and conditions

In the framework of the Silex project and of the determination of the financial terms and conditions of its investment in the companies, Assurances du Crédit Mutuel Vie S.A. required your Company to provide a yield guarantee in respect of the sums invested.

The yield guarantee provided by your Company to Assurances du Crédit Mutuel Vie S.A. on 7 December 2017 has the following characteristics:

- A guaranteed yield of 2.8% per year during the period from the signature of the yield guarantee up to the end of Silex 2's rent-free period, namely sixteen months after the delivery of the development, subject to a minimum period of fifty-four months from the date of signature of the yield guarantee;
- Including any sum paid by one or other of the S.C.I.s to Assurances du Crédit Mutuel Vie S.A. in the form of any interim or final dividend, reimbursement of share premium or payment of interest, during the period of the yield guarantee;
- In the event of any payment by one or other of the S.C.I.s to Assurances du Crédit Mutuel Vie S.A. subsequent to the period of the yield guarantee, the partner is required to repay the amount thereof to your Company within ten working days of receipt.

The cost borne by your Company in respect of this guarantee amounted to €0.8 million in 2020.

With Predica, in the presence of Predica and of S.C.I. 11 Place de l'Europe

Person concerned

Predica, a Board member of your Company represented by Jérôme Grivet.

Nature and purpose

Shareholders' agreement in respect of S.C.I. 11 Place de l'Europe.

Terms and conditions

The shareholders' agreement between your Company and Predica dated 19 December 2013 was intended to govern the relationships of the shareholders of S.C.I. 11 place de l'Europe in the framework of the Campus Eiffage development involving apportionment of property assets located in Vélizy-Villacoublay (Yvelines, France).

With the S.C.I. New Vélizy, in the presence of Predica

Person concerned

Predica, a Board member of your Company represented by Jérôme Grivet and a shareholder of S.C.I. New Vélizy.

Nature and purpose

The shareholders' agreement dated 1 February 2013 in respect of S.C.I. Lenovilla.

Terms and conditions

The shareholders' agreement dated 1 February 2013 between your Company and S.C.I. New Vélizy was intended to govern the relationships of the shareholders of S.C.I. Lenovilla in the framework of the New Vélizy project involving apportionment of property assets located in Vélizy-Villacoublay (Yvelines, France).

Courbevoie and Paris-La Défense, 12 March 2021

MAZARS

Claire Gueydan

The Statutory Auditors

ERNST & YOUNG et Autres

Anne Herbein

4.5 Report of the Statutory Auditors on the share capital reduction

To the general meeting of Covivio,

In our capacity as statutory auditors of your Company and in compliance with Article L. 22-10-62 of the French Commercial Code (Code de commerce) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Board of Directors requests that it be authorised, for a period of eighteen months starting on the date of this General Meeting, to cancel the shares purchased by the Company pursuant to the authorisation to purchase its own shares under the aforementioned article, representing a maximum amount of 10% of its total share capital per period of twenty-four months.

We have performed the procedures that we deemed necessary to comply with the professional standards applicable in France to such engagements. The procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report on the terms and conditions of the proposed reduction in capital.

Courbevoie and Paris-La Défense, 12 March 2021

MAZARS
Claire Gueydan

The Statutory Auditors

ERNST & YOUNG et Autres
Anne Herbein

4.6 Statutory auditors' report on the issue of shares and other securities with or without waiver of pre-emptive subscription rights

To the general meeting of Covivio,

In our capacity as your Company's statutory auditors and in accordance with Articles L. 228 92, L. 225 135 et seq. and L. 22 10 52 of the French Commercial Code (Code de commerce), we hereby report to you on the proposals, submitted for your authorisation, for delegation of authority to the Board of Directors to decide on various issues of shares and/or other securities.

On the basis of its report, the Board of Directors proposes:

- That you authorise it, with power to sub-delegate and for a period of twenty-six months, to decide on the following issues of securities, if necessary waiving your pre-emptive subscription rights, and to decide on the final terms and conditions applicable to any such issues of securities:
- The issue, for consideration or otherwise and subject to existing shareholders' pre-emptive subscription rights (twentieth resolution), of shares or other securities (including share subscription warrants for new or existing shares) conferring immediate or deferred access to the share capital of the Company:
- It being specified that as provided for by paragraph 1 of Article L. 228 93 of the French Commercial Code, the securities to be issued may equally confer access to the share capital of any company directly or indirectly exercising more than 50% control over the Company or of any subsidiary subject directly or indirectly to more than 50% control;
- It being specified that as provided for by paragraph 3 of Article L. 228 93 of the French Commercial Code, securities to be issued in the form of Company shares may equally confer access to other existing equity securities or to the allocation of debt securities of any company directly or indirectly exercising more than 50% control over the Company or of any subsidiary subject directly or indirectly to more than 50% control;
- The issue, waiving pre-emptive subscription rights for existing shareholders by means of a public offering, including offerings governed by Article L. 411-2 I of the French Monetary and Financial Code (Code monétaire et financier), (twenty-first resolution) of ordinary shares and/or other securities conferring immediate or deferred access to the Company's share capital;
- It being specified that as provided for by paragraph 1 of Article L. 228 93 of the French Commercial Code, the securities to be issued may equally confer access to the share capital of any company directly or indirectly exercising more than 50% control over the Company or of any subsidiary subject directly or indirectly to more than 50% control;
- It being specified that as provided for by paragraph 3 of Article L. 228 93 of the French Commercial Code, securities to be issued in the form of Company shares may equally confer access to other existing equity securities or to the allocation of debt securities of any company directly or indirectly exercising more than 50% control over the Company or of any subsidiary subject directly or indirectly to more than 50% control;
- The issue, in the event of any public exchange offer initiated by your Company (twenty-second resolution), of shares and/or other securities conferring immediate or deferred access to the Company's share capital;
- That you authorise it, with power to sub-delegate and for a period of twenty-six months, to issue shares and/or other securities conferring immediate or deferred access to the Company's share capital, or to other existing or future equity securities of the Company, in consideration for contributions in-kind to the Company in the form of shares or other securities conferring access to share capital (twenty-third resolution), within the limit of 10% of the Company's share capital.

The Board of Directors informs you that in the absence of prior authorisation for that purpose from a General Meeting, it will not be able to make use of the delegations of authority provided for by the twentieth, twenty-first, twenty-second and twenty-third resolutions between the issue of any public offer for the Company's shares or other securities and the end of the offer acceptance period.

The maximum nominal amount of the increases in capital that may be achieved immediately or in the future may not exceed €70,000,000 in respect of the twentieth and €28,000,000 in respect of the twenty-first resolution.

The maximum nominal amount of the increases in capital that may be achieved immediately or in the future may not exceed 10% of the Company's share capital (existing at the date of use by the Board of Directors of the present authorisation) in respect of the twenty-second and twenty-third resolutions.

The maximum nominal amount of the debt securities that may be issued may not exceed €750,000,000 in respect of the twentieth, twenty-first, twenty-second and twenty-third resolutions.

It is the Board of Directors' responsibility to prepare and submit a report in accordance with Articles R. 225 113 et seq. of the French Commercial Code. Our role is to report on the fairness of any financial data extracted from the Company's financial statements, on the proposal to waive pre-emptive subscription rights and on certain other information related to the issue of securities provided in this report.

We have performed the procedures that we deemed necessary to comply with the professional standards applicable in France to such engagements. Our procedures consisted in verifying the content of the report of the Board of Directors and the bases of determination of the issue prices.

Subject to ulterior examination of the terms and conditions applicable to any issue of securities actually decided on, we have no matters to report with regard to the bases of determination of the issue prices for the equity securities to be issued as described in the report of the Board of Directors with regard to the twenty-first resolution.

As the bases of determination of the issue prices for the equity securities to be issued in the framework of the twentieth, twenty-second and twenty-third resolutions have not been established in the report of the Board of Directors, we do not at present express any opinion in their respect.

As the final terms and conditions applicable to any actual issues of securities have not been established, we do not at present express any opinion in their respect nor, therefore, in respect of the proposal of the twenty-first resolution to waive shareholders' pre-emptive subscription rights.

In accordance with Article R. 225 116 of the French Commercial Code, we will prepare an additional report on those matters in the event of any actual use by the Board of Directors of the proposed delegations of authority to issue shares or other equity securities conferring access to the Company's share capital or providing rights of allocation of debt securities, to issue other securities providing access to equity securities to be issued subsequently, or to issue of shares without existing shareholders' pre-emptive subscription rights.

Courbevoie and Paris-La Défense, 12 March 2021

MAZARS

Claire Gueydan

The Statutory Auditors

ERNST & YOUNG et Autres

Anne Herbein

4.7 Statutory Auditors' report on the issue of shares or other securities reserved for the benefit of subscribers to a corporate savings plan

To the general meeting of Covivio,

In our capacity as your Company's statutory auditors and in accordance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report to you on the proposal, submitted for your authorisation, for delegation of authority to the Board of Directors to decide on the issue of shares or other securities providing access to the share capital, without pre-emptive subscription rights for existing shareholders, reserved for the benefit of employees subscribing to a corporate savings plan of your Company and other related companies and economic interest groupings, as provided for by Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code (Code du travail), for up to a total nominal amount of €500,000.

The aforementioned proposal is submitted for your authorisation in accordance with Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labour Code.

On the basis of its report, the Board of Directors proposes that you authorise it, with power to further delegate such authority and for a period of twenty-six months, to decide on any such issue of securities and waive your pre-emptive subscription rights to the shares to be issued. If necessary, the Board of Directors will determine the final conditions of this operation.

It is the Board of Directors' responsibility to prepare and submit a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to report on the fairness of any financial data extracted from the Company's financial statements, on the proposal to waive pre-emptive subscription rights and on certain other information related to the issue of securities provided in this report.

We have performed the procedures that we deemed necessary to comply with the professional standards applicable in France to such engagements. Our procedures consisted in verifying the content of the report of the Board of Directors and the bases of determination of the issue prices.

Subject to ulterior examination of the terms and conditions applicable to any issue of securities actually decided on, we have no matters to report with regard to the bases of determination of the issue prices for the equity securities to be issued as described in the report of the Board of Directors.

As the final terms and conditions applicable to any actual issue of securities have not been established, we do not at present express any opinion in their respect nor, therefore, in respect of the proposal to waive pre-emptive subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report on those matters in the event of any actual use by the Board of Directors of the proposed delegation of authority to issue shares or other equity securities providing access to the Company's share capital or to issue other securities providing access to equity securities to be issued subsequently.

Courbevoie and Paris-La Défense, 12 March 2021

MAZARS

Claire Gueydan

The Statutory Auditors

ERNST & YOUNG et Autres

Anne Herbein

4.8 Parties responsible for auditing the financial statements

	Statutory Auditors	Date of appointment	Date of renewal	Expiry of term of office
Titulaires	Cabinet Mazars Tour Exaltis 61, rue Henri-Regnault 92400 Courbevoie	22/05/2000	11/04/2006 25/04/2012 19/04/2018	OGM in 2024 approving the annual financial statements for the year ended 31/12/2023
	Ernst & Young et Autres 1-2, place des Saisons Paris-La Défense 1 92400 Courbevoie	24/04/2013	17/04/2019	OGM in 2025 approving the annual financial statements for the year ended 31/12/2024

The remuneration of the auditors is presented in paragraph 3.2.7.6. annex to the consolidated accounts.



Hôtel Barcello Torre de Madrid
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5.1 Company overview

5.1.1 History of the Company (Group Share data)

1963	The company is formed under the name "Société des Garages Souterrains et du centre commercial Esplanade – Belvédère". Its original purpose was to operate the first underground car park built in Metz.
1983	Listing on the secondary market at the Nancy stock exchange on 16 June.
1998	Acquisition of Immobilière Batibail and a set of mainly residential assets. Adoption of "Garages Souterrains et Foncière des Régions, GSFR" as the new corporate name.
1999	Merger between Immobilière Batibail and Gecina. GSFR is brought under the control of the Batipart family holding company chaired by Charles Ruggieri.
2002	Corporate name change: GSFR becomes "Foncière des Régions". Subsidiarisation of the Car Parks business: creation of the company Parcs GFR.
2003	Foncière des Régions opts for the tax status of a "Société Immobilière d'Investissement Cotée" (SIIC, a public real estate investment company). Acquisition of full ownership of the assets in partnership with Morgan Stanley and leased to EDF or France Télécom. These assets represent 1.15 million m ² valued at €850 million and acquisition of 133 buildings from the insurer Azur-GMF.
2004	Foncière des Régions launches a friendly takeover bid for Bail Investissement Foncière.
2005	Creation of Foncière Développement Logements and transfer of housing assets to this entity.
2006	Merger through absorption of Bail Investissement Foncière into Foncière des Régions.
2007	Acquisition of 68% of Beni Stabili, the second-largest public real estate company in Italy. Creation of Foncière Europe Logistique, a public entity (SIIC tax status) dedicated to the logistics business, and transfer of assets to this entity.
2008	Foncière des Régions becomes part of the SBF 120.
2009	Start of renovation work on the CB 21 Tower.
2010	Changes in shareholder structure and governance: Batipart sells a large proportion of its investment in Foncière des Régions to Delfin, Predica and Assurances du Crédit Mutuel Vie (ACM Vie). Charles Ruggieri, Chairman of Batipart, resigns as Chairman of the Supervisory Board of Foncière des Régions. Jean Laurent is appointed Director and named Chairman of the Supervisory Board.
2011	Adoption on 31 January 2011 by the General Meeting of Foncière des Régions and the subsequent Board of Directors of a new Governance: ● adoption of the legal form of a company with a Board of Directors ● segregation of the duties of Chairman of the Board of Directors and Chief Executive Officer, assigned respectively to Jean Laurent and Christophe Kullmann ● strengthening of the influence of independent Directors raised to 40% of the members.
2012	Squeeze-out followed by a mandatory delisting by Foncière des Régions of FEL. Award of a BBB- rating with a stable outlook by the Standard & Poor's rating agency.
2013	Separation of France and Germany portfolios in the residential business. Strengthening of Foncière des Régions in Germany: ● success of the public exchange offer on Foncière Développement Logements: Following the transaction, Foncière des Régions holds a 59.7% stake in Foncière Développement Logements ● €351 million acquisition of housing units in Germany, in Berlin and Dresden.
2014	Creation of FDM Management, a subsidiary and investment partnership specialising in the acquisition of hotel assets on behalf of leading operators.
2015	Successful capital increase of €255 million. S&P raises the Foncière des Régions rating to BBB with a stable outlook.
2016	Foncière des Régions increases its equity in its Foncière des Murs subsidiary and now holds 49.9% of the equity. Foncière des Régions increases its equity in Beni Stabili subsidiary and now holds 52.2% of the equity. First Green Bond in the amount of €500 million with a ten-year maturity and interest rate of 1.875%. Acquisition of 18 hotels properties and real estates in Germany, France and Belgium for €936 million, via FDM Management.
2017	Launch of Foncière des Régions' new flex-office and co-working offer in three buildings in Paris and Marseille. Pursuit of the strategy in Italy with the splitting of 40% of the Telecom Italia portfolio with Crédit Agricole Assurances and EDF Invest at the end of the first half of 2017. Launch of the German Residential development pipeline, representing €488 million in construction or extension projects, largely in Berlin. Foncière des Régions increases its investment in its subsidiary Foncière Développement Logements, wholly owned as of 31 December. The company was de-listed from the exchange.

2018	Foncière des Régions changes identity and becomes Covivio, thus combining all of its European teams under a common banner. Completion of the cross-border merger of Beni-Stabili by Covivio, a key step in simplifying the Group Appointment of Dominique Ozanne as Deputy Executive Officer of Covivio and Laurie Goudallier as Chief Digital Officer. Pursuit of the strategy in Italy with the sharing of 9% of the Telecom Italia portfolio with Crédit Agricole Assurances and EDF Invest, after sharing 40% of the Telecom Italia portfolio in 2017. Improved exposure to the hotel business with the merger-absorption of FDM Management by Covivio Hotels. Covivio obtained a BBB positive outlook rating from S&P.
2019	Covivio expresses its Purpose (Raison d'être): Build sustainable relationships and well-being. Appointment of Daniel Frey and Marcus Bartenstein in the management of Covivio in Germany. Delivery by Covivio of 45,700m² of Offices and 680 hotel rooms in France and Germany. Launch of around 170,000m² of new projects essentially in Paris, Milan and Berlin. Financial notation: obtention by Covivio of the BBB+ rating, stable perspective, before S&P, due to the improvement of the operational and financial profile. Non-financial rating: Covivio received the maximum score (A1+) for its Corporate Rating from Vigeo-Eiris and is ranked 1st in its sector Covivio successfully launches a Second Green Bond for €500 million with a twelve-year maturity and interest rate of 1.125%.
2020	Impact of the Coronavirus on the Group's activities: good performance in Offices and Residential, hotel activity affected by the crisis. Contribution to the national solidarity effort: mobilisation of Covivio to provide assistance to medical authorities, healthcare workers and small and medium-sized businesses weakened by the crisis. Acquisition of a portfolio of ten Offices in major German cities, through the acquisition of the company Godewind AG. Acquisition of 8 hotels leased to NH Hotels in the city centres of major European tourist destinations Success of the disposal plan with €0.9 billion of new agreements signed in 2020. Opening of the 1st Wellio flexible office site in Milan. Non-financial ratings: Covivio ranks among the world leaders with Vigeo Eiris, Sustainalytics, GRESB, MSCI, ISS-ESG. Covivio has successfully placed €500 million in ten-year bonds with a coupon of 1.625%.

5.1.2 Group organisation chart

5.1.2.1 Simplified legal organisation chart of the Group at 31 December 2020 (based on the scope of consolidation)



5.1.2.2 Simplified portfolio of the Group as at 31 December 2020



5.2 General information about the issuer and its share capital

5.2.1 General information concerning the issuer

5.2.1.1 Company name (Article 2 of the Articles of Association)

Covivio.

5.2.1.2 Legal form (Article 1 of the Articles of Association)

Covivio was transformed into a French *société anonyme* (public limited company) with Board of Directors on 31 January 2011.

5.2.1.3 Registered office (Article 4 of the Articles of Association) and the company's administrative Offices

The registered office of Covivio is located at 18, avenue François Mitterrand – 57000 Metz (Telephone: +33 (0)3 87 39 55 00).

Its administrative Offices are located at 30, avenue Kléber, 75116 Paris, France (Telephone: +33 (0)1 58 97 50 00).

5.2.1.4 Trade and Companies Register

Covivio is registered in the Trade and Companies Register of the Metz Judicial Court under number T1 364 800 060.

Its APE code is 6820 B.

The SIRET number of the company is 364 800 060 00287.

5.2.1.5 Branch

At the conclusion of the merger-absorption of its subsidiary Beni Stabili, Covivio created a branch in Italy and its registered office is located in Milan (20123), via Carlo Ottavio Cornaggia 10.

5.2.1.6 Market on which the shares and bonds are listed

Covivio shares are listed in compartment A of Euronext Paris (FR0000064578 – COV), and, since 2 January 2019 on the Mercato Telematico Azionario (MTA) market of the Milan stock exchange, organised and managed by Borsa Italiana S.p.A. Covivio shares are also admitted for trading on the SRD and is part of the composition of the indices MSCI, SBF120, Euronext IEIF “SIIC France”, CAC Mid100, in the benchmark indices of European real estate companies “EPRA” and “GPR 250”, EPRA BPRs Gold Awards (financial and Sustainable Development Report), CDP (A-), Green Star GRESB, as well as in the ethical indices ESG FTSE4 Good, DJSI World and Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, Oekom, Ethibel and Gaia.

The Covivio bonds issued on 20 May 2016 (Green Bond), for an amount of €500 million, maturing on 20 May 2026, carry a fixed coupon of 1.875% and are listed on the Euronext regulated market in Paris under ISIN code FR0013170834.

The Covivio bonds issued on 21 June 2017, for an amount of €500 million, maturing on 21 June 2027, carry a fixed coupon of 1.5% and are listed on the Euronext regulated market in Paris under ISIN code FR0013262698.

The Covivio bonds issued on 17 September 2019 (Green Bond), for an amount of €500 million, maturing on 17 September 2031, carry a fixed coupon of 1.125% and are listed on the Euronext regulated market in Paris under ISIN code FR0013447232.

The Covivio bonds issued on 23 June 2020, for an amount of €500 million, maturing on 23 June 2030, carry a fixed coupon of 1.625% and are listed on the Euronext regulated market in Paris under ISIN code FR0013519279.

In application of the law at the conclusion of the merger-absorption of Beni Stabili and in application of the provisions of Article L. 228-101 of the French Commercial Code, Covivio now assumes all obligations related to the following securities previously issued by Beni Stabili:

- the bonds issued on 30 March 2015 in the amount of €125 million, with maturity at 30 March 2022, carry a fixed coupon of 2.125% and are listed on the Luxembourg stock exchange under ISIN code XS1209112793
- the convertible bonds issued on 3 August 2015 for an amount of €200 million, maturing on 31 January 2021, listed on the ExtraMOT – Professional Market of the Italian Stock Exchange under ISIN code XS1268574891, were fully redeemed at maturity
- the bonds issued on 17 February 2017 in the amount of €300 million, maturing on 17 October 2024, carry a fixed coupon of 1.625% and are listed on the Luxembourg stock exchange under ISIN code XS1698714000
- the bonds issued on 20 February 2018 in the amount of €300 million, maturing on 20 February 2028, carry a fixed coupon of 2.375% and are listed on the Luxembourg stock exchange under ISIN code XS1772457633.

5.2.1.7 LEI (Legal Entity Identifier)

The LEI of Covivio is 969500P8M3W2XX376054.

5.2.1.8 Nationality

The company is governed by French law.

5.2.1.9 Term of the company (Article 5 of the Articles of Association)

The company was created on 2 December 1963 for a period of 99 years.

5.2.1.10 (Article 3 of the Articles of Association)

Covivio's object, both in France and abroad, for itself or in partnership with third parties, involves:

- primarily:
 - the acquisition of any land, real estate rights or assets, through purchase, exchange, contribution in kind or else including through construction leases, emphyteutic leases, authorisations for temporary occupancy of public property and finance leases, as well as all assets and rights that may be accessory or attached to the said real estate properties
 - the construction of assets, and any transactions directly or indirectly related to the construction of such assets
 - the operation and creation of value of such real estate assets through rental

- directly or indirectly, the holding of equity investments in entities stipulated in Article 8 and paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code and, in general, the acquisition of shareholdings through contribution, subscription, purchase or exchange of shares or voting rights or else in companies whose primary purpose is the operation of rental real estate portfolio, and the promotion, management and assistance of such entities and companies
- secondarily and directly or indirectly:
 - the leasing of all real estate properties
 - the acquisition, including through concession, of temporary authorisation to occupy public property and the operation of parking facilities
 - the management, administration, negotiation and sale of real estate rights and assets for the account of third parties and of direct and indirect subsidiaries, allocated to the exploitation of industrial and commercial companies in the rental subsector of the tertiary sector (Offices, businesses and et logistic) and secondarily in the housing sector
 - the provision and marketing of new collaborative and intelligent workspaces, or more generally workspaces, open and/or closed office spaces, lounges, meeting rooms or conference rooms, furnished or equipped business centres, archiving premises and car parks
 - the promotion, management and assistance of all direct and indirect subsidiaries
- in exceptional circumstances, the transfer, through sale, contribution, exchange or merger, of the assets of the company
- and more generally:
 - the participation as borrower and lender in any intra-group loan or cash transactions and the possibility of granting for this purpose any personal guarantees or security interests in real or personal property, whether mortgages or other borrowings
 - and all civil, financial, commercial, industrial, personal and real property transactions deemed useful for the development of any one of the aforementioned purposes of the company.

5.2.1.11 Tax regime

The company opted with effect from 1 January 2003 for the tax regime of listed real estate investment companies (SIIC) provided for in Article 208 C of the French General Tax Code. As such, it benefits from an exemption from rental income, real estate capital gains and dividends from SIIC subsidiaries, provided that it distributes to shareholders at least 95% of the rental income, 70% of the capital gains and 100% of dividends.

5.2.1.12 Website

Information about the company is available on its website: www.Covivio.eu. The information on the website is not part of the Universal Registration Document, unless some of the information is expressly incorporated by reference.

5.2.1.13 Documents accessible to the public

The shareholders have several media and tools to keep informed about the company and the shares: the website www.Covivio.eu, the financial news in the press, the letter to the shareholders, a special email address (actionnaires@Covivio.fr), a special toll-free line (+33 (0) 805 400 865) and the annual report.

This Universal Registration Document, published in French and English, is available free of charge and can be obtained upon request at the company's administrative Offices, through the Investor Relations Department. It can also be viewed on the company's website and on the website of the *Autorité des Marchés Financiers* (French Financial markets authority) (www.amf-france.org).

During the period of validity of this Universal Registration Document, the company's Articles of Association, corporate documents and all reports, evaluations or declarations drawn up by an expert at the request of the company, part of which is included or referred to in the Universal Registration Document are available if applicable on its website and at the company's registered office.

5.2.1.14 Fiscal year (Article 24 of the Articles of Association)

Each fiscal year lasts for 12 months, beginning on 1 January and ending on 31 December of each calendar year.

5.2.1.15 Statutory distribution of profits (Article 25 of the Articles of Association)

- At least five per cent (5%) of the profits for the year less any prior losses, must be withdrawn and allocated to the legal reserve fund. This deduction ceases to be required when the reserve amounts to one tenth (1/10) of the share capital.

Distributable earnings consist of the profit for the year, minus prior losses and sums to be allocated in the reserve as required by law and the Articles of Association, plus any retained earnings.

The General Meeting may take from this profit any sums it deems appropriate to be allocated to optional, ordinary or extraordinary reserves, or to be carried forward.

Any balance left over is distributed by the General Meeting among the shareholders in proportion with the number of shares they hold.

In addition, the General Meeting may decide to distribute sums taken from the reserves at its disposal, expressly indicating the reserve items from which the sums are to be withdrawn. However, dividends are taken primarily from the profit for the year.

Except in case of a reduction in capital, no distribution may be made to shareholders when the shareholders' equity is, or would become following such a distribution, less than the amount of the capital plus the reserves that may not be distributed by law or the Articles of Association. The revaluation reserve may not be distributed. It may be capitalised in whole or in part.

After approval of the financial statements by the Ordinary General Meeting, any losses are carried forward and are offset against earnings of subsequent years until extinction.

The Board of Directors may decide to distribute interim dividend payments prior to the approval of the financial statements for the fiscal year, under the conditions provided for by law.

- The terms for payment of dividends approved by the General Meeting are decided by the General Meeting or by the Board of Directors. However, the payment of dividends must take place within a maximum period of nine (9) months after the end of the fiscal year. An extension of this time period may be granted by court decision.

The General Meeting may offer shareholders an option between payment in cash or payment in new shares of company shares for all or a portion of the dividend or interim dividend distributed, under the conditions established by law.

The Ordinary General Meeting may approve the distribution of profits or reserves through the distribution of negotiable securities owned by the company; shareholders will be responsible for grouping themselves, if necessary, to obtain a whole number of securities thus distributed.

- Any Concerned Shareholder whose own situation or that of its partners renders:
 - (i) the company liable for the withholding (the **"Withholding Tax"**) mentioned in Article 208 C II ter of the French General Tax Code or
 - (ii) the SOCIMI companies, whose capital is directly or indirectly held by the company, liable for Spanish withholding (the **"Spanish Withholding Tax"**) mentioned in Article 9.3 of the law of November 2009

(a **"Shareholder subject to Withholding"**) will be required to compensate the company for the Withholding Tax or the Spanish Withholding Tax due following a distribution, by the company or the SOCIMIs, whose capital is directly or indirectly held by the company, of dividends, reserves, premiums or "income deemed distributed" pursuant to of the French General Tax Code or the Spanish law 27/2014 of 27 November 2014 on corporate taxation, respectively, under the conditions of Article 9.3 below.

Any Concerned Shareholder is assumed to be a Shareholder subject to Withholding. If they declare that they are not a Shareholder subject to Withholding, they must provide to the company at its request:

- (i) for the needs of the Withholding Tax, no later than five (5) business days prior to the payment of the distributions, a satisfactory legal opinion without reservations, issued by an international law firm with recognised expertise in French tax law or of the country of residence of the shareholder Concerned, certifying that they are not a Shareholder subject to Withholding, that they are the effective beneficiary of the dividends and that the distributions paid to them do not make the company liable for the Withholding Tax;
- (ii) for the needs of the Spanish Withholding Tax, no later than five (5) business days prior to the payment of the distributions by the SOCIMIs whose capital is held directly or indirectly by the company, a certificate of tax residency delivered by the competent authority of the country of residence of the shareholder Concerned, certifying that they are a tax resident and, no later than five (5) business days prior to the payment of the distributions, a satisfactory legal opinion without reservations certifying that they are not a shareholder Subject to Spanish Withholding and that the distributions paid to them by the SOCIMIs, whose capital is directly or indirectly held by the company, are not subject to the Spanish Withholding, due to their investment in the company.

In the event in which (a) the company holds, directly or indirectly, a percentage of the rights to dividends at least equal to that mentioned in Article 208 C II ter of the French General Tax Code or greater in one or more listed real estate investment companies mentioned in Article 208 C of the French General Tax Code (a **"Daughter SIIC"**) or (b) the company holds, directly or indirectly, a percentage of the share capital or rights to dividends at least equal to that mentioned in Article 9.3 of the Spanish law 11/2009 in one or more SOCIMI companies and, in which the Daughter SIIC or the said SOCIMI, due to the situation of the Shareholder subject to Withholding, would have paid the Withholding Tax or the Spanish Withholding Tax, the Shareholder subject to Withholding must, as the case may be, compensate the company, either for the amount paid as compensation by the company to the Daughter SIIC or to the concerned SOCIMI for payment of the Withholding Tax by the Daughter SIIC or the Spanish Withholding Tax by the SOCIMI, or when the company does not compensate the Daughter SIIC or the SOCIMI in an amount equal to the Withholding Tax paid by the Daughter SIIC or equal to the Spanish Withholding Tax paid by the SOCIMI concerned, such that the other shareholders of the company do not economically support any portion of the Withholding Tax or of the Spanish Withholding Tax paid respectively by any one of the SIIC or SOCIMI in the chain of investments owing to the Shareholder subject to Withholding (the **"Additional Compensation"**). The amount of the Additional Compensation will be paid by each of the shareholders subject to Withholding proportionately to their respective dividend rights divided by the total dividend rights of the shareholders subject to Withholding.

The company shall be entitled to offset its claim against any Shareholder subject to Withholding, on the one hand, and the sums to be paid by the company in its favour, on the other. Thus, the sums distributed by the company that must, in respect of each share held by said shareholder at Withholding, be paid in its favour pursuant to the aforementioned distribution decision or a share buyback, will be reduced by an amount equal to the amount of the Levy or Spanish Levy due by the company or SOCIMI for the distribution of these sums and/or the Additional Compensation.

The amount of any compensation owed by a Shareholder subject to Withholding will be calculated in such a manner that, after payment thereof and taking into account any specific tax regime that maybe applicable to it, the company will be placed in the same situation as if the Withholding Tax or the Spanish Withholding Tax had not become due. In particular, the compensation must include any tax due by the company for the compensation.

The company and the Concerned Shareholders will cooperate in good faith to ensure that all reasonable measures are taken to limit the amount of the Withholding Tax or Spanish Withholding Tax due or to become due and the compensation arising or that could arise from it.

- In the event that (i) following a distribution of dividends, reserves or premiums, or of "products deemed distributed" in the meaning of the French General Tax Code by the company or by a Daughter SIIC exempt from corporate tax in application of Article 208 C II of the French General Tax Code or following a distribution by a SOCIMI, whose capital is held directly or indirectly by the company, in the meaning of the Spanish law 27/2014 of 27 November 2014 on corporate taxation, it is discovered that a shareholder was a Shareholder subject to Withholding on the date of the payment of the said sums and that (ii) the company, the Daughter SIIC and/or the said SOCIMI ought to have paid the Withholding Tax or the Spanish Withholding Tax of the amounts thus paid, and the sums had already been subject to the compensation specified in Article 25.3 above, the Shareholder subject to Withholding must pay to the company, as compensation for the damages suffered by this latter, an amount: (a) equal to the Withholding Tax that would have been paid by the company for each share of the company that it held on the day of payment of the concerned distribution of dividends, reserves or premiums, (b) equal to any damages suffered by the company resulting from the payment of the Spanish Withholding Tax by the SOCIMIs, whose capital is directly or indirectly held by the company as this payment is attributable to the Concerned Shareholder and (c) as the case may be, the amount of the Additional Compensation (the "Compensation").

Where relevant, the company will be entitled to make an offset, in the appropriate amount, between its receivables under the Indemnity and any sums that may subsequently become due to this Shareholder subject to Withholding, without prejudice, as appropriate, to the prior allocation to the said sums of the offset as provided for in paragraph 4 of Article 25.3 above. In the event that, after such an offset is made, the company has still not been paid the amounts owed by Shareholder subject to Withholding under the Indemnity, the company will be entitled to make a new offset, in the appropriate amount, against any sums that may subsequently be payable to this Shareholder subject to Withholding until the final extinguishment of the said debt.

5.2.1.16 General Meetings (Article 22 of the Articles of Association)

General Meetings are called under the conditions set by the laws and regulations in force.

Meetings are to be held at the registered office or at any other location indicated in the notice of meeting.

Every shareholder has the right to attend General Meetings and to participate in the deliberations, in person or by proxy, upon presentation, under the applicable legal and regulatory conditions, of his or her identity and of the registration of the shares in the books in the name of the shareholder or of an intermediary registered on his or her behalf.

The General Meetings are chaired by the Chairman of the Board of Directors or, failing this, by a Vice-Chairman or, in the absence of the latter, by a Director specially appointed for this purpose by the Board. Failing this, the General Meeting elects the Chairman of the meeting.

The two (2) shareholders attending the General Meeting with the highest number of votes are elected scrutineers, if they so accept.

The Executive Board (bureau) will appoint the Secretary, who may be chosen from outside the shareholders.

At each General Meeting, an attendance sheet must be compiled under the conditions provided by law.

Copies or excerpts of the minutes of the General Meetings will be validly certified by the Chairman of the Board of Directors, a member of the Board or the Secretary of the General Meeting.

Ordinary and Extraordinary General Meetings, deliberating under the conditions of quorum and majority set forth in the respective provisions governing them, will exercise the powers attributed to them by law.

Shareholders may vote by post, appoint a proxy or send their proxy form by any means permitted under the laws and regulations in force. In particular, shareholders may send the company proxy or postal voting forms by fax or e-mail before the General Meeting, under the conditions set by law. The proxy and postal vote forms may be signed electronically if the electronic signature satisfies the requirements defined in the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

On the decision of the Board of Directors, the shareholders may take part in the General Meeting by videoconference or vote by any remote means of communication and teletransmission, including the internet, under the conditions set forth in the regulations applicable at the time the communication method is used. This decision must be included in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (BALO).

Shareholders will be considered as being present for quorum and majority calculations if they participate in the General Meeting by videoconference or by any remote means of communication and teletransmission, including the internet, which enables shareholders to be identified under the conditions provided for by laws and regulations.

5.2.1.17 Statutory threshold crossing (Article 8 of the Articles of Association)

- In addition to the legal obligation to notify the company of the holding of certain fractions of the capital and to make any resultant declarations of intent, any physical person or legal entity, acting alone or in concert, who has come to hold or stops holding, directly or indirectly, at least one per cent (1%) of the company's capital or voting rights, or any multiple of this percentage, must notify the company, by registered post with proof of receipt request to the registered office within the period provided for in Article R. 233-1 of the French Commercial Code, also indicating the number of securities ultimately giving access to the share capital it holds, the number of related voting rights as well as all the information referred to in Article L. 233-7 I of the French Commercial Code. Mutual fund management firms must carry out such reporting for the entirety of the shares of the company held by the funds that they manage.

This reporting obligation applies to all cases of exceeded thresholds mentioned above, including beyond the statutory and regulatory thresholds. Unless a declaration has been made under the conditions outlined above, shares above the fraction which should have been declared will have no voting rights attached for any General Meeting held within two (2) years after the date of regularisation of the declaration, at the request, recorded in the minutes of the General Meeting, of one or several shareholders together holding at least one per cent (1%) of the share capital.

- (i) any shareholder other than a physical person that holds, directly or by intermediary of entities that it controls in the meaning of Article L. 233-3 of the French Commercial Code, a percentage of rights to dividends of the company at least equal to that mentioned in Article 208 C II ter of the French General Tax Code; and
- (ii) any shareholder who holds indirectly, by intermediary of the company, a percentage of the share capital or rights to dividends of listed real estate investment companies in Spain (the **"SOCIMI"**) at least equal to that mentioned in Article 9.3 of Spanish law 11/2009 of 26 October 2009 (**"law 11/2009"**) (together a **"Concerned Shareholder"**) is required to register all of the shares of the company that they own in their name and such that the entities that they control in the meaning of Article L. 233-3 of the French Commercial Code register all of the shares of the company that they own in their name. Any

Concerned Shareholder which has not met these obligations by the second working day prior to a General Meeting will have the voting rights it holds, either directly or *via* entities it controls pursuant to of Article L. 233-3 of the French Commercial Code, capped at a tenth (1/10) of the number of shares that they hold, respectively, at the relevant General Meeting. The Concerned Shareholder referred to above will regain all of the voting rights attached to the shares it holds, directly or by intermediary of entities it controls pursuant to of Article L. 233-3 of the French Commercial Code, at the next following General Meeting, provided that it regularises its situation by registering all the shares it holds, directly or *via* entities it controls pursuant to of Article L. 233-3 of the French Commercial Code, in registered form, by the second working day prior to that General Meeting.

5.2.2 General information concerning the share capital

5.2.2.1 Form of shares – Identification of holders (Article 7 of the Articles of Association)

- Shares will be registered or bearer shares, at the shareholder's choice.
- Shares will be registered in the account of their owner under the conditions and the terms provided for by the legal provisions in force.
- The company may use the provisions outlined in Articles L. 228-2 et seq. of the French Commercial Code at any time to identify (i) holders of securities conferring immediately or in the future voting rights in its own General Meetings of shareholders (a **"General Meeting"**) and (ii) holders of bonds issued by the company.

5.2.2.2 Transfer of shares (Article 9 of the Articles of Association)

The shares are freely negotiable.

5.2.2.3 Rights and obligations attached to shares (Article 10 of the Articles of Association)

Each share gives the right to ownership of the corporate assets and a share of the profits and the proceeds of liquidation in proportion to the number of existing shares.

Shareholders are only responsible for company debts up to the limit of their contribution, *i.e.* the par value of their shares.

Each shareholder will have the same number of votes as the number of shares owned or represented. No double voting rights are granted pursuant to Article L. 22-10-46 of the French Commercial Code.

Ownership of one share legally implies compliance with the Articles of Association and decisions of the General Meetings.

Whenever it is necessary to hold several shares to exercise any right, in the event of exchange, reverse split or share allotments, or in the event of a capital increase or reduction, merger or other corporate transactions, the owners of only one share or a number of shares less than the number required may exercise these rights only if they personally ensure the grouping or purchase or sales of the necessary number of shares or allotment rights.

Shares are indivisible with respect to the company, which recognises only one owner for each share. Joint owners are required to be represented in relation to the company by one person only. The voting right attached to a share belongs to the beneficial owner for Ordinary General Meetings and to the bare owner for Extraordinary General Meetings.

5.2.2.4 Conditions for modification of the share capital

The company's Articles of Association do not provide any rules in order to change the share capital. These decisions are subject to the legal and regulatory provisions that allow the Extraordinary General Meeting to delegate to the Board of Directors, which may sub-delegate, the powers or authority necessary to modify the company's share capital and the number of shares, particularly in the event of a capital increase or reduction.

You will be asked in an Extraordinary General Meeting to delegate certain financial authority to the Board of Directors in terms of capital increases and decreased by the cancellation of shares acquired in share buyback programmes. The financial delegations are presented in the report of the Board of Directors in the text of the draft resolutions in Section 4.2.2.1.

5.3 Shareholding

Covivio includes among its important shareholders the groups Delfin, Crédit Agricole Assurances, Covéa and Assurances du Crédit Mutuel.

5.3.1 Information on the share capital

As at 1 January 2020, Covivio's share capital was €261,659,718 divided into 87,219,906 fully paid-up shares, each with a par value of €3 and all of the same class.

At year-end, and taking into account the capital increases completed in 2020, Covivio's share capital was €283,632,696

divided into 94,544,232 fully paid-up shares, each with a par value of €3 and all of the same class.

Since the close of 2020, the company's share capital has increased to €283,738,443. It now comprises 94,579,481 shares.

5.3.2 Securities giving access to the share capital

Convertible bonds issued by Beni Stabili on 3 August 2015 with maturity on 31 January 2021

	Balance of convertible bonds at 1/1/2020	Number of convertible bonds repaid in 2020	Number of convertible bonds bought back by Covivio in 2020	Number of convertible bonds delisted in 2020	Balance of convertible bonds at 31/12/2020
Convertible bonds issue	2,000,000	None	None	None	2,000,000

The convertible bonds may, at the conclusion of the merger-absorption of Beni Stabili, be converted into Covivio shares.

The conversion price was decreased from €112.1298 to €107.2887 per convertible bond as from 27 April 2020, in order to take into account the impact of the distribution of profits exceeding the dividend threshold applicable for the 2019 fiscal year (€2.9108), the deduction of the dividend on the items "Distributable revaluation surplus" and "Merger premium", and the discount of 10% offered as part of the dividend payment option in shares.

Free shares

The number of shares that may be issued under free share grants implemented by the company stood at 493,337. These shares may be new or existing shares.

Information on the allocation of free shares is provided in Section 5.3.9.2 below of this chapter.

No other securities giving access to the share capital of the company exist.

Potential capital at 31 December 2020

The table below shows what the theoretical change in the company's share capital would be, taking into account the maximum potential creation of shares resulting from the exercise of all the convertible bonds and the definitive allocation of free shares.

Number of shares at 31/12/2020	94,544,232
Number of potential shares to issue in relation to convertible bonds	1,864,129, or a potential dilution of 1.92%
Number of potential shares to issue in relation to free shares	493,337, or a potential dilution of 0.51%
Maximum total number of shares to issue	2,357,466, or a potential dilution of 2.43%
Total number of shares in the share capital	96,901,698, i.e. a potential theoretical capital of €290,705,094

5.3.3 Share capital structure and voting rights

In accordance with the provisions of Article 10 of the Articles of Association amended by the General Meeting of 17 April 2015, each shareholder will continue to have the same number of votes as he or she has shares. No double voting rights are granted pursuant to Article L. 22-10-46 of the French Commercial Code. Nevertheless, the number of voting rights exercisable in a General Meeting is adjusted to take account of treasury shares, which do not bear voting rights.

To the best of the company's knowledge, the distribution of the share capital and voting rights over the last three fiscal years among the shareholders or groups of shareholders who own or are likely to own, taking into account the shares and voting rights subject to the same treatment under article L. 233-9 of the French Commercial Code, 5% or more of the share capital or voting rights, is as follows.

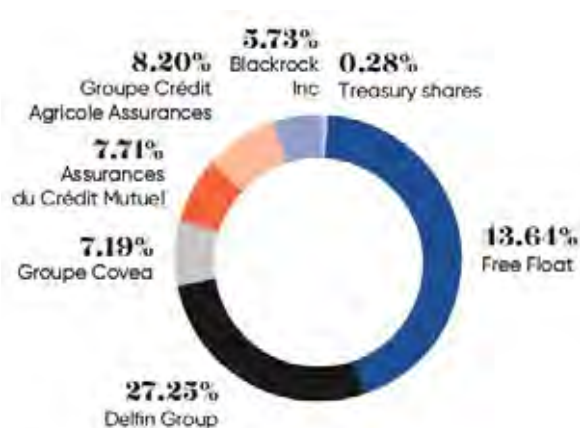
	31/12/2020				31/12/2019				31/12/2018			
	Number of shares	% of the share capital	% of theoretical voting rights ⁽¹⁾	% of voting rights exercisable in GM ⁽²⁾	Number of shares	% of the share capital	% of theoretical voting rights ⁽¹⁾	% of voting rights exercisable in GM ⁽²⁾	Number of shares	% of the share capital	% of theoretical voting rights ⁽¹⁾	% of voting rights exercisable in GM ⁽²⁾
Public	41,261,773	43.64	43.64	43.77	39,844,573	45.68	45.68	45.77	38,287,940	46.18	46.18	46.31
Delfin Group ⁽³⁾	25,765,290	27.25	27.25	27.33	23,161,231	26.55	26.55	26.61	21,920,790	26.44	26.44	26.51
Groupe Crédit Agricole Assurances	7,750,975	8.20	8.20	8.22	7,046,310	8.08	8.08	8.09	6,670,484	8.05	8.05	8.07
Assurances du Crédit Mutuel	7,289,917	7.71	7.71	7.73	6,624,678	7.60	7.60	7.61	6,269,881	7.56	7.56	7.58
Covéa Group	6,797,240	7.19	7.19	7.21	6,176,962	7.08	7.08	7.10	5,846,147	7.05	7.05	7.07
Blackrock Inc	5,414,767	5.73	5.73	5.74	4,191,595	4.81	4.81	4.82	3,685,195	4.46	4.46	4.46
Treasury shares	264,270	0.28	0.28	/	174,557	0.20	0.20	/	222,461	0.27	0.27	/
TOTAL	94,544,232	100%	100%	100%	87,219,906	100%	100%	100%	82,902,898⁽⁴⁾	100%	100%	100%

(1) These percentages are calculated on the basis of all shares with voting rights attached, including shares temporarily without voting rights.

(2) These percentages are calculated by excluding shares held by the company that do not have voting rights.

(3) Delfin SARL is a holding company that belongs to the Del Vecchio family. Delfin SARL is primarily involved in financial business and equity investments and controls Aterno and DFR Investment. It also controls the Luxottica Group, the world leader in the production, wholesale distribution and retail sale of glasses and sunglasses.

(4) Of which 7,498,887 shares issued as part of the completion of the merger-absorption of Beni Stabili by Covivio on 31 December 2018 and whose settlement-delivery occurred on 4 January 2019.



To the company's knowledge:

- there has been no significant change in the share capital structure and voting rights since year-end
- there are no other shareholders owning, directly or indirectly, alone or in concert, more than 5% of the capital or voting rights
- there are no shareholder agreements involving at least 0.5% of the capital or voting rights in the company, nor any concerted actions.

The company is neither directly nor indirectly controlled pursuant to of Article L. 233-3 of the French Commercial Code.

As at 31 December 2020, Covivio directly held, outside the terms of the liquidity agreement (66,561), 197,709 treasury shares. A description of the share buyback programmes implemented during the fiscal year is provided in Section 5.3.8.

There is no cross-shareholding. Covivio has no direct or indirect capital interest in any company which, in turn, has a controlling interest in Covivio.

Using the services of Euroclear, the company has identified the holders of shares that entitles to voting rights, either immediately or in the future, in its own General Meetings. The findings identified some 10,278 individuals and 981 financial institutions as shareholders of the company.

5.3.4 Threshold crossing disclosures

During 2020, the company was informed of the following legal and statutory threshold crossings:

Shareholder	Date limit exceeded	Upward threshold crossing		Downward threshold crossing		Shares	Voting rights	% of the share capital	% of the voting rights
		Legal	Articles of Association	Legal	Articles of Association				
Crédit Agricole Assurances SA	19 March 2020	/	/	/	8%	6,752,941	6,752,941	7.96%	7.96%
Crédit Agricole Assurances SA	20 March 2020	/	8%	/	/	7,006,786	7,006,786	8.03%	8.03%
BNP Paribas Asset Management Holding ⁽¹⁾	16 April 2020	/	/	/	2%	1,749,482	1,742,638	2.0058%	1.998%
AXA Investment Managers SA ⁽²⁾	26 April 2020	/	/	/	1%	826,455	826,455	0.99%	0.99%
Bank of Montreal ⁽³⁾	28 April 2020	5%	5%	/	/	4,810,864	4,810,864	5.51%	5.51%
Bank of Montreal ⁽³⁾	29 April 2020	/	/	5%	5%	3,860,864	3,860,864	4.42%	4.42%
Bank of Montreal ⁽³⁾	29 April 2020	/	/	/	4%	3,248,370	3,248,370	3.723%	3.723%
Bank of Montreal ⁽⁴⁾	30 April 2020	/	/	/	3% and 2%	1,619,608	1,619,608	1.855%	1.855%
BNP Paribas Asset Management Holding ⁽¹⁾	30 April 2020	/	2%	/	/	1,750,691	1,745,684	2.0072%	2.0015%
Bank of Montreal ⁽⁴⁾	5 May 2020	/	/	/	1%	869,606	869,606	0.996%	0.996%
BNP Paribas Asset Management Holding ⁽¹⁾	6 May 2020	/	/	/	2%	1,744,149	1,739,142	1.9978%	1.9921%
Cardif Assurance Vie	15 May 2020	/	1%	/	/	1,374,816	1,374,816	1.46%	1.46%
Delfin Group	22 May 2020	/	27%	/	/	25,759,018	25,759,018	27.26%	27.26%
BlackRock Inc. ⁽⁵⁾	9 June 2020	/	/	/	4%	3,744,165	3,744,165	3.96%	3.96%
Cohen & Steers Inc.	16 June 2020	/	1%	/	/	996,367	609,286	1.05%	0.645%
BlackRock Inc. ⁽⁵⁾	19 June 2020	5%	5%	/	/	4,848,663	4,848,663	5.13%	5.13%
Cardif Assurance Vie and BNP Paribas Cardif Vita Compagnia di Assicurazione e Riassicurazione S.P.A. ⁽⁶⁾	22 June 2020	/	/	/	1%	467,221	467,221	0.49%	0.49%
BlackRock Inc. ⁽⁵⁾	25 June 2020	/	/	5%	5%	4,722,624	4,722,624	4.998%	4.998%
BlackRock Inc. ⁽⁵⁾	26 June 2020	5%	5%	/	/	4,815,030	4,815,030	5.10%	5.10%
AXA Investment Managers SA ⁽²⁾	12 October 2020	/	1%	/	/	951,210	951,210	1.01%	1.01%
AXA Investment Managers SA ⁽²⁾	23 October 2020	/	/	/	1%	944,541	944,541	0.9996%	0.9996%
La Française Investment Solutions ⁽⁵⁾	27 October 2020	/	1%	/	/	1,810,000	1,810,000	1.21%	1.21%
La Française Investment Solutions ⁽⁵⁾	6 November 2020	/	/	/	1%	780,649	780,649	0.82%	0.82%
AXA Investment Managers SA ⁽²⁾	6 November 2020	/	1%	/	/	950,078	950,078	1.01%	1.01%
La Française Investment Solutions ⁽⁵⁾	13 November 2020	/	1%	/	/	1,399,368	1,399,368	1.48%	1.48%
AXA Investment Managers SA ⁽²⁾	17 November 2020	/	/	/	1%	944,116	944,116	0.999%	0.999%
BNP Paribas Asset Management Holding ⁽¹⁾	7 December 2020	/	/	/	2%	1,414,203	1,404,474	1.4967%	1.4868%
Bank of Montreal ⁽⁷⁾	10 December 2020	/	1%	/	/	972,891	972,891	1.029%	1.029%
Bank of Montreal ⁽⁷⁾	11 December 2020	/	/	/	1%	906,450	906,450	0.959%	0.959%

(1) Declaration including the number of shares to which the instrument (bonds exchangeable for shares, forward contracts and options paid or warrants) gives entitlement.

(2) Holding for all portfolios managed by its subsidiaries which are portfolio management companies

(3) Through the companies it controls (BMO Fund Management Limited, BMO Asset Management Netherlands BV, Thames River Capital LLP, BMO Asset Management Inc., BMO Capital Markets Limited, BMO Capital Markets Corp, Bank of Montreal London Branch, BMO Nesbitt Burns Inc)

(4) Through the companies it controls (BMO Fund Management Limited, BMO Asset Management Netherlands B.V., Thames River Capital LLP, BMO Asset Management Inc., BMO Capital Markets Corp, Bank of Montreal London Branch)

(5) Acting on behalf of clients and/or funds managed by it

(6) Companies wholly controlled by BNP Paribas Cardif

(7) Through the companies it controls (BMO Asset Management Netherlands B.V., Thames River Capital LLP, Bank of Montreal London Branch, BMO Asset Management Inc., Bank of Montreal Europe plc)

5.3.5 Declarations of intent

No declaration of intent was made during the 2020 fiscal year.

5.3.6 Change in the capital over the last five years

The company's share capital has evolved as follows over the last five years:

	31 December 2016	31 December 2017	31 December 2018	31 December 2019	31 December 2020
Share capital	€206,273,556	€224,489,892	€248,708,694	€261,659,718	€283,632,696
Number of shares	68,757,852	74,829,964	82,902,898	87,219,906	94,544,232

The changes in the company's share capital arise from the transactions described below:

Date	Type	Number of shares issued	Share premium amount (in €)	Number of shares	Capital amount (in €)
22 February 2016	Final allocation of free shares	31,624	/	66,661,356	199,984,068
27 April 2016	Capital increase remunerating contributions in kind	1,072,923	68,559,779.70	67,734,279	203,202,837
31 May 2016	Capital increase reserved for employees	18,004	1,195,465.60	67,752,283	203,256,849
28 June 2016	Capital increase resulting from the first public exchange offer on the shares of Covivio Hotels	528,071	39,288,405	68,280,354	204,841,062
22 July 2016	Capital increase resulting from the second public exchange offer on the shares of Covivio Hotels	68,445	5,483,813.40	68,348,799	205,046,397
2 November 2016	Final allocation of free shares	38,780	/	68,387,579	205,162,737
16 December 2016	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2011	2,783	205,515.41	68,390,362	205,171,086
23 December 2016	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2011	367,490	28,220,574.93	68,757,852	206,273,556
17 January 2017	Capital increase without preferential subscription right and with a priority period	5,076,786	384,769,610.94	73,834,638	221,503,914
15 February 2017	Final allocation of free shares	35,812	/	73,870,450	221,611,350
6 November 2017	Final allocation of free shares	5,493	/	73,875,943	221,627,829
22 November 2017	Capital increase remunerating contributions in kind	916,951	16,721,090	74,792,894	224,378,682
4 December 2017	Final allocation of free shares	37,070	/	74,829,964	224,489,892
16 February 2018	Final allocation of free shares	33,071	/	74,863,035	224,589,105
11 May 2018	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2013 bonds	90,852	7,963,151.37	74,953,887	224,861,661
8 June 2018	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2013 bonds	232,192	21,211,303.39	75,186,079	225,558,237
22 June 2018	Final allocation of free shares	92,500	/	75,278,579	225,835,737
7 November 2018	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2013	69,657	5,770,845.62	75,348,236	226,044,708
26 November 2018	Final allocation of free shares	55,775	/	75,404,011	226,212,033
31 December 2018	Capital increase following the completion of the merger-absorption of Beni Stabili by Covivio	7,498,887	531,681,431	82,902,898	248,708,694
7 February 2019	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2013 bonds	3,637	310,349.57	82,906,535	248,719,605
19 February 2019	Final allocation of free shares	8,500	/	82,915,035	248,745,105
	Final allocation of free shares	31,491	/	82,946,526	248,839,578
27 February 2019	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2013 bonds	381	32,629.33	82,946,907	248,840,721
29 March 2019	Capital increase resulting from the exercise of the right to allocate shares under ORNANE 2013 bonds	294,035	25,947,858.94	83,240,942	249,722,826
29 April 2019	Final allocation of free shares	15,000	/	83,255,942	249,767,826
3 June 2019	Payment of the dividend in shares	3,885,719	304,212,940.51	87,141,661	261,424,983

Date	Type	Number of shares issued	Share premium amount (in €)	Number of shares	Capital amount (in €)
22 November 2019	Final allocation of free shares	27,900	/	87,169,561	261,508,683
25 November 2019	Final allocation of free shares	50,345	/	87,219,906	261,659,718
17 February 2020	Final allocation of free shares	37,923	/	87,257,829	261,773,487
24 April 2020	Final allocation of free shares	45,000	/	87,302,829	261,908,487
20 May 2020	Payment of the dividend in shares	7,185,223	321,897,990.40	94,488,052	283,464,156
20 November 2020	Final allocation of free shares	56,180	/	94,544,232	283,632,696

Following the close of the fiscal year, 35,249 new shares were issued, bringing the capital to €283,738,443, divided into 94,579,481 shares.

Date	Type	Number of shares issued	Share premium amount (in €)	Number of shares	Capital amount (in €)
12 February 2021	Final allocation of free shares	10,523	/	94,554,755	283,664,265
17 February 2021	Final allocation of free shares	24,726	/	94,579,481	283,738,443

5.3.7 Employee shareholding

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, you will find hereafter a report on employee shareholding in the company's share capital as at the last day of the fiscal year, representing 390,437 Covivio shares, i.e. 0.41% of the capital.

5.3.8 Information about the share buyback programme

In 2020, Covivio used the authorisation granted by the General Meeting of 17 April 2019, and that granted by the General Meeting of 22 April 2020, and implemented on the same day by a decision of the Board of Directors, to renew and continue the liquidity agreement with Exane BNP Paribas under the same conditions.

This share buyback programme, which cannot be implemented during public offer periods, has the following characteristics and procedures:

- the maximum purchase price is €135 per share (excluding acquisition expenses)
- the maximum amount of funds allocated to the buyback programme would be €150 million
- purchase, sale, exchange or transfer transactions may be executed by any means, whether on the market or over the counter, including block purchases or sales, or by using financial instruments, with the following primary aims:
 - implementing a liquidity agreement with an investment service provider under the conditions and according to the methods set by the regulations in place and recognised market practices
 - allocating grants to employees and corporate officers of the company and/or companies in its group
 - delivering shares upon the exercise of rights attached to securities entitled to the allocation of shares

- holding and delivering them as payment or in exchange under potential external growth transactions, mergers, spin-offs or contributions
- cancelling shares
- using them in any other practice that may come to be recognised by law or by the French Financial Markets Authority (*Autorité des Marchés Financiers*) or any other purpose that would provide a basis for the presumption of legitimacy.

The last authorisation brought an end to the previous share buyback programme, which amounted to 320,143 treasury shares held by the company at 22 April 2020, of which:

- 83,257 shares from the liquidity agreement, given that a new liquidity agreement has been entered into on 10 January 2019 with Exane BNP Paribas in accordance with EU Regulation no. 596/2014 of the European Parliament and Council of 16 April 2014 on market abuse, EU delegated Regulation 2016/908 of the Commission of 26 February 2016 completing EU Regulation no. 596/2014, and AMF decision no. 2018-01 of 2 July 2018 on liquidity agreements as a market practice admitted by the AMF
- 236,886 shares allocated to the employee shareholding plan coverage within (i) the allocation of free shares to the company for the benefit of employees and/or corporate officers of Covivio and (ii) the investment of the profit sharing and incentive (increased by the subsequent contribution of the company) in shares of the company by the employees of the group.

The terms and conditions relating to the new buyback programme were set forth in the share buyback programme description posted on the company's website on 22 April 2020.

The treasury share movements in terms of transactions and use in 2020 shown by type of objective being pursued by the company were as follows:

(in number of shares)	Position at 31/12/2019	Movements over the period					Position at 31/12/2020	Fraction of the share capital at 31/12/2020	Nominal value at 31/12/2020 (in €)
		Acquisition	Sale	Reclustering	Reallocation	Cancellation			
Liquidity agreement	37,671	597,198	568,308	-	-	-	66,561	0.07%	199,683
Employee shareholding plan coverage	136,886	100,000	-	39,177	-	-	197,709	0.21%	593,127
Shares held by the company	174,557						264,270	0.28%	792,810

The transactions completed under the liquidity agreement during 2020 broke down as follows:

Share buyback programme	Number of shares	Acquisition		Number of shares	Average price per share (in €)
		Average price per share (in €)	Sale		
General Meeting of 17 April 2019	115,160	75.03		69,574	100.88
General Meeting of 22 April 2020	482,038	61.75		498,734	60.95
TOTAL	597,198	64.31		568,308	65.84

As at 31 December 2020, Covivio held 264,270 treasury shares representing 0.28% of the capital, valued at €21,036,259.67, or €79.60 per share, representing a par value of €792,810.

The company did not use derivatives in its share buyback programmes in 2020.

The transaction costs during 2020 amounted to €28,336 ex-tax.

As the authorisation that was granted by the General Meeting on 22 April 2020 was for a period of 18 months, a new share buyback programme will be submitted to the General Meeting on 20 April 2021.

5.3.9 Share subscription and share purchase options and allocation of free shares

5.3.9.1 Share subscription and share purchase options

Since 2008, the company has not implemented a share subscription or share purchase options plan.

Since the last plan in force (plan No. 1403008 of 4 May 2007) expired on 11 October 2014, there is no longer any share subscription option exercisable within the Covivio group.

5.3.9.2 Allocation of free shares

The allocation of free shares within the Covivio group is to motivate and foster loyalty with employees who contribute to the company's growth by sharing the company earnings with them.

During the 2020 fiscal year, the Board of Directors, at the proposal of the Appointments and Compensation Committee and pursuant to the delegation of powers granted by the General Meeting of 17 April 2019, awarded 186,676 free shares as detailed below, representing 0.20% of the capital as at 31 December 2020:

Date of the free share plans	Number of free shares allocated	Beneficiaries of the free shares	Unit value, as estimated by an independent actuary				Vesting period				Retention period			
			France	Italy	Germany	Spain	France	Italy	Germany	Spain	France	Italy	Germany	Spain
13 February 2020	41,511	Corporate officers of the company and employees of companies related to the company	€56.81 ⁽¹⁾ €72.63 ⁽²⁾	€72.63 ⁽²⁾	€72.63 ⁽²⁾	N/A	3 years N/A				/ N/A			
	43,500	Covivio group employees (retention plan)		€50.95 ⁽²⁾			4 years				/			
	4,340	Employees of the Covivio group (group plan) (plan collectif)	N/A		€72.63 ⁽²⁾	N/A	N/A	3 years	N/A		N/A		/	N/A
16 December 2020	6,020	Employees of the Covivio group (group plan)	€51.53 ⁽²⁾		N/A		3 years		N/A		/		N/A	
	71,805	Employees of the Covivio group (discretionary plan)		€51.53 ⁽²⁾			3 years				N/A			
	19,500	Covivio group employees (retention plan)	€44.92 ⁽²⁾	N/A	€44.92 ⁽²⁾	N/A	4 years	N/A	N/A	N/A	/	N/A	/	N/A

(1) Allocations subject to performance requirements.

(2) Allocations not subject to performance requirements.

The 2020 free share allocations to executive officers are presented in Section 4.3.4.2.1. of the Board's report on corporate governance.

The criteria for allocating free shares to staff members of the Covivio group are linked to performance and potential for growth, to build loyalty and allow them to share in the company's stock market performance.

After the end of the fiscal year, on 17 February 2021, the Board of Directors allocated 61,675 free shares.

During the 2020 fiscal year, 139,103 free shares were granted to the beneficiaries indicated below:

Delivery date of the free shares	Date of the free share plan	Number of allocated free shares delivered in 2020				Number of beneficiaries
		French beneficiaries	Italian beneficiaries	German beneficiaries	Spanish beneficiaries	
17 February 2020	15 February 2017	32,423	1,500	4,000	-	6
27 April 2020	27 April 2016	34,500	2,500	8,000	-	17
23 November 2020	22 November 2017	40,280	4,300	11,300	300	199

After the end of the fiscal year, 35,249 free shares were delivered at the end of their vesting period on 15 February 2021.

The free shares allocated over the last five years are presented in section 4.3.4.2.1.2. of the Board's report on corporate governance.

5.3.9.3 Details of adjustments made to share subscription options and free shares

No adjustments were made in 2020.

5.4 Stock market – dividend

5.4.1 Data Sheet

CAPITALIZATION

at 31/12/2020

€7,124M

Share sheet – Euronext Paris

- ISIN code: FR0000064578
- Mnemonic code: COV
- Stock market: Euronext Paris
- Market: Local securities – Compartment A (Blue Chips) – SRD
- Business sector: Real Estate Investment Trusts
- SRD: eligible
- Index: SIIC FRANCE, SBF 120, CAC MID100, EPRA Europe, MSCI, Euronext IEIF, GPR 250, FTSE4 Good, ASPI Eurozone®, DJSI World, Euronext Vigeo, Euronext® CDP Environment France EW
- Standard and Poor's rating: BBB+, stable outlook,

NUMBER OF SHARES LISTED

at 31/12/2020

94,544,232

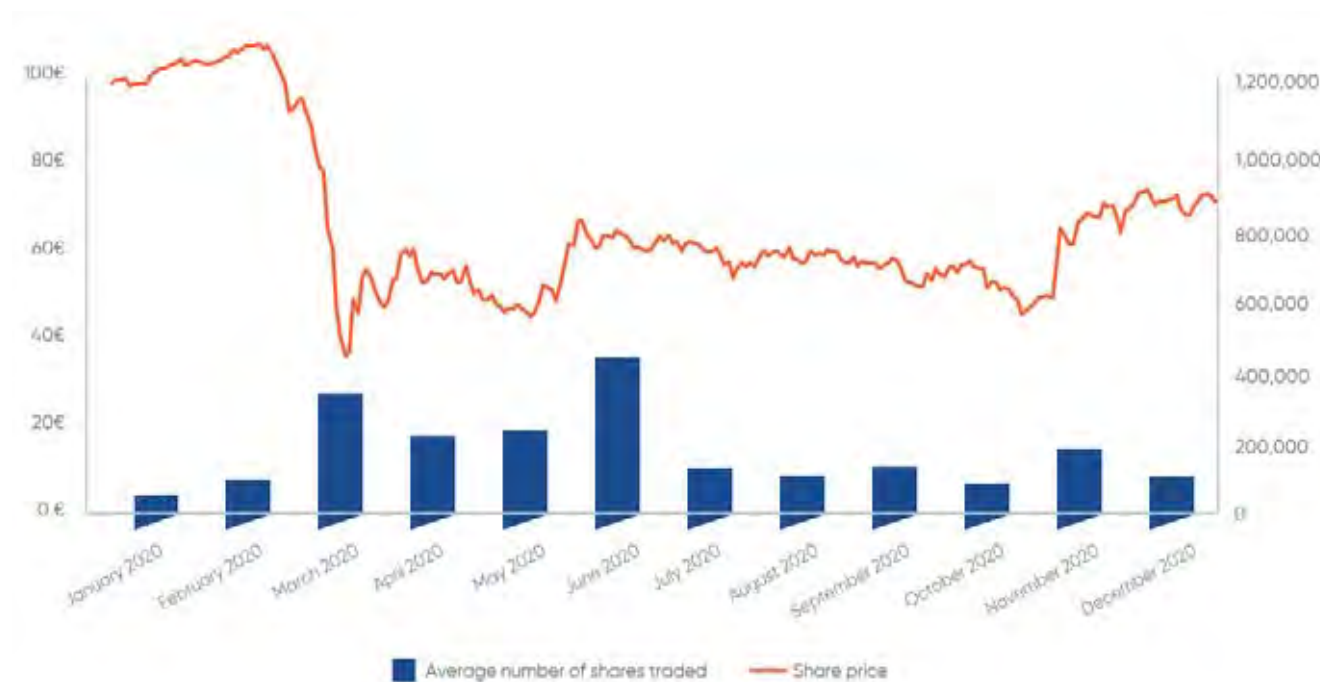
Share sheet – Borsa Italiana

- ISIN code: FR0000064578
- Ticker code: CVO
- Stock market: Borsa Italiana
- Market: MTA (Mercato Telematico Azionario)
- Business sector: Real Estate

5.4.2 Market price at 31 December 2020

The closing Covivio share price for the year was €75.35, bringing stock market capitalisation to €7.1 billion at the end of 2020. In 2020, the Covivio share fell by -25%, and -19% with the dividend reinvested.

Change in Covivio's' share price over the year



5.4.3 Dividends distributed within the last five fiscal years

In the last five fiscal years, the dividends distributed and the corresponding tax rebate were as follows:

Fiscal year	Type of dividend	Dividend paid per share	Amount of dividend eligible for the 40% rebate ⁽²⁾	Amount of dividend not eligible for the 40% rebate
2015	Current	€4.30	€0.0329	€4.2671
2016	Current	€4.40	€0.5115	€3.8885
2017	Current	€4.50	/	€4.50
2018	Current	€4.60	€0.1479	€4.4521
2019	Current	€4.80	€0.7506	€4.0494
2020 ⁽¹⁾	Current	€3.60	€0.6681	€2.9319

(1) Dividend proposed to the Combined General Meeting of 20 April 2021.

(2) In case of option for a progressive rate of the revenue tax.

5.4.4 Dividend distribution policy

Covivio will propose the distribution of a dividend of €3.60 per share for 2020 to the General Meeting of 20 April 2021, representing a distribution rate of 86% (dividend/EPRA Earnings). Covivio aims to distribute a dividend in line with the evolution of its EPRA Earnings. For several years, the payout ratio has been stable at around 90% of EPRA Earnings.

The company's distribution policy has of course taken into account the provisions of the tax regulations for listed real estate investment companies mentioned in section 5.2.1.11.

5.4.5 Appropriation of earnings for the fiscal year

The Board of Directors will propose to the General Meeting of shareholders of 20 April 2021, having noted that the profit of €318,811,426.45 for the year, increased by the retained earnings of €1,536,686.40, a distributable profit of €320,348,112.85:

- to allocate the distributable profit as follows:
 - (i) €41,730.90 to the legal reserve, bringing the amount of the legal reserve to 10% of share capital at year-end, i.e. €28,363,269.60
 - (ii) €320,306,381.95 as a dividend payment to shareholders
- to also distribute a sum of €20,179,749.65 entirely from the merger premium account.

Thus, each share will receive a dividend of €3.60.

The dividend will be paid on 28 April 2021.

On the basis of the total number of shares comprising the share capital as of 17 February 2021, i.e., 94,579,481 shares, and subject to the possible application of the provisions of Article 25.3 of the company's Articles of Association to shareholders regarding Withholding Tax, it is proposed to a total dividend of €340,486,131.60 will thus be allocated. This dividend only gives entitlement to the 40% rebate in the event of an annual, express, overall and irrevocable option for the progressive income tax scale pursuant to Article 200 A 2 of the French General Tax Code, and

only for the portion of this dividend deducted from earnings subject to corporate income tax. In compliance with Article 158 3° b bis of the French General Tax Code, this rebate does not apply to earnings exempt from corporate income tax under the SIIC plan in application of Article 208 C of the French General Tax Code.

The corporation tax-exempt dividend in application of Article 208 C of the French General Tax Code not eligible for the 40% rebate totals €277,301,509.20.

The dividend withheld on the profits subject to corporation tax totals €63,184,622.40.

The dividend drawn against the company's profits exempt from corporate income tax pursuant to article 208-3° quater of the French General Tax Code totals €0.

The Board will also propose to the General Meeting to resolve:

- that in the event of a change in the number of shares entitled to dividends, the total amount of the dividend will be adjusted accordingly by deduction from the "Merger premium" account
- that pursuant to the provisions of Article L. 225-210 of the French Commercial Code, the amount the shareholders may have waived, as well as the amount corresponding to treasury shares on the dividend payment date, which are not entitled to dividends, will be allocated to the "Merger premium" account.

5.5 Administration and management

5.5.1 Board of Directors

At the General Meeting of 31 January 2011, Covivio adopted the form of a *société anonyme* (public limited company) with a Board of Directors, separating the duties of Chairman and Chief Executive Officer. This structure establishes a clear distinction between the strategy, decision-making and control functions, which are the responsibility of the Board of Directors, and the operational and executive functions, which are the responsibility of General Management.

5.5.1.1 Appointments – Composition – Term of office – Dismissal (Articles 12 and 13 of the Articles of Association)

- The company is administered by a Board of Directors comprising at least three members and no more than eighteen members, subject to statutory exemptions. The Board members are appointed by the Ordinary General Meeting.

A legal entity may be appointed as a Director, but it must, pursuant to applicable legal provisions, appoint a natural person to serve as its permanent representative to the Board of Directors. The permanent representatives are subject to the same conditions and obligations and have the same responsibilities as if they were Directors.

- The term of office of Directors is four years. However, as an exception, the General Meeting may, upon suggestion of the Board of Directors, appoint or reappoint some Directors for a term of office of two or three years to allow for a staggered renewal of the Board of Directors. The term of a Director expires at the end of the Ordinary General Meeting called to approve the financial statements for the previous year, held in the year in which the term of the said Director expires.

The number of members of the Board of Directors over the age of 75 may not be greater than one third of the members in office. When this number is exceeded, and if a member of the Board of Directors aged 75 or over does not resign voluntarily within three months from the date the statutory limit was exceeded, the oldest member will be automatically considered to have resigned.

Directors may be reappointed indefinitely, subject to the afore-mentioned provisions governing the age limit.

Directors may be dismissed at any time by the General Meeting, without indemnity or prior notice.

In the event of vacancy resulting from the death or resignation from one or several Directors, the Board of Directors may make provisional appointments subject to ratification by the next Ordinary General Meeting, in accordance with the time frames and conditions provided for by law. Decisions taken and actions carried out remain valid even if the appointment is not ratified.

In the event of vacancy resulting from the death, resignation or dismissal of a Director, the Director appointed by the General Meeting or the Board of Directors as a replacement to that Director will hold that position only up to the remaining office of his or her predecessor.

If the number of Directors falls to less than three, the remaining Directors (or the Statutory Auditors, or an officer designated, at the request of any interested party, by the President of the Commercial Court) must immediately call an Ordinary General Meeting to appoint one or more new Directors in order to complete the Board to the minimum legal number.

5.5.1.2 Executive Board (Article 14 of the Articles of Association)

The Board of Directors appoints a Chairman, who must be a natural person, from among its members and one or more Vice-Chairmen if needed. It defines the terms of office, which may not exceed the appointee's term as a Board member, and which the Board may terminate at any time. The Chairman and Vice-Chairmen may be reappointed.

The age limit for the Chairman of the Board of Directors is 80. When the Chairman of the Board reaches this age limit during his or her term of office, he or she will be automatically deemed to have resigned.

If the Chairman is temporarily incapacitated or dies, the oldest Vice-Chairman is delegated to serve as Chairman. In a case of temporary incapacity, this delegation is given for a limited period and may be renewed. If the Chairman dies, this delegation is valid until the appointment of a new Chairman.

Meetings of the Board of Directors are chaired by the Chairman. If the Chairman is absent, the meeting is chaired by one of the Vice-Chairmen present, appointed for each meeting by the Board of Directors. In the absence of the Chairman and Vice-Chairmen, the Board of Directors must designate, for each meeting, one of the Directors present to chair the meeting.

The Board of Directors also appoints a Secretary, who does not have to be a member. It defines the term and scope of the Secretary's duties, which it may terminate at any time.

5.5.1.3 Notice of meetings and deliberations of the Board of Directors (Article 15 of the Articles of Association)

The Board of Directors meets as often as required by the interests of the company and whenever the Chairman deems appropriate, upon notice from the Chairman.

Directors representing at least one third (1/3) of the members of the Board of Directors may ask the Chairman to call a Board meeting at any time for a specific purpose.

If the roles of the Chief Executive Officer and the Chairman are separate, the Chief Executive Officer may ask the Chairman to call a Board of Directors meeting at any time for a specific purpose.

The Chairman is bound by the requests made to him or her in line with the afore-mentioned provisions, and must defer to them without delay.

Notices of meetings are conveyed by any written method at least five (5) days in advance. This five-day period may be reduced if one third of the Directors agree to a shorter notification period. Meetings are held at the company's registered office or any other location indicated in the notice of meeting.

The Board of Directors validly deliberates only if at least half (1/2) of its members are present.

A Director may give a written proxy to another Director to represent him or her at a meeting of the Board of Directors in accordance with legal and regulatory provisions.

Decisions are adopted by a majority of the members present or represented. In the event of a tied vote, the meeting's Chairman does not have the casting vote.

In compliance with the applicable laws and regulations, the meetings of the Board of Directors may be held via videoconference or telecommunication or any other method allowed under the law and the regulations under the conditions defined by the Internal Regulations adopted by the Board of Directors.

The deliberations of the Board of Directors are recorded in meeting minutes prepared in accordance with the law.

5.5.1.4 Powers of the Board of Directors (Article 16 of the Articles of Association)

The Board of Directors determines the strategy for the company's business and oversees its implementation. In compliance with the powers expressly reserved for General Meetings and within the limits of the corporate purpose, the Board of Directors handles all matters affecting the operation of the company and governs its business through its deliberations.

In its relations with third parties, the company is also bound by the acts of the Board of Directors that are not within the company purpose, unless it proves that the third party was aware that the act exceeded such purpose or that the third party should have been aware of this in view of the circumstances.

The Board of Directors carries out the checks and verifications that it considers necessary.

Each Director will receive all the information necessary to perform his or her duties and may obtain from the Chairman or Chief Executive Officer all documents necessary to perform his or her mission.

The Board of Directors may confer special assignments for one or more specific purposes to one or more of its members, or to third parties who do not need to be shareholders.

The Board of Directors may also create one or more permanent or temporary specialised Committees charged with studying matters which the Board or the Chairman submit for their opinion, and in particular an Audit Committee, an Appointments and Compensation Committee and a Strategic and Investment Committee. These Committees, the members and duties of which are defined by the Board, will conduct their activities under the responsibility of the Board.

5.5.1.5 Remuneration of Directors (Article 17 of the Articles of Association)

The members of the Board of Directors may receive remuneration in the form of attendance fees, the total amount of which is determined by the General Meeting and distributed freely by the Board of Directors.

The Board of Directors may allocate exceptional remuneration to Directors performing special assignments or mandates.

5.5.1.6 Powers of the Chairman of the Board of Directors (Article 18 of the Articles of Association)

The Chairman of the Board of Directors organises and directs the work of the Board and reports to the General Meeting.

He or she oversees the various corporate bodies of the company to ensure they are working smoothly and, in particular, that the Directors are in a position to fulfil their required duties.

The Board of Directors determines the amount, methods of calculation and payment of the Chairman's compensation, if any.

The Chairman of the Board of Directors may also assume the General Management of the company, in accordance with Article 19 of the Articles of Association.

5.5.1.7 Non-voting members (Article 20 of the Articles of Association)

The Board of Directors may appoint one or more non-voting members (natural persons or legal entities). It defines their term of office and any compensation if they are assigned a particular mission.

The non-voting members of the Board of Directors attend meetings of the Board as observers and may be consulted by the Board. They must be called to every meeting of the Board of Directors, which may task them with specific missions.

The Board of Directors may decide to pay the non-voting members of the Board of Directors a portion of the attendance fees allocated by the General Meeting and authorise the reimbursement of expenses incurred by the non-voting members of the Board of Directors in the interests of the company.

The non-voting members of the Board of Directors are subject to obligations, in particular to the confidentiality obligations stipulated by the Board of Directors in its Internal Regulations.

5.5.2 General Management

5.5.2.1 General Management of the company (Article 19.1 of the Articles of Association)

The company's General Management is led, at the choice of the Board of Directors, either by the Chairman of the Board of Directors, or by another physical person appointed by the Board of Directors with the title of Chief Executive Officer.

The choice between these two methods of General Management is made by the Board of Directors, which must inform the shareholders and third parties under the conditions provided by law.

The Board of Directors' decision on the choice of General Management method is made by a majority of the Directors present or represented.

5.5.2.2 Chief Executive Officer (Article 19.1 of the Articles of Association)

When the General Management of the company is led by the Chairman of the Board of Directors, the provisions below on the Chief Executive Officer are then applicable to him or her in addition to the provisions specific to his or her role as Chairman of the Board of Directors.

When the Board of Directors chooses to separate the roles of Chairman and Chief Executive Officer, it will appoint the Chief Executive Officer, define his or her term of office and determine his or her compensation and any limits on his or her powers.

The Chief Executive Officer may be reappointed.

The age limit for holding the position of Chief Executive Officer, separate from the position of Chairman, is 67. Irrespective of the term for which it is granted, the Chief Executive Officer's office expires at the very latest at the end of the Ordinary General Meeting called upon to approve the financial statements for the previous year and held the year during which the Chief Executive Officer turns 67.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. If the dismissal is decided upon without just cause, it may result in damages being paid, except when the Chief Executive Officer is also the Chairman of the Board of Directors.

The Chief Executive Officer is fully empowered to act in any situation on behalf of the company. He or she exercises these powers within the limits of the corporate purpose and subject to the powers granted expressly by law and these Articles of Association to General Meetings and the Board of Directors.

The Chief Executive Officer represents the company in its relationships with third parties. The company is also bound by the acts of the Chief Executive Officer that are not within the limits of its corporate purpose, unless it proves that the third party was aware that the act exceeded such purpose or that the third party should have been aware of this in view of the circumstances. The publication of the Articles of Association is not on its own sufficient basis for such proof.

5.5.2.3 Deputy Executive Officer (Article 19.2 of the Articles of Association)

At the suggestion of the Chief Executive Officer, the Board of Directors may appoint, within its membership or not, one or several natural persons to assist the Chief Executive Officer, bearing the title of Deputy Executive Officer.

The maximum number of Deputy Executive Officers is set at five.

In agreement with the Chief Executive Officer, the Board of Directors will determine the scope and duration of the powers granted to the Deputy Executive Officers.

With respect to third parties, the Deputy Executive Officers have the same powers as the Chief Executive Officer.

The age limit for holding the position of Deputy Executive Officer is 67.

Irrespective of the term for which they have been granted, the functions of Deputy Executive Officer expire at the very latest at the end of the Ordinary General Meeting called upon to approve the financial statements for the previous year and held in the year during which the Deputy Executive Officer turns 67.

The Board of Directors determines the compensation of the Deputy Executive Officers.

If the Chief Executive Officer relinquishes his or her duties or is prevented from carrying them out, the Deputy Executive Officers will retain their functions and powers unless otherwise decided by the Board of Directors, until such time as a new Chief Executive Officer is appointed.

Deputy Executive Officers may be dismissed at any time by the Board of Directors, at the suggestion of the Chief Executive Officer. If the dismissal is decided upon without just cause, it may result in damages being paid.

5.6 Information about the company and its investments

As regards the main subsidiaries and equity investments, their main activity is presented in section 1.5 of the Universal Registration Document.

5.6.1 Group organisation

Covivio is an investor in the office real estate sector in France, Italy and Germany, with investments in commercial and residential real estate companies:

- equity investments in commercial real estate through the company Covivio Hotels (SIIC), owner of hotels and service sector properties in France, Germany, Italy, Luxembourg, United Kingdom, the Netherlands, Belgium, Portugal, Spain, Ireland, Poland, the Czech Republic and Hungary, and the company République (a non-listed company), operator of parking facilities
- an equity investment in residential real estate in Germany through Covivio Immobilien SE (an unlisted European company) and in France through Foncière Développement Logements (a SIIC unlisted since 29 December 2017).

The group consolidated by Covivio was thus constituted on 31 December 2020 of 449 separate legal entities, of which 135 were in the Office sector including 98 in France, 16 in Italy, 21 in Germany, 178 companies in Hotels in Europe, 124 in the Residential sector, six in parking facilities and six in service companies.

Covivio has teams in charge of managing its development and its assets throughout the territory. Each main group company relies upon a dedicated asset management team.

This services provider activity developed within the Covivio group concentrates on enhancing portfolio value through:

- Asset Management services: this function is focused on the real estate strategy to adopt regarding the assets held (disposal, renovations, financial management, etc.). Asset by asset, it consists of creating value to meet the expectations of the Group's companies by optimising the "profitability/risk" ratio

- Asset Development services: this function consists of assisting Group companies in activities to enhance the value of assets in the portfolio through real estate development. This function requires extensive expertise in real estate development

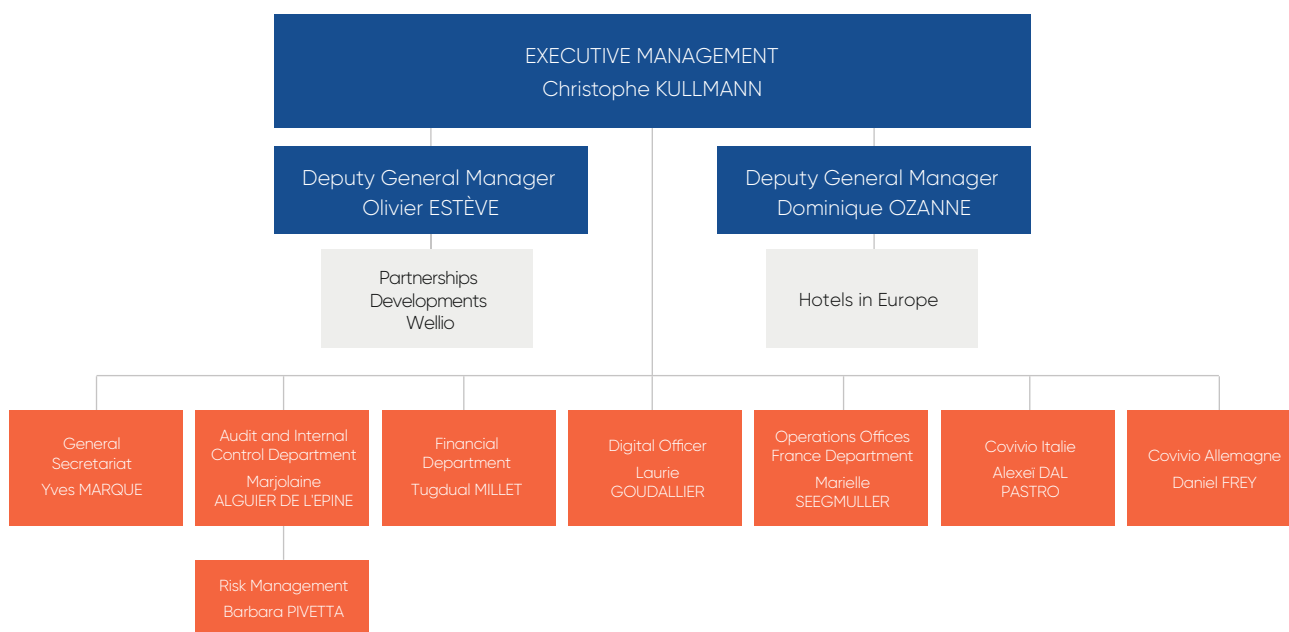
- Property Management services: management of all aspects of the life cycle of real estate assets (payments, ongoing and preventive maintenance, etc.). Property Management requires extensive expertise in leases, expense management, technical management, etc.

For development operations involving large projects, Covivio has a dedicated team in its subsidiary Covivio Développement.

Rental property management of Covivio and Covivio Hotels is provided by Covivio Property, a subsidiary of Covivio, a shared platform of central departments and personnel who work in the regional Offices. Rental property management of the residual accommodation of Foncière Développement Logements (FDL) is outsourced to Quadral Property.

The service agreements are straightforward and non-exclusive contracts.

The specialisation by type of assets of the different companies of the Covivio group prevents the exposure of the companies concerned to potential conflicts of interest, in terms of investments and/or divestments or asset management.



5.6.2 Equity investments

In compliance with Article L. 233-6 of the French Commercial Code, the equity investments that took place in the fiscal year are presented in Section 3.5.1.3 of the Universal Registration Document.

5.6.3 Results of subsidiaries and investments

The table of earnings of the subsidiaries and investments is shown in the separate financial statements in Section 3.5.6.6 of the Universal Registration Document.

5.6.4 Company earnings over the past five fiscal years

The table of earnings of the company over the past five fiscal years is shown in the individual financial statement in Section 3.5.6.9 of the Universal Registration Document.

5.6.5 Information on cross-shareholding

None.

5.6.6 Extraordinary events and litigation

The Group may be involved in court or administrative proceedings and is liable to be subject to a notice of deficiency from the French Tax administration.

To the company's knowledge, to date, except for the main proceedings in progress presented in Sections 3.2.2.10.4.2 and 3.2.5.12, there are no other extraordinary events or litigation likely to materially affect the portfolio, financial position, business or results of Covivio or its subsidiaries.

5.6.7 Ratings

In 2020, S&P confirmed Covivio's financial rating of BBB+ with a stable outlook.

5.7 Major contracts

During the last two financial years:

- no material contract was entered into by the issuer or any other member of the group
- no contract has been entered into by any member of the group containing provisions conferring on any member of the group a significant obligation or right for the entire group, other than those entered into in the normal course of business with the exception of the financial contracts in progress at 31 December 2020 and presented below.

		ISIN code	Issue date	Nominal amount	Maturity	Rate	Outstanding at end-2020
Covivio	Bond issues	XS1209112793	30 March 2015	€125M	30 March 2022	2.125%	€125M
		FR0013262698	21 June 2017	€500M	21 June 2027	1.500%	€595M
		XS1698714000	17 October 2017	€300M	17 October 2024	1.625%	€300M
		XS1772457633	20 February 2018	€300M	20 February 2028	2.375%	€300M
		FR0013519279	23 June 2020	€500M	23 June 2030	1.625%	€500M
	Green bonds	FR0013170834	20 May 2016	€500M	20 May 2026	1.875%	€500M
		FR0013447232	17 September 2019	€500M	17 September 2031	1.125%	€500M
	Convertible bonds issue	XS1268574891	3 August 2015	€200M	31 January 2021	0.875%	€200M
	EMTN (Euro Medium Term notes) programme	EMTN bond issue programme for €4 billion authorised by the Board of Directors on 14 October 2020, making it possible to determine the contractual framework within which Covivio's future issues will be carried out.					
Covivio Hotels	Bond issues	FR0013367422	24 September 2018	€350M	24 September 2025	1.875%	€350M
	Private placement	FR0012741072	29 May 2015	€200M	29 May 2023	2.218%	€200M

The principal financial agreements are detailed in the notes to the consolidated financial statements presented in Part 3 (Section 3.2.5.11) and Part 1 (Section 1.7.) of this Universal Registration Document.

5.8 Person responsible for the Universal Registration Document

5.8.1 Person responsible for the Universal Registration Document

Christophe Kullmann
Chief Executive Officer

5.8.2 Certification of the person responsible for the Universal Registration Document including the annual financial report

"I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and does not contain any omission likely to alter its scope.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a fair view of the assets, liabilities, financial position and profit or loss of the company and all of its consolidated companies, and that the information in the management report of the Board of Directors, including the concordance table at the end of the Universal Registration Document on page 539, fairly reflects the development of the business, the profit or loss and the financial position of the company and all of its consolidated companies, as well as a description of the main risks and uncertainties they face.

Paris, 12 March 2021

Monsieur Christophe Kullmann
Chief Executive Officer of Covivio

5.8.3 Declaration by the person responsible for the information

Paul Arkwright
Director of Financial planning & control and Financial communication
Address: 30, avenue Kléber – 75116 Paris – France
Telephone: +33 (0)1 58 97 51 85
e-mail: paul.arkwright@Covivio.fr
Website: www.Covivio.eu

5.8.3.1 Provisional timetable for financial reporting

	Date	Blackout period ⁽¹⁾
Publication of revenue of the first quarter of 2021	20 April 2021	5 April 2021 to 20 April 2021 inclusive
Publication of half-year results for 2021	21 July 2021	21 June 2021 to 21 July 2021 inclusive
Publication of revenue of the third quarter of 2021	21 October 2021	6 October 2021 to 21 October 2021 inclusive

(1) Corresponds to the period during which persons exercising managerial responsibilities and insiders of Covivio must refrain from any transaction involving the company's shares.

5.8.3.2 Historic financial information

Pursuant to Article 19 of European Commission Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017, the following information is incorporated by reference in this Universal Registration Document:

- the consolidated financial statement and the annual statements for the period ended 31 December 2019 and the report by the Statutory Auditors concerning same appear on pages 229 to 354 of the 2019 Reference Document filed with the AMF on 20 March 2020 under No. D.20-0149
- the consolidated financial statements and the annual statements for the period ended 31 December 2018 and the report by the Statutory Auditors concerning same appear on pages 225 to 346 of the 2018 Reference Document filed with the AMF on 12 March 2019 under No. D.19-0138.

The corporation tax-exempt dividend in application of Article 208 C of the French General Tax Code not eligible for the 40% rebate totals €277,301,509.20.

The dividend withheld on the profits subject to corporation tax totals €63,184,622.40.



Hôtel Kimpton Fitzroy Londres
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Concordance tables

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Concordance table for the Universal Registration Document

(pursuant to the sections of Appendices I and 2 of (EC) Regulation No. 2019/980 of 14 March 2019)

Type of information	Relevant parts	Pages
1. Responsible parties, third party information, appraiser statements and approval of the competent authority		
1.1. Parties responsible for information	5.8.1; 5.8.3	537
1.2. Statements made by the responsible parties	5.8.2.	537
1.3. Appraiser declarations and / or reports	1.9	87
1.4. Third-party information	N/A	
2. Statutory auditors		
2.1. Names and addresses	4.8	511
2.2. Resignations/non-renewals	N/A	
2.3. Remuneration	3.2.7.6	322
3. Risk factors		
3.1. Risks relating to Covivio's activity and strategy	1.9.1; 1.9.2	87 and 88
3.2. Financial risks	1.9.2; 3.2.2	88; 262
3.3. Legal, fiscal and regulatory risks	1.9.3	90
3.4. Risks related to specific regulations	1.9.3	90
3.5. Environmental risks	1.9.3	90
3.6. Risks related to the costs and availability of appropriate insurance cover	1.9.2	88
4. Information about the issuer		
4.1. History and development of the company	5.1.1	514 and following
4.1.1. Name and purpose of the company	5.2.1.1	517
4.1.2. Place of registration and registration number of the company	5.2.1.4	517
4.1.3. Date of incorporation and term of the company	5.2.1.9	517
4.1.4. Registered office and legal form of the company	5.2.1.2 and 5.2.1.3	517
4.1.5. Development of the company's activity	1.1 3.2.5	12 and following 282 and following
4.2. Investments	1.2; 1.2.6; 1.2.7	2; 23 and following
4.2.1. Main investments made during the financial year	1.2.6; 1.2.7	23 and following
4.2.2. Main investments in progress	1.2.6; 1.2.7	23 and following
5. Overview of activities		
5.1. Primary activities	1.2	18 and following
5.2. Primary markets	1.3.1.1; 1.3.2.1; 1.3.3.1; 1.3.4.1	32 and following
5.3. Key events underpinning the development of Group activity		4
5.4. Strategy and objectives		4
5.5. Possible dependence (Patents/Licences/Industrial and Commercial contracts)	N/A	
5.6. Competitive position	N/A	
5.7. Investments	1.2.6; 1.2.7	4; 23 and following
6. Organisation chart		
6.1. Description of the group	5.1.2 and 5.6.1	516; 534
6.2. List of major subsidiaries	3.2.3.3 3.5.6.6 5.6.2	278 366 and following 535
7. Review of the financial position and income		
7.1. Financial position	1.4; 3.1.1	56 and following; 255
7.2. Operating income	1.4.1.3 3.1.2	57 and following 257
8. Cash and share capital		
8.1. Issuer capital	3.1.4 and 3.5.3.3	259; 350
8.2. Cash flow sources and amounts	3.1.5	260
8.3. Borrowing conditions and financing structure	1.5 and 3.2.5.11	64; 295 and following

Type of information	Relevant parts	Pages
8.4. Restriction on the use of funding	N/A	
8.5. Financing sources needed to fulfil commitments relating to investment decisions	1.5; 3.2.5.11	64; 295 and following
9. Regulatory framework	1.9	87
10. Information on trends		
10.1. Principal trends	1.1; 1.3.1.1; 1.3.2.1; 1.3.3.1; 1.3.4.1; 1.3.5.1	12; 32; 38; 43; 46; 51
10.2. Events that could influence trends	3.2.4	2 and following 279 and following
11. Earnings projections or estimates	N/A	
12. Administrative, management and supervisory bodies and General Management		
12.1. Information on members of the administrative, management and supervisory bodies	4.3.1 5.5	426 and following 531 and following
12.2. Conflicts of interest of administrative, supervisory and general management bodies	4.3.2.2.4.3	452 and following
13. Remuneration and benefits		
13.1. Amounts of remuneration paid and benefits in kind	4.3.4.2 4.3.4.3 4.3.4.4	478 and following 494 and following 498
13.2. Total amount provisioned or recognised for pension payments, retirement schemes and other benefits.	3.2.5.12.2	304
14. Operation of the administrative and management bodies		
14.1. Date of expiration of current term of office	4.3.1.1 and 4.3.2.1	426 and following
14.2. Information on service contracts linking members of the Group's administrative, management or supervisory bodies to the issuer or any of its subsidiaries	3.2.7.4	321
14.3. Information about the Audit and the Remuneration Committees of the issuer	4.3.3.1 4.3.3.2	466 and following
14.4. Issuer's compliance with the applicable corporate governance system in force	4.3	425 and following
14.5. Trends that could impact the corporate governance of the Group.	4.3.2.1.2	436 and following
15. Employees		
15.1. Number of employees at period-end covered by the historical financial information	2.7.2	232 and following
15.2. Profit-sharing and stock options	5.3.7 and 5.3.9	526 and following
15.3. Agreement providing for employee participation in the capital of the issuer	2.5.2.4.1	187
16. Principal shareholders		
16.1. Shareholders owning more than 5% of the share capital or voting rights	5.3.3	523
16.2. Different shareholder voting rights	N/A	
16.3. Control of the issuer	5.3.3	523
16.4. Agreement known to the issuer whose implementation could, at a later date, result in a change of control	N/A	
17. Transactions with related parties	3.2.7.4	321
18. Financial information concerning the portfolio, financial position and the issuer's results		
18.1. Historic financial information	3.1	255 and following
18.2. Interim and other financial information	N/A	
18.3. Audit of annual historical information	3.1	255 and following
18.4. Pro forma financial information	N/A	
18.5. Dividend distribution policy	5.4.3	530
18.6. Arbitration and judicial proceedings	3.2.2.10	265
18.7. Significant change in the financial or commercial position	N/A	
19. Additional information		
19.1. Share capital	5.2; 5.3	517 and following
19.2. Corporate charter and Articles of Association	5.2	517 and following
20. Significant agreements	5.7	536 and following
21. Documents accessible to the public	5.2.1.13	518

Table of concordance with the annual financial report

(Used to identify the information comprising the annual financial report as provided under articles L. 451-1-2 of the French monetary and financial code and 222-3 of the AMF's general regulations).

Type of information	Relevant parts	Pages
1 - Annual financial statements	3.4; 3.5	334 and following
2 - Consolidated accounts	3.1; 3.2	255 and following
3 - Management report	Concordance table with the management report	539
4 - Statement of individuals assuming responsibility for the document	5.8.2.	537
5 - Report of the Statutory Auditors of the annual financial statements (including the observations on corporate governance) and the consolidated accounts	3.3 3.6	329 and following 376 and following
6 - Report from the Board of Directors on corporate governance	4.3	425 and following

Concordance table with the management report

The table of concordance below cross-references information in this Registration Document with information in the Company's and the Group's management report, as required by legal and regulatory provisions.

Type of information	Relevant parts	Pages
Statement of the financial position of the Company and the Group during the fiscal year just ended (L. 232-1 II and L. 233-26 of the French Commercial Code); Analysis of the evolution of the business, results and financial position of the Company and the Group and key financial and non-financial performance indicators (L.225100-1 I 1 and 2 and L. 233-6 of the French Commercial Code)	1.3 to 1.9	32 and following
Foreseeable outlook for the Company and Group (Articles L. 232-1 II and L. 233-26 of the French Commercial Code)	1.1	12 and following
Significant events occurring between the fiscal year-end and the date of creation of the management report (L. 232-1 II and L. 233-26 of the French Commercial Code)	3.2.9 and 3.5.6.8	328 and 372
R&D activities (Article L. 232-1 II and L. 233-26 of the French Commercial Code)	3.5.6.7	372
Existing subsidiaries (L. 232-1 II of the French Commercial Code)	5.2.1.5	517
Consolidated statement of non-financial performance (L. 225-102-1 and R. 225-105 of the French Commercial Code)	2	107 and following
Description of the main risks and uncertainties (L. 225-100-1 I 3 of the French Commercial Code)	1.9	87 and following
Financial risks linked to climate change and measures taken to reduce them (L. 22-10-35 1 of the French Commercial Code)	1.9.4	100
Main features of internal control and risk management procedures (L. 22-10-35 2 of the French Commercial Code)	1.9.6	101 and following
Objectives and policy in the areas of hedging and exposure to price risks, credit risks, liquidity risks and cash flow risks (L. 225-100-1 I 4 of the French Commercial Code)	1.5.5 and 1.9.4	66 and 100
Information relating to the Company's shareholding structure (L. 233-13 et L. 247-2 III of the French Commercial Code), statement of employee shareholding at the year-end (Article L. 225-102 of the French Commercial Code); possible adjustments for securities providing access to the share capital (Article L. 228-99 and R. 228-90 of the French Commercial Code)	5.3	522 and following
Information on the number of shares purchased and sold during the fiscal year under a share buyback programme, and characteristics of these transactions (Article L. 225-211 of the French Commercial Code)	5.3.8	526 and following
Company earnings over the past five fiscal years (Article R. 225-102 of the French Commercial Code)	5.6.4	535
Amount of dividends paid in respect of the past three financial years (French General Tax Code, Art. 243 bis)	5.4.3	530
Information on terms of payment (L. 441-6-1 of the French Commercial Code)	3.5.6.10	374 and following
Amount of sumptuary expenses (French General Tax Code, Art. 223 quater)	3.5.4.6	361
Non-deductible overhead expenses to be added back to taxable income (French General Tax Code, Art.223 quinquies)	3.5.4.6	361
Significant equity investments or takeovers of companies based in France and activity of the Company's subsidiaries (L. 233-6 of the French Commercial Code).	3.2.5 and 3.5.6.6	282 and following and 366 and following

Type of information	Relevant parts	Pages
Report from the Board of Directors on corporate governance (Article L. 225-37 of the French Commercial Code)	4.3	425 and following
● Remuneration policy for corporate officers (L. 22-10-8 of the French Commercial Code)	4.3.4.1	472 and following
● Information relating to all compensation of corporate officers for the past fiscal year (L. 22-10-9 I of the French Commercial Code).	4.3.4.2 4.3.4.3	478 and following 494 and following
● Allocation and retention of free shares by executive officers (L. 225-197-1 II of the French Commercial Code)	4.3.4.1.2.1.12	475
● List of offices and functions held in all organisations by each of the executive officers during the fiscal year (L. 225-37-4 I of the French Commercial Code)	4.3.1.1 and 4.3.2.1.3	426 and following 437 and following
● Agreements between a corporate officer or a major shareholder and a subsidiary according to the Article L. 233-3 (Article L. 225-37-4-2 of the French Commercial Code)	4.3.2.2.3.1	450 and following
● Summary of capital increase authorisations still in effect (Article L. 225-37-4-3 of the French Commercial Code)	4.3.5.2	499 and following
● Methods by which General Management exercises powers and limitations to the powers of the Chief Executive Officer and the Deputy Managing Directors (L. 225-37-4 4 and 22-10-10 3 of the French Commercial Code)	4.3 and 4.3.1.2	425 and 430
● Membership and conditions for preparing and organising the work of the Board of Directors (L. 22-10-10 1 of the French Commercial Code)	4.3.2.1 and 4.3.2.2	433 and following
● Diversity policy applied to the members of the Board of Directors and balanced representation of women and men within the executive bodies (L. 22-10-10 2 of the French Commercial Code)	4.3.2.2.5 and 4.3.1.5	453 432
● Application of the Corporate Governance Code for public companies (L. 22-10-10 4 of the French Commercial Code)	4.3	425
● Specific procedures for shareholder participation in the General Meeting (L. 22-10-10 5 of the French Commercial Code)	4.3.5	499
● Description of the evaluation procedure for current agreements and its implementation (L. 22-10-10 6 of the French Commercial Code)	4.3.2.2.3.2	450
● Elements that could be relevant in the event of a public offer (L. 22-10-11 of the French Commercial Code)	4.3.6	501 and 501
● Summary of the operations realised by the social mandates and related parties in relation to company securities (L. 621-18-2 of the Monetary and Financial Code and L. 223-26 of the General Regulations of the FMA)	4.3.1.3 and 4.3.2.1.4	431 and 448

Glossary

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. Bordeaux, Lille, Aix-Marseille, Montpellier, Nantes and Toulouse
- ED: Excluding Duties
- ID: Including Duties
- IDF: Paris region (Île-de-France)
- RRI: Rental Reference Index
- CCI: Construction Cost Index
- CPI: Consumer Price Index
- ILAT: French office rental 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

Debt interest rate

- Average cost:

Financial Cost of Bank Debt for the period +
Financial Cost of Hedges for the period

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.

EPRA Earnings

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

- 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 related to finance lease liability

(-) Net change in financial provisions

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

(-) Corporate taxes

(-) Recurring net income

Green Assets

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-Effinergie®, HPE, THPE or RT Global certifications.

Like-for-like change in value

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

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

Given the specificities and common practices on the German market, 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, i.e:
- 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 another without accounting for changes in scope: acquisitions, disposals, developments including the vacating and delivery of properties.

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

Restatement done:

- deconsolidation of acquisitions and disposals realised on the period
- restatement of work carried out on assets under development during the N period.

Loan To Value (LTV)

The LTV calculation is detailed in Part 4 "Financial Resources".

Net asset value per share (NAV/share), and Triple NetNAV per share

NAV per share (Triple Net NAV 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.

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:

$$1 - \text{Loss of rental income through vacancies (calculated at MRV)}$$

$$\text{Rental income of occupied assets} + \text{loss of rental income}$$

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 annualised data solely on the strategic activities portfolio.

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

Operating assets

Properties leased or available for rent and actively marketed.

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.

Rental activity

Rental activity includes mention of the total surface areas and the annualised 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".

Rental income

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

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

Annualised "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.

Surface area

- SHON: Gross surface
- SUB: Gross used surface

Unpaid rent (%)

Unpaid rent corresponds to the net difference between charges, reversals and unrecoverable loss of income divided by rent invoiced. These appear directly in the income statement under net cost of unrecoverable income (except in Italy where unpaid amounts not relating to rents were restated).

Yields/return

- The portfolio returns are calculated according to the following formula:

$$\text{Gross annualised rent (not corrected for vacancy)}$$

$$\text{Value excl. duties for the relevant scope (operating or development)}$$

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

$$\text{Gross annualised rent (not corrected for vacancy)}$$

$$\text{Acquisition value including duties or disposal value excluding duties}$$

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