PROSPECTUS DATED 23 JULY 2021

COVIVIO HOTELS

(a *société en commandite par actions* incorporated in France)

€500,000,000 1.000 per cent. Notes due 27 July 2029

Issue Price: 99.519 per cent.

This document constitutes a prospectus (the **Prospectus**) for the purposes of Article 6 of Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**).

The €500,000,000 1.000 per cent. Notes due 27 July 2029 (the **Notes**) of Covivio Hotels SCA (the **Issuer** or **Covivio Hotels**) will be issued on 27 July 2021 (the **Issue Date**) and will mature on 27 July 2029 (the **Maturity Date**).

Interest on the Notes will accrue at the rate of 1.000 per cent. *per annum* from (and including) the Issue Date to (but excluding) the Maturity Date and will be payable in Euro annually in arrears on 27 July in each year, commencing on 27 July 2022. Payments of principal and interest on the Notes will be made without deduction for or on account of taxes of France (See "Terms and Conditions of the Notes – Taxation").

Unless previously redeemed, purchased and cancelled in accordance with the terms and conditions of the Notes, the Notes will be redeemed at their principal amount on the Maturity Date. The Notes may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See "Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Taxation Reasons") or if an Event of Default occurs (See "Terms and Conditions of the Notes – Events of Default").

If a Put Event occurs, each Noteholder will have the option to require the Issuer to redeem or repurchase all or part of the Notes held by such Noteholder on the Optional Redemption Date at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase all as defined and more fully described in "Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of Noteholders following a Change of Control".

The Issuer may, at its option (i) redeem the Notes, in whole or in part, at any time prior to the Residual Maturity Call Option Start Date, in accordance with the provisions set out in "Terms and Conditions of the Notes – Redemption and Purchase – Make Whole Redemption at the option of the Issuer", (ii) from and including the Residual Maturity Call Option Start Date to but excluding the Maturity Date, redeem the Notes, in whole or in part, in accordance with the provisions set out in "Terms and Conditions of the Notes – Redemption and Purchase – Residual Maturity Call Option by the Issuer" and (iii) redeem all, but not some only, of the outstanding Notes, in the event that twenty-five (25) per cent. or less of the initial aggregate principal amount of the Notes remains outstanding, in accordance with the provisions set out in "Terms and Conditions of the Notes – Redemption and Purchase – Squeeze Out Redemption".

This Prospectus has been approved by the *Autorité des marchés financiers* (**AMF**) in France in its capacity as competent authority pursuant to the Prospectus Regulation and received the approval number no. 21-346 dated 23 July 2021 and will be valid until the date of admission of the Notes to trading on Euronext Paris. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to Euronext Paris S.A. for the Notes to be admitted to trading on the regulated market of Euronext Paris (**Euronext Paris**) as from the Issue Date. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/UE, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority (**ESMA**).

The Notes will, as from their Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes – Form, Denomination and Title") including Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**). The Notes will be in dematerialised bearer form (*au porteur*) in the denomination of €100,000. The Notes will at all times be represented in book-entry form (*inscription en compte*) in the books of the Account Holders in compliance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes are rated BBB+ by S&P Global Ratings Europe Limited (**S&P**). The long-term debt of the Issuer is rated BBB+ by S&P with a stable outlook. S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 as amended (the CRA Regulation). As such, S&P is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Copies of this Prospectus and the documents incorporated by reference will be available on the websites of the Issuer (www.covivio-hotels.fr) and, save for the First Quarter 2021 Results Press Release, the AMF (www.amf-france.org).

An investment in the Notes involves certain risks. Prospective investors should review all the information contained or incorporated by reference in this Prospectus and, in particular, the information described in the section headed "Risk Factors" in this Prospectus.

Joint Lead Managers

BNP PARIBAS
CREDIT AGRICOLE CIB
CIC MARKET SOLUTIONS
HSBC
NATIXIS

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, the Issuer and its fully consolidated subsidiaries taken as a whole (the ***Covivio Hotels Group****) and the Notes which is necessary to enable investors for making an informed assessment of the assets and liabilities, profits and losses, financial position, and prospects of the Issuer and the Covivio Hotels Group, the rights attaching to the Notes and the reason for the issuance and its impact on the Issuer.*

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the ***Securities Act****). Subject to certain exceptions, the Notes may not be offered or sold, directly or indirectly, within the United States. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".*

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Covivio Hotels Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Covivio Hotels Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained or incorporated by reference in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) *have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;*

(ii) *have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;*

(iii) *have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;*

(iv) *understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and*

(v) *be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase, sale or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

IMPORTANT – PRIIPs REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the* ***EEA****). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended,* ***MiFID II****); or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the* ***PRIIPs Regulation****) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

IMPORTANT – PRIIPs REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS *– The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (****UK****). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (****EUWA****); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the* ***UK PRIIPs Regulation****) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – *Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (****ESMA****) on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a* ***distributor****) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

To the extent permitted by law, the Joint Lead Managers accept no responsibility whatsoever for the content of this Prospectus (including the documents which are incorporated herein by reference) or for any other statement in connection with the Issuer or the Covivio Hotels Group.

The Joint Lead Managers have not separately verified the information contained or incorporated by reference in this Prospectus in connection with the Issuer or the Covivio Hotels Group. The Joint Lead Managers make no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus in connection with the Issuer or the Covivio Hotels Group. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation and assessment as it deems necessary. Each potential purchaser of Notes should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. The Joint Lead Managers do not undertake to review the financial condition or affairs of the Issuer or the Covivio Hotels Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to their attention.

TABLE OF CONTENTS

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and may be material for the purpose of assessing the market risks associated with Notes. All of these factors are contingencies which may or may not occur.

Factors which the Issuer believes are specific to the Issuer and/or the Notes and material for an informed investment decision with respect to investing in Notes are also described below.

The Issuer believes that the factors described below represent the principal inherent risks in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

In each sub-category below the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of its negative impact and the probability of its occurrence.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.

1. RISKS RELATED TO THE ISSUER AND ITS BUSINESS

The risks related to the Issuer and its business are set out in pages 39 to 52 of the 2020 Universal Registration Document, which is incorporated by reference in this Prospectus (see section entitled "*Documents Incorporated by Reference*" of this Prospectus), and include the following:

- Pandemic risks;
- Risks related to the environment in which Covivio Hotels operates;
- Risks related to information systems, data security and cyber-crime;
- Risks related to the legal and regulatory framework in which Covivio Hotels operates;
- Risks related to Covivio Hotels' development; and
- Financial risks.

2. RISKS RELATED TO THE NOTES

2.1 *Risks for the Noteholders as creditors of the Issuer*

Credit Risk

As contemplated in Condition 2 of the Terms and Conditions, the obligations of the Issuer in respect of principal, interest and other amounts payable under the Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer (*engagements chirographaires*). Noteholders are exposed to a higher credit risk than creditors benefiting from security interests from the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Notes. If the creditworthiness of the Issuer deteriorates and notwithstanding Condition 9 of the Terms and Conditions which enable the Noteholders to request the redemption of the Notes, it may not be able to fulfil all or part of its payment obligations under the Notes. In such a case, the value of the Notes may decrease, which could materially and negatively impact the Noteholders which may lose all or part of their investment.

French insolvency law

As a *société en commandite par actions* incorporated in France, French insolvency laws apply to the Issuer. Noteholders will be grouped automatically for the defence of their common interests in a Masse in accordance with Condition 9.

However, under French insolvency law, holders of debt securities (such as the Notes) issued by a French company (as the Issuer) are automatically grouped into a single assembly of holders (the **Assembly**) in case of the opening in France of safeguard (*procédure de sauvegarde*), accelerated financial safeguard (*procédure de sauvegarde financière accélérée*), accelerated safeguard (*procédure de sauvegarde accélérée)* or a judicial reorganisation proceedings (*procédure de redressement judiciaire*) relating to the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes) regardless of their governing law. The Assembly deliberates on the draft safeguard plan (*projet de plan de sauvegarde*), accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*), accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third (2/3) majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required to hold the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Prospectus in Condition 9 will not be applicable in these circumstances.

In addition, it should be noted that Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been adopted by the European Union on 20 June 2019 (the **Restructuring Directive**) and shall be transposed in the coming months. Depending on how it will be transposed into French law, it may modify French insolvency law described above and impact the situation of the Noteholders in the event that the Issuer was to be subject to the relevant French insolvency proceedings. More specifically, the Restructuring Directive is expected to impact the process of adoption of restructuring plans under insolvency proceedings. Creditors (including the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that are sufficiently similar to justify considering the members of the class a homogenous group with commonality of interest. As a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority in the amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States at not higher than 75% in the amount of claims or interests in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority by applying a cross-class cram down.

Therefore, when such directive is transposed into French law, it cannot be excluded that the Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. Despite the fact that any decisions taken by the Assembly or a class of creditor, as the case may be, could negatively impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover amounts due to them from the Issuer, the risk is deemed to be low, given that the probability of occurrence is low.

2.2 *Risks related to the particular structure of the Notes*

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Notes due to any withholding as provided in Condition 5.2, the Issuer may redeem all, but not some only, outstanding Notes in accordance with such Condition.

In addition, the Issuer may, at its option (i) redeem, in whole or in part, the then outstanding Notes at any time prior to the Residual Maturity Call Option Start Date, at the relevant Optional Make Whole Redemption Amount, as provided in Condition 5.4, (ii) from and including the Residual Maturity Call Option Start Date to but excluding the Maturity Date, redeem, in whole or in part, the Notes outstanding at the Principal Amount so redeemed plus accrued interest thereon, as provided in Condition 5.5 and (iii) redeem all, but not some only, of the outstanding Notes, in the event that twenty-five (25) per cent. or less of the initial aggregate principal amount of the Notes remains outstanding, as provided in Condition 5.6, provided that if the Issuer has exercised the Make Whole Redemption option as specified in Condition 5.4, the Squeeze Out Redemption shall not apply for a period of twelve (12) months as from the Optional Make Whole Redemption Date.

In particular, with respect to the Squeeze Out Redemption at the option of the Issuer provided in Condition 5.6, there is no obligation under the Terms and Conditions of the Notes for the Issuer to inform Noteholders if and when the threshold of twenty-five (25) per cent. of the initial aggregate principal amount of the Notes has been reached or is about to be reached, and the Issuer’s right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Squeeze Out Redemption, the Notes may have been trading significantly above par, thus potentially resulting in a loss of potential profit in connection with the Notes.

The early redemption at the option of the Issuer may affect negatively the market value of the Notes. During any period when the Issuer may (or may be expected to) elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances a Noteholder may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes and may only be able to reinvest at a significantly lower rate. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. Potential investors should consider reinvestment risk in light of other investments available at that time.

All of the above may cause the investment in the Notes to be less profitable than expected for Noteholders. In such case, Noteholders carry no risk of capital loss, but a decrease in the gain that the Notes could have brought them.

Both the Make Whole Redemption option by the Issuer and the Residual Maturity Call Option by the Issuer are exercisable in whole or in part and exercise of the Make Whole Redemption option by the Issuer and the Residual Maturity Call Option by the Issuer in respect of the Notes may affect the liquidity of the Notes

Both the Make Whole Redemption option by the Issuer provided in Condition 5.4 and the Residual Maturity Call Option by the Issuer provided in Condition 5.5 are exercisable in whole or in part.

If the Issuer decides to redeem the Notes in part, such partial redemption shall be effected by reducing the principal amount of all Notes in proportion to the aggregate principal amount redeemed.

Depending on the aggregate principal amount of Notes so redeemed, any trading market in respect of the Notes may become illiquid. As a result, a Noteholder may not be able to resell its Notes without incurring a significant discount from the nominal value of the Notes.

Purchases by the Issuer in the open market or otherwise (including by tender offer) in respect of certain Notes may affect the liquidity of the Notes which have not been so purchased

Depending on the number of Notes purchased by the Issuer as provided in Condition 5.7, any trading market in respect of those Notes that have not been so purchased may become illiquid. As a result, a Noteholder may not be able to resell its Notes without incurring a significant discount from the nominal value of the Notes.

Exercise of put option or notice of Event of Default in respect of certain Notes may affect the liquidity of the Notes in respect of which such put option is not exercised or a notice of Event of Default is not given

Depending on the number of Notes in respect of which the put option pursuant to a Change of Control (as more fully described in Condition 5.3) is exercised or in respect of which notice of an Event of Default is given (as provided in Condition 8), any trading market in respect of the remaining Notes for which such put option is not exercised or for which notice of an Event of Default is not given may become illiquid. Therefore, investors in the Notes not having exercised their put option may not be able to sell their Notes on the market and may have to wait until the Maturity Date to obtain redemption of their investments in the Notes, which may have a negative impact on the Noteholders and reduce the profits anticipated by the investors at the time of the issue. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

Modification and waiver

Condition 9 of the Terms and Conditions of the Notes contains provisions for Noteholders to consider matters affecting their interests generally to be adopted either through a general meeting or following a written consultation. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant general meeting, or did not consent to the written consultation or Noteholders who voted in a manner contrary to the majority. General meetings or written consultations may deliberate on any proposal relating to the modification of the conditions of the Notes subject to the limitations provided by French law. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes. However, the probability that the majority of Noteholders adopt a decision which could have a negative impact on the Noteholders is low.

By exception to the above provisions, Condition 9.4 provides that (i) the provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes and (ii) the provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall not apply to the Notes only to the extent that such proposal relates to a merger or demerger with another entity of the Covivio Group. As a result of these exclusions, the prior approval of the Noteholders will not have to be obtained on any such matters which may affect their interests generally.

2.3 *Risks related to the market of the Notes*

Market value and trading market of the Notes

The Notes are rated BBB+ by S&P Global Ratings Europe Limited (**S&P**). The Issuer is currently rated for its long term debt, BBB+ with a stable outlook by S&P. The market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors.

The value and market of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder. Accordingly, all or part of the investment by the Noteholder in the Notes may be lost upon any transfer of the Notes, so that the Noteholder in such case would receive significantly less than the total amount of its investment.

The secondary market of the Notes

Application has been made to Euronext Paris S.A. for the Notes to be admitted to trading on Euronext Paris as from the Issue Date. The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Although the Notes are expected to be admitted to trading on Euronext Paris as from the Issue Date, the Notes may not be so admitted or an active market may not develop. The absence of liquidity may have a significant material adverse effect on the value of the Notes.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, the financial condition, the creditworthiness of the Issuer and/or the Covivio Hotels Group, the outstanding amount of the Notes, any redemption features of the Notes as specified in Condition 5 of the Terms and Conditions of the Notes and the level, direction and volatility of interest rates generally. Such factors also will affect substantially the market value of the Notes. In particular, the notes market for a *société foncière* such as the Issuer is narrow compared to other types of issuers and investors traditionally carry out very few transactions in this type of security. A Noteholder may not be able to resell its Notes without incurring a significant discount from the nominal value of the Notes.

The yield of the Notes as at the Issue Date is 1.063 per cent. *per annum*. However, investors may not be able to sell their Notes in the secondary market (in which case the market or trading price and liquidity may be adversely affected) or may not be able to sell their Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Hence, the investors may receive a lower yield than anticipated at the time of the issue.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors whose financial activities are carried out or dependent principally in a currency other than euro may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

As provided in Condition 4, the Notes bear interest at a fixed rate of 1.000 per cent. *per annum*, payable annually in arrears on 27 July in each year commencing on 27 July 2022. Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value and the yield of the Notes and Noteholders may receive lower return on the Notes than anticipated at the time of the issue.

In particular, Noteholders are exposed to the risk that the market value of the Notes could fall as a result of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital markets (market interest rate) typically varies on a daily basis. As the market interest rate changes, the market value of such note would typically change in the opposite direction. If the market interest rate increases, the market value of such note would typically fall, until the yield of such notes is approximately equal to the market interest rate. If the market interest rate falls, the market value of such note would typically increase, until the yield of such note is approximately equal to the market interest rate. The degree to which the market interest rate may vary presents a significant risk to the market value of the Notes and can lead to losses for the Noteholders if they sell Notes during the period in which the market interest rate exceeds the fixed rate of the Notes.

IMPORTANT CONSIDERATIONS RELATING TO TAXATION

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Further, a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Potential investors are advised to ask for tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of each potential investor.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents which have been previously filed with the AMF and the information referred to in the cross-reference list below which are incorporated in, and shall be deemed to form part of, this Prospectus (together, the **Documents Incorporated by Reference**):

(a) the sections referred to in the table below included in the 2020 Universal Registration Document of the Issuer in the French language (*Document d'Enregistrement Universel 2020*) which was filed with the AMF on 15 March 2021 under number n° D.21-0122 (the **2020 Universal Registration Document** or the **2020 URD**) (https://www.covivio-hotels.fr/wp-content/uploads/sites/4/2021/06/2020-Document-denregistrement-universel.pdf), as amended by the first amendment to the 2020 Universal Registration Document in the French language (*amendement au document d'enregistrement universel 2020*) which was filed with the AMF on 18 May 2021 under number D.21-0122-A01 (the **First Amendment to the 2020 URD**) (https://files.webdisclosure.com/983145/CovH__Amendement_URD.pdf);

(b) the sections referred to in the table below included in the 2019 Universal Registration Document of the Issuer in the French language (*Document d'Enregistrement Universel 2019*) which was filed with the AMF on 6 March 2020 under number n° D.20-0110 (the **2019 Universal Registration Document** or the **2019 URD**) (https://files.webdisclosure.com/916561/COVIVIO_HOTELS_URD_2019_FR.pdf); and

(c) the Issuer's first quarter 2021 results press release in the French language (the **First Quarter 2021 Results Press Release**) (https://www.covivio-hotels.fr/wp-content/uploads/sites/4/2021/04/2021-CP-Resultats-Q1.pdf).

Any Document Incorporated by Reference may be obtained, free of charge, at the registered office of the Issuer during normal business hours so long as any of the Notes is outstanding, as described in "General Information" below. Such documents will be published on the websites of (a) save for the First Quarter 2021 Results Press Release, the AMF (www.amf-france.org) and (b) the Issuer (www.covivio-hotels.fr).

Free English translations of the 2019 Universal Registration Document and 2020 Universal Registration Document are available on the website of the Issuer (www.covivio-hotels.fr). The English translations of the 2019 Universal Registration Document and 2020 Universal Registration Document are available for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

Any statement contained in this Prospectus or in a Document Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any reference in the Prospectus to the First Amendment to the 2020 URD, the 2020 Universal Registration Document, the 2019 Universal Registration Document or the First Quarter 2021 Results Press Release shall be deemed to include only the sections mentioned in the table below.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Prospectus (including for the avoidance of doubt any information on the websites which appear in the documents incorporated by references) refers does not form part of this Prospectus and has not been scrutinised or approved by the AMF.

The Documents Incorporated by Reference shall be read in connection with the cross-reference list below. Any information contained in the Documents Incorporated by Reference that is not cross-referenced in the following table is for information purposes only shall not be incorporated in, and form part of, this Prospectus.

CROSS-REFERENCE TABLE

	Annex 7 of Commission Delegated Regulation 2019/980, as amended	**2020 URD (*unless stated otherwise*) (page number)**	**2019 URD (page number)**
1.	**PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**		
1.1	Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	254 First Amendment to the 2020 URD, page 3	228
1.2	A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import. Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in accordance with the facts and that those parts of the registration document make no omission likely to affect their import.	254	228
1.3	Where a statement or report attributed to a person as an expert is included in the registration document, provide the following information in relation to that person: (a) name; (b) business address; (c) qualifications; (d) material interest if any in the issuer. If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorised the contents of that part of the registration document for the purpose of the prospectus.	256	230
2.	**STATUTORY AUDITORS**		
2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	253	227
3.	**RISK FACTORS**		
	A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.	39 to 52	

	Annex 7 of Commission Delegated Regulation 2019/980, as amended	2020 URD (*unless stated otherwise*) (page number)	2019 URD (page number)
	In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.		
4.	**INFORMATION ABOUT THE ISSUER**		
4.1	**History and development of the Issuer**	248	
4.1.1	The legal and commercial name of the Issuer	244	
4.1.2	The place of registration of the Issuer, its registration number and legal entity identifier ("LEI")	244	
4.1.3	The date of incorporation and length of life of the Issuer, except where the period is indefinite	244	
4.1.4	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus	244	
4.1.5	Any recent events particular to the Issuer and which are to a material extent relevant to the evaluation of the Issuer's solvency	First Quarter 2021 Results Press Release, page 1	
5.	**BUSINESS OVERVIEW**		
5.1	**Principal activities**		
5.1.1	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed	7 to 15	
5.1.2	The basis for any statements made by the issuer regarding its competitive position.	65	
6.	**ORGANISATIONAL STRUCTURE**		
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure	64, 65, 160, 161 and 249	
9.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**		
9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies;	191 to 228 First Amendment to the 2020 URD page 7	

	Annex 7 of Commission Delegated Regulation 2019/980, as amended	2020 URD (*unless stated otherwise*) (page number)	2019 URD (page number)
	(b) partners with unlimited liability, in the case of a limited partnership with a share capital.		
9.2.	Administrative, management, and supervisory bodies conflicts of interests Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	222 and 253	
10.	**MAJOR SHAREHOLDERS**		
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control and describe the measures in place to ensure that such control is not abused	58	
11.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**		
11.1	**Historical Financial Information**		
11.1.1	Historical financial information covering the latest 2 financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.	38 and 254	34 to 228
11.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable the financial statements must be prepared according to: (a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/ EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. Otherwise the following information must be included in the registration document: (a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information; (b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting	30 to 34	26 to 34

	Annex 7 of Commission Delegated Regulation 2019/980, as amended	2020 URD (*unless stated otherwise*) (page number)	2019 URD (page number)
	principles adopted by the issuer in preparing its annual financial statements.		
11.1.5	Consolidated financial statements If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	30 to 38	26 to 34
	Interim financial information (unaudited)	First Amendment to the 2020 URD pages 7, 8 and 10	
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	30 to 38	26 to 34
11.2	**Auditing of Historical financial information**		
11.2.1	The historical financial information must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC and Regulation (EU) No 537/2014.	129 to 131, 163 to 166	115 to 117, 146 to 149
11.2.1a	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.	129, 163	115, 146
11.3	**Legal and arbitration proceedings**		
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	253	227
12.	**MATERIAL CONTRACTS**		
12.1	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.	15 to 18 and 247	15 to 18 and 221

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue of €500,000,000 1.000 per cent. Notes due 27 July 2029 (the **Notes**) of Covivio Hotels SCA (the **Issuer**) has been authorised by a resolution of the Supervisory Board (*Conseil de Surveillance*) of the Issuer dated 15 July 2021 and a decision of Covivio Hotels Gestion, Manager (*Gérant Commandité*) of the Issuer dated 20 July 2021. The Issuer has entered into a fiscal agency agreement (the **Fiscal Agency Agreement**) dated 23 July 2021 with CACEIS Corporate Trust as fiscal agent, put agent, principal paying and calculation agent for the purpose of the Conditions (except for Condition 5.4), and the Issuer has entered into a make whole calculation agency agreement (the **Make Whole Calculation Agency Agreement**) dated 23 July 2021 with Conv-Ex Advisors Limited as make whole calculation agent for the purpose of Condition 5.4. The fiscal agent, put agent, calculation agent, principal paying agent, make whole calculation agent and paying agents for the time being are referred to in these Conditions as the **Fiscal Agent**, the **Put Agent**, the **Calculation Agent**, the **Principal Paying Agent**, the **Make Whole Calculation Agent** and the **Paying Agents** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Fiscal Agency Agreement and the Make Whole Calculation Agency Agreement are available for inspection by prior appointment during usual business hours at the specified office of (in the case of the Fiscal Agency Agreement) the Fiscal Agent or (in the case of the Make Whole Calculation Agency Agreement) the Make Whole Calculation Agent and (in the case of the Fiscal Agency Agreement and the Make Whole Calculation Agency Agreement) at the registered office of the Issuer.

References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

1. FORM, DENOMINATION AND TITLE

The Notes are issued on 27 July 2021 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R. 211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

2. STATUS OF THE NOTES AND NEGATIVE PLEDGE

2.1 Status of the Notes

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, general, unconditional, unsubordinated and (subject to Condition 2.2) unsecured obligations of the Issuer (*engagements chirographaires*), and rank *pari passu* without any preference amongst themselves and with all other unsecured and unsubordinated indebtedness and guarantees (subject to exceptions imposed by French law), present or future, of the Issuer.

2.2 Negative Pledge

The Issuer agrees that so long as any of the Notes remains outstanding (as defined below), it will not create or permit to subsist any Security Interest (as defined below), to secure (i) any Bond Indebtedness (as defined below) other than (a) Securitised Bond Indebtedness (as defined below) or (b) Mortgage Bond Indebtedness (as defined below) or (ii) any guarantee of or indemnity in respect of any Bond Indebtedness (other than Securitised Bond Indebtedness) (whether any such Security Interest existed before or after the issuance of the Notes) unless the obligations of the Issuer under the Notes are equally and rateably secured therewith so as to rank *pari passu* with such Bond Indebtedness or the guarantee or indemnity thereof.

This undertaking relates exclusively to the issuance of Bond Indebtedness and in no way affects the Issuer's ability to dispose of its assets or to otherwise grant any security interest over or in respect of such assets in any other circumstances, without prejudice to Condition 3.

For this purpose of the Condition:

(i) **outstanding** means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those in respect of which claims have become prescribed under Condition 11.

(ii) **Bond Indebtedness** means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other securities (including *titres de créances négociables*) which are, or are capable of being, quoted, admitted to trading or ordinarily dealt in any stock exchange, over-the counter or other securities market.

(iii) **Mortgage Bond Indebtedness** means any issues of mortgage bonds (*emprunt obligataire hypothécaire*) (to the extent that the aggregate outstanding amount of such mortgage bonds do not exceed at any time Euro 260,000,000 in principal amount).

(iv) **Securitised Bond Indebtedness** means any Bond Indebtedness of the Issuer incurred in respect of or in connection with any securitisation or similar financing arrangement relating to assets owned by the Issuer and where the recourse of the holders of such Bond Indebtedness against the Issuer is limited solely to such assets or any income generated therefrom.

(v) **Security Interest** means any mortgage, charge, pledge, lien or other form of encumbrance or security interest which would constitute a *sûreté réelle* or its equivalent under any applicable legislation upon all or part of its business (*fonds de commerce*), assets or revenues, present or future.

3. RESTRICTION ON SECURED BORROWINGS

The Issuer agrees that, so long as any of the Notes remains outstanding and except with the prior approval by a Collective Decision (as defined under Condition 9) of the Noteholders, the Unsecured Revalued Assets Value (as defined below) shall not be less than the Relevant Debt (as defined below) at any time.

Appraisal Value means, with respect to any Person, the value of the total Real Estate Assets owned or held directly or indirectly by such Person (including through financial leases and including the Real Estate Assets used as operating properties) as it is shown in, or derived from, the latest consolidated financial statements of the Issuer.

Assets means for any Person all or any part of its property, assets, revenues (including any right to receive revenues) and uncalled capital.

Consolidated Subsidiaries means any Subsidiary of the Issuer fully consolidated (*consolidation par intégration globale*) in the financial statements of the Issuer.

Covivio Hotels Group means the Issuer and its Consolidated Subsidiaries taken as a whole.

Financial Indebtedness means at any time any obligation for the payment or repayment of money, whether present or future, in respect of:

(i) any outstanding principal amount (together with any fixed or minimum premium payable on final repayment) of all moneys borrowed (with or without security);

(ii) any amounts raised by acceptance or under any acceptance credit opened by a bank or other financial institution;

(iii) any lease, sale-and-lease-back, sale-and-repurchase or hire purchase contracts or arrangements which is, in accordance with the relevant accounting principles at the time such contracts or arrangements were entered into, treated as financial debt (*emprunts et dettes financières*);

(iv) any amount raised pursuant to any issuance of shares or equivalent which are mandatorily redeemable (whether at final maturity or upon the exercise by the holder of such shares or equivalent of any option) prior to the Maturity Date;

(v) any outstanding amount of the deferred purchase price of Real Estate Assets (as defined below) where payment (or, if payable in instalments, the final instalment) is due more than one (1) year after the date of purchase of such Real Estate Asset; or

(vi) any amount raised under any other transaction which is treated in accordance with the relevant accounting principles in the latest non-consolidated or consolidated balance sheet as financial debt (*emprunts et dettes financières*) (or, in the case of such amounts raised after the Issue Date, would have been so treated had they been raised on or prior to such date);

provided that:

(a) for purposes of computing the outstanding principal amount of any Financial Indebtedness in paragraphs (i) to (vi) above, any interest, dividends, commission, fees or the like shall be excluded save to the extent that they have been capitalised; and

(b) no amount shall be included or excluded more than once in calculating the amount of principal outstanding in respect of any Financial Indebtedness.

Person includes any individual, company, corporation, firm, partnership, joint-venture, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality).

Real Estate Assets means those Assets of any Person being real estate properties (being land and buildings (either completed or under construction)) and equity or equivalent investments (*participations*) directly or indirectly in any other Person which is a *société à prépondérance immobilière* (or its equivalent in any other jurisdiction) or in any other Person (whether listed or not listed) whose more than fifty per cent. (50%) of the Assets comprise real estate assets.

Relevant Debt means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, excluding any Secured Debt.

Revalued Assets Value means at any time, with respect to the Issuer, (i) the Appraisal Value excluding transfer rights (*droits de transferts*) on the relevant Real Estate Assets and, if any, relevant latent taxes (*fiscalité latente*) and (ii) the value of the equity-accounted investments (including advances) held directly or indirectly by the Issuer in any Person as shown in the latest consolidated financial statements.

Secured Debt means at any time the aggregate amount of the Financial Indebtedness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, that is secured by or benefits from a Security Interest over any of the Covivio Hotels Group's Assets.

Subsidiary means in relation to any person or entity at any time, any other person or entity (whether or not now existing) controlled directly or indirectly by such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

Unsecured Revalued Assets Value means at any time an amount equal to the Revalued Assets Value less the Secured Debt.

4. INTEREST

The Notes bear interest at the rate of 1.000 per cent. *per annum*, from and including 27 July 2021 (the **Interest Commencement Date**) to but excluding 27 July 2029 (the **Maturity Date**), payable annually in arrears on 27 July in each year (each an **Interest Payment Date**) and for the first time on 27 July 2022.

The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an **Interest Period**.

Notes will cease to bear interest from the date provided for their redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, the Notes will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Notes until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Notes (the **Noteholders**) in accordance with Condition 10 of receipt of all sums due in respect of all the Notes up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period of less than one (1) year, it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first but excluding the last day of such period).

5. REDEMPTION AND PURCHASE

The Notes may not be redeemed or purchased otherwise than in accordance with this Condition 5 and Condition 8.

5.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer at their principal amount on the Maturity Date.

5.2 Redemption for Taxation Reasons

(i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 7 below, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may on any Interest Payment Date, subject to having given not more than 60 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the outstanding Notes at their principal amount plus any interest accrued to the date fixed for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.

(ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in Condition 7 below, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than 7 days' prior notice to the Noteholders in accordance with Condition 10 redeem all, but not some only, of the Notes then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.

5.3 Redemption at the option of Noteholders following a Change of Control

If at any time while any of the Notes remains outstanding (A) a Change of Control occurs and (B) in respect of the first Change of Control only, to the extent that the Issuer or the Notes are rated, a Rating Downgrade in respect of that first Change of Control occurs (a **Put Event**), each Noteholder will have the option (the **Put Option**) (unless, prior to the giving of the Put Event Notice referred to below, the Issuer has given notice of any early redemption in respect of the Notes) to require the Issuer to redeem or, at the Issuer's option, procure the purchase of that Note on the Optional Redemption Date (as defined below).

Each Note shall be redeemed or purchased at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 10, with a copy to the Put Agent, specifying the nature of the Put Event and the procedure for exercising the Put Option.

To exercise the Put Option, a Noteholder must give notice to the relevant Account Holder, with a copy to the Put Agent in or substantially in the form set out in the Agency Agreement, duly completed and signed on its behalf (the **Put Notice**), on any Business Day falling within the period of forty-five (45) days after a Put Event Notice is given (the **Put Period**). The Put Notice shall include instructions for the transfer of such Noteholders' Notes to the specified account of the Put Agent for the redemption or purchase of such Notes.

The form of the Put Notice shall be available from the Put Agent through the relevant Account Holder.

Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Notice. A Put Notice once given shall be irrevocable. The Issuer shall redeem or, at its option, procure the purchase of the relevant Notes on the Optional Redemption Date unless previously redeemed or purchased.

For the avoidance of doubt, the Issuer shall have no responsibility for any breakage costs which the Noteholder may incur as a result of or in connection with such Noteholder’s exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise). The Issuer shall be responsible for any administrative costs e.g. notices etc arising as a result of in connection with any Noteholder's exercise or purported exercise of, or otherwise in connection with, any Put Option.

Affiliates means, in relation to a company, (i) any entity owned or controlled, directly or indirectly, by such company (including, if any, any subsidiary), (ii) all the entities owning or controlling, directly or indirectly, acting alone or in concert, such company, and (iii) any entities owned or controlled, directly or indirectly, by any of the entities mentioned in sub-paragraph (ii), all as defined by Article L.233-3 of the French *Code du commerce.*

Change of Control means the following:

(a) as long as the Issuer is a *société en commandite par actions*:

(i) Covivio Hotels Gestion ceases to be the sole *associé commandité* of the Issuer; and/or

(ii) Covivio ceases to own directly or indirectly at least 50.1 per cent. of the shares or voting rights of the sole *associé commandité* of the Issuer;

(b) if the Issuer changes its form and is therefore no longer a *société en commandite par actions*, a third party (other than Covivio or one of its Affiliates acting alone or in concert with one or several Affiliates of Covivio), acting alone or in concert (within the meaning of Articles L.233-10 and L.233-10-1 of the French *Code du commerce*), acquires, directly or indirectly, the control of the Issuer (within the meaning of Article L.233-3 of the French *Code du commerce*).

Covivio means the company “Covivio”, *société anonyme*, whose registered office is at 18, avenue François Mitterrand, 57000 Metz, France, registered at the *répertoire SIREN* under number 364 800 060 and with the *Registre du commerce et des sociétés* of Metz.

Covivio Hotels Gestion means the company “Covivio Hotels Gestion SAS”, *société par actions simplifiée*, whose registered office is at 30, avenue Kléber, 75116 Paris, France, registered at the *répertoire SIREN* under number 450 140 298 and with the *Registre du commerce et des sociétés* of Paris.

Optional Redemption Date means the fifth (5th) Business Day after the expiry of the Put Period.

Rating Agency means S&P Global Ratings Europe Limited and its successors (**S&P**) or any other rating agency of equivalent standing notified by the Issuer to the Noteholders in accordance with Condition 10.

Rating Downgrade shall be deemed to have occurred in respect of a Change of Control if, within the Restructuring Period, the rating previously assigned to the Notes or to the Issuer by any Rating Agency solicited by the Issuer is (x) withdrawn or (y) is at least one full notch lower than the rating of Covivio prevailing on the first day of the Restructuring Period, provided that the Rating Agency making the reduction in rating announces or publicly confirms or, having been so requested by the Issuer, informs the Issuer and the Put Agent in writing that the lowering was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control. If the Notes or the Issuer are rated by more than one Rating Agency, a Rating Downgrade shall be deemed to have occurred in respect of a particular Change of Control only if all the Rating Agencies have withdrawn or lowered its rating.

Restructuring Period means the period beginning one hundred and twenty (120) days prior to, and ending one hundred and twenty (120) days after, the date of the public announcement of the result (*avis de résultat*) by the AMF of the Change of Control.

5.4 Make Whole Redemption at the option of the Issuer

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than thirty (30) nor more than forty-five (45) calendar days' notice in accordance with Condition 10 to the Noteholders and to the Fiscal Agent (with a copy to the Make Whole Calculation Agent) (which notice shall be irrevocable and shall specify the relevant Optional Make Whole Redemption Date, Calculation Date, Specified Redemption Amount and Specified Redemption Proportion), have the option to redeem the Notes, in whole or in part, at any time prior to the Residual Maturity Call Option Start Date (the **Optional Make Whole Redemption Date**) at a price per Note equal to the product (rounded to the nearest cent (half a cent being rounded upwards)) of (A) the relevant Specified Redemption Proportion and (B) the relevant Optional Make Whole Redemption Amount.

Optional Make Whole Redemption Amount means, in relation to any Optional Make Whole Redemption Date, an amount in Euro per Note calculated by the Make Whole Calculation Agent (and rounded to the nearest cent (half a cent being rounded upwards)) equal to the sum of:

(i) the greater of:

(A) 100 per cent. of the Principal Amount (as defined below) of the Notes so redeemed; and

(B) the sum of the then present values on such Optional Make Whole Redemption Date of the remaining scheduled payments of principal and interest on each Note up to (and including) the Residual Maturity Call Option Start Date (excluding any accrued and unpaid interest accruing thereon to, but excluding, such Optional Make Whole Redemption Date) (assuming for this purpose that the Notes would be redeemed in whole on the Residual Maturity Call Option Start Date at such Principal Amount together with interest accrued up to, but excluding, such Residual Maturity Call Option Start Date, and determined on the basis of the interest rate applicable to such Note in accordance with these Conditions), discounted to the Optional Make Whole Redemption Date on an annual basis (Actual/Actual (ICMA)) at the Early Redemption Rate plus an Early Redemption Margin; and

(ii) accrued and unpaid interest accruing thereon up to, but excluding, such Optional Make Whole Redemption Date.

In this Condition 5.4, **Business Day** means any day, other than a Saturday or a Sunday, on which (i) the TARGET System is operating, (ii) Euroclear France is open for general business and (iii) foreign exchange markets and commercial banks are open for business in Paris.

Calculation Date means the fourth (4^{th}) Business Day preceding the Optional Make Whole Redemption Date.

Early Redemption Margin means 0.25 per cent. *per annum*.

Early Redemption Rate means, on any date, (A) the mid-market yield to maturity (calculated by the Make Whole Calculation Agent in accordance with applicable market conventions, and rounded to the nearest 0.001%, with 0.0005% rounded upwards) based on the mid-market price for the Reference Benchmark Security at 11.00 a.m. (Paris time) on the Calculation Date as appearing on Bloomberg page QR (using the pricing source "Bloomberg Generic Price") (or any successor page or pricing source) in respect of the Reference Benchmark Security, or (B) if the Early Redemption Rate cannot be so determined on the Calculation Date, the average of the three quotations provided by the Reference Dealers (or if only two quotations are provided by the Reference Dealers, the average of such two quotations, or if only one quotation is provided by the Reference Dealers, such quotation) of the mid-market annual yield to maturity of the Reference Benchmark Security at 11.00 a.m. (Paris time) on the Calculation Date (provided that if no such quotation is provided by the Reference Dealers on or before the Business Day immediately following the Calculation Date, the Early Redemption Rate shall be deemed not to be capable of being determined pursuant to this limb (B)), or (C) if the Early Redemption Rate cannot be so determined, such rate as is determined in good faith to be appropriate by an independent expert appointed by the Issuer.

Principal Amount of any Note, at any time, means the outstanding principal amount of such Note at such time (being €100,000 as at the Issue Date, subject to reduction from to time in accordance with Condition 5.9 upon any partial redemption pursuant to Condition 5.4 or Condition 5.5).

Reference Benchmark Security means (i) the French government bond (*Obligations Assimilables du Trésor – OAT*) bearing interest at a rate of 0.500 per cent. *per annum* and maturing on 25 May 2029 with ISIN Code FR0013407236 or (ii) if such bond is no longer outstanding on the Calculation Date, the Substitute Reference Benchmark Security.

Reference Dealers means each of the three banks (that may include (without limitation) the Joint Lead Managers) selected by the Make Whole Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Substitute Reference Benchmark Security means the benchmark bond issued by the French Republic that (i) (to the extent there is any relevant market for new issues of corporate debt securities of comparable maturity to the remaining term of the Notes (determined for this purpose by reference to the Residual Maturity Call Option Start Date and not the Maturity Date)) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to such remaining term of the Notes or (ii) (where (i) does not apply) has the maturity date falling nearest to the Residual Maturity Call Option Start Date, all as determined by the Make Whole Calculation Agent.

Specified Redemption Amount means, in relation to any redemption pursuant to this Condition 5.4, (i) in the case of a redemption in whole of the then outstanding Notes, the Principal Amount of each Note on the relevant Optional Make Whole Redemption Date and (ii) in the case of a partial redemption of the Notes, the principal amount per Note so elected to be redeemed by the Issuer in its sole discretion.

Specified Redemption Proportion means, in relation to any redemption pursuant to this Condition 5.4, (i) in the case of a redemption in whole of the then outstanding Notes, 100% and (ii) in the case of a partial redemption of the Notes, a ratio equal to the relevant Specified Redemption Amount divided by the Principal Amount on the relevant Optional Make Whole Redemption Date.

The determination of any rate or amount, the obtaining of any quotation and the making of any determination or calculation by the Make Whole Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Make Whole Calculation Agent shall act solely as agent of the Issuer and shall not be liable (to the fullest extent permitted by law) as against, any Noteholder, the Representative or any other Agent.

5.5 Residual Maturity Call Option by the Issuer

The Issuer may, at its option, from and including the date falling three (3) months prior to the Maturity Date (*i.e.* 27 April 2029) (the **Residual Maturity Call Option Start Date**) to but excluding the Maturity Date, subject to having given not more than sixty (60) nor less than thirty (30) calendar days prior notice to the Noteholders and the Fiscal Agent in accordance with Condition 10 (which notice shall be irrevocable and shall specify the relevant date fixed for redemption), redeem the outstanding Notes, in whole or in part, at the Principal Amount of the Notes so redeemed plus accrued interest thereon up to, but excluding, the date fixed for redemption.

5.6 Squeeze Out Redemption

In the event that twenty-five (25) per cent. or less of the initial aggregate principal amount of the Notes (including any assimilated Notes issued pursuant to Condition 12) remains outstanding, the Issuer may, at its option but subject to having given not more than sixty (60) nor less than thirty (30) calendar days prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 10, redeem all, but not some only, of the outstanding Notes at their Principal Amount plus accrued interest up to but excluding the date fixed for redemption, provided that if the Issuer has exercised the Make Whole Redemption option as specified in Condition 5.4, the Squeeze Out Redemption shall not apply for a period of twelve (12) months as from the Optional Make Whole Redemption Date.

5.7 Purchases

The Issuer may at any time purchase Notes together with rights to interest relating thereto in the open market or otherwise (including, without limitation, by means of a tender and/or exchange offer) at any price. Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations.

5.8 Cancellation

All Notes which are redeemed pursuant to Conditions 5.1, 5.2(i), 5.2(ii), 5.3, 5.4, 5.5, 5.6 or purchased for cancellation pursuant to Condition 5.7 will forthwith be cancelled and accordingly may not be reissued or sold.

5.9 Partial Redemption

In the case of a partial redemption in accordance with Condition 5.4 or 5.5, the redemption will be effected by reducing on the relevant date set for redemption the Principal Amount of each Note on such date in proportion to the aggregate principal amount redeemed, subject to compliance with any other applicable laws and regulated market requirements.

6. PAYMENTS

6.1 Method of Payment

Payments of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. **TARGET System** means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Notes will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

6.2 Payments on Business Days

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day (as defined below) and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

In these Conditions (other than for the purpose of Condition 5.4), **Business Day** means any day, other than a Saturday or a Sunday, on which the TARGET System is operating and on which Euroclear France is open for general business.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.3 Fiscal Agent, Put Agent, Calculation Agent, Paying Agents and Make Whole Calculation Agent

The names of the initial Fiscal Agent, the Principal Paying Agent and the Calculation Agent and its specified office are set out below:

CACEIS Corporate Trust
14, rue Rouget de Lisle
92130 Issy-Les-Moulineaux
France

The name of the initial Make Whole Calculation Agent and its specified office are set out below:

Conv-Ex Advisors Limited
30 Crown Place
London EC2A 4EB
United Kingdom

The Issuer reserves the right at any time to vary or terminate the appointment of the Agents and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent, a Put Agent, a Calculation Agent, a Make Whole Calculation Agent and a Principal Paying Agent having a specified office in a European city (including without limitation a city in the United Kingdom). Notice of any such change or any change of specified office shall promptly be given to the Noteholders in accordance with Condition 10.

7. TAXATION

7.1 Withholding Tax

All payments of principal or interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any jurisdiction or any political subdivision or any authority thereof having power to tax, unless such withholding or deduction is required by law or regulations.

7.2 Additional Amounts

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Note become subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts (the **Additional Amounts**) as may be necessary in order that the holder of each Note, after such withholding or deduction, will receive the full amount then due and payable thereon in the absence of such withholding or deduction; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any Note:

(i) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or

(ii) presented more than thirty (30) days after the Relevant Date (as defined below), except to the extent that the Noteholder thereof would have been entitled to such Additional Amounts on the last day of such period of thirty (30) days.

As used in these Conditions, the **Relevant Date** in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made, and (B) if the full amount of the monies payable on such date in respect of such Note has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given to Noteholders that such monies have been so received, notice to that effect shall have been duly published in accordance with Condition 10.

Any references in these Conditions to principal and/or interest shall be deemed also to refer to any Additional Amounts which may be payable under the provisions of this Condition 7.

8. EVENTS OF DEFAULT

Any Noteholder may, upon written notice to the Issuer, with a copy to the Fiscal Agent, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with interest accrued since the last Interest Payment Date (or, if applicable, since the Issue Date) preceding the early redemption date and until the date of effective redemption, if any of the following events occurs (each, an **Event of Default**):

(a) if any amount of principal or interest on any Note shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of fifteen (15) days from such due date; or

(b) if the Issuer defaults in the due performance of any other obligation in respect of the Notes, and such default continues for a period of forty (40) days (unless such default is not curable in which case such period shall not apply) following receipt by the Issuer of a written notice of such default; or

(c) if (i) any other present or future Financial Indebtedness (as defined in Condition 3) of the Issuer or any of its Material Subsidiaries (as defined below) becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of such Financial Indebtedness and including, where applicable, after the delivery of any notice and/or the expiration of any applicable grace period required in order for such Financial Indebtedness to become so due and payable, or (ii) any such present or future Financial Indebtedness is not paid by the Issuer or any of its Material Subsidiaries when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any present or future Financial Indebtedness; where the aggregate amount of the relevant Financial Indebtedness and/or guarantees or indemnities, individually or in the aggregate, is equal to or in excess of Euro 25,000,000 (or its equivalent in any other currency); or

(d) if the Issuer is wound up or dissolved or ceases to carry on all or substantially all of its business except (i) in connection with a merger or spin-off (including *fusion-scission*), consolidation, amalgamation or other form of reorganisation (including a management buy-out or leveraged buy-out) pursuant to which the surviving entity shall be the transferee of, or successor to, all or substantially all of the business of the Issuer and assumes all of the obligations of the Issuer with respect to the Notes or (ii) on such other terms approved by a resolution of the general meeting of Noteholders; or

(e) if the Issuer or any of its Material Subsidiaries makes any proposal for a general moratorium in relation to its debts or any judgment is issued for its judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of its business (*cession totale de l'entreprise*) in the context of a procedure of judicial liquidation (*liquidation judiciaire*) or of a judicial rehabilitation (*redressement judiciaire*) or it is subject to any similar proceedings whatsoever.

Material Subsidiaries means any Subsidiary with a total balance sheet in excess of Euro 20,000,000 (or its equivalent in any other currency).

9. REPRESENTATION OF THE NOTEHOLDERS

Noteholders will be grouped automatically for the defence of their common interests in a masse (the **Masse**). The Masse will be governed by the provisions of the French *Code de commerce*, and with the exception of Articles L.228-71 and R.228-69 of the French *Code de commerce* subject to the following provisions.

9.1 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

9.2 Representative of the Masse

The following person is designated as Representative of the Masse:

F&S Financial Services
13 rue Oudinot
75007 Paris

France

The following person is designated as alternate Representative of the Masse (the **Alternate Representative**):

Mr. Vincent Fabié
13 rue Oudinot
75007 Paris
France

In the event of liquidation, dissolution, death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the Alternate Representative. In the event of liquidation, dissolution, death, retirement or revocation of appointment of the Alternate Representative, another Representative will be elected by a Collective Decision.

The Representative shall be paid, in relation to the Notes, a fee of four hundred fifty euros (450 €) (excluding taxes) *per annum*, payable for the first time on the Issue Date then on each Interest Payment Date up to 27 July 2028 (inclusive), unless the Notes have been previously redeemed in full by the Issuer. No additional remuneration is payable in relation to any subsequent issue pursuant to Condition 12.

9.3 Power of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

9.4 Collective Decisions

Collective Decisions are adopted either (i) in a general meeting (the **General Meeting**), or (ii) by the consent of one or more Noteholders holding together at least seventy per cent. of the principal amount of the Notes outstanding, following a Written Resolution (as defined below).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2^{nd}) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 9.7.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes.

(a) General Meetings

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 9.7 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

(i) Written Resolutions and Electronic Consent

Pursuant to Article L. 228-46-1 of the French *Code de commerce* the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Resolution. Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders. Pursuant to Articles L. 228-46-1 and R. 225-97 of the French *Code de commerce*, approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders (**Electronic Consent**).

Written Resolutions shall not have to comply with formalities and time limits referred to in Condition 9.4(a) above. Any Written Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting.

For the purpose hereof, a **Written Resolution** means a resolution in writing signed by the Noteholders of not less than 70 per cent. in nominal amount of the Notes outstanding.

(b) Exclusion of certain provisions of the French Code de commerce

The provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

The provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall not apply to the Notes only to the extent that such proposal relates to a merger or demerger with another entity of the Covivio Group.

Covivio Group means Covivio and its consolidated subsidiaries (including the Issuer and its Consolidated Subsidiaries) taken as a whole.

9.5 Expenses

The Issuer shall pay all expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

9.6 Sole Noteholder

If and for so long as the Notes are held by a sole Noteholder and unless a Representative has been appointed, such Noteholder shall exercise all powers, rights and obligations entrusted to the Masse by the provisions of the French *Code de commerce*. The Issuer shall hold a register of the decisions taken by the sole Noteholder in this capacity and shall make it available, upon request, to any subsequent holder of any of the Notes.

9.7 Notices to Noteholders

Any notice to be given to Noteholders in accordance with this Condition 9 shall be given in accordance with Condition 10.

10. NOTICES

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer (www.covivio-hotels.fr), and so long as the Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris (www.euronext.fr). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

11. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

12. FURTHER ISSUES

The Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the issue price, the amount and date of the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

13. GOVERNING LAW AND JURISDICTION

The Notes are governed by the laws of France.

The competent courts within the jurisdiction of the Court of Appeal of Paris have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The estimated net proceeds of the issue of the Notes will amount to €495,845,000 and be used by the Issuer (i) for refinancing of existing borrowings, including existing borrowings obtained from one or several of the Joint Lead Managers or their affiliates and (ii) for general corporate purposes.

DESCRIPTION OF THE ISSUER

Information on the Issuer and the Covivio Hotels Group is contained in the 2020 Universal Registration Document and the First Amendment to the 2020 URD which are incorporated by reference in the Prospectus and available on the website of the Issuer (www.covivio-hotels.fr) and on the website of the AMF (www.amf-france.org).

RECENT DEVELOPMENTS

1. The Issuer has published the following press release on 20 May 2021:

Paris, 20 May 2021

Covivio Hotels launches a capital increase of approximately €250 million

Key terms and objectives of the transaction

- **Capital increase with shareholders' preferential subscription rights**
- **Subscription price: €16 per share**
- **Subscription ratio: 2 new shares for 17 existing shares**
- **Trading period for preferential subscription rights : from 21 May 2021 to 3 June 2021 inclusive**
- **Subscription period: from 25 May 2021 to 7 June 2021 included**
- **Share capital entirely guaranteed by the irrevocable subscription commitment of the existing shareholders**

Covivio Hotels (the "**Company**") announces today the launch of a capital increase in cash with preferential subscription rights in the amount of approximately €250 million (the "**Capital Increase**").

All the main shareholders of Covivio Hotels, members of the Supervisory Board and representing approximately 97% of the company's share capital, have already irrevocably undertaken to subscribe on an irreducible basis (*à titre irréductible*) for shares in the Capital Increase in proportion to their respective shareholding. Covivio has also undertaken to subscribe for shares on a reducible basis (*à titre réductible*) to cover the residual part, i.e. approximately 3% of the Capital Increase. The subscription commitments represent 100% of the Capital Increase.

Convinced of the strong foundations of the European hotel market, Covivio Hotels is preparing the resumption of the activity with this capital increase. While strengthening and optimizing its balance sheet, Covivio Hotels is giving itself additional investment capacities. The proceeds of the Capital Increase will be used to reimburse corporate debts contracted in 2020 for €250 million with maturities in 2022 and 2023 respectively. The funds raised will also enable the Company to preserve all of its cash available and its authorized credit lines to possibly seize investment opportunities.

Main terms of the Capital Increase

The Capital Increase will be completed with shareholders' preferential subscription rights (the "**Rights**"), pursuant to the 21th resolution of the combined general meeting of 8 April 2021 and the decision of the Managing Partner (*Gérant*) dated 18 May 2021, and will result in the issue of 15,593,836 new shares (the "**New Shares**"), at a subscription price of €16 per share (i.e. €4 in nominal value and €12 in issue premium), to be fully paid upon subscription by payment in cash, representing gross proceeds, including the issue premium, of up to €249,501,376.

On 21 May 2021, each of the Company's shareholders will receive seventeen one (1) Right for one share recorded at the end of the accounting day on 20 May 2021. Seventeen (17) Rights will entitle their holders to subscribe for 2 (2) New Shares on an irreducible basis (*à titre irréductible*).

Subscriptions on a reducible basis (*à titre réductible*) will be accepted but will be subject to reduction in the event of oversubscription. Any New Shares not covered by subscriptions on an irreducible basis (*à titre irréductible*) will be distributed and allocated to the holders of Rights having submitted subscription orders on a reducible basis (*à titre réductible*), subject to reduction.

On the basis of the closing price of the Covivio Hotels share on the regulated market of Euronext Paris on 18 May 2021, i.e. €17.40, the theoretical value of one (1) Right is €0.147 and the theoretical value of the share ex-rights is €17.25.

For illustrative purposes, the issue price represents a discount of 7.26% to the theoretical value of the Covivio Hotels share ex-rights, based on the share price of the Covivio Hotels share at the close of trading as of 18 May 2021, i.e. €17.40.

These values do not necessarily reflect the value of the Rights during their trading period, the value of Covivio Hotels share ex-rights or the discounts, as determined in the market.

The Capital Increase will be open to the public in France only.

Natixis as Lead Manager and BNP Paribas, Crédit Agricole Corporate and Investment Bank and HSBC Continental Europe are acting as Joint Global Coordinators and Joint Bookrunners.

Indicative timetable for the Capital Increase

The Rights will be listed and traded on the regulated market of Euronext Paris under the ISIN code FR0014003N77 from 21 May 2021 to 3 June 2021 included. The subscription period for the New Shares will run from 25 May 2021 to 7 June 2021 included. During this subscription period, the holders of Rights will be entitled to exercise their Rights in order to subscribe to New Shares:

- on an irreducible basis (*à titre irréductible*), 2 New Shares for 17 existing shares they hold. 17 Rights will enable to subscribe 2 New Shares at a price of €16 per New Share; and

- on a reducible basis (*à titre réductible*), the number of New Shares they want in addition to the ones they are entitled to through the exercise of their Rights on an irreducible basis.

The Rights not exercised before the end of the subscription period, i.e. before the close of trading on 7 June 2021, shall then become null and void.

The issue, settlement-delivery and admission of the New Shares to trading on the regulated market of Euronext Paris are expected to take place on 14 June 2021. The New Shares will carry dividend rights and will confer on their holders, upon delivery, all the rights attached to the shares and will give the right to any dividends distributed by the Company from the date of issuance.

They will be immediately fungible with existing shares of the Company and will be traded on the same line under the ISIN code FR0000060303.

Lock-up commitment of the Company

From the date of approval by the *Autorité des marchés financiers* ("**AMF**") of the prospectus relating to the Capital Increase and for a period expiring 90 calendar days following the settlement-delivery date of the New Shares, subject to certain customary exceptions.

Dilution

For illustrative purposes only, a shareholder holding 1% of the Company's share capital as of 19 May 2021, and who does not participate in the Capital Increase, would hold 0.89% following the issue of the New Shares.

Liquidity Agreement

The liquidity agreement entered into with Natixis and Oddo BHF on 27 June 2018 will be suspended as of 19 May 2021 until the end of the subscription period of the New Shares, i.e. 7 June 2021.

Availability of the Prospectus

The prospectus (the "**Prospectus**") was approved by the AMF under number 21-162 on 19 May 2021 and includes (i) the universal registration document (*document d'enregistrement universel*) of Covivio Hotels filed with the AMF on 15 March 2021 under number D.21-0122 (the "**URD**"), (ii) an amendment to the URD filed with the AMF on 18 May 2021 under number D.21-0122-A01, (iii) the securities note dated 19 May 2021 (*note* *d'opération*) (the "**Securities Note**") and (iv) the summary of the prospectus (included in the Securities Note).

The Prospectus is available on the website of the AMF (www.amf-france.org) and the Company (www.covivio-hotels.fr). Copies of the Prospectus are available free of charge at the Company's registered office (30 avenue Kléber, 75116 Paris).

Risk factors

Investors' attention is drawn to the risk factors detailed in section 1.6.1 "*Risk Factors*" of the URD and in chapter 2 "*Facteurs de risques*" of the Securities Note (*note d'opération*).

2. The Issuer has published the following press release on 10 June 2021:

Paris, 10 June 2021

Covivio Hotels announces the success of its capital increase of €250 million

Covivio Hotels (the "**Company**") announces today the success of its capital increase in cash with preferential subscription rights (the "**Capital Increase**").

Objectives of the Capital Increase

The proceeds of the Capital Increase will be used to reimburse corporate debts contracted in 2020 for €250 million with maturities in 2022 and 2023 respectively. The funds raised will also enable the Company to preserve all of its cash available and its authorized credit lines to seize potential investment opportunities.

Results of the Capital Increase

The gross proceeds of the Capital Increase (including the issue premium) amount to €249,501,376 and result in the issue of 15,593,836 new shares (the "**New Shares**") at a subscription price of €16 per New Share.

Following the subscription period, which ended on 7 June 2021, the Capital Increase is subscribed for up to €249,501,376 representing 15,593,836 New Shares:

- 15,327,976 New Shares were subscribed on an irreducible basis ("*à titre irréductible*"), representing approximately 98.3% of the New Shares to be issued;
- Orders submitted on a reducible basis ("*à titre réductible*") represented 501,938 New Shares and were therefore only partially allocated for a number of 265,860 New Shares, representing approximately 1.7% of the New Shares to be issued.

All the main shareholders of Covivio Hotels, members of the Supervisory Board and representing approximately 97% of the company's share capital, subscribed on an irreducible basis (*à titre irréductible*) for shares in the Capital Increase in proportion to their respective shareholding. Covivio also subscribed for 264,314 shares on a reducible basis (*à titre réductible*), representing approximately 1.69% of the Capital Increase and increasing then it's participation in Covivio Hotels by 0,18 point to reach 43,64% of the capital.

Impact of the Capital Increase on the allocation of the share capital

Following the Capital Increase, Covivio Hotels' share capital will amount to €592,565,808 divided in 148,141,452 shares representing 148,133,420 voting rights. It will break down as follows :

Shareholders	Shares	% capital	Voting rights	% voting rights
Covivio	64,642,057	43.64%	64,642,057	43.64%
Groupe Crédit Agricole Assurances	24,149,056	16.30%	24,149,056	16.30%
Cardif Assurance Vie	15,701,102	10.60%	15,701,102	10.60%
Groupe Generali	12,316,445	8.31%	12,316,445	8.31%

ACM Vie	11,473,544	7.74%	11,473,544	7.75%
Sogecap	7,639,782	5.16%	7,639,782	5.16%
Caisse des Dépôts et Consignations	7,985,188	5.39%	7,985,188	5.39%
Flottant	4,226,246	2.85%	4,226,246	2.85%
Autodétention	8,032	0.01%	0	0%
Total	**148,141,452**	**100%**	**148,133,420**	**100%**

Lock-up commitment of the Company

From the date of approval by the *Autorité des marchés financiers* ("**AMF**") of the prospectus relating to the Capital Increase and for a period expiring 90 calendar days following the settlement-delivery date of the New Shares, subject to certain customary exceptions.

Indicative timetable for the Capital Increase

The issue and admission of the New Shares to trading on the regulated market of Euronext Paris are expected to take place on 14 June 2021. The New Shares will carry dividend rights and will confer on their holders, upon delivery, all the rights attached to the shares and will give the right to any dividends distributed by the Company from the date of issuance. They will be immediately fungible with existing shares of the Company and will be traded on the same line under the ISIN code FR0000060303.

Natixis as Lead Manager and BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe acted as Joint Global Coordinators and Joint Bookrunners.

Availability of the Prospectus

The prospectus (the "**Prospectus**") was approved by the AMF under number 21-162 on 19 May 2021 and includes (i) the universal registration document (*document d'enregistrement universel*) of Covivio Hotels filed with the AMF on 15 March 2021 under number D.21-0122 (the "**URD**"), (ii) an amendment to the URD filed with the AMF on 18 May 2021 under number D.21-0122-A01, (iii) the securities note dated 19 May 2021 (*note d'opération*) (the "**Securities Note**") and (iv) the summary of the prospectus (included in the Securities Note).

The Prospectus is available on the website of the AMF (www.amf-france.org) and the Company (www.covivio-hotels.fr). Copies of the Prospectus are available free of charge at the Company's registered office (30 avenue Kléber, 75116 Paris).

Risk factors

Investors' attention is drawn to the risk factors detailed in section 1.6.1 "*Risk Factors*" of the URD and in chapter 2 "*Facteurs de risques*" of the Securities Note (*note d'opération*).

3. The Issuer has published the following press release on 15 July 2021:

Paris, 15 July 2021

2021 half-year results:

First signs of recovery after a semester impacted by sanitary measures

First semester results impacted by sanitary measures in Europe

For the European hotel industry, the first semester remained impacted by the sanitary crisis and the administrative restrictions implemented all over Europe. However, impacts defer amongst the different European countries. In Germany and in the UK (respectively 24% and 13% of our hotel portfolio), strong and long lockdowns generated a significant RevPAR[1] decrease of respectively 71% and 58% compared to 2020. France (33% of our portfolio),

1 Revpar : Revenue per room; source: MKG to the end of May 2021

where domestic demand remains important, benefited from lower constraining measures, leading to a RevPAR decrease of 30%.

First signs of recovery since May

Following the first effects of the vaccination programmes now under way, European countries have gradually released their administrative restrictions. It started with the United Kingdom, which benefit since May from a sustained recovery in activity. France followed in the middle of May, and lastly Germany at the end of June. Occupancy rates[2] in June are around 54% in the UK, 40% in France and 30% in Germany, with regions posting higher occupancy rates than capital cities. Summer 2021, as summer 2020, should benefit from high levels of occupancy due to the will and need to travel as soon as restrictions are lifted.

Strong partnerships with hotel operators

In this context, Covivio Hotels, a long-standing partner of the leading hotel operators, has been working to implement solutions to help them through this crisis. New agreements reached with 4 lease tenants (NH Hotels, Barcelo, Meininger, Melia Hotels International), representing 27% of fixed rents portfolio, have eased operators' difficulties through rent-free periods or payment facilities. On the first semester, the rent collection rate was 85% (69% including rent-free periods and deferred payment deals).

Balance sheet strengthening

Covivio Hotels successfully proceeded to its €250 million capital increase in cash with preferential subscription rights. The funds raised have been used to reimburse debts ending in 2022/2023 and improved the Loan-to-Value (LTV) ratio by nearly 400 bps. Covivio Hotels net debt stands at €2,451 million compared to €2,690 million at the end of 2020.

During this half-year, Covivio Hotels sold €52 million of assets, slightly above 2020 year-end appraisal values, including 32 M€ of new signed sale agreements. Divestments mainly concern retail assets.

At the end of June 2021, the Loan To Value (LTV) ratio including duties is down at 38.6% (41.9% at the end of 2020). The ICR ratio stands at 2.24 (compared with 2.20 at the end of 2020). Given this level in a troubled environment, Covivio Hotels doesn't anticipate any covenant breach for 2021 that would need a new suspension from its lenders.

The average maturity of Covivio Hotels' debt is 4.5 years - no major debt term will occur in the next 12 months – slightly up compared to end 2020 (+0.1 year).

Covivio Hotels has cash and undrawn credit lines of €253 million as of June 30th, 2021.

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

Stabilization of portfolio values

At the end of June 2021, Covivio Hotels held a unique hotel portfolio of €5,805 million (€6,492 million at 100%) in Europe. This strategic portfolio is characterised by:

- High-quality locations: Booking.com location average grade raised at 8.8 / 10
- Diversified portfolio: in terms of countries (12 countries, none representing more than 33% of the total portfolio), and segment (69% economic/midscale and 31% upscale)
- Major hotel operators with long-term leases: 16 hotel operators with an average lease duration of 13.9 years

The Covivio Hotels portfolio appraisal value decreased by -1.0% on a like-for-like basis: values are stable regarding the whole portfolio, except for the UK for which appraisers have changed recovery hypothesis and

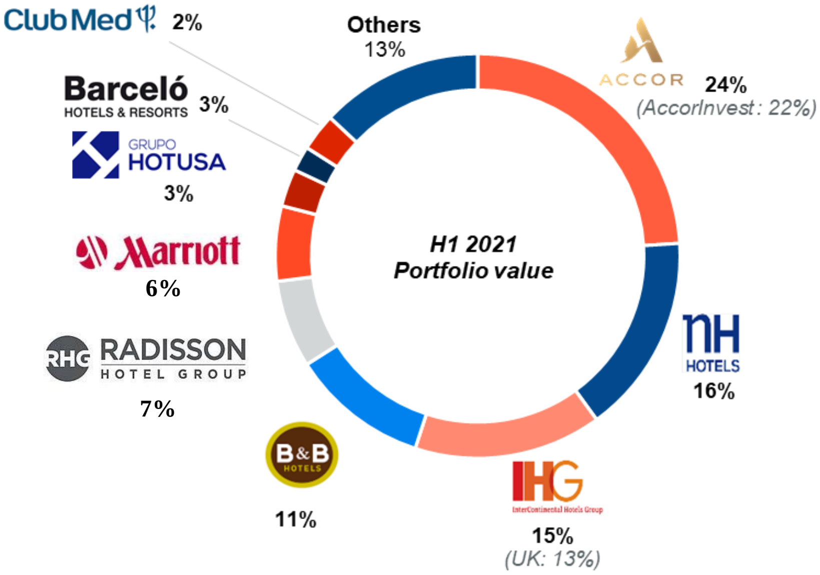
[2] Source : Morgan Stanley

discount rate.

Group Share (€M, exluding duties)	Value 2020	Value H1 2021	Lfl[1] change
Hotels - Lease properties	4 644	4 626	-1,3%
Hotels - Operating properties	1 174	1 179	0,1%
Total Hotels	**5 818**	**5 805**	**-1,0%**
Actifs non stratégiques (commerces)	120	80	-1,9%
Total Covivio Hotels	**5 937**	**5 885**	**-1,0%**

[1] *Lfl : Like for like*

Hotel Portfolio breakdown at June 30th, 2021



Revenues at the end of June heavily impacted by European lockdowns

In the first half of 2021, Covivio Hotels' income fell by -20.0%, on a like-for-like basis, standing at €67.7 million compared to €71.7 million as of June 30th, 2020.

€ million	Income H1 2020 100%	Income H1 2020 Group Share	Income H1 20201 100%	Income H1 2021 Group Share	Change Group Share (%)	Change Group Share LFL (%) (*)
Hotel Lease properties (Variable rents)	9,7	9,7	7,5	7,5	-23,2%	-26,4%
Hotel Lease properties (Rents) - UK	0,0	0,0	0,0	0,0	n/a	n/a
Hotel Lease properties (Others)	60,1	52,7	68,1	60,8	15,4%	0,0%
Hotel Operating properties (EBITDA)	3,3	3,2	-3,8	-3,6	-210,6%	-168,1%
Total Hotel Revenues	**73,1**	**65,6**	**71,7**	**64,7**	**-1,3%**	**-20,2%**
Non-strategic (Retail)	6,1	6,1	3,0	3,0	-50,6%	-16,9%
Total revenues Covivio Hotels	**79,2**	**71,7**	**74,7**	**67,7**	**-5,5%**	**-20,0%**

(*) On a like for like basis

Hotel lease properties (80% of the hotel portfolio)

- Variable-rent hotels: the portfolio, most of which is let to AccorInvest (22% of the total hotel portfolio), in France and Belgium, and made up of economic (Ibis) and midscale (Novotel, Mercure) hotels, was largely impacted by the drop of hotels turnovers, some of them also remaining closed, particularly in Belgium.

As rents are fully indexed to revenues, this portfolio brought in revenues of €7.5 million, 26% down compared to half-year 2020 (-24% for hotels located in France, -44% in Belgium). As a reminder, the first semester 2020 was impacted by the sanitary crisis only onwards from March, after 2 especially favourable months.

- Hotels in the United Kingdom let to IHG (13% of the hotel portfolio)

  The 12 hotels in the portfolio were closed from January to March. Hotels reopenings began in April and continued until June. Given these exceptional circumstances, no rent was recognised in this scope for the first six months of 2021.

- Other hotel lease properties (44% of the hotel portfolio): fixed-rent hotel real estate let to B&B, NH Hotels, Motel One, Barcelo, Hotusa, etc. on long leases. Change in like for like is stable: the agreements secured with tenants have limited the drop in income to only -€0.8 million over the semester offset by positive indexation (+€0.5 million).

Hotel operating properties (20% of the hotel portfolio)

These hotels are mostly located in Germany (mainly Berlin) and to a lesser degree in northern France. Most of German hotels faced a longer and stricter lockdown than in France. June occupation rates are still higher in France (34%) than in Germany (23%). Globally their performance fell €6.8 million group share compared to half-year 2020. This decrease includes French state aids and insurance indemnities relating to operating losses.

Financial indicators at the end of June 2021

The EPRA NRV (Net Reinstatement Value) reaches €3,777 million up 5.5% over six months. Per share, the fall is 5.6%, due to the capital increase proceeded in June at a subscription price of €16 per new share.

The EPRA NTA (Net Tangible Asset) stands at €3,384 million, and €22.8/share.

The EPRA NDV (Net Disposal Value) is €3,025 million (compared with €2,819 million at the end of December 2020), a 7.3% increase and stands at €20.4/share.

EPRA Earnings is €26.1 million (compared with €32.3 million at June 30th, 2020), a 19.3% fall due to reduced income as a result of hotel closures. EPRA Earnings per share is €0.19 as of June 30th, 2021, compared to €0.26 on the same date in 2020.

2021 Outlook

If Europe's hotel industry continued to suffer the consequences of the pandemic during the first semester, the recovery that started in June should endure and gather pace throughout the second semester. Covivio Hotels will then be able to count on the quality and diversity of its let portfolio, operated by leading European and international operators, to bring about long-term growth in its results.

Appendice:

Covivio Hotels, a subsidiary of Covivio held at 43.6% as of June 30th, 2021, is a listed property investment company (SIIC) and leading hotel real-estate player in Europe. It invests both in hotels under lease and hotel operating properties.

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

Covivio Hotels owns a high-quality hotel portfolio worth €6.5 billion (€5.8 billion in Group share), focused on major European cities and let or operated by 16 major hotel operators such as Accor, B&B, IHG, NH Hotels, etc. This portfolio offers geographic and tenant diversification (across 12 European countries) and asset management possibilities via different ownership methods (hotel lease and hotel operating properties).

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. Recognised revenues:

-20% on a like-for-like basis

(In €million)	Revenues H1 2020 100%	Revenues H1 2020 Group share	Revenues H1 2021 100%	Revenues H1 2021 Group share	Change (%) Group share	Change Group share (%) LfL [1]
Hotel Lease properties - Variable	9,7	9,7	7,5	7,5	-23%	-26%
Hotel Lease properties - Fixed	60,1	52,7	68,1	60,8	15%	0%
Hotel properties - UK	0,0	0,0	0,0	0,0	n/a	n/a
Operating properties - EBITDA	3,3	3,2	-3,8	-3,6	-211%	-168,1%
Total revenues Hotels	**73,1**	**65,6**	**71,7**	**64,7**	**-1,3%**	**-20,2%**
Non-strategic (Retail)	6,1	6,1	3,0	3,0	-51%	-16,9%
Total	**79,2**	**71,7**	**74,7**	**67,7**	**-5,5%**	**-20,0%**

[1]LfL: Like-for-Like

Hotel revenue (excluding non strategic assets) were stable at only -€0.9 million Group share compared to the first half of 2020, due to:

- **Leased hotels:**
  - Variable-rent hotels: the portfolio, most of which is let to AccorInvest (22% of the total hotel portfolio), which is indexed on hotel turnover, decreased by 26% LFL compared to half-2020, due to the continuation of restrictions in Europe. This portfolio is located in France and Belgium and made up of economic (Ibis) and midscale (Novotel, Mercure) hotels.
  - **Hotels located in the UK** (13% of the hotel portfolio): we anticipate the MAC Clause to be triggered again this year due to the government restrictions (hotels closed for 3.5

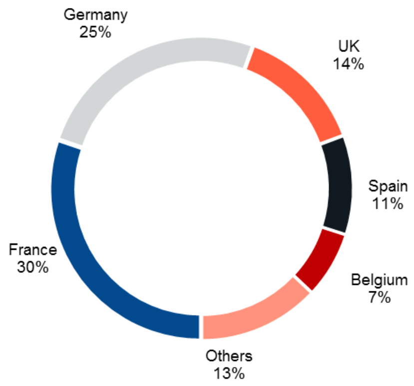
months on average); therefore, no rent is expected. This has no impact on the variation of revenues.

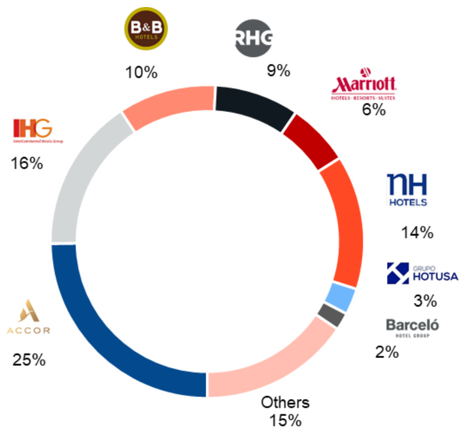
- **Other leases:** increase of €8.1 million Group share mainly due to the integration of an acquisition in September 2020. No variation on a like-for-like basis.

- **Operating hotels**: mainly located in Germany and in the north of France. The decrease is due to the continuation of the restrictions in Europe in H1 2021 while Q1 2020 was no impacted by the crisis.

2. Annualised revenue

Breakdown by operators and by country (based on 2021 fixed revenues and 2019 variable revenues) which amount to €311 million in Group share.





3. Indexation

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

4. Lease expiries:

13.9 years **of firm residual lease term**

The firm lease duration stays very high at 13.9 years (-0.3-year vs end-2020), the main operation the first half of 2021 being the renegotiation on one asset in Spain extending the lease by 8 years.

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

(In €million, Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2021	2,7	1%	0,0	0%
2022	5,7	2%	0,0	0%
2023	9,9	4%	5,1	2%
2024	2,2	1%	1,3	1%
2025	4,7	2%	5,1	2%
2026	0,0	0%	0,0	0%
2027	2,1	1%	2,1	1%
2028	0,0	0%	0,0	0%
2029	31,1	13%	33,3	14%
2030	23,5	10%	23,5	10%
Beyond	156,7	66%	168,2	70%
Total Hotels in lease	**238,6**	**100%**	**238,6**	**100%**
Non-strategic (Retail)	5,7		5,7	

5. Reserves for unpaid rent

At the end of the 1st semester 2021, only one significant provision for doubtful rents has been booked, and covers a tenant for which a legal procedure is pending. Total net amount of provision for doubtful rent recorded stands at €1.2 million.

6. Disposals and disposal agreements:

(In €million)	Disposals (agreements as of end of 2020 closed) 1	Agreements as of end of 2020 to close	New disposals H1 2021 2	New agreements H1 2021 3	Total H1 2021 2+3	Margin vs 2020 value	Yield	Total Realised Disposals = 1 + 2
Hotel Lease properties	13	19						13
Hotel Operating properties								
Total Hotels - 100%	**13**	**19**						**13**
Total Hotels - Group share	**13**	**19**						**13**
Non-strategic (retail) - 100%	20		20	12	**32**	1,2%	7,5%	39
Non-strategic (retail) - Group share	20		20	12	**32**	1,2%	7,5%	39
Total - 100%	**32**	**19**	**20**	**12**	**32**	**1,2%**	**7,5%**	52
Total - Group share	**32**	**19**	**20**	**12**	**32**	**1,2%**	**7,5%**	52

During the first half of 2021, Covivio finalised the cash sale of one Ibis Budget asset in Aubervilliers (north of Paris) for €13 million, agreed in 2019. The €19 million agreed in 2020 yet to be closed concern mainly one asset in Spain with a closing expected in 2022.

€39 million of non strategic asset have also been sold during the first semester (retail).

7. Portfolio values

7.1. Change in portfolio values

(In €million, Excluding Duties, Group share)	Value 2020	Acquis.	Invest.	Disposals	Value creation on Acquis./Disposals	Change in value	Others	Value H1 2021
Hotels - Lease properties	4 644	-	7,4	-13	-	-60	47,0	**4 626**
Hotels - Operating properties	1 174	-	5	-	-	1	-	**1 179**
Total Hotels	**5 818**	**-**	**12**	**-13**	**-**	**-59**	**47**	**5 805**
Non-strategic (Retail)	120	-	-	-39	-	-2	-	80
Total (+non strat)	**5 937**	**-**	**12**	**-51**	**-**	**-60**	**47**	**5 885**

At the end of June 2021, the portfolio reached €5.9 billion Group share, down -€52 million compared to year-end 2020, the like-for-like value impact (-€60 million) being partially compensated by the positive impact of the GBP revaluation (+€44 million).

7.2. Change on a like-for-like basis: -1.0%

(In €million, Excluding Duties)	Value 2020 100%	Value 2020 QP	Value H1 2021 100%	Value H1 2021 Group share	LfL [1] change	Yield [2] 2020	Yield [2] H1 2021	% of total value
France	**2 245**	**1 647**	**2 233**	**1 633**	**-0,6%**	**5,0%**	**5,0%**	**28%**
Paris	832	700	821	689				12%
Greater Paris (excl. Paris)	492	303	492	302				5%
Major regional cities	573	431	570	428				7%
Other cities	348	213	349	214				4%
Germany	**627**	**611**	**642**	**626**	**2,3%**	**4,9%**	**4,7%**	**11%**
Franckfurt	73	71	74	71				1%
Munich	47	47	48	48				1%
Berlin	71	69	73	70				1%
Other cities	435	424	448	437				8%
Belgium	**285**	**258**	**283**	**256**	**-1,1%**	**6,2%**	**6,3%**	**4%**
Brussels	100	81	100	81				1%
Other cities	185	177	183	174				3%
Spain	**634**	**634**	**620**	**620**	**-2,3%**	**5,5%**	**5,3%**	**11%**
Madrid	273	273	275	275				5%
Barcelona	227	227	212	212				4%
Other cities	135	135	133	133				2%
UK	**783**	**783**	**773**	**773**	**-6,5%**	**5,5%**	**5,8%**	**13%**
Italy	**260**	**260**	**262**	**262**	**0,6%**	**5,2%**	**5,1%**	**4%**
Other countries	**451**	**451**	**457**	**457**	**1,1%**	**5,2%**	**5,2%**	**8%**
Total Hotel lease properties	**5 284**	**4 644**	**5 270**	**4 626**	**-1,3%**	**5,3%**	**5,3%**	**80%**
France	**254**	**254**	**259**	**259**	**0,5%**	**5,5%**	**5,4%**	**4%**
Lille	109	109	109	109				2%
Other cities	146	146	150	150				3%
Germany[3]	**841**	**799**	**841**	**798**	**-0,1%**	**6,8%**	**6,8%**	**14%**
Berlin	587	557	588	558				10%
Dresden & Leipzig	199	189	198	188				3%
Other cities	55	52	55	52				1%
Other countries	**121**	**121**	**123**	**123**	**0,6%**	**7,3%**	**7,2%**	**2%**
Total Hotel Operating properties	**1 217**	**1 174**	**1 222**	**1 179**	**0,1%**	**6,4%**	**6,4%**	**20%**
Total Hotels	**6 501**	**5 818**	**6 492**	**5 805**	**-1,0%**	**5,5%**	**5,5%**	**100%**
Non-strategic (Retail)	120	120	80	80	-1,9%	7,9%	7,2%	

[1] LfL : Like-for-Like

[2] Yield excluding assets under development ; EBITDA yield for hotel operating properties ; for variable revenues assets, yield calculated on the basis of 2019 revenues

[3] Yields excluding retail surfaces in the German Hotels

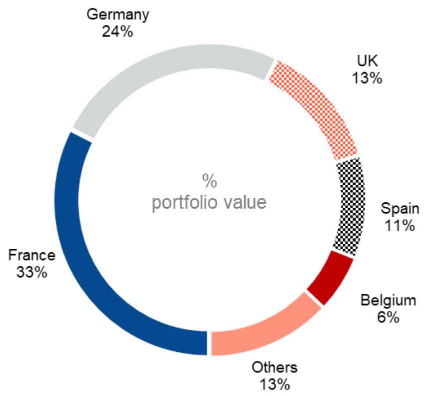
At the end of June 2021, Covivio held a unique hotel portfolio of €5.8 billion (€6.5 billion at 100%) in Europe. This strategic portfolio is characterised by:

- **High-quality locations**: 90% with a Booking.com location grade superior to 8 and 88% in the centre of major European cities.
- **Diversified portfolio:** in terms of countries (12 countries, none representing more than 33% of the total portfolio), and segment (69% economic/midscale and 31% upscale)
- **Major hotel operators** with long-term leases: 16 hotel operators with an average lease duration of 13.9 years

The portfolio value decreased by -1.0% LfL, a mix of:

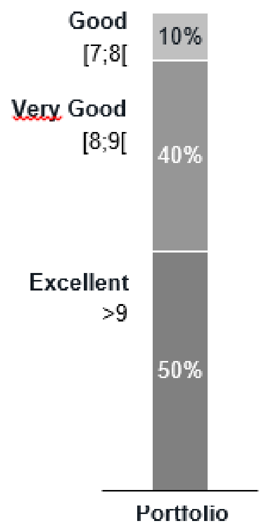
- **Value adjustments on the UK portfolio** (13% of hotels), -6.5% on these 12 assets leased to IHG, due to the longer lockdown period, MAC clause and their impact on the rent forecasts.
- **Stable values elsewhere**: resilience on 87% of the portfolio thanks to the quality of the location assets and the lease agreements reached with large operators.

Portfolio breakdown by value and geography



88% in major European destinations

Portfolio split by location grade on Booking.com



- Bridge table of the portfolio:

Portfolio (as of 30/06/2021)	**5 885 M€**
Use rights on investment properties	+ 223 M€
Use rights on operating properties	+ 31 M€
Equity affiliates > 30%	- 168 M€
Non-accrued goodwill of operating property assets	- 71 M€
Real Estate Assets Group Share	**5 901 M€**
The companies's fully consolidated non-controlling interest	+ 326 M€
100% Real estate assets - IFRS accounts	**6 227 M€**

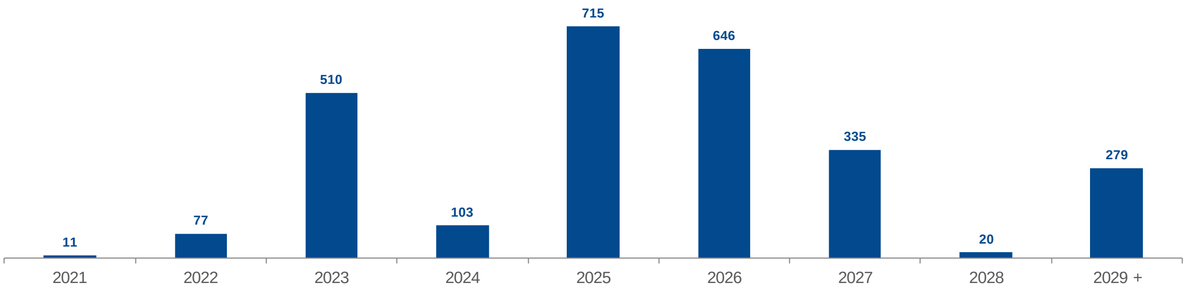
- Bridge table of EPRA indicator:

Shareholders' equity Group - IFRS Accounts	**3 122 M€**
Fair value of operating property assets net of deferred taxes	+ 57 M€
Fair value of financial instruments	+ 74 M€
Defered tax (including IFRS adjustments)	+ 254 M€
Non optimised transfer rights	+ 270 M€
EPRA NRV	**3 777 M€**
Deferred tax on non-core assets	- 37 M€
Goodwill and intangibles assets	- 133 M€
Optimised transfer rights	- 223 M€
EPRA NTA	**3 384 M€**
Optimisation of the transfer rights	- 47 M€
Intangibles assets	+ 0 M€
Fair value of fixed-rate debt net of deferred taxes	- 21 M€
Fair value of financial instruments	- 74 M€
Deferred taxes	- 217 M€
EPRA NDV	**3 025 M€**

- Bridge table of rental income:

€ millions	**Rental income H1 2021 IFRS Accounts**	Non-controlling interest	**Rental income 2021 Group Share Covivio Hotels**
Hotels	76 M€	- 7 M€	68 M€
Retail premises	3 M€		3 M€
Total Rental Income	**79 M€**	**-7 M€**	**71 M€**
Managed hotel EBITDA	**-4 M€**	**0 M€**	**-4 M€**

- Debt schedule (group share engagement)



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

(€ millions) – Group Share	2020	H1 2021
Net book debt	2 690	2 451
Receivables linked to associates (fully consolidated)	-21	-19
Pledges	-51	-31
Security deposits received	0	0
Purchase debt	9	8
Net debt Group Share	**2 627**	**2 409**
Appraised value of real estate assets (including duties)	6 071	6 020
Pledges	-51	-31
Financial assets	0	0
Receivables linked to associates (equity method)	63	63
Share of equity affiliates	187	189
Value of assets	**6 270**	**6 241**
LTV Excluding Duties	**43,8%**	**40,4%**
LTV Including Duties	**41,9%**	**38,6%**

- Reconciliation with consolidated accounts:

Net debt

(€ millions)	Consolidated financial statements	Minority interests	Group Share
Bank Debt	2 659	129	**2 530**
Cash and cash equivalents	91	12	**79**
Net debt	**2 568**	**117**	**2 451**

Portfolio (including duties)

(€ millions)	Consolidated financial statements	Portfolio of companies under equity method	Fair value of investment properties	Minority interests	Group Share
Investment & development properties	4 802	525	1 214	-687	**5 854**
Assets held for sale	31			0	**31**
Total portfolio	**4 833**	**525**	**1 214**	**-687**	**5 885**
				Duties	270
				Portfolio Group Share Including Duties	6 155
				(+) Advances and deposits on fixed assets	85
				Portfolio for LTV calculation	**6 241**

Interest Coverage Ratio (ICR)

€ millions	H1 2020	2020	**H1 2021**
EBE (Net rents (-) operating expenses (+) results of other activities)	67	112	**58**
Cost of debt	-25	-51	**-26**
ICR	**2,63**	**2,20**	**2,24**

- Bridge table of EPRA Earnings:

€ millions	**Net income 100% IFRS Accounts**	**Non-controlling interest**	**Net Income, Group Share**	**Restatements**	**EPRA Earnings**
Net Rental Income	**74,4**	**-7,3**	**67,1**	**0,6**	**67,7**
Managed hotel income	**-3,8**	**0,3**	**-3,6**	**1,4**	**-2,2**
Operating costs	**-10,1**	**0,5**	**-9,6**	**0,0**	**-9,6**
Depreciation of operating assets	-18,8	0,5	-18,3	15,7	-2,6
Net allowances to provisions and other	8,4	0,0	8,4	-3,3	5,2
OPERATING PROFIT	**50,1**	**-6,1**	**44,1**	**14,4**	**58,5**
Income from disposals of assets	-0,2	0,0	-0,2	0,2	0,0
Net valuation gains and losses	-64,8	-1,3	-66,0	66,0	0,0
Income from disposal of securities	-0,1	0,0	-0,1	0,1	0,0
Income from changes in scope	-0,1	-0,0	-0,1	0,1	0,0
OPERATING PROFIT (LOSS)	**-15,0**	**-7,3**	**-22,4**	**80,9**	**58,5**
Costs of net financial debt	-29,7	1,2	-28,5	0,0	-28,5
Interest charges on rental liabilities	-6,8	0,0	-6,8	4,7	-2,1
Fair value adjustment on derivatives	41,3	-0,5	40,9	-40,9	0,0
Discounting of liabilities and receivables	-0,8	0,0	-0,8	0,0	-0,8
Net change in financial and other provisions	-0,5	0,0	-0,5	0,5	0,0
Share in income of equity affiliates	3,8	0,0	3,8	-2,3	1,5
PRE-TAX NET INCOME (LOSS)	**-7,7**	**-6,6**	**-14,3**	**43,0**	**28,6**
Deferred tax liabilities	-22,5	0,7	-21,8	21,8	0,0
Recurrent Tax	-2,5	0,0	-2,5	0,0	-2,5
NET INCOME FOR THE PERIOD	**-32,7**	**-5,9**	**-38,6**	**64,7**	**26,1**

- Balance sheet (100%)

€ millions	2020	S1 2021
INTANGIBLE ASSETS		
Goodwill	135,1	135,1
Other intangible assets	0,2	0,2
TANGIBLE ASSETS		
Operating buildings	1 018,0	1 006,3
Other tangible assets	24,4	22,1
Under construction assets	4,1	7,2
Investments property	5 052,6	5 024,9
Non current financial assets	67,3	68,6
Investments in related companies	187,4	188,9
Deferred taxes - assets	29,9	13,9
Fair value of net financial instruments - asset	34,4	20,6
TOTAL NON CURRENT ASSETS	**6 553,4**	**6 487,8**
Assets held for sale	51,0	31,4
Loans and finacial lease receivables	2,9	3,5
Inventories and wip	1,7	1,7
Fait value of net financial instruments - assets	5,4	5,0
Trade receivables	29,0	99,8
Tax receivables	9,9	6,0
Other receivables	50,0	47,7
Deferred charges	0,9	2,8
Cash and cash equivalent	101,8	91,4
TOTAL CURRENT ASSETS	**252,4**	**289,5**
TOTAL ASSETS	**6 805,8**	**6 777,3**

€ millions	2020	S1 2021
Capital Stock	530,2	592,6
Share Premium	1 506,2	1 685,7
Stocks own	-0,2	-0,1
Consolidation reserve	1 237,8	882,8
Fiscal Year Net Result	-337,4	-38,6
CONSOLIDATED SHAREHOLDERS QUITY	**2 936,6**	**3 122,4**
Minority Interest	181,1	186,3
TOTAL SHAREHOLDERS EQUITY	**3 117,7**	**3 308,7**
Long-term borrowing debt	2 681,4	2 539,9
Long-term lease liability	236,7	245,0
Fair value of net financial instruments - liabilities	120,2	74,4
Deferred taxes - liabilities	238,1	246,1
Provision for retirement indemnities	1,5	1,5
Other liabilities (non current)	6,6	7,7
TOTAL NON CURRENT LIABILITIES	**3 284,5**	**3 114,7**
Trade payables	30,1	31,4
Payables related to assets	9,4	8,5
Short-term borrowing debt	228,6	119,4
Short-term lease liability	5,6	5,6
Fair value of Net Financial instruments - Liabilities	25,8	25,3
Advances and deposit	0,1	0,1
Short-term provisions	39,6	87,3
Corporate income taxe liabilities	9,5	8,8
Tax liabilities	13,5	11,5
Other liabilities	35,1	50,5
Advanced recognized revenues	6,3	5,6
TOTAL CURRENT LIABILITIES	**403,6**	**353,9**
TOTAL LIABILITIES	**6 805,8**	**6 777,3**

- Profit and loss account (100%):

€ millions	H1 2020	H1 2021	Var.
Rental Income	75,9	78,6	2,8
Un-recovered rental costs	-1,9	-1,8	0,1
Rental costs on property	-1,2	-1,3	-0,1
Bad debts	-1,5	-1,2	0,3
Net Rental Income	71,3	74,4	3,1
Hotel Operative Activity Income	45,7	22,7	-23,0
Hotel Operative Activity Costs	-42,4	-26,5	15,9
Profit From Hotel Operating Activity	3,3	-3,8	-7,2
Income from other activities	1,7	1,2	-0,5
Costs relating to the services activities	-0,7	-0,7	-0,0
Structure costs	-10,0	-10,6	-0,6
Development costs			0,0
Operating Costs	-8,9	-10,1	-1,1
Depreciation of operating assets	-20,0	-18,8	1,2
Net allowances to provisions and other	7,2	8,4	1,3
CURRENT OPERATING INCOME	52,9	50,1	-2,7
Income from disposals of assets	-0,3	-0,2	0,1
Net valuation gains and losses	-135,0	-64,8	70,3
Income from disposal of securities	0,1	-0,1	-0,2
Income from changes in scope	-2,4	-0,1	2,2
OPERATING INCOME	-84,7	-15,0	69,7
Costs of net financial debt	-29,0	-29,7	-0,8
Interest charges on rental liabilities	-6,5	-6,8	-0,3
Fair value adjustment on derivatives	-40,1	41,3	81,4
Net change in financial and other provisions	0,3	-0,8	-1,1
Amortization of borrowings' cost	-0,2	-0,5	-0,3
Share in income of equity affiliates	-6,9	3,8	10,7
INCOME FROM CONTINUING OPERATIONS	-167,1	-7,7	159,4
Deferred tax	20,1	-22,5	-42,5
Corporate income tax	-13,0	-2,5	10,5
NET INCOME FOR THE PERIOD	-160,1	-32,7	127,4
Non-controlling interests	-2,5	-5,9	-3,4
NET INCOME FOR THE PERIOD - GROUP SHARE	-162,6	-38,6	124,0

- **Glossary**:

1) Definition of the acronyms and abbreviations used:

GS: Group share

Chg: Change

LfL: Like-for-Like scope

2) Firm residual term of leases

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

3) Triple net lease

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

4) Loan To Value (LTV)

Calculation of the LTV is detailed in the Appendices.

5) Rental income

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

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

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

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

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

7) EBITDAR Margin:

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

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

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

8) Portfolio

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

9) Yield

The portfolio returns are calculated according to the following formula:

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

10) Average annual rate of debt

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

11) Occupancy rate

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

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

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

12) Like-for-like change in rent

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

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

Restatement done:

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

13) Like-for-like change in value

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

Restatement done:

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

SUBSCRIPTION AND SALE

Subscription Agreement

BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial S.A., HSBC Continental Europe and Natixis (the **Joint Lead Managers**) have, pursuant to a subscription agreement dated 23 July 2021 (the **Subscription Agreement**), agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment or, failing which, to subscribe and pay for the Notes at the Issue Price, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Notes.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

General Selling Restrictions

The Joint Lead Managers have agreed to observe all applicable laws and regulations in each jurisdiction in or from which they may acquire, offer, sell or deliver Notes or have in their possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would, to the best of the Joint Lead Managers' knowledge, permit an offering of the Notes to retail investors, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by them will be made on the same terms.

Prohibition of Sales to European Economic Area Retail Investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

The Joint Lead Managers have represented and agreed that:

(i) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by them in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

(ii) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to United Kingdom Retail Investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States in reliance on Regulation S.

Terms used in the preceding paragraph and not otherwise defined in this Prospectus have the meanings given to them by Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy (**Italy**), except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the **Prospectus Regulation**) and any applicable provision of Italian laws and regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, as amended, CONSOB Regulation No.20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

GENERAL INFORMATION

1. Approval by the AMF

This Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation and received the approval number no. 21-346 dated 23 July 2021. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid.

2. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear France, Clearstream, and Euroclear. The International Securities Identification Number (ISIN) for the Notes is FR0014004QI5. The Common Code number for the Notes is 236857123.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

3. Admission to trading

Application has been made to admit the Notes to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market for the purposes of Directive 2014/65/UE on markets in financial instruments, as amended.

4. Corporate authorisations

The issue by the Issuer of the Notes was approved by a decision of the Supervisory Board of the Issuer dated 15 July 2021 and decided by Covivio Hotels Gestion, in its capacity as manager (*gérant commandité*) of the Issuer, on 20 July 2021.

5. Documents available

So long as any of the Notes are outstanding, the following documents will be available on the website of the Issuer (www.covivio-hotels.fr):

(i) the *statuts* of the Issuer;

(ii) this Prospectus together with any supplement to this Prospectus;

(iii) the Documents Incorporated by Reference; and

(iv) all reports, letters and other documents, historical financial statements, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus.

Copies of this Prospectus (together with any supplement to this Prospectus) and any of the Documents Incorporated by Reference (a) may be obtained, free of charge, for inspection during the usual business hours on any week day (except Saturdays, Sundays and public holidays) at the registered office of the Issuer and (b) will be available on the websites of the Issuer (www.covivio-hotels.fr) and, save for the First Quarter 2021 Results Press Release, the AMF (www.amf-france.org).

Any websites included in this Prospectus are for information purposes only and the information in such websites does not form any part of this Prospectus unless that information is incorporated by reference into the Prospectus.

6. No significant change

Save as disclosed in this Prospectus, there has been no significant change in the financial performance and/or position of the Issuer and/or the Issuer and its subsidiaries taken as a whole, since 30 June 2021.

7. No material adverse change

Save as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Issuer or the Issuer and its subsidiaries taken as a whole since 31 December 2020.

8. No material contracts

Save as disclosed in this Prospectus, there are, at the date of this Prospectus, no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Covivio Hotels Group, being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

9. Litigation

Save as disclosed in this Prospectus, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries, taken as a whole.

10. Auditors

Mazars and Ernst & Young *et Autres* are the statutory auditors of the Issuer and have audited, and rendered unqualified reports on the consolidated financial statements of the Issuer as at, and for the years ended, 31 December 2019 and 31 December 2020.

Mazars and Ernst & Young et Autres are registered as *Commissaires aux Comptes (members of the Compagnie Nationale des Commissaires aux Comptes and the Compagnie Régionale de Versailles)* and are regulated by the *Haut Conseil du Commissariat aux Comptes*.

11. Listing fees

The estimated costs for the admission to trading of the Notes (including the AMF fees) are €14,375.

12. Yield

The yield in respect of the Notes is 1.063 per cent. *per annum* and is calculated on the basis of the issue price of the Notes. It is not an indication of future yield.

13. Interest material to the issue

Save for the net proceeds of the issue of the Notes which will be used in particular for the refinancing of existing borrowings, including existing borrowings obtained from one or several of the Joint Lead Managers or their affiliates, as far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

14. Conflicts of interest

As of the date hereof, and to the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of the members of the Supervisory Board of the Issuer and the duties they owe to the Issuer.

15. Stabilisation

In connection with the issue of the Notes, Natixis (the **Stabilising Manager**) (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the Issue Date of the Notes and sixty (60) calendar days after the date of the allotment of the Notes. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

16. Forward-Looking Statements

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Covivio Hotels Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward-looking statements do not constitute profit forecasts or estimates under the Commission Delegated Regulation 2019/980, as amended, supplementing the Prospectus Regulation.

17. Potential conflict of interest

In the ordinary course of their business activities, the Joint Lead Managers, the Calculation Agent, the Make Whole Calculation Agent and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Joint Lead Managers, the Calculation Agent, the Make Whole Calculation Agent or certain of their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Joint Lead Managers, the Calculation Agent, the Make Whole Calculation Agent and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers, the Calculation Agent, the Make Whole Calculation Agent and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The issuance proceeds of this issuance will, at the time of the issuance or may be used in the near future, to repay part of the exposures held by certain of the Joint Lead Managers, the Calculation Agent, the Make Whole Calculation Agent or their affiliates.

18. Rating

The Notes are rated BBB+ by S&P Global Ratings Europe Limited (**S&P**). The long-term debt of the Issuer is rated BBB+ by S&P with a stable outlook. S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 as amended (the **CRA Regulation**). As such, S&P is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

According to the S&P Global Ratings definitions, obligations rated "BBB" exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligations. The addition of a plus (+) sign shows relative standing within the rating category.

19. Member State and Currency

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

20. LEI Code

The Legal Entity Identifier (LEI) Code of the Issuer is 969500N2QX5LGFFZ0I67.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

I hereby certify that the information contained or incorporated by reference in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 23 July 2021

Covivio Hotels
30, avenue Kléber
75208 Paris Cedex 16
France

Duly represented by:

Tugdual Millet
President (*Président*) of Covivio Hotels Gestion, Manager (*Gérant Commandité*) of the Issuer

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This Prospectus has been approved by the AMF in its capacity as competent authority for the purposes of Regulation (EU) 2017/1129. The AMF has approved this Prospectus after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

This Prospectus has been approved on 23 July 2021 and is valid until the date of admission of the Notes to trading on Euronext Paris and must during such period and in accordance with Article 23 of Regulation (EU) 2017/1129 be completed by a supplement to the Prospectus in the event of any new material facts or substantial errors or inaccuracies.

This Prospectus obtained the following approval number: 21-346.

REGISTERED OFFICE OF THE ISSUER

Covivio Hotels
30, avenue Kléber
75208 Paris Cedex 16
France
Tel: +33 (0)1 58 97 50 00

JOINT LEAD MANAGERS

BNP Paribas
16 boulevard des Italiens
75009 Paris
France

Crédit Agricole and Corporate and Investment Bank
12 place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

Crédit Industriel et Commercial S.A.
6, avenue de Provence
75009 Paris
France

HSBC Continental Europe
38 avenue Kléber
75116 Paris
France

Natixis
30 avenue Pierre Mendès-France
75013 Paris
France

STATUTORY AUDITORS OF THE ISSUER

Mazars
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Ernst & Young et Autres
1-2, place des Saisons
Paris-La Défense 1
92400 Courbevoie
France

LEGAL ADVISORS

To the Issuer

Allen & Overy LLP
52, avenue Hoche
75008 Paris
France

To the Joint Lead Managers

Gide Loyrette Nouel A.A.R.P.I.
15 rue de Laborde
75008 Paris
France

FISCAL AGENT, PUT AGENT, CALCULATION AGENT AND PRINCIPAL PAYING AGENT

CACEIS Corporate Trust
14 rue Rouget de Lisle
92130 Issy-Les-Moulineaux
France

MAKE WHOLE CALCULATION AGENT

Conv-Ex Advisors Limited
30 Crown Place
London EC2A 4EB
United Kingdom