

2020 annual results:

Results impacted by an unprecedented crisis but unchanged fundamentals

Hotel industry particularly impacted by the crisis

European hotels have been affected by an unprecedented crisis since the end of the first quarter of 2020. Lockdowns and travel restrictions forced hoteliers to close most of their premises in the first half of 2020. Performances in July and August showed the hotel industry was able to bounce back, resulting in a 39% August occupancy rate in Europe compared to 7% in May. However, all European countries were impacted by further restrictions imposed in autumn. RevPar¹ declined by a total of 67.3% in Europe in 2020.

Strong partnerships with hotel operators

Covivio Hotels, a long-standing partner of the leading hotel operators, has been working to implement solutions to help them through this crisis. Agreements reached with 95% of fixed-lease tenants (B&B, NH Hotels, Barcelo, Motel One, Meininger, Melia Hotels International, HCI, Club Med, Pierre&Vacances Group, Hotusa Group) have eased operators' difficulties through rent-free periods or payment facilities, while extending the firm term of their commitments. The negotiations increased the average firm lease term of Covivio Hotels by 1.5 year.

Finalisation of acquisition of 8 hotels leased to NH Hotels in major European touristic city centers

Covivio Hotels remains confident in the medium/long-term outlook for tourism in Europe. Therefore, in September 2020 it completed the acquisition for €573 million, signed earlier in the year, of eight hotels in Rome, Florence, Venice (x2), Nice, Prague and Budapest (x2).

Offering a total of 1,115 rooms, these hotels are operated by NH Hotel Group under long-term triple-net leases² for a firm term of 15 years, subject to a minimum guaranteed variable rent producing a minimum yield of 4.7%.

¹ RevPar: Revenue per available room – source MKG

² Excluding Nice

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



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A unique portfolio in Europe

Covivio Hotels holds, at 31 December 2020, a portfolio worth €5,937 million (€6,620 million at 100%), 88% of which is located in major European cities and let to leading industry operators. Impacted by the drop in revenue and the prospect of only a gradual revival in business, the hotel portfolio's appraisal value fell 6.9% on a like-for-like basis.

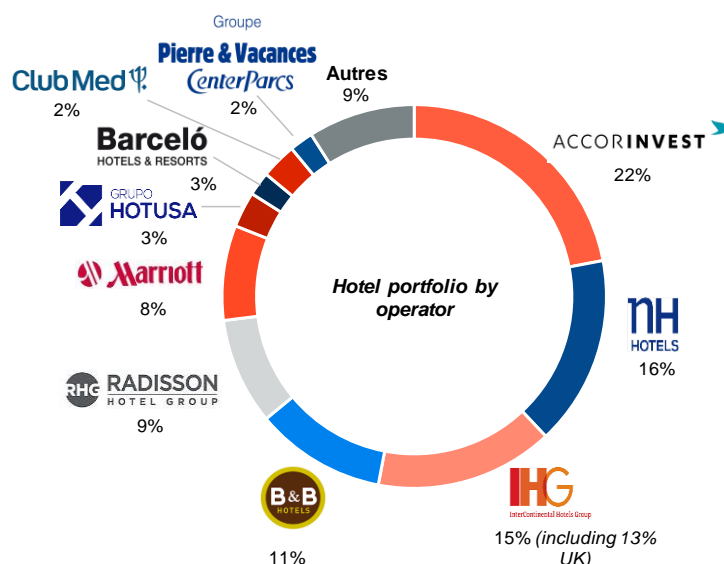
Assets facing the highest value losses include : UK hotels (-14.3%), hotel operating properties (-7.3%) and AccorInvest variable-rent assets (-6.3%). The values of fixed-lease assets, where agreements have been negotiated and lease terms extended, held up better, losing a more modest 4.0%.

Covivio Hotels sold €144 million of assets in 2020, consisting of 15 B&B hotels (11 in Germany and 4 in France) and retail assets (6 Jardiland and 1 Courtepaille), in line with their 2019 appraisal values.

Group Share (€ millions, excluding duties)	Value 2019	Value 2020	LfL change ¹
Hotel variable rents	1 363	1 286	-6,3%
Hotel lease properties UK	966	783	-14,3%
Hotel other lease properties	2 238	2 575	-4,0%
Hotel Operating properties	1 240	1 174	-7,3%
Total Hotels	5 807	5 818	-6,9%
Non-Stratégic (Retail)	166	120	-9,8%
Total Covivio Hotels	5 973	5 937	-7,0%

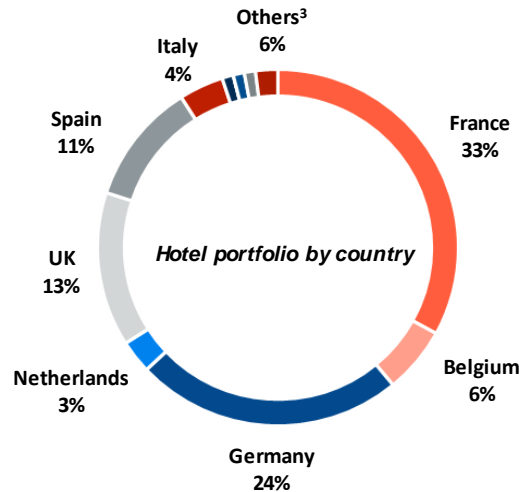
¹ LfL : Like-for-like

Hotel Portfolio breakdown at 31 December 2020



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A solid financial structure

In 2020, Covivio Hotels strengthened its balance sheet thanks to a €185 million capital increase via a share dividend payout option chosen by holders of 98.6% of the share capital.

Covivio Hotels had cash and undrawn credit lines of around €290 million at 31 December.

At 31 December 2020, the Loan-to-Value (LTV) ratio including duties was 41.9% and the ICR ratio was 2.20, impacted by the drop in income caused by this year's events. The average maturity of Covivio Hotels debt is 4.4 years.

Given the uncertain prospects for recovery in the hotel sector during the first half of the year, Covivio Hotels successfully obtained a suspension of its consolidated ICR covenant (set at 2x) from its lenders for the first half of 2021.

2020 revenues heavily impacted by the crisis

€ million	Income	Income	Income	Income	Change	Change
	2019	2019	2020	2020	Group Share	Group Share LFL
	100%	Group Share	100%	Group Share	(%)	(%) ^(*)
Hotel Lease properties (Variable rents)	59.9	59.9	16.2	16.2	-73.0%	-73.2%
Hotel Lease properties (Rents) - UK	42.7	42.7	0,0	0,0	-100.0%	-100,0%
Hotel Lease properties (Others)	130.3	109.9	123.1	108.4	-1.4%	-3.4%
Hotel Operating properties (EBITDA)	69.8	67.4	7.9	7.6	-88.8%	-88.4%
Total Hotel Revenues	302.7	280.0	147.2	132.1	-52.8%	-54.8%
Non-strategic (Retail)	12.5	12.5	11.9	11.9	-4.6%	-3.3%
Total revenues Covivio Hotels	315.2	292.5	159.2	144.0	-50.8%	-52.9%

(*) On a like for like basis

High hotel rent collection rates prove the strength of the rental base

Thanks to Covivio Hotels' high-quality portfolio and trustworthy tenants, the rent collection rate was 92%, (73% including rent-free periods and deferred payment deals).

Unpaid rent amounted to €8 million in 2020 (€10.7 million including rental expenses charges). Provisions were booked against 100% of these at 31 December.

³ Others: Portugal, Ireland, Poland, Czech Republic, Hungary

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Annual revenues: €132.1 million Group share

Covivio Hotels revenues fell 54.8% on a like-for-like basis:

Hotel lease properties (80% of the portfolio)

- Variable-rent hotels: the portfolio, most of which is let to AccorInvest (22% of the total portfolio), in France and Belgium, and made up of economic (Ibis) and midscale (Novotel, Mercure) hotels, was largely closed in the second quarter and heavily impacted by reimposed restrictions in the fourth quarter.

Rents are fully indexed to revenues. As a result this portfolio had revenues of €16.2 million, down 73% on 2019.

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

Hotels in the United Kingdom were directly impacted by government administrative closure from late March to early July for England, and until mid-July for Scotland. Out of the 12 hotels in the portfolio, 4 reopened in July and 4 in September. Since new restrictions were imposed in December, 6 hotels have been forced to close again and 4 have remained closed since March. These exceptional circumstances triggered an underperformance (MAC) clause in the contract, which reduces the rent when the loss of the NOI of the hotels is higher than 1/3 of the annual rent. As a result, no rent was recognised in this scope for 2020.

- Other hotel lease properties (44% of the portfolio): fixed-rent hotel real estate let to B&B, NH Hotels, Motel One, Barcelo, Hotusa, etc. on long leases. The agreements secured with tenants have limited the drop in income to only €0.9 million over the year. The residual decrease of €0.6 million includes transition period between two tenants in relation to an hotel in Madrid.

Hotel operating properties (20% of the portfolio)

These hotels are mostly located in Germany (mainly Berlin) and northern France. Most of them were closed for much of 2020: March to May and then November and December. Their performance therefore fell 88% compared to 2019.

Financial indicators at the end of December 2020

The EPRA NTA (Net Tangible Asset) stands at €3,195 million, down 12.0% year-on-year, reflecting the drop in appraisal values, and €24.1/share, down 19.6% year-on-year (compared with €30.0/share at end-2019), due to the dividend being paid in shares.

The EPRA NDV (Net Disposal Value) is €2,819 million and €21.3/share, and the EPRA NRV (Net Reinstatement Value) raises €3,582 million and €27.0/share.

EPRA Earnings is €38.8 million (compared with €209.2 million at 31 December 2019), an 81.5% fall in response to reduced income as a result of hotel closures. EPRA Earnings per share is €0.30 at 2020, compared to €1.74 at 2019.



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Dividend

At the General Meeting of 8 April 2021, Covivio Hotels will propose a dividend of €0.26 per share, paid in cash, meeting its pay-out obligations under its tax status as a SIIC listed real estate investment company.

2021 outlook

At the start of the year, Europe's hotel industry continues to suffer the consequences of the pandemic. However, the first effects of the vaccination programmes now under way in Europe, particularly in the countries where Covivio Hotels operates, coupled with the end of travel restrictions, should allow a gradual recovery of activity in the hotel business. Covivio Hotels will then be able to count on the quality and diversity of its let portfolio, operated by leading European and international operators, to bring about long-term growth in its results.



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ABOUT COVIVIO HOTELS

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

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



ABOUT COVIVIO

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

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

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

Covivio's mission is accordingly to create well-being and lasting relationships, and the Company embodies its role as a responsible real estate operator with all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities, future generations, etc. Further, its living, dynamic approach opens up exciting project and career prospects for its teams.



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Appendices :

Covivio Hotels, a subsidiary of Covivio held at 43.5% at end- 2020, is a listed property investment company (SIIC) and leading 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) and focused on major European cities let or operated by 16 major hotel operators such as AccorInvest, B&B, IHG, NH Hotels, etc. This portfolio offers geographic and tenant diversification (across 12 European countries) and asset management possibilities via different ownership methods (hotel lease and hotel operating properties).

1. Market : an unprecedented crisis

After a positive year in 2019 (+2.7% in RevPar) for the European hotel market, the Covid-19 outbreak deeply impacted 2020. The different lockdown measures and travel restrictions forced many European hotels to close leading to RevPar performance in Europe to fall by -67%⁴, driven by a decline in occupancy rate (-43.5 pts) and a 18.2% drop in ADR.

- ▶ The lifting of restrictions last June testifies to the conjunctural feature of the current crises and demonstrates the resilience of the market's fundamentals.
- ▶ Following the partial lifting of restrictions in June, France and Germany (which account for circa 60% of the portfolio) have outperformed Europe by +54 pts and + 30 pts, mainly thanks to :
 - A larger exposure to leisure and domestic travel (90% and 80% respectively);
 - A qualitative land-based transportation networking subject to less scrutiny and heavy movement constrains.

In 2020, Covivio Hotels activity has strongly been impacted by the Covid-19 outbreak:

- ▶ At the peak of the crisis, only 22% of the hotel portfolio were open⁵. But as soon as the lockdown measures eased, the activity quickly started to recover, before being hurt again by the second lockdown.
- ▶ LfL hotel values decreased by only -6.9%, thanks to the quality of the portfolio located for 88% in major regional cities and to the agreements secured with the hotel operators. The rebound of the activity should come firstly from leisure clientele (vs business), individuals (vs groups) and domestic (vs international). With more than 70% of individual customers, about 80% domestic and European and 55% to 60% leisure, variable income hotels (in France, Germany and the UK) are particularly well positioned to take advantage of the recovery. .

Assets not wholly owned by Covivio Hotels include:

- 8 operating properties in Germany (94.9% owned)
- 89 B&B assets in France (50.2%)
- 11 B&B assets in Germany (93.0%)

⁴ MKG Data as of end of December 2020

⁵ Based on the number of rooms



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- 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 31.2% (26 assets) and 33.3% (6 assets)

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

(€ million)	Revenues 2019 100%	Revenues 2019 Group share	Revenues 2020 100%	Revenues 2020 Group share	Change (%) Group share	Change Group share (%) LfL ¹
Hotel Lease properties - Variable	59.9	59.9	16.2	16.2	-73%	-73%
Hotel Lease properties - UK	42.7	42.7	0.0	0.0	-100%	-100%
Hotel Lease properties - Fixed	130.3	109.9	123.1	108.4	-1%	-3%
Operating properties - EBITDA	69.8	67.4	7.9	7.6	-89%	-88%
Total revenues Hotels	302.8	280.0	147.2	132.1	-53%	-55%

Hotel revenue decreases by €147.9 million Group share compared to 2019, due to:

▶ **Leased hotels:**

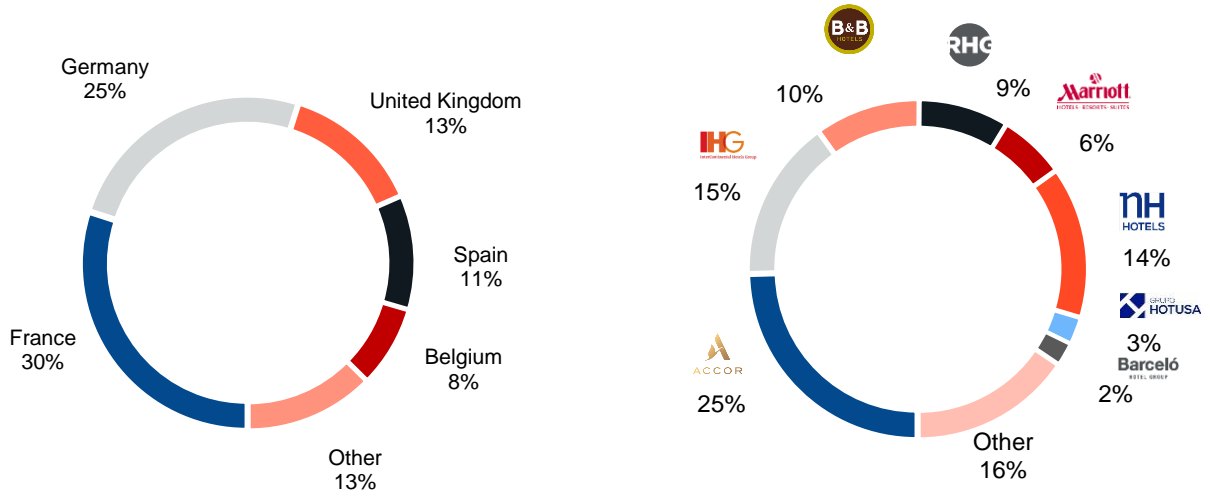
- The **AccorInvest hotel portfolio** (22% of the hotel portfolio), which are indexed on hotels turnover degraded by 73% compared to 2019, due to the complete shutdown of a large part of the hotel properties from mid-March until the end of May. These midscale and economy hotels are located in France and Belgium.
- **Hotels located in the UK** (13% of the hotel portfolio), leased to IHG were directly impacted by the administrative closure of hotels late March to early July for England, and until mid-July for Scotland. These exceptional events and major loss in turnover for the hotels should trigger an underperformance (MAC) clause included in this contract. This clause reduces the rent when the loss of the NOI of the hotels is higher than 1/3 of the annual rent. Following the application of the underperformance clause, no rent has been received as of end-2020.
- **Other leases:** agreements with operators enabled to limit the decrease to -3% of which (-€0.9 million) due to Covid negotiations and -€2,1 million due to the temporary situation due to tenant change in an hotel in Spain.

- ▶ **Operating hotels:** mainly located in Germany and in the North of France. The majority of the hotels were closed during the lockdowns and lost consequently 89% of EBITDA compared to 2019. The year 2020 also includes a €7.5 million reversal of provisions made on past accounting periods given the signature of an amendment to the management contract of the Pullman Roissy Airport hotel.

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3. Annualised revenue: 316 M€ Group share

Breakdown by operators and by country (based on 2019 revenues)



4. Indexation

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

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

(€ million, Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2021	3.1	1%	0.0	0%
2022	5.5	2%	0.0	0%
2023	10.9	4%	5.1	2%
2024	2.2	1%	1.4	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	31.8	13%	34.0	14%
2030	23.4	10%	23.4	10%
Beyond	160.5	66%	173.1	71%
Total Hotels in lease	244.3	100%	244.3	100%

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

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

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

(€ million)	Disposals (agreements as of end of 2019 closed)	Agreements as of end of 2019 to close	New disposals 2020	New agreements 2020	Total 2020	Margin vs 2019 value	Yield	Total Realised Disposals
	1		2	3	= 2 + 3			= 1 + 2
Hotel Lease properties	120	13	0	19	19	0.0%	7.5%	120
Hotel Operating properties	0	0	0	0	0	0.0%	0.0%	0
Total Hotels - 100%	120	13	0	19	19	0.0%	7.5%	120
Total Hotels - Group share	110	13	0	19	19	0.0%	7.5%	110

Covivio Hotels continued its policy of rotating assets with €19 million of new commitments in 2020 at a 7.5% yield. In addition, €120 million (€110 million Group share) of B&B hotels disposals signed in 2019 were realised in 2020. The latter mainly consists of 11 B&B hotels in Germany, sold at a yield of 4.2% and with a 39% margin.

7. Acquisitions

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

In parallel, Covivio Hotels and NH Hotel Group signed a long-term triple net lease of 15 years firm.

8. Development project

Covivio Hotels continues to support the development of B&B, with one more hotel in construction in Greater Paris (Bagnolet), with 108 rooms for a total cost of €8 million (€5 million Group share) and a 6% yield. The asset, rented through a fixed lease to B&B, was delivered in September 2020.

9. Portfolio values

9.1. Change in portfolio values

(€ million, Excluding Duties, Group share)	Value 2019	Acquis.	Invest.	Disposals	Change in value	Others	Value 2020
Hotels - Lease properties	4,561	513	6	-109	-301	-26	4,644
Hotels - Operating properties	1,240	8	16		-91		1,174
Assets under development	5					-5	
Total Hotels	5,807	521	22	-109	-392	-31	5,818

At year-end 2020, the portfolio reached €5.8 billion Group share, up €11 m compared to year end 2019, mainly due to the like-for-like value impact (-€392m) and of the acquisition of the European portfolio of 8 assets (€509m⁶).

The hotel Nice Plaza, acquired in the portfolio of 8 hotels in September 2020, is presented in “hotels – lease properties, as the hotel under development is scheduled to be delivered in Q3 2021.

⁶ Including the acquisition of NH Hotel portfolio and excluding CAPEX to be disbursed in 2021

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9.2. Change on like-for-like basis:

-6.9%

(€ million, Excluding Duties)	Value 2019 Group share	Value 2020 100%	Value 2020 Group share	LfL ¹ change	Yield ² 2019	Yield ³ 2020	% of total value
France	1,676	2,245	1,647	-5.4%	4.9%	5.0%	28%
Paris	737	832	700				12%
Greater Paris (excl. Paris)	322	492	303				5%
Major regional cities	396	573	431				7%
Other cities	222	348	213				4%
Germany	731	627	611	-3.0%	4.7%	4.9%	11%
Frankfurt	73	73	71				1%
Munich	71	47	47				1%
Berlin	70	71	69				1%
Other cities	516	435	424				7%
Belgium	269	285	258	-4.6%	5.8%	6.2%	4%
Brussels	84	100	81				1%
Other cities	185	185	177				3%
Spain	668	634	634	-5.9%	5.1%	5.5%	11%
Madrid	285	273	273				5%
Barcelona	239	227	227				4%
Other cities	145	135	135				2%
UK	966	783	783	-14.3%	4.9%	5.5%	13%
Italy	0	260	260	n.a.	n.a.	5.2%	4%
Other countries	257	451	451	-3.2%	5.3%	5.2%	8%
Total Hotel lease properties	4,566	5,284	4,644	-6.8%	5.0%	5.3%	80%
France	273	254	254	-10.2%	5.3%	5.5%	4%
Lille	116	109	109				2%
Other cities	157	146	146				3%
Germany ⁴	837	841	799	-6.2%	6.5%	6.8%	14%
Berlin	581	587	557				10%
Dresden & Leipzig	206	199	189				3%
Other cities	50	55	52				1%
Other countries	131	121	121	-7.6%	6.8%	7.3%	2%
Total Hotel Operating properties	1240	1,217	1,174	-7.3%	6.1%	6.4%	20%
Total Hotels	5,807	6,501	5,818	-6.9%	5.2%	5.5%	100%

¹ LfL : Like-for-Like

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

³ Yield calculated on the basis of 2019 revenues

⁴ Yield excluding retail surfaces in the German hotels

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At the end of 2020, Covivio Hotels held a unique hotel portfolio of €5,818 million (€6,501 million at 100%) in Europe. This strategic portfolio is characterised by:

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

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

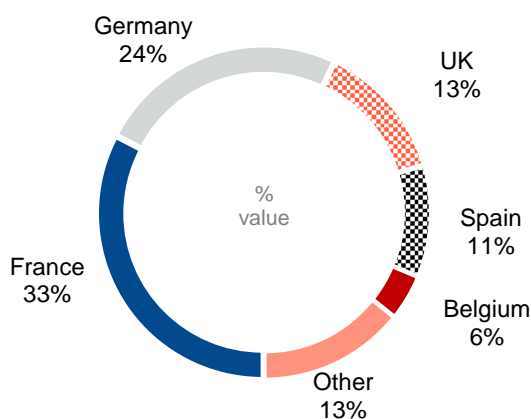
1- Value adjustments on assets with challenged revenues:

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

2- Relatively resilient fixed leased assets:

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

Portfolio breakdown by value and geography



88% in major European cities



- **Bridge table of the portfolio:**

Portfolio (as of 31/12/2020)	5 937 M€
Use rights on investment properties	+ 215 M€
Use rights on operating properties	+ 31 M€
Equity affiliates > 30%	- 167 M€
Non-accrued goodw ill of operating property assets	- 56 M€
Real Estate Assets Group Share	5 960 M€
The companies's fully consolidated non-controlling interest	+ 325 M€
100% Real estate assets - IFRS accounts	6 285 M€

- **Bridge table of the NAV:**

Shareholders' equity Group - IFRS Accounts	2 937 M€
Fair value of operating property assets net of deferred taxes	+ 45 M€
Fair value of financial instruments	+ 106 M€
Deferred tax (including IFRS adjustments)	+ 227 M€
Non optimised transfer rights	+ 267 M€
EPRA NRV	3 582 M€
Deferred tax on non-core assets	- 34 M€
Goodw ill and intangibles assets	- 133 M€
Optimised transfer rights	- 219 M€
EPRA NTA	3 195 M€
Optimisation of the transfer rights	- 48 M€
Intangibles assets	+ 0 M€
Fair value of fixed-rate debt net of deferred taxes	- 30 M€
Fair value of financial instruments	- 106 M€
Deferred taxes	- 193 M€
EPRA NDV	2 819 M€

- **Bridge table of rental income:**

€ millions	Rental income H1 2020 IFRS Accounts	Non-controlling interest	Rental income 2020 Group Share Covivio Hotels
Hotels	139 M€	- 15 M€	124 M€
Retail premises	12 M€		12 M€
Total Rental Income	151 M€	-15 M€	136 M€
Managed hotel EBITDA	8 M€	0 M€	8 M€

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

(€ millions) – Group Share	2019	2020
Net book debt	2 329	2 690
Receivables linked to associates (fully consolidated)	-35	-20
Pledges	-122	-51
Security deposits received	0	0
Purchase debt	11	9
Net debt Group Share	2 183	2 628
Appraised value of real estate assets (including duties)	6 081	6 071
Pledges	-122	-51
Financial assets	27	0
Receivables linked to associates (equity method)	61	63
Share of equity affiliates	207	187
Value of assets	6 254	6 270
LTV Excluding Duties	36,5%	43,8%
LTV Including Duties	34,9%	41,9%

- **Reconciliation with consolidated accounts:**

Net debt

(€ millions)	Consolidated financial statements	Minority interests	Group Share
Bank Debt	2 916	131	2 786
Cash and cash equivalents	108	12	96
Net debt	2 808	119	2 690

Portfolio

(€ millions)	Consolidated financial statements	Portfolio of companies under equity method	Fair value of investment properties	Minority interests	Group Share
Investment & development properties	4 837	522	1 210	-683	5 886
Assets held for sale	51			0	51
Total portfolio	4 888	522	1 210	-683	5 937
				Duties	267
				Portfolio Group Share Including Duties	6 205
				(+ Receivables from equity interests)	66
				Portfolio for LTV calculation	6 270

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Interest Coverage Ratio (ICR)

€ millions	2019	2020
EBE (Net rents (-) operating expenses (+) results of other activities)	275	112
Cost of debt	-54	-51
ICR	5,10	2,20

- **Bridge table of the EPRA earnings:**

€ millions	Net income 100%IFRS Accounts	Non- controlling interest	Net Income, Group Share	Restatements	EPRA Earnings
Net Rental Income	133,0	-14,6	118,3	0,0	118,3
Managed hotel income	7,9	-0,3	7,6	0,0	7,6
Operating costs	-20,8	1,3	-19,5	0,0	-19,5
Depreciation of operating assets	-42,9	1,2	-41,6	35,1	-6,6
Net allowances to provisions and other	4,7	0,0	4,6	-6,4	-1,7
OPERATING PROFIT	81,9	-12,5	69,4	28,7	98,1
Income from disposals of assets	-1,1	-0,1	-1,2	1,2	0,0
Net valuation gains and losses	-327,6	8,3	-319,3	319,3	0,0
Income from disposal of securities	-0,1	0,0	-0,1	0,1	0,0
Income from changes in scope	-3,8	0,3	-3,5	3,5	0,0
OPERATING PROFIT (LOSS)	-250,7	-4,0	-254,7	352,9	98,1
Costs of net financial debt	-58,2	2,5	-55,7	0,2	-55,5
Interest charges on rental liabilities	-13,0	0,0	-13,0	9,1	-3,9
Fair value adjustment on derivatives	-46,0	0,4	-45,6	45,6	0,0
Discounting of liabilities and receivables	0,3	0,0	0,3	0,0	0,3
Net change in financial and other provisions	-0,2	0,0	-0,2	0,2	0,0
Share in income of equity affiliates	-13,5	0,0	-13,5	17,0	3,5
PRE-TAX NET INCOME (LOSS)	-381,4	-1,0	-382,4	425,0	42,5
Deferred tax liabilities	59,6	-2,0	57,6	-57,6	0,0
Recurrent Tax	-13,3	0,8	-12,5	8,8	-3,7
NET INCOME FOR THE PERIOD	-335,1	-2,3	-337,4	376,2	38,8

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- Balance sheet:

€ millions	2019	2020	€ millions	2019	2020
INTANGIBLE ASSETS			Capital Stock	484,1	530,2
Goodwill	142,4	135,1	Share Premium	1 372,0	1 506,2
Other intangible assets	0,2	0,2	Stocks own	0,0	0,0
TANGIBLE ASSETS			Consolidation reserve	1 069,6	1 237,6
Operating buildings	1 022,6	1 018,0	Fiscal Year Net Result	352,3	-337,4
Other tangible assets	24,0	24,4	CONSOLIDATED SHAREHOLDERS EQUITY	3 278,0	2 936,6
Under construction assets	3,1	4,1	Minority Interest	208,2	181,1
Investments property	4 931,8	5 052,6	TOTAL SHAREHOLDERS EQUITY	3 486,1	3 117,7
Non current financial assets	93,0	67,3	Long-term borrowing debt	2 534,4	2 681,4
Investments in related companies	206,5	187,4	Long-term lease liability	227,8	236,7
Deferred taxes - assets	3,5	29,9	Fair value of net financial instruments - liabilities	83,1	120,2
Fair value of net financial instruments - asset	12,5	34,4	Deferred taxes - liabilities	273,5	238,1
TOTAL NON CURRENT ASSETS	6 439,6	6 553,4	Provision for retirement indemnities	1,3	1,5
Assets held for sale	132,6	51,0	Other liabilities (non current)	4,3	6,6
Loans and financial lease receivables	2,9	2,9	TOTAL NON CURRENT LIABILITIES	3 124,6	3 284,5
Inventories and wip	2,3	1,7	Trade payables	36,1	30,1
Fair value of net financial instruments - assets	4,3	5,4	Payables related to assets	11,6	9,4
Trade receivables	21,8	29,0	Short-term borrowing debt	49,1	228,6
Tax receivables	5,3	9,9	Short-term lease liability	2,7	5,6
Other receivables	38,4	50,0	Fair value of Net Financial instruments - Liabilities	22,7	25,8
Deferred charges	1,5	0,9	Advances and deposit	0,0	0,1
Cash and cash equivalent	164,7	101,8	Short-term provisions	11,7	39,6
TOTAL CURRENT ASSETS	373,8	252,4	Corporate income tax liabilities	8,2	9,5
TOTAL ASSETS	6 813,4	6 805,8	Tax liabilities	16,5	13,5
			Other liabilities	21,1	35,1
			Advanced recognized revenues	23,0	6,3
			TOTAL CURRENT LIABILITIES	202,7	403,6
			TOTAL LIABILITIES	6 813,4	6 805,8

- Income statement:

€ millions	2019	2020	Var.
Rental Income	245,4	151,3	-94,1
Un-recovered rental costs	-2,4	-1,6	0,8
Rental costs on property	-2,7	-2,3	0,4
Bad debts	0,0	-14,5	-14,5
Net Rental Income	240,3	133,0	-107,3
Hotel Operative Activity Income	232,3	89,2	-143,1
Hotel Operative Activity Costs	-162,4	-81,3	81,1
Profit From Hotel Operating Activity	69,9	7,9	-62,0
Income from other activities	3,0	2,3	-0,7
Costs relating to the services activities	-2,0	-1,3	0,8
Structure costs	-22,5	-21,9	0,6
Development costs			0,0
Operating Costs	-21,5	-20,8	0,7
Depreciation of operating assets	-42,3	-42,9	-0,6
Net allowances to provisions and other	10,6	4,7	-5,9
CURRENT OPERATING INCOME	257,0	81,9	-175,1
Income from disposals of assets	27,0	-1,1	-28,2
Net valuation gains and losses	245,0	-327,6	-572,6
Income from changes in scope	-15,0	-3,8	11,2
OPERATING INCOME	518,2	-250,7	-768,9
Costs of net financial debt	-63,1	-58,2	4,9
Interest charges on rental liabilities	-12,9	-13,0	-0,1
Fair value adjustment on derivatives	-51,4	-46,0	5,4
Net change in financial and other provisions	-0,5	0,3	0,8
Amortization of borrowings' cost	-3,6	-0,2	3,4
Share in income of equity affiliates	20,4	-13,5	-33,9
INCOME FROM CONTINUING OPERATIONS	407,0	-381,4	-788,5
Deferred tax	-2,2	59,6	61,8
Corporate income tax	-12,8	-13,3	-0,5
NET INCOME FOR THE PERIOD	392,0	-335,1	-727,2
Non-controlling interests	-39,8	-2,3	37,5
NET INCOME FOR THE PERIOD - GROUP SHARE	352,3	-337,4	-689,7

- **Glossary:**

1) Definition of the acronyms and abbreviations used:

GS: Group Share

Chg: Change

LfL: Like-for-Like

2) Firm residual lease term

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 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 Amortization):

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

(+) Total revenues (income)
(-) 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.



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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, properties under development, as well as operating properties and properties in inventory, stated at their fair value. The portfolio also includes buildings under preliminary sales agreements and the assets of equity affiliates more than 30% owned by the company.

9) Yield

The portfolio returns are calculated according to the following formula:

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

10) Average annual rate of debt

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

11) Occupancy rate

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

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

This indicator is calculated solely for properties on which asset management work has been done and therefore does not include assets available under pre-leasing agreements. Occupancy rates are calculated using annualised 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.

For hotel operating properties, like-for-like change is calculated based on EBITDA.

Restatement done:

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



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- restatement of deliveries of assets under works (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 on the period
- Restatement of work done on assets (including assets under development) during the N period.



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