

# EURION HIGHLIGHTS

Q4 2020 VALID FROM 1 JANUARY TO 31 MARCH 2021

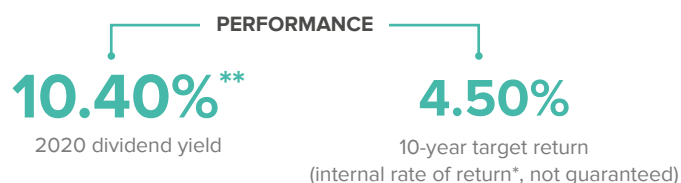
By purchasing EURION shares, you are investing in the real estate market. As with any real estate investment it is a long term investment with limited liquidity. The recommended investment horizon is 10 years. There is a risk of capital loss. In addition, investment income cannot be guaranteed and will depend on the prevailing conditions in the real estate market. CORUM Asset Management does not guarantee that you will be able to redeem your shares. Lastly, as with any investment, past performance is not a reliable indicator of future results.

Milan – Johnson Controls  
Italy  
Acquired on 18/12/2020

\* **Learn more**

Find all the definitions in the glossary on the last page.

## THE YEAR AT A GLANCE



\*\* Our annual performance target (dividend yield) is 4.50% (not guaranteed).

### ANNUAL DIVIDEND

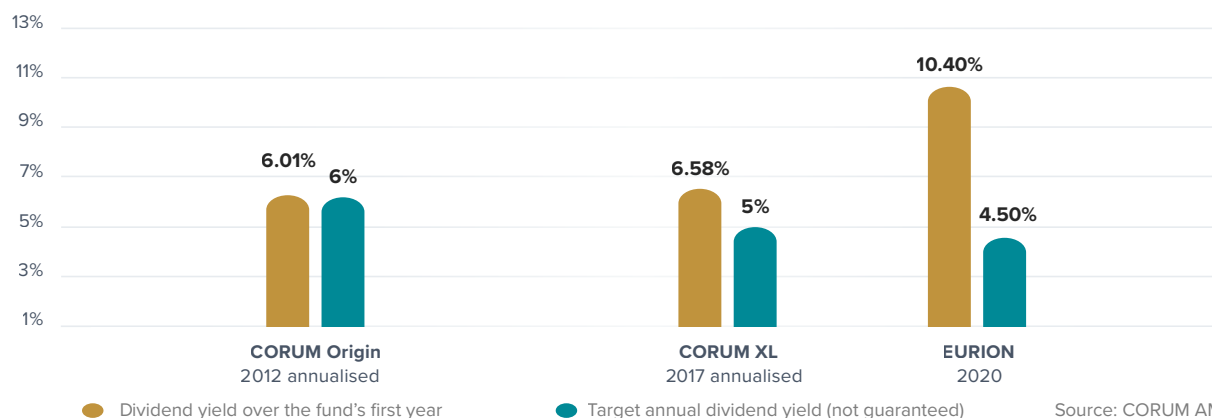
**€20.79**  
per share

### RENTAL INCOME RECEIVED

**€4.02m**  
in 2020

## AN UNPRECEDENTED FIRST YEAR

Dividend yields of CORUM's property funds vs. their target as of the end of their first year



Past performance is no guarantee of future results.

The prospectus of CORUM Origin was approved by the French Financial Markets Authority (AMF) under No. 12-17 on 24 July 2012.

The prospectus of CORUM XL was approved by the French Financial Markets Authority (AMF) under No. 19-10 on 28 May 2019.

# FOREWORD



## AN EXTRAORDINARY FIRST YEAR

By Frédéric Puzin,  
Founder of CORUM



I would like to thank **the 3,107 investors** and **366 financial advisers** who have placed their trust in EURION throughout its first year.

While launching a new fund during the hard times we lived through in 2020 was a challenge, **the 4.5% target was met.**

Circumstances have been favourable, with high inflows and conditions allowing us to invest them very rapidly. These circumstances are expected to extend into 2021 enabling us to slightly exceed our target.

2020 will always be remembered as an extraordinary year for EURION in more ways than one. But you can count on our commitment to serve your long-term investment needs.

And we of course do not rule out doing even better if possible...

I would like to wish you on behalf of all the teams a **very happy 2021.**

# PERFORMANCE

The data provided herein refer to the previous financial year and EURION's past performance is not a reliable indicator of its future results. As with any property investment, your initial investment cannot be guaranteed and the value of your EURION shares, and income generated from them, may rise as well as fall.

## DIVIDEND PER SHARE<sup>1</sup>



## FUND INFLOWS FOR THE QUARTER



3,107

### SHAREHOLDERS

with **1,041** who joined the EURION community during the quarter

189,685

subscriptions resulting in capital increases

26

subscriptions matched with redemptions

0

share transfers between investors

0

pending redemptions

Dividend entitlement date

**1<sup>st</sup> DAY OF THE 6<sup>th</sup> MONTH**  
after the shares are subscribed and fully paid up

**\* Learn more**

Find all the definitions in the glossary on the last page.

## CAPITAL

Date	31/12/2020	31/03/2020
Capitalisation* (based on subscription price)	€108,376k	€18,240k
Share capital*	€86,700k	€14,592k
Number of shares	541,878	91,202
Number of shareholders	3,107	504

## SUBSCRIPTION PRICE SINCE 30 JANUARY 2020

Minimum subscription for new shareholders: one share

<b>One share (including subscription fees and commissions)</b>	<b>€200.00</b>
Nominal value	€160.00
Share premium	€40.00
Including subscription fee for:	
- fundraising costs	€21.60
- property search and investment costs	€2.40
including property acquisition costs	€16.00
Change in average acquisition share price	0%

## REDEMPTION PRICE PER SHARE

A share's current subscription price less the subscription fee paid to the Management Company	<b>€176</b>
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1. Distributed income is equal to total gross interim dividend payments divided by the total number of shares entitled to dividends as of the first day of the quarter.  
 2. Rental income from foreign property may be subject to withholding taxes paid by the SCPI, which are subsequently offset in France, either by way of tax credit in the income tax return, or through the effective tax rate mechanism (foreign income not taxable in France but taken into account for calculating the effective tax rate). Foreign taxes paid by the SCPI are deducted from interim dividend payments.

# PORTFOLIO PROFILE

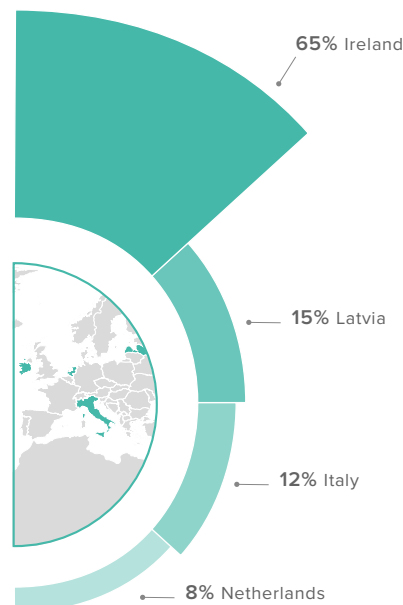
## THE PORTFOLIO AT A GLANCE

(as of 31 December 2020)



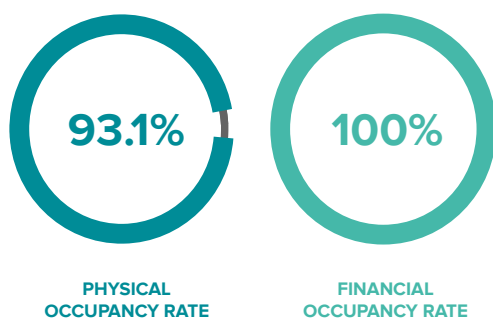
## GEOGRAPHIC BREAKDOWN

(as of 31 December 2020, % of estimated market value)



## PHYSICAL AND FINANCIAL OCCUPANCY RATES

(Q4 2020)



No disposals or properties vacated in Q4 2020

## BREAKDOWN BY PROPERTY TYPE

(as of 31 December 2020, % of estimated market value)



Google's office in Dublin, Ireland, acquired by EURION on 12 May 2020

# ACQUISITIONS

The performance of the investments made during the quarter is not a reliable indicator of EURION's future performance.

## IRELAND

### NATIONAL BROADBAND IRELAND DUBLIN

ACQUIRED ON 30 OCTOBER 2020

**Acquisition price:** €22m  
**Net initial yield:** 6.42%

**Floor area:** 4,904 sq.m  
**Property type:** Office

This office building is located on the Citywest Business Campus, around 10 km from the centre of Dublin. The tenant, National Broadband Ireland, is a company that designs, builds and operates Ireland's broadband network. In 2020, the company signed a €3 billion contract over 25 years with the Irish government and European Commission to deliver high speed broadband services across the country. National Broadband Ireland has leased around



**Remaining lease term:** 10.7 years  
**Tenant:** National Broadband Ireland

68% of the building. The remaining 32% is currently vacant. However, the seller has agreed to bear all the costs of a three-year comprehensive rent guarantee for this vacant space which includes lease payments, service charges and any improvement works for future tenants. The value of the building is expected to rise with the arrival of new tenants.

## LATVIA

### FKTK, RIMI, COSTA COFFEE RIGA

ACQUIRED ON 23 NOVEMBER 2020

**Acquisition price:** €11m  
**Net initial yield:** 6.61%

**Floor area:** 2,761 sq.m  
**Property type:** Office / Retail

**Remaining lease term:** 5.5 years  
**Tenants:** FKTK, Rimi, Costa Coffee

Built in 2001, this mixed-use building is located in the heart of the city centre of Riga, the capital of Latvia. It includes retail space on the ground floor and office space on the upper ones. The Financial and Capital Market Commission (FKTK) is the building's sole office



tenant. This public institution oversees Latvian banks, insurance companies and certain financial sector companies. In addition, the building has four retail tenants, including a café, two souvenir shops and a convenience store.

## ITALY

### JOHNSON CONTROLS MILAN

ACQUIRED ON 18 DECEMBER 2020

**Acquisition price:** €7m  
**Net initial yield:** 6.64%

**Floor area:** 7,945 sq.m  
**Property type:** Office

**Remaining lease term:** 7.8 years  
**Tenant:** Johnson Controls

This building in the north-eastern part of Milan is located in a mixed-use area combining office, residential and retail space. It is linked to one of the major motorways and public transport. It was built in 1988 and fully renovated in 2019. It now features workspaces adapted to the current needs of its tenant, 86 parking spaces, collaborative



space and a rooftop terrace. The tenant is a unit of the American group Johnson Controls that produces automotive parts and HVAC equipment. The group has 105,000 employees throughout the world and posted €31.4 billion in sales in 2019. The building houses its 300 employees working in Italy.



## Disclaimer

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## Procedures for subscribing to the capital increase

Upon capital increases, the Management Company shall receive from the SCPI a subscription fee of 12% (including taxes) of subscription price. This fee is deducted from the share premium. Subscriptions can be received up to the maximum amount of share capital authorised in the Company's Articles of Association ("authorised share capital"), which was set at €500,000,000. When this maximum amount is reached, subscriptions are only accepted to be matched with redemption requests.

## Redemption procedures

Since the SCPI is an open-ended company, all shareholders may request the redemption of all or part of their shares. When the Management Company receives a redemption request, if there is no redemption fund and if the amount of subscription requests is greater than or equal to the amount of the redemption request, shares are redeemed based on the current subscription price less the subscription fee paid to the Management Company, i.e. €176 per share since 30 January 2020. Redemption requests notified to the Management Company shall be centralised in chronological order of receipt, in a register kept at the Company's registered office. Redemption requests shall be submitted to the Management Company by regular mail along with the relevant share certificates. The relevant shares shall be cancelled.

## Transfer procedures

**1. Direct transfer (off market)** Transfers may be freely negotiated between the parties. Shareholders may sell their shares directly to another shareholder or a third party. In such a case, it is their responsibility to find a buyer without the assistance of the Management Company and to carry out all transfer formalities. The Management Company's only role is to record the transfer in the shareholder register. All share transfers shall be considered effective from the date they are recorded in the transfer register.

**2. Entitlement to dividends and shareholder approval for transfers** Interim dividends attached to the seller's shares shall cease to accrue and any other rights attached shall expire on the last day of the month preceding the transfer. For the buyer, interim dividends attached to the shares shall begin to accrue from the first day of the month of transfer. Share transfers do not require shareholder approval.

**3. Transfer tax (off market)** Transaction fees shall be borne by the buyer, including in particular a transfer tax of 3% (rate effective as of 1 January 2021).

## Taxation

**1. Tax return** Every year, your Management Company CORUM Asset Management provides you with all the information you need to compute your income related to the EURION SCPI for the year ended and to file your tax return.

**2. Capital gains on property** Capital gains on property realised in France are subject to a fixed withholding tax rate of 19% (rate effective as of 1 January 2021) and to social security contributions of 17.2% (rate effective as of 1 January 2021), amounting to a total tax rate of 36.2%. For the calculation of the tax base for capital gains on property, a different rate schedule was established for the tax deduction based on the holding period. Gross capital gains (selling price less acquisition costs including duties and fees) are applied a 6% tax deduction for each year of the holding period after the 5<sup>th</sup> year and until the 21<sup>st</sup> year (1.65% for social security contributions), 4% after the 22<sup>nd</sup> year (1.60% for social security contributions), and 9% for each year after the 22<sup>nd</sup> year for social security contributions only. Therefore, the sale of property assets is exempt from capital gains tax after 22 years and also from social security contributions after 30 years. Between the 23<sup>rd</sup> and 30<sup>th</sup> years of the holding period, capital gains are only subject to social security contributions. Tax on capital gains on property in excess of €50,000: this is a tax on disposal of property by an SCPI resulting in a capital gain exceeding €50,000. The tax authorities acknowledged that the €50,000 threshold applies for each shareholder subject to income tax. This surcharge is calculated from the first euro according to a progressive scale where the surcharge rate varies from 2% to 6% depending on the amount of capital gain. The tax is applied to the amount of taxable capital gains on the basis of ordinary tax law and after applying deductions based on the holding period.

**3. French financial income** Financial income is that resulting from investments of cash available until it is used for new real estate investments. Financial income is subject to income tax. If shareholders opt for the progressive income tax schedule, a 12.8% tax is withheld by the Management Company and can be set off against income tax payable for the year when the income was received. Income tax paid in excess may be refunded by the tax authorities. Taxpayers whose reference taxable income (*revenu fiscal de référence*) for 2020 is less than €25,000 (single persons) or €50,000 (couples) may request tax exemption for the income to be received during tax year 2022 by submitting a sworn statement no later than 30 November 2021. Each year by 30 November, shareholders shall (if applicable) contact the Management Company to renew their exemption or submit a new exemption request for the income to be received for the next year.

**4. Non-resident shareholders** Shareholders are required to immediately notify the Management Company of any change in their residency status. Non-resident shareholders should be aware that it is their responsibility to be informed of any potential local tax conditions resulting from their tax residence or personal situation.

Tax treatment depends on the individual circumstances of each shareholder and may change over time.

**5. Foreign income** In accordance with double taxation treaties, rental and financial income received abroad shall be taxable in the country where the property is located and shall be tax-exempt in France, subject to the French "effective tax rate" or "tax credit" mechanisms.

EURION is responsible for paying foreign taxes to the relevant tax authorities on behalf of the shareholders. These foreign taxes have the effect of reducing the amount of dividends paid out.

## Corporate life

Your Company's Articles of Association, Prospectus, Key Information Document, latest Quarterly Newsletter and Annual Report are available free of charge on the website: [en.corum.fr](http://en.corum.fr).

To update your postal address, bank details or investment option, log in to your Shareholder Account without undue delay to make any changes and upload the required supporting documents. CORUM Asset Management must receive notification of any change in tax status or any other change as expeditiously as possible before the end of the month, along with all necessary supporting documentation. The Annual General Meeting of EURION will be held on 6 May 2021.

## Buying shares with borrowed money

If they borrow money to buy shares, investors should bear in mind that they may experience difficulties in meeting their interest obligations or in repaying the principal amount of the loan in the event of a downturn in real estate prices. Also, loan interest payments might not always be tax deductible. As a result, if shares bought with borrowed money do not provide sufficient income to repay the loan, or in the event of a price decline when the investor seeks to sell their shares, the investor will have to pay the difference. If you rely solely on investment returns (any income received from SCPI funds), you could end up defaulting on the loan.

## GLOSSARY

**Period to dividend entitlement:** Period between the date of share acquisition and the date dividends attached to the shares begin to accrue. Investors should take this period into account, especially if they borrowed money to buy shares, in which case loan repayments might start before they begin to receive dividends.

**Capitalisation:** Equals the total number of EURION shares multiplied by the share price: 541,878 shares \* €200 = €108.4 million.

**Share capital:** Equals the total number of EURION shares multiplied by the nominal value of each share: 541,878 shares \* €160 = €86.7 million.

**Redemption price:** A share's current subscription price less the subscription fee paid to the Management Company.

**Net initial yield:** Rental yield as of the date of acquisition of the property, calculated as the annual rent divided by the acquisition price including all costs (transfer tax and brokerage fees).

**Dividend yield:** Gross dividends (before French and foreign taxes and social security contributions) paid for financial year N (including special dividends and portion of distributed capital gains) divided by the average acquisition share price over financial year N. The dividend yield is used by EURION as an annual performance metric.

**Internal rate of return (IRR):** This metric is used to measure the profitability of an investment over a given period. It reflects distributed dividends and changes in share price over the period.

**Financial occupancy rate:** Actual rental income/maximum potential rental income. This rate is used to measure the financial performance of rental properties.

**Physical occupancy rate:** Total occupied floor area/total floor area owned. It should be noted that each management company uses a specific calculation method for physical occupancy rates, which precludes any comparison between SCPIs.

**Change in average share price:** Difference between the average acquisition share price over year N and the average acquisition share price over year N-1.

