

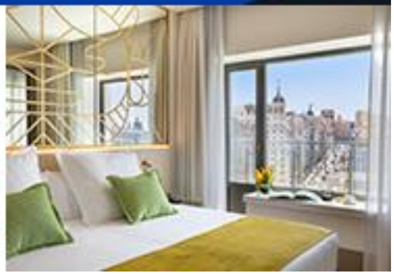

COVIVIO

Paris, 21 February 2023, 5.45 p.m.

Growth in 2022 earnings
driven by record rental performance

"With record revenue growth and a 5% increase in earnings, 93% of its assets certified and a high customer satisfaction, Covivio reaped the benefits of its strategy in 2022. We look ahead with confidence in our ability to adapt and prepare for the future. The adjustments announced end-2022 in response to the new environment have been implemented, with €200 million in sales negotiated at the end of the year. Thus, we will keep on benefitting from the soundness of Covivio's business model, focusing on diversification, centrality, sustainable real estate and client centricity."
Christophe Kullmann, Covivio Chief Executive Officer

12.7% like-for-like revenue growth

- Revenues of €968 million on a consolidated basis and €633 million in Group share, up 12.7% like-for-like
- Offices: like-for-like rental growth of 5.2% driven by lettings and indexation
- Germany Residential: further sustained growth of 3.1% like-for-like
- Hotels: revenues exceeded 2019 levels in the second half (up 64.3% like-for-like over the year)

Strengthening of balance sheet quality

- €485 million in new preliminary sales agreements signed above 2021 appraisal values and €711 million in sales realized
- €220 million reduction in net debt, loan-to-value (LTV) ratio of 39.5%
- €1.1 billion in new financing in 2022, predominantly Green financing, including €0.9 billion in the second half

ESG strategy: new progress across all areas

- 93% of the portfolio has received environmental certification and 63% of the office portfolio is certified HQE/BREEAM Very Good or higher
- Strategy favoured by our clients: high satisfaction ratings across all asset classes
- Proposal to submit a "say on climate" resolution to a vote at next 2023 AGM

5% growth in recurring net income in 2022

- Recurring net income (adjusted EPRA Earnings): €430 million (€4.58 per share), up 5%
- Portfolio value at €26 billion (€17 billion Group share), stable on a like-for-like basis
- 10% increase (€107.8 per share) in net disposal value (EPRA NDV) through the fair value adjustment of debt hedging instruments and fixed-rate debt. Net tangible assets (EPRA NTA) are stable (€106.4 per share)

2023 outlook

- Further solid operating momentum in 2023, expected to offset the increase in financing costs and the impact of market trends in non-core offices
- Implementation of strategic adjustments announced in December 2022 and focused on balance sheet strengthening: €1.5 billion disposal target by end-2024 (of which €200 million negotiated in recent weeks) and refocus of the development pipeline
- Proposal of a maintained dividend, at €3.75 per share, with the option of payment in shares, benefitting from the support of the main shareholders (51% of capital), already committed to opt for the payment in shares
- 2023 adjusted EPRA Earnings guidance of around €410 million, flat restated from the deleveraging effect

Adjusted EPRA Earnings and EPRA NTA, NDV and NRV are Alternative Performance Indicators as defined by the AMF and are detailed in Sections 3. Financial information, 5. EPRA reporting and 7. Glossary of this document. The audit procedures on the consolidated financial statements have been completed. The certification report will be issued after the specific verifications.

Covivio: a diversified and continuously improving portfolio

Covivio has a €26 billion (€17 billion Group share) portfolio of diversified assets in Europe, in sectors where it is a leading player:

- **55% of the portfolio comprises offices** in France, Italy and Germany. Core assets in city centers count for 65% of this portfolio (mainly in Paris, Milan, Berlin) vs. 26% of core assets outside city centers & 8% of non-core assets;
- **Germany Residential represents 30% of the portfolio.** It is located in the city centres of Berlin, Dresden, Leipzig and Hamburg and in major cities in North Rhine-Westphalia;
- **Hotels (15% of the portfolio),** located in major European tourist destinations (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.), are let or managed directly by major operators such as Accor, IHG, B&B, NH Hotels, etc.

42% of properties by value are located in Germany, 37% in France and 15% in Italy.

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

1. **Location in the heart of major European cities,** in particular Paris, Berlin and Milan. As a result, 80% of assets are located in central locations[1] and 97% of assets are within a five-minute walk of public transport.
2. **New building design** combining energy performance, well-being and adaptation to changing trends. Projects under renovation or construction already 67% pre-let.
3. **Fostering a customer culture** with a user-centric strategy. Covivio supports its clients in their real estate strategies over the long term, by co-designing their projects and forging sustainable partnerships (firm average lease maturity of 7 years). This is reflected in a strong advisory approach, an ambitious service policy and ever more flexibility, with, for example, hybrid offers combining commercial leases and flexible contracts.

Markets: healthy letting trends and a wait-and-see approach in the investment market

Offices: a two-speed market

The recovery in rental demand was confirmed in Covivio's main office markets in 2022. In Greater Paris, take-up totalled 2.1 million m^2, a year-on-year increase of 10%. In Milan, a new record of 487,000 m^2 (up 41% vs 2021) was set. A recovery, albeit more muted, also occurred in Germany's six leading cities, with take-up of 3.2 million m^2, an increase of 4%.

Meanwhile, demand continued to polarise towards the most central locations and prime assets. In Greater Paris, new and refurbished buildings accounted for 82% of demand for surface areas above 5,000 m^2, while take-up in Paris now accounts for 47% of total demand (vs 40% over the last five years). The vacancy rate in Paris CBD was down 70bp at 2.4%, compared with an average increase of 50bp to 7.9% in Greater Paris.

In Milan, the best properties (grade A) accounted for 82% of demand and the city centre has a vacancy rate of 5.5%, compared with 11.6% in the wider metropolitan area. In Berlin, the vacancy rate remained low at 3.2%. This strength is reflected in rental growth, mainly for new assets in prime locations (up 5% in Paris CBD, up 11% in Milan, up 3% in Berlin).

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1 Offices: city centers of large European cities (Paris, Berlin, Milan, etc) ; Hotels : top touristic destinations; Housing : Berlin, Dresde, Leipzig, Hamburg and large cities of NRW

Germany Residential: a mounting housing shortage

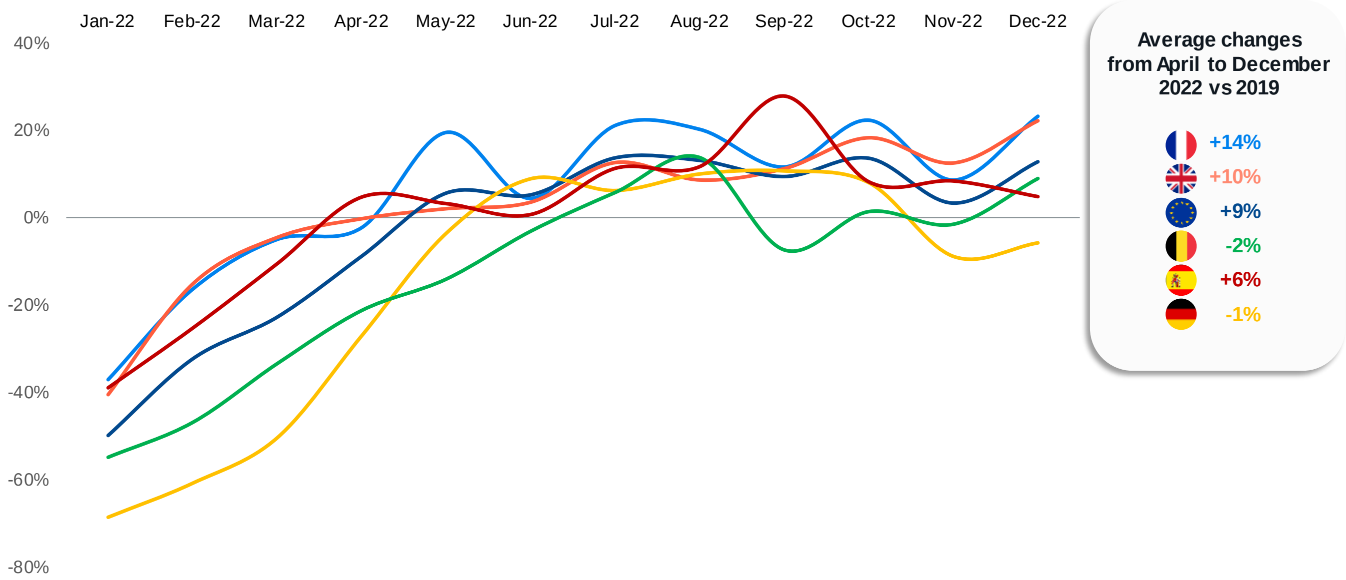
Germany's structural housing shortage, estimated at around 700,000 units[2], increased further in 2022. Sustained migratory flows have increased demand, while new construction projects have decreased in the face of rising construction costs and labour shortages. Once again, the government's target of 400,000 new housing units per year will not be met. As a result, in Berlin, the housing shortage is at an all-time high, while market rents are on the rise again, up 6% year-on-year. Despite the slowdown in transaction volumes in the second half, average prices were up 10% year-on-year at €4,900 per m² in Berlin.

Hotels: stronger-than-expected recovery in 2022

The recovery gathered pace quickly in Europe from March 2022 and the lifting of health restrictions, confirming the industry's great resilience. RevPAR (Revenue Per Available Room) exceeded its 2019 levels by an average of 11% from the second half (down 1% vs. 2019 on a full year basis).

Higher RevPAR was attributable to the considerable pricing power of the hotel business, with average prices up 12% in Europe vs 2019. Furthermore, occupancy rates are gradually approaching 2019 levels (3.4 percentage points below on average in December, but 0.2 percentage points above for France), reflecting the return of both leisure and business customers.

Change in RevPAR[3] in Europe by country in 2022 compared to 2019 (%)



Investment market: wait-and-see approach at the end of the year, but persistently strong appetite for core assets

2022 was a very volatile year for the investment market: after a particularly dynamic first half, the market slowed from the start of summer, and especially in the fourth quarter. Commercial real estate investments totalled €247 billion in Europe, down 15% year-on-year, including a 58% drop in the fourth quarter. In French offices, investors preferred regional areas (up 12% year-on-year, up 25% in Q4) and small surface areas (up 20% for transactions between €5 million and €20 million).

The start of 2023 has confirmed the considerable interest in high-quality, well-located assets, with high prices per m², while repricing is more pronounced in peripheral areas. In Greater Paris, for instance, nearly €2.5 billion in office transactions were recorded, mainly in Paris. Equity investors and end users were the most active.

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[2] Pestel-Institute Hannover
[3] RevPAR: Revenue per available room – Source: MKG

In Germany Residential, after an outstanding year in 2021, institutional market volumes fell by 50%[4] to €12.2 billion. The market for retail and private investors, supported by the housing shortage and the low risk profile of this asset class, is holding up better, with a 9% drop in property lending year-on-year[5] (to €257 billion in 2022).

Lastly, in hotels, investments in Europe totalled €14.3 billion in 2022, down 16% year-on-year. The United Kingdom (24% of amounts), Spain (18%, vs 6% in 2019) and France (14%) continued to attract investors, whereas Germany experienced a sharper slowdown (12%, vs 20% in 2019).

Record operating performance in 2022

12.7% growth in rental income on a like-for-like basis

In 2022, **the Group's rental income totalled €968 million (€633 million Group share), up 5% year-on-year and 12.7% like for like.** This performance was driven by the recovery in variable revenues in hotels (up 6.5%), as well as by indexation in offices and asset management work (up 6.2%).

2022, €m	**Revenues 2021** Group Share	**Revenues 2022** 100%	**Revenues 2022** Group Share	**Like-for-like change** Group Share	**Occupancy rate** %	**Firm lease duration** in years
France Offices	*189.5*	*202.1*	*175.6*	*+5.3%*	*94.4%*	*4.7*
Italy Offices	*115.5*	*140.8*	*109.5*	*+4.2%*	*98.4%*	*7.1*
German Offices	*44.8*	*51.4*	*45.7*	*+7.7%*	*85.1%*	*4.5*
Total Offices	**349.9**	**394.3**	**330.9**	**+5.2%**	**94.4%**	**5.4**
German Residential	**168.4**	**272.9**	**176.6**	**+3.1%**	**99.2%**	**n.a.**
Hotels in Europe	**80.4**	**296.6**	**123.7**	**+64.3%**	**100.0%**	**12.7**
Non-strategic (retail)	5.3	4.2	1.9	+5.8%	100.0%	7.9
TOTAL	**604.0**	**968.1**	**633.0**	**+12.7%**	**96.6%**	**7.0**

Offices: another year of significant lettings

Covivio is reaping the benefits of its strategy based on centrality, new offices and customer culture with new lettings totalling 134,400 m² in 2022.

Nearly 88,000 m² of that volume concerned buildings under development, for which tenants have made firm undertakings for average terms of over 10 years. Covivio is set to develop Thalès' third building in Vélizy-Meudon, with a surface area of over 38,000 m². In Paris, the Jean Goujon building (Paris 8th, 8,600 m²) has been fully pre-let at rents well above the initial targets and close to the highest market rents, while the Stream Building (Paris 17th, 15,600 m² of which 9,200 m² of office space) was also fully let prior to delivery.
In Milan, the Corte Italia development project, due for delivery in 2024, has been fully pre-let to a major Italian group, once again at record market conditions.

46,400 m² were also let on the operating portfolio, contributing to improve the occupancy rate to 94.4% (up 2.2 percentage points year-on-year). In La Défense, rental agreements covering nearly 6,000 m² have been signed on the CB21 tower, lifting its occupancy rate from 83% at the end of 2021 to 93% at the end of 2022 (97% with the agreements signed at the beginning of 2023). Occupancy rates also improved by 24 percentage points (to 80%) for the 32B building in Boulogne and by 21 percentage points (to 85%) for the Belaïa building at Paris-Orly airport.

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[4] Excluding the Vonovia-Deutsche Wohnen merger in the amount of €27.6 billion in 2021
[5] Bundesbank

Covivio also renewed over 138,000 m² of leases with terms extended by an average of 5 years and rents raised by an average of 2%. The biggest renewal was for Thales Campus in Vélizy-Meudon, which, in addition to the construction of a new building, has signed an extension of the leases on the neighbouring assets under operation until 2034 and 2037.

At current scope, rental income from offices was impacted by the disposals in 2021 and 2022 (-€23 million), and by the release of buildings (-€22 million). Half of these deliveries relate to assets in Paris CBD and will be redeveloped with high rental growth, such as Anjou, Madrid or Monceau. The other half relate to non-core assets in periphery of Paris (Fontenay-sous-Bois or Rueil-Malmaison) or Milan (Rozzano), some of which needing a conversion into housing.

At constant scope, rental income was up 5.2%, driven by the numerous lettings and a higher contribution from indexation (2.6 points).

Hotels: stronger-than-expected recovery and further asset management operations

Hotel revenues in Europe continued to benefit from the strong recovery in the market, with like-for-like growth of 64% over the year. This performance is largely attributable to doubled variable rents (20% of the hotel portfolio, mainly let to AccorInvest) and the strong 477% rebound in income from hotel operating properties (23% of the hotel portfolio).

On assets under fixed leases (46% of the hotel portfolio), rents increased by 9% on a like-for-like basis, mainly driven by indexation (up 3.6%), the benefits of asset management transactions (up 3.2%) and the increase in step-up rents.

In this context, Covivio continued its asset and brand management strategy to optimise its profitability and guarantee a hotel offer increasingly aligned with user expectations. Covivio accordingly signed an agreement with B&B Hotels to switch to fixed rent for the 30 hotels in France previously operated by Accor under variable-rent leases. This transaction, which came with a significant increase in rent compared with 2019 levels, allows Covivio to provide support to Europe’s third-largest economy hotel brand in a new phase of its development in Europe.

In 2022, Covivio also redesigned one of its Madrid assets, previously let to an independent operator. The new tenant, Radisson Red, has signed a firm 20-year lease, allowing for a 50% improvement in revenues.

Lastly, on the assets held as operating properties, Capex programmes were completed on the Méridien hotel in Nice, the Westin Grand hotel in Berlin and 2 assets in Bruges, enabling over 20% yield on cost on average.

Sustained rental growth in Germany Residential

The persistent housing shortage in Germany together with an active asset management strategy resulted in a 3.1% increase in rents on a like-for-like basis across all geographies: North Rhine-Westphalia (up 3.4%), Dresden and Leipzig (up 3.2%), Berlin (up 3.0%) and Hamburg (up 2.7%). Almost half of this rental growth stemmed from indexation. Revenues also benefited from modernization programmes (investment of €44 million Group share), allowing an increase in rent based on an average yield of over 5%. Lastly, reletting came with an average increase of 15% in rents, contributing 0.8 percentage points to growth.

The occupancy rate, which was already high at the end of 2021, increased by a further 10bp to 99.2% (it has been above 98% since 2015).

Strengthening of balance sheet quality in 2022

€485 million in new disposal commitments, at prices 2.3% above appraisal values

In 2022, Covivio continued its portfolio rotation strategy, signing €687 million in disposal commitments at 100% (€485 million Group share), with a margin of 2.3% on end-2021 appraisal values.

Most of these disposals (80%) concerned office assets (€390 million signed). Despite the lull in the investment market at the end of the year, the Group initiated and secured disposals totalling €200 million in the final quarter of 2022, with an average margin of 3% on 2021 appraisal values. These most recent disposals mainly concerned moderately sized core city centre assets in Paris and regional cities (Metz, Toulouse, Bordeaux).

In Germany Residential, Covivio continued its steady sales, with disposals totalling €67 million over the year (€44 million Group share), with a margin of 31% above the latest appraisal values. These sales break down into €12 million in block sales (mainly in Leipzig) with a margin of 12% above appraisal values, €27 million in unit sales in Berlin with a margin of 42% above appraisal values, and a plot of land sold for €5 million, 41% above the appraisal value.

Lastly, Covivio sold €81 million in hotels (€24 million Group share) with an average margin of 9% above end-2021 appraisal values. Covivio also sold €27 million in non-core assets.

In conjunction with its active disposal policy (€711 million completed in 2022, taking into account the finalisation of agreements from 2021), the Group also reduced its Capex this year to a total of €381 million Group share. Added to this are €120 million in acquisitions linked to the completion of agreements signed in 2020 and 2021.

€1.1 billion refinanced on attractive terms in 2022

In 2022, Covivio financed or refinanced over €1.1 billion in debt at 100% (€800 million Group share), including €875 million in the second half. €550 million was raised in the form of green corporate loans, undrawn and with a maturity of five years with conditions close to previous ones. Mortgage financing and refinancing amounted to €570 million, with an average maturity of nine years and an average cost of 2.6%.

In addition, Covivio significantly increased the share of its green debt from 14% at the end of 2021 to 38% at the end of 2022. Note that all Covivio bonds are now green bonds (€2.8 billion).

Healthy and robust balance sheet

Rated BBB+ with a stable outlook by S&P (rating confirmed in April 2022), Covivio posted a sound balance sheet at the end of 2022.

Disposals during the year contributed to a €220 million year-on-year reduction in net debt to €7.6 billion. This deleveraging, together with the resilience of appraisal values, kept the LTV ratio at 39.5%, in line with the Group's policy (LTV ratio < 40%). EPRA LTV ratio stands at 42.6%.

The Group's debt has an average maturity of 4.8 years. It is hedged in the proportion of 87%, with an average maturity of hedging instruments of 6.3 years.

As such, despite a spike in market interest rates, the average rate of Covivio's debt remained under control at 1.24% vs. 1.20% at the end of 2021. The interest coverage ratio (ICR) was 6.9x, up 0.2 points compared with 2021.

Covivio has built its financing policy on diversification (both geographically and by asset class) and granularity. At the end of 2022, 49% of its debt was comprised of mortgages, 42% of bonds, 9% of commercial paper (€743 million, more than covered by €1.5 billion of undrawn credit lines and cash and cash equivalents).

In 2024 and 2025, approximately 33% (€887 million) of maturities relate to undrawn credit lines, mainly in France and Germany, which are in the process of being renewed and greened. Only 17% (€454 million) related to two bonds maturing at the end of 2024 and in 2025. The remaining 50% (€1.3 billion) is comprised of bank mortgages that are well-diversified in terms of asset class and geography: 40% in Germany Offices, 36% in Germany Residential, 15% in hotels, 5% in Italy Offices and 4% in France Offices. No single item of debt maturing before 2025 exceeds €350 million.

Resilience of portfolio values, stable year-on-year

The Group's portfolio is valued at €26 billion at 100% (€17 billion Group share). On a like-for-like basis, asset value is stable, the decline in the second half (down 2.5% like for like) being offset by the good performance in the first half (up 2.6%). This resilience illustrates the quality of the portfolio: the centrality of assets, development and asset management work have made it possible to offset the impact of the downturn in the property market on asset values, particularly in peripheral areas.

OFFICES
55%
€9.5 BN

-2.4%
Like-for-like

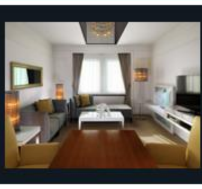
City-centers *65% of Offices portfolio*	**-0.8%**
Core outside city-centers *26%*	**-3.1%**
Non-core *8%*	**-11.4%**

GERMAN RESIDENTIAL
30%
€5.2 BN

+3.7%
Like-for-like

Berlin	**+3.1%** / €3,482/m²
NRW	**+5.7%** / €2,055/m²
Dresden & Leipzig	**+2.9%** / €2,486/m²
Hamburg	**+1.7%** / €4,116/m²

HOTELS
15%
€2.6 BN



+2.3%
Like-for-like

Leases ex-UK *66% of Hotels portfolio*	**+2.5%**
UK portfolio *11%*	**-2.9%**
Operating properties *23%*	**+4.7%**

In offices, asset values were down 2.4% on a like-for-like basis, with substantial disparities between the resilience of city centre assets (65% of the portfolio), down a slight 0.8%, and the more pronounced fall of 11.4% in the non-core category (8% of the office portfolio) in periphery, directly impacted by structural changes in ways of working. Assets delivered in 2022 or under development saw their values increase by 1.6% over the year.

Germany Residential saw a 3.7% increase on a like-for-like basis (up 5.9% in the first half and down 1.9% in the second). This resilience reflects the structural shortage of housing and unit values well above block values (over 40%). The average property value is €2,866 per m², with €3,482 per m² in Berlin and €2,055 per m² in North Rhine-Westphalia.

In hotels, portfolio values increased by 2.3% on a like-for-like basis over the year, with resilience in the second half (-0.4%): the recovery in operating performance enabled assets to rebound in all geographies except the United Kingdom.

ESG strategy: new progress across all areas

An ever-increasing proportion of certified assets, at 93%

Covivio has continued to its portfolio greening strategy: the proportion of assets with HQE, BREEAM, LEED or equivalent certification, in operation and/or under construction, now stands at 93% (up 2 percentage points vs. 2021).

In addition, in the office segment alone, the share of buildings with the highest levels of certification (Very Good and above) stands at 63%, up 6 percentage points year-on-year and 41 percentage points compared to 2015.

This greening strategy actively contributes to achieving the Group's ESG targets, in particular the will to reduce its greenhouse gas emissions by 40% by 2030 vs 2010 (which encompasses scopes 1, 2 and 3, covers the full range of activities in Europe and the entire life cycle of the assets: materials, construction, remodelling and operation).

To achieve this trajectory, Covivio has identified €254 million in Capex to be invested across its portfolio by 2030, i.e. €32 million per year. Already largely integrated into annual work plans, this Capex will improve building quality while reducing energy consumption, thereby delivering an expected average yield of around 6%.

Covivio will submit its climate plan to a vote at next 2023 General Meeting, through a “say on climate” resolution.

The customer at the heart of our strategy

Keen to uphold its customer culture and continuously improve its offers, Covivio regularly conducts independent satisfaction surveys. The 2022 results are very positive. For example, in offices, the survey of 641 end users in France and Italy, conducted by Opinionway, revealed an overall satisfaction rating of 7.8/10 regarding their working environment[6].

For the fifth consecutive year, Covivio was awarded the “Fairest landlord” label for its residential properties in Germany by Focus Money magazine. Covivio is also one of the top-rated landlords by Google (score of 3.5/5, a 0.5-point increase year-on-year), and by Immoscout24, the leading agency for apartment rentals and sales (Covivio ranked number one in the sector, with a score of 4.3/5).

Lastly, the portfolio’s hotels received a very good rating of 8.8/10 for location on Booking.com.

Governance: continuity in change

Following Jean Laurent’s resignation in July 2022 for health reasons, the Covivio Board of Directors unanimously appointed Jean-Luc Biamonti, a member of the Board of Directors since 2011, as Chairman.

The Board of Directors also co-opted Delfin as a Director, represented by Giovanni Giallombardo, following the death of Leonardo Del Vecchio in June 2022. Lastly, Daniela Schwarzer joined the Board of Directors in April 2022, as an independent member, to bring her expertise, in particular her in-depth knowledge of the German economic and social context. Mrs Schwarzer is the Executive Director of the Open Society Foundations in Europe and Asia, the largest private donor in the world for NGOs and associations, working to defend human rights, justice and democracy.

These major changes have not affected the shareholder structure or governance of the Group, which maintains high standards in terms of skills, independence, gender balance and remuneration modes.

In January 2023, Covivio’s management and teams learned, with great sadness and deep emotion, the death of Jean Laurent, Honorary President of Covivio. Jean Laurent had taken over the presidency of Covivio in 2010. An animator at heart, deeply human, and a great defender of the collective, he strongly contributed to make Covivio a European leader in the real estate sector, and a company at the forefront of environmental and societal challenges. His memory will remain strongly associated with Covivio.

Growth in 2022 financial results

Recurring net income up 5% at €430 million

The decline in rental income in offices, related to portfolio rotation and the release of assets in peripheral areas, was more than offset by the substantial recovery in hotels and another robust performance by Germany Residential. Income also benefited from stable operating costs and a reduction in the cost of financial debt. Recurring net income (Adjusted EPRA Earnings) increased by 4.8% year-on-year to €430 million and by 5.3% to €4.58 on a per-share basis.

Covivio's net income stood at €621 million.

EPRA NTA stable year-on-year at €106.4 per share (EPRA NDV up 10% at €107.8 per share)

The resilience of asset values is reflected in the change in net tangible asset value (EPRA NTA), stable at €10

[6] Survey realized in December 2022 among 31 multitenant buildings owned by Covivio

billion, or €106.4 per share. Net disposal value (EPRA NDV) increased by 10% to €10.2 billion, or €107.8 per share, benefiting from the positive impact of the revaluation of interest rate hedging instruments and fixed-rate debt. Lastly, net reconstitution value (EPRA NRV) amounted to €11.0 billion, or €117.0 per share, stable year-on-year.

2023 outlook

Implementation of strategic adjustments announced in December 2022 to maintain a sound balance sheet

Disposal target of €1.5 billion by 2024

Covivio has set itself the goal of completing €1.5 billion in sales by the end of 2024. Since November 2022, the Group has signed €200 million in disposal agreements, 3% above end-2021 appraisal values. The diversity of the portfolio, both geographically and by asset class and building size, makes it possible to address a broad spectrum of potential investors, from institutional investors to end users, retail investors and hotel operators. In offices, recent sales have demonstrated the appeal of Covivio assets for equity investors. In Germany Residential, the granularity of assets (unit size of €7 million) and the high proportion of housing already under co-ownership (66% of the Berlin portfolio) are serious advantages. In hotels, Covivio aims to sell hotels with fixed indexed or variable revenue, given the increasing appetite for this asset class with high yield and which proved its rebound capacity following the crisis.

Refocus of the development pipeline

Together with this disposal plan, the Group also announced a refocus of its development pipeline, allowing for €100M of capex savings per year.

In offices, Covivio reduced its committed pipeline by €500 million in the space of six months, to a total cost price of €2 billion, of which €1.2 billion has already been spent. The balance of the Capex, €200 million per year, will be spent by 2026. 80% of these office and mixed-use projects are located in the city centres of Paris, Berlin and Milan, and 67% of them are already pre-let.

For offices located in more peripheral areas lacking available housing, Covivio is continuing to develop its pipeline of office-to-residential conversion projects for sale. These operations limit the need for Capex while optimising the return. Margin target on committed operations (€260 million total cost), already pre-sold at about 60%, reaches 9%.

In Germany Residential, over 80% of the projects in Covivio's pipeline are located in Berlin, the city with the biggest housing shortage in Germany. The Group has adapted its strategy by favouring build-to-sell projects, thereby limiting financing requirements while creating value in the form of the development margin. This increases the weight of build-to-sell projects from 35% to 65% of the pipeline.

Proposal to maintain the dividend at €3.75 per share, with the option of payment in shares

Covivio will propose to the General Meeting of 20th April 2023 a dividend of €3.75 per share, which is stable compared with 2021 and represents a payout ratio of 82% (vs. 86% in 2021).

There will also be an option to receive the dividend in shares, which will help reduce net debt by up to €350 million. All the institutional shareholders on the Covivio Board of Directors (representing 51% of the capital) have already agreed to opt for dividend payment in shares, i.e. a minimum capital increase of €175 million.

Diversified business model offering new opportunities

In offices, 92% of the portfolio is highly resilient and has growth potential:

- 65% of the office portfolio consists of core assets in city centers, where rental reversion is estimated at between +10% (Berlin and Milan) and +20% (Paris).
- 26% of the office portfolio consists of core assets in established business districts. With average occupancy

rates of 91%, these assets are mainly leased to large groups with which Covivio has built up long-term partnerships (Telecom Italia, Thales, Dassault Systèmes, etc.). Their firm residual term of six years on average will allow them to benefit from the acceleration of indexation, while pursuing asset management initiatives, such as Thalès extension in 2022.

- 8% of the office portfolio is comprised of non-core assets with an average lease term of less than three years. These buildings will require asset management work or conversion to residential use.

In **Germany Residential,** the decline in the number of new buildings and building permits, at a time when the population is growing in major cities, has reinforced what were already strong fundamentals. In Berlin in particular, the updating of market indices (*Mietspiegel*) in 2023 should strengthen the letting dynamic, with an increase already running at 3% year-on-year. The Group can also rely on rents 20% to 25% below regulated rents. Moreover, the average property value of €3,482 per m² in Berlin conceals a high value reserve, as 66% of the assets are divided into co-ownerships and the average selling price on the market is €4,900.

In **hotels,** the recovery continued at the start of the year, with the favourable comparison base in the first quarter, the drop in supply with the reduction in Airbnb accommodation in major cities (down 14% over two years in Paris) and the major events on the calendar (Rugby World Cup 2023 in France, Olympic Games 2024 in Paris) are all supporting activity. On fixed rents, beyond indexation, the recovery is creating new asset management opportunities. After an already active year in this sense in 2022, Covivio recently signed a new 15-year lease on three hotels in Spain, with an increase of around 30% in rents.

2023 recurring net income guidance

In this context, Covivio has set a target of **€410 million in adjusted EPRA Earnings for 2023, flat restated from the deleveraging effect.**

The group is looking ahead to its medium-term perspectives with confidence, supported by the quality of its portfolio and the relevance of its three strategic pillars (centrality, new buildings, client centricity).

AGENDA

- Q1 2023 Activity: 19th April 2023
- General Meeting: 20th April 2023
- Ex-dividend date: 24th April 2023
- Subscription period: from 26th April to 10th May 2023
- Dividend payment: 1st June 2023
- 2023 Half year results: 20th July 2023

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ABOUT COVIVIO

Thanks to its partnering history, its real estate expertise and its European culture, Covivio is inventing today's user experience and designing tomorrow's city.
A preferred real estate player at the European level, Covivio is close to its end users, capturing their aspirations, combining work, travel, living, and co-inventing vibrant spaces.

A benchmark in the European real estate market with €26bn in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.
Build sustainable relationships and well-being, is the Covivio's Purpose who expresses its role as a responsible real estate operator to all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities but also to future generations and the planet. Furthermore, its living, dynamic approach opens up exciting project and career prospects for its teams.

Covivio's shares are listed in the Euronext Paris A compartment (FR0000064578 - COV) and on the MTA market (Mercato Telematico Azionario) of the Milan stock exchange, are admitted to trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, EPRA BPRs Gold Awards (financial + extra-financial), CDP (A-), 5 Star GRESB and in the ESG FTSE4 Good, CAC SBT 1.5°C, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, ISS ESG, Ethibel and Gaïa ethical indices and also holds the following awards and ratings: CDP (B), GRESB (5-Star, 100% public disclosure), Vigeo-Eiris (A1+), ISS-ESG (B-) and MSCI (AAA).

Notations solicited:

Financial part:	BBB+ / Stable outlook by Standard and Poor's
Extra-financial part:	A1+ by V.E (part of Moody's ESG Solutions) / 83/100 by S&P

Corso Italia - Milan

1. BUSINESS ANALYSIS

A. REVENUES: €968 MILLION AND €633 MILLION GROUP SHARE IN 2022

(€ million)	100% 2021	100% 2022	100% Change (%)	Group share 2021	Group share 2022	Group share Change (%)	Change (%) LfL [1]	% of revenue
Offices in Europe	**422.4**	**394.3**	**-6.6%**	**349.9**	**330.9**	**-5.4%**	**+5.2%**	**52%**
France Offices	**218.7**	**202.1**	**-7.6%**	**189.5**	**175.6**	**-7.4%**	**+5.3%**	**28%**
Paris	80.9	72.6	-10.3%	76.3	69.4	-9.0%	+6.0%	11%
Greater Paris (excl. Paris)	100.8	96.7	-4.1%	83.2	77.9	-6.5%	+13.0%	12%
Major regional cities	30.7	30.1	-1.9%	23.7	25.5	+7.6%	+5.8%	4%
Other French Regions	6.3	2.8	-55.5%	6.3	2.8	-55.5%	+2.9%	0%
Italy Offices	**152.3**	**140.8**	**-7.6%**	**115.5**	**109.5**	**-5.2%**	**+4.2%**	**17%**
Offices - excl. Telecom Italia	77.1	76.9	-0.3%	77.2	77.0	-0.3%	+4.4%	12%
Offices - Telecom Italia	75.2	63.9	-15.0%	38.3	32.6	-15.0%	+4.0%	5%
German Offices	**51.3**	**51.4**	**+0.1%**	**44.8**	**45.7**	**+2.0%**	**+7.7%**	**7%**
Berlin	10,0	7.8	-22.2%	6.9	5.5	-20.9%	+7.3%	1%
Other cities	41.4	43.6	+5.5%	37.9	40.3	+6.1%	+7.8%	6%
German Residential	**260.2**	**272.9**	**+4.9%**	**168.4**	**176.6**	**+4.8%**	**+3.1%**	**28%**
Berlin	127.2	140.0	+10.0%	83.4	92.0	+10.3%	+3.0%	15%
Dresden & Leipzig	22.9	22.8	-0.6%	14.8	14.8	-0.2%	+3.2%	2%
Hamburg	17.1	17.4	+1.9%	11.2	11.4	+1.6%	+2.7%	2%
North Rhine-Westphalia	93.0	92.7	-0.3%	59.0	58.4	-0.9%	+3.4%	9%
Hotels in Europe	**197.3**	**296.6**	**+50.4%**	**80.4**	**123.7**	**+53.9%**	**+64.3%**	**20%**
Hotels - Lease Properties	**175.4**	**234.7**	**+33.8%**	**71.0**	**97.3**	**+37.1%**	**+38.5%**	**15%**
France	58.1	79.9	+37.6%	19.8	29.8	+50.6%	+50.4%	5%
Germany	29.5	31.8	+7.8%	12.7	13.6	+6.6%	+7.1%	2%
UK	12.0	36.5	n.a.	5.2	16.0	n.a.	+201.5%	3%
Spain	29.1	34.5	+18.6%	12.7	15.1	+18.8%	+18.0%	2%
Belgium	10.2	14.1	+38.5%	4.5	6.2	+38.7%	+42.4%	1%
Others	36.6	37.8	+3.4%	16.0	16.6	+3.6%	+1.9%	3%
Hotels - Operating Properties (EBITDA)	**21.9**	**62.0**	**+183.0%**	**9.4**	**26.4**	**+181.2%**	**+476.6%**	**4%**
Non-strategic	**8.4**	**4.2**	**-49.3%**	**5.3**	**1.9**	**-64.7%**	**+5.8%**	**0%**
Retail Italy	2.9	0.0	-100.2%	2.9	0.0	-100.2%	n.a.	0%
Retail France	5.5	4.2	-22.8%	2.4	1.9	-22.8%	+5.8%	0%
Total Revenues	**888.2**	**968.1**	**+9.0%**	**604.0**	**633.0**	**+4.8%**	**+12.7%**	**100%**

[1] LfL : Like-for-Like

Group share revenues stand at €633 million vs. €604 million in 2021 under the following effects:

- **The revenues of strategic activities increase by +12.7% on like-for-like basis due to :**
  - Office portfolio: +5.2% on like-for-like driven by indexation and leasing activity;
  - Hotels activity: like-for-like revenues increased by +64.3% (+€47 million) due to the strong recovery in 2022 on the operating properties EBITDA and on variable rents;
  - German Residential: a sustained growth of +3.1% like-for-like.
- **Deliveries of new assets** (+€13.8 million), mainly in Paris Center West & East and in the 1st ring in France (+€9.2 million), and in Milan (+€4.4 million).
- **Acquisitions** (+€4 million) in German Residential.
- **Asset disposals**: (-€29.9 million), especially:
  - In France Offices (-€11.3 million): in 2021 and 2022 of mature assets (Carré Suffren and Velizy Eiffage) and French regions
  - In Italy (-€11.6 million): non-core and core mature assets;
  - In German Residential (-€2.8 million), mainly involving a portfolio of mature assets in NRW in H2 2021 as well as some privatizations with high margins in Berlin;
  - Non-strategic assets (-€3.8 million) mainly some retail in Italy (-€2.9 million) and France (€0.9 million).

- **Vacating for redevelopment assets** (-€22.3 million), especially in Paris Centre West, Western Crescent and first Ring and a non-core asset in Italy.

B. LEASE EXPIRIES AND OCCUPANCY RATES

1. Annualized lease expires: 7.0 years average lease term

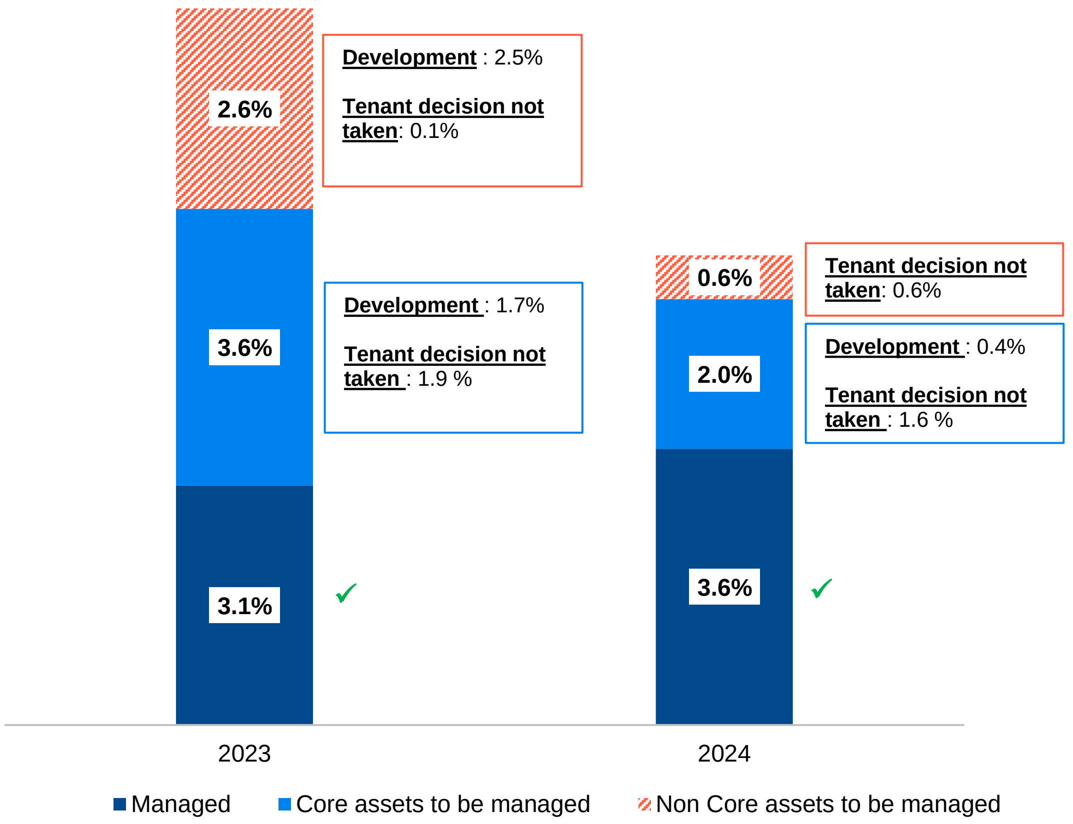
Average lease duration by activity

(Years)	By lease end date (1st break)		By lease end date	
Group share	**2021**	**2022**	**2021**	**2022**
France Offices	4.6	4.7	5.5	5.5
Italy Offices	7.1	7.1	7.5	7.7
Germany Offices	4.4	4.5	5.2	5.1
Total Offices	**5.4**	**5.4**	**6.1**	**6.1**
Hotels in Europe	13.3	12.7	14.6	14.1
Non-strategic	8.9	7.9	9.4	8.3
Total	**7.0**	**7.0**	**7.8**	**7.8**

The average firm residual duration of leases remains high, at 7.0 years at end-December 2022.

Lease expiries schedule

(€ million ; Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	65	9%	49	7%
2024	43	6%	23	3%
2025	57	8%	33	5%
2026	15	2%	12	2%
2027	33	5%	25	4%
2028	34	5%	49	7%
2029	23	3%	36	5%
2030	47	7%	54	8%
2031	22	3%	38	5%
2032	35	5%	42	6%
Beyond	108	16%	119	17%
Total Offices and Hotels leases	481	69%	481	69%
German Residential	183	26%	183	26%
Hotel operating properties	31	4%	31	4%
Total	**694**	**100%**	**694**	**100%**



2. Occupancy rate: 96.6%

(%)	Occupancy rate	
Group share	**2021**	**2022**
France Offices	93.2%	94.4%
Italy Offices	96.6%	98.4%
German Offices	78.8%	85.1%
Total Offices	**92.2%**	**94.4%**
German Residential	99.1%	99.2%
Hotels in Europe	100.0%	100.0%
Total strategic activities	**95.0%**	**96.6%**
Non-strategic	100.0%	100.0%
Total	**95.0%**	**96.6%**

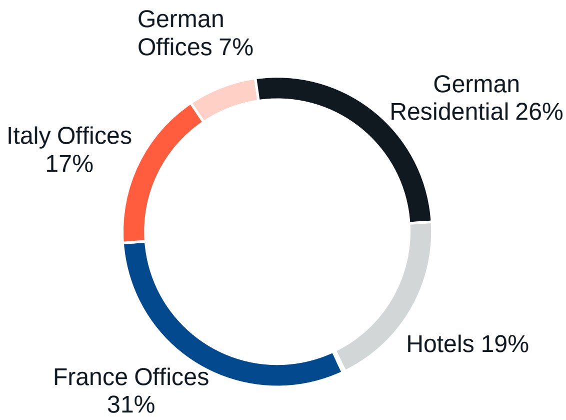
The occupancy rate increased by +1.6 pts over one year, to 96.6% for the whole portfolio. The sharpest increase was for Offices, for which occupancy rate increased by +2.2 pts versus last year, to 94.4%.

C. BREAKDOWN OF ANNUALIZED REVENUES

By major tenants

(€ million, Group share)	Annualized revenues FY 2022	%
Orange	44	6%
Telecom Italia	29	4%
Accor	29	4%
Suez	22	3%
NH	20	3%
B&B	17	2%
IHG	17	2%
Tecnimont	14	2%
Dassault	13	2%
Thalès	12	2%
LVMH	8	1%
Natixis	8	1%
EDF/ENEDIS	7	1%
Fastweb	6	1%
NTT Data Italia	5	1%
Cisco	5	1%
Crédit Agricole	5	1%
Hotels lease properties	11	2%
Other tenants <€5M	234	34%
German Residential	183	26%
Total	**694**	**100%**

By activity



D. COST TO REVENUE RATIO BY BUSINESS

(€ million, Group share)	France Offices	Italy Offices (incl. retail)	Germany Offices	German Residential	Hotels in Europe (incl. retail)[1]	Other (Mainly France Residential)	Total	
	2022	2022	2022	2022	2022	2022	2021	2022
Rental Income	175.6	109.5	40.9	181.4	99.4	0.0	594.6	**606.8**
Unrecovered property operating costs	-14.1	-13.0	-6.7	0.0	-1.2	-0.2	-34.7	**-35.2**
Expenses on properties	-3.1	-4.8	-1.5	-12.5	-0.3	0.7	-23.7	**-21.5**
Net losses on unrecoverable receivable	-1.7	-0.6	-0.7	-1.4	4.7	0.0	-5.5	**0.2**
Net rental income	**156.7**	**91.2**	**31.9**	**167.5**	**102.5**	**0.6**	**530.8**	**550.3**
Cost to revenue ratio	**10.8%**	**16.8%**	**22.0%**	**7.7%**	**1.5%**	**n.a**	**10.7%**	**9.3%**

[1] Including net profits on unrec. receiv., the ratio on Hotels in Europe would reach -3.2%

The cost to revenue ratio (9.3%) decreased by -1.4 pt compared to FY 2021, mainly due to the reversal of doubtful and the rental income increase in hotels.

E. DISPOSALS: €485M OF NEW AGREEMENTS IN 2022

(€ million)		Disposals (agreements as of end of 2021 closed) 1	Agreements as of end of 2021 to close	New disposals 2022 2	New agreements 2022 3	Total 2022 = 2 + 3	Margin vs 2021 value	Yield	Total Realised Disposals = 1 + 2
Offices in Europe	100%	595	71	318	189	507	2.4%	5.9%	914
	Group share	346	71	205	185	390	1.9%	5.8%	550
Germany Residential	100%	20	0	56	11	67	31.7%	2.4%	76
	Group share	13	0	37	7	44	31.5%	2.4%	49
Hotels in Europe	100 %	134	31	64	18	81	9.2%	8.0%	198
	Group share	29	14	20	4	24	8.7%	6.3%	48
Non-strategic and Non Core	100 %	41	-	26	6	32	-20.7%	12.9%	67
	Group share	39	-	24	3	27	-24.3%	13.8%	63
Total	**100 %**	**790**	**102**	**464**	**223**	**687**	**3.9%**	**6.1%**	**1,254**
	Group share	**426**	**84**	**285**	**200**	**485**	**2.3%**	**5.9%**	**711**

New disposals and agreements were signed for €485 million Group share (€687 million at 100%). Covivio maintained its strategy of qualitative asset rotation. In details, the disposal agreements include:

- **Offices**: €390 million Group share (€507 million in 100%), mainly made up of:
  - Offices in French major regional cities for €121 million Group share with +3.8% margin;
  - Offices in Milan for €87 million Group share in line with appraisals;
  - Assets let to Telecom Italia for €122 million Group share with a +3.8% margin on average;
- **Germany residential:** €44 million Group share (€67 million in 100%) with +42% average margin on privatizations (€27 million)
- **Hotels:** €24 million Group share (€81 million at 100%) with +8.7% margin, mainly with Accor;
- **Non- strategic and non core assets**: €27 million Group share (€32 million at 100%), mainly retail stores in Italy and in France (Jardiland and Courtepaille) and small offices in secondary cities in France and Italy

F. INVESTMENTS: €452M REALIZED IN 2022 GROUP SHARE

€452 million Group share (€ 626 million at 100%) of investments were realized in 2022, mainly in capex to improve the quality of our portfolio and create value:

- Capex in the **development pipeline** totalled €211 million Group share (€ 308 million at 100%), reduced by €68 million compared to 2021,
- €121 million Group share (€188 million at 100%) **works on the operating portfolio** were realized of which €64 million (€99 million at 100%) capex in German Residential,
- €120 million Group share (€137 million at 100%) of acquisitions realised in 2022, mainly in Milan with the acquisition of a land to develop, Scalo Porta Romana, in November (corresponding to the closing of agreements signed in 2020) and in Berlin residential portfolio bought at €2,756/m² with a rental reversionary potential of 15%.

In addition, Covivio bought back €38 million Group share of shares over the first semester of 2022, at an average price of around €60.8 per share.

G. DEVELOPMENT PROJECTS:

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

1. Deliveries: 64,200 m^2 offices delivered in 2022

Five offices projects were delivered in 2022 in Paris, Milan and Lyon,with an average occupancy rate of 79%. These were:

- Wellio Duomo in Milan (€47 million total cost & 4,500 m^2), 100% let;
- Lyon Sévigné in Lyon (€17 million total cost & 4,200 m^2), 67% let;
- Goujon in Paris (€202 million total cost & 8,600 m^2), 100% let;
- Streambuilding in Paris (€83 million cost Group Share & 15,600 m^2), 100% let;
- So Pop in Paris (€117 million cost Group Share & 31,300 m^2), 36% let.

2. Committed Office Pipeline: €2.0 Bn Group share pre-let at 67%

Pipeline at end of 2022:

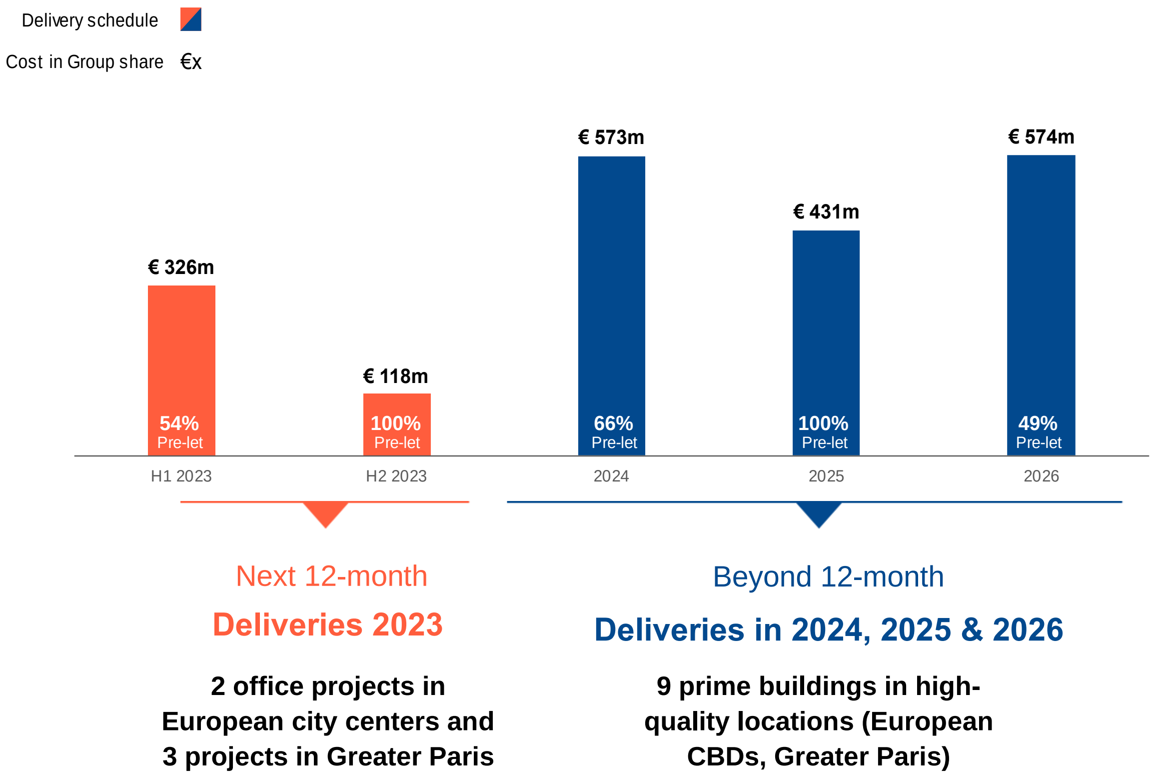
€2.0 Bn	5.3%	67%	80%
cost Group share	yield on cost	pre-let	in city center

Covivio has a pipeline of office buildings in France, Germany, and Italy, the bulk of it in the city centers of Paris, Milan and Berlin.

Committed projects	Surface[1] (m^2)	Total Budget[2] (€m. 100%)	Total Budget [2] (€m. Group share)	Pre-let (%)	Target yield [3] (%)
France Offices	109,750	965	895	82%	5.2%
Italy Offices	89,000	435	435	91%	6.3%
Germany Offices	128,400	1,006	691	25%	4.7%
Total offices	**327,150**	**2,406**	**2,022**	**67%**	**5.3%**

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

- Five projects were committed in 2022: Meudon Thalès 2 (100% pre-let), Düsseldorf Herzogterrassen (52% let), Fontenay Le Floria (0% pre-let), Berlin Beagle (100% pre-let) and Milan Rozzano Strada (40% let)
- Two projects were postponed : Milan Vitae and Bordeaux Jardin de l'Ars
- The current pipeline at end of December 2022 is composed of 14 projects.



Capex still to be spent on the committed development pipeline reaches on average €210 million per year.

Committed projects	Location	Project	Surface [1] (m²)	Delivery	Target rent (€/m²/year)	Pre-leased (%)	Total Budget [2] (M€. 100%)	Total Budget [2] (M€. Group share)	Target Yield [3]
Maslo	Levallois	Regeneration	19,800 m²	2023	470	43%	212	212	4.7%
DS Campus Ext. (50% share)	Vélizy	Construction	27,500 m²	2023		100%	141	71	7.2%
L'Atelier (Madrid St Lazare)	Paris	Regeneration	5,850 m²	2023		100%	102	102	n.a.
Le Floria	Fontenay	Regeneration	9,300 m²	2023	240	0%	43	43	5.5%
To be delivered in 2023			**62,450 m²**			**63%**	**498**	**428**	**5.3%**
Anjou	Paris	Regeneration	9,300 m²	2025		100%	238	238	3.4%
Thalès 2	Meudon	Construction	38,000 m²	2026		100%	229	229	7.0%
To be delivered in 2024 and beyond			**47,300 m²**			**100%**	**468**	**468**	**5.1%**
Total France Offices			**109,750 m²**			**82%**	**965**	**895**	**5.2%**
Corso Italia	Milan	Regeneration	12,100 m²	2024		100%	122	122	6.1%
The Sign D	Milan	Construction	13,200 m²	2024	300	92%	76	76	6.1%
Rozzano Strada	Milan	Regeneration	25,700 m²	2024	140	40%	45	45	7.8%
Symbiosis G+H	Milan	Construction	38,000 m²	2025		100%	193	193	6.3%
To be delivered in 2024 and beyond			**89,000 m²**			**91%**	**435**	**435**	**6.3%**
Total Italy Offices			**89,000 m²**			**91%**	**435**	**435**	**6.3%**
Beagle	Berlin	Regeneration	5,100 m²	2023		100%	16	16	6.5%
To be delivered in 2023			5,100 m²			100%	16	16	6.5%
Loft (66% share)	Berlin	Regeneration	7,600 m²	2024	280	0%	40	26	5.3%
Herzogterrassen (94% share)	Düsseldorf	Regeneration	55,700 m²	2024	252	52%	323	304	4.4%
Alexanderplatz (55% share)	Berlin	Construction	60,000 m²	2026	570	0%	627	345	4.8%
To be delivered in 2024 and beyond			**123,300 m²**			**22%**	**990**	**676**	**4.6%**
Total Germany Offices			**128,400 m²**			**25%**	**1,006**	**691**	**4.7%**
Total committed pipeline			**327,150 m²**			**67%**	**2,406**	**2,022**	**5.3%**

[1] Surface at 100%
[2] Including land and financial costs
[3] Yield on total rents

3. Build-to-sell pipeline

3.1 Germany

- Five projects will be delivered and sold in 2023 for a total budget of €33 million (€51 million at 100%), with a targeted margin >35%.
- Beginning of 2023, the pipeline is composed of 8 projects all located in Berlin and NRW, totaling 350 residential units and a total cost of €102 million Group share with a target promotion margin of 20%.

Committed projects	Units	Total Budget[1] (€M. 100%)	Total Budget[1] (€M. Group share)
Berlin - Großbeerenstraße	73		
Berlin - HOCH12	27		
Berlin - HOCH22	10		
Berlin - Markelstr.	92		
NRW - WES25NB	28		
To be sold in 2023	**230**	**51**	**33**
Berlin - Iceland Reigel	3		
Berlin - Iceland Sales (EIS 1)	98		
Berlin - Iceland Tower (turn) 2	19		
To be sold in 2024 and beyond	**120**	**104**	**68**
Total Germany Residential	**350**	**155**	**102**

3.2 France

- The current pipeline is composed of 8 projects located mainly in the Greater Paris and Bordeaux, representing 90,859 m², a total cost of €260 million Group Share, with a target margin close to 9%. Almost 60% of the projects were already pre-sold.

Committed projects	Units	Total Budget[1] (€M. 100%)	Total Budget[1] (€M. Group share)	Pre-sold rate (%)
Le Raincy	97			
St Germain-lès-Corbeil	83			
Chartres Sully	110			
To be sold in 2023	**290**	**49**	**49**	98%
Bobigny CT	158			
Saint-Germain-en-Laye	24			
Antony CDG	68			
Fontenay-sous-Bois Tr1	251			
Bordeaux Lac Tr1 - Tr3	749			
To be sold in 2024 and beyond	**1,250**	**211**	**211**	**49%**
Total French Residential	**1,540**	**260**	**260**	**58%**

[1] Including land and financial costs

4. Managed Pipeline

Landbanks:

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

- in Greater Paris (105,000 m²) and Major French Cities (100,000 m²) mainly for turnkey developments;
- in Milan with Symbiosis and Vitae (30,000 m²) and Porta Romana (70,000 m²);
- and more than 40,000 m² in Berlin, Leipzig and Dresden.

Germany residential managed projects:

Covivio continues to strengthen its mid-term pipeline with multiple projects under study for approximately 135,000m² mostly in Berlin.

H. PORTFOLIO

Portfolio value: +0.1% like-for-like growth

(€ million. Excluding Duties)	Value 2021 Group Share	Value 2022 100%	Value 2022 Group share	LfL [1] 12 months change	Yield [2] 2021	Yield [2] 2022	% of portfolio
France Offices	5,880	6,615	5,547	-2.4%	4.6%	4.7%	32%
Italy Offices	2,653	3,014	2,520	-2.3%	5.3%	5.2%	14%
German Offices	1,445	1,699	1,441	-2.7%	3.4%	4.1%	8%
Offices in Europe	**9,979**	**11,328**	**9,508**	**-2.4%**	**4.6%**	**4.8%**	**55%**
Residential Germany	**5,079**	**8,084**	**5,238**	**+3.7%**	**3.5%**	**3.5%**	**30%**
Hotels in Europe	**2,578**	**6,613**	**2,622**	**+2.3%**	**5.3%**	**5.0%**	**15%**
Non-strategic	68	56	27	-1.8%	7.1%	6.3%	0%
Total	**17,703**	**26,082**	**17,394**	**+0.1%**	**4.4%**	**4.4%**	**100%**

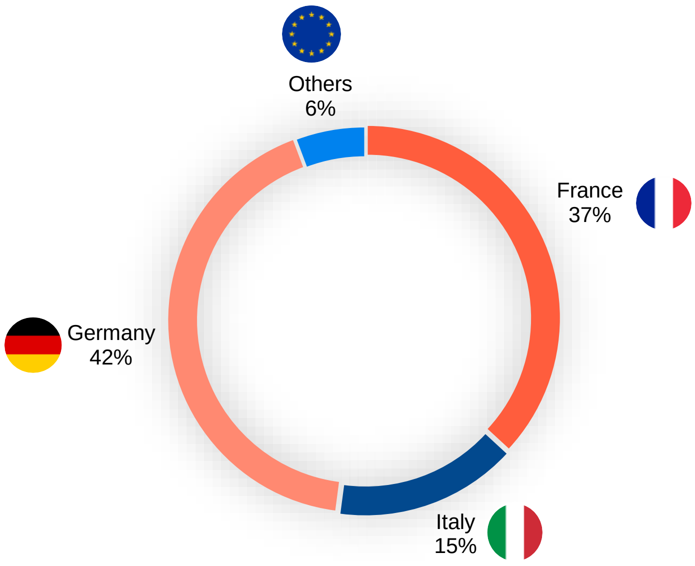
[1] LfL: Like-for-Like

[2] Yield excluding development projects. 2021 yield on hotels based on 2019 revenues for variable.

The portfolio decreased by €309 million to reach €17.4 billion Group share (€26.1 billion in 100%) mostly due to:

- In offices, asset values were down 2.4% on a like-for-like basis, with substantial disparities between the resilience of city centre assets (65% of the portfolio), down a slight 0.8%, and the more pronounced fall of 11% in the non-core category (8% of the office portfolio), directly impacted by structural changes in working patterns. New assets or assets under development, highly sought after by tenants, saw their values increase by 1.6% over the year.
- Germany Residential saw a 3.7% increase **on a like-for-like basis** (up 5.9% in the first half and down 1.9% in the second), with increases across all geographies. This resilience reflects the structural shortage of housing and unit values well above block values (over 40%). The average property value is €2,866 per square metre, with €3,482 per square metre in Berlin and €2,055 per square metre in North Rhine-Westphalia.
- In hotels, portfolio values increased by 2.3% on a like-for-like basis over the year, with resilience in the second half (-0.4%): the recovery in operating performance enabled assets to rebound in all geographies except the United Kingdom.

Geographical breakdown of the portfolio in 2022



I. LIST OF MAIN ASSETS

The value of the ten main assets represents 15% of the portfolio Group share, stable vs end 2021.

Top 10 Assets	Location	Tenants	Surface (m²)	Covivio share
CB 21 Tower	La Défense	Suez, Verizon, BRS	68,100	75%
Garibaldi Towers	Milan	Maire Tecnimont, LinkedIn, etc.	44,700	100%
Jean Goujon	Paris 8th	LVMH	8,600	100%
Dassault Campus	Vélizy	Dassault Systems	97,000	50%
Herzogterassen	Düsseldorf	In development	55,700	94%
Frankfurt Airport Center	Frankfurt	Lufthansa, Fraport, Operational Services	48,100	94%
Maslo	Levallois	In development	20,800	100%
Zeughaus	Hamburg	Universitätsklinikum Hamburg-Eppendorf	43,700	94%
Art&Co	Paris 12th	Wellio, Adova, Bentley, AFD	13,500	100%
Flow	Montrouge	EDF, Enedis	23,400	100%

2. BUSINESS ANALYSIS BY SEGMENT

A. OFFICES: 55% OF COVIVIO'S PORTFOLIO

Covivio keeps on improving its portfolio quality, focusing on attractive locations (city-centers and well-connected business districts) and developing high-quality assets with a full range of services that ensure optimal well-being for its tenants.

For several years now, the group has implemented an overall strategy based on **centrality**, **high-quality assets**, and **client-centricity**.

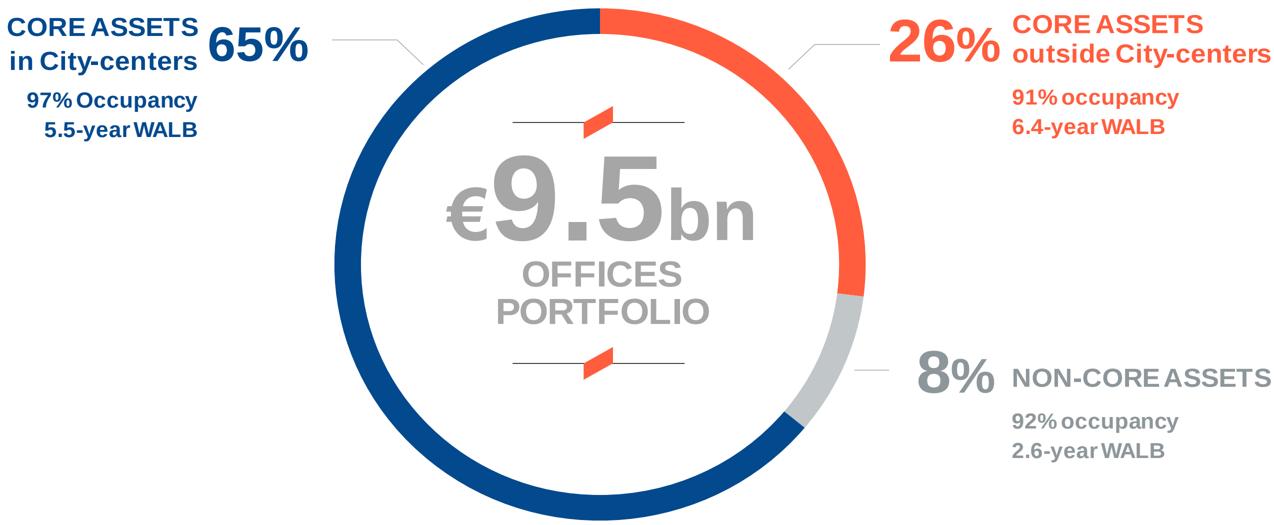
Covivio owns offices in France (32% of Covivio's portfolio), Italy (15%), and Germany (8%) with a portfolio of **€11.3 billion (€9.5 billion** Group share) at end-2022.

Covivio's portfolio has been strategically refocused and is now split as follows:

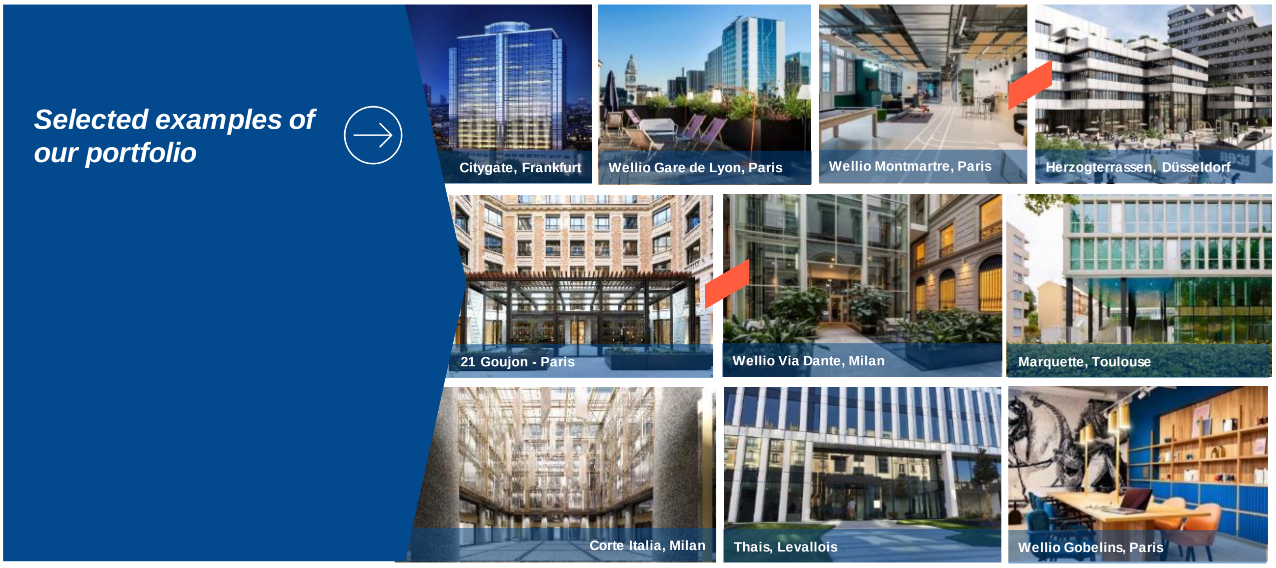
- **Core assets in city-centers** (**65%** of Covivio's office portfolio): located in city-centers *(Paris/Levallois, Berlin, Milan, Düsseldorf, Hamburg, and French major regional cities),* with **high occupancy** (**97%**), **long WALB** (**5.5** years).

- **Core assets outside city-centers** (**26%):** including assets with **strong value resiliency** and **liquidity**, in well-connected top-business districts *(Greater Paris, Italy, Periphery of German cities)* and with **high occupancy** (**91%**) and **long WALB** (6.4 years), mostly let to long-term partners such as Telecom Italia, Thalès, Dassault Systèmes.

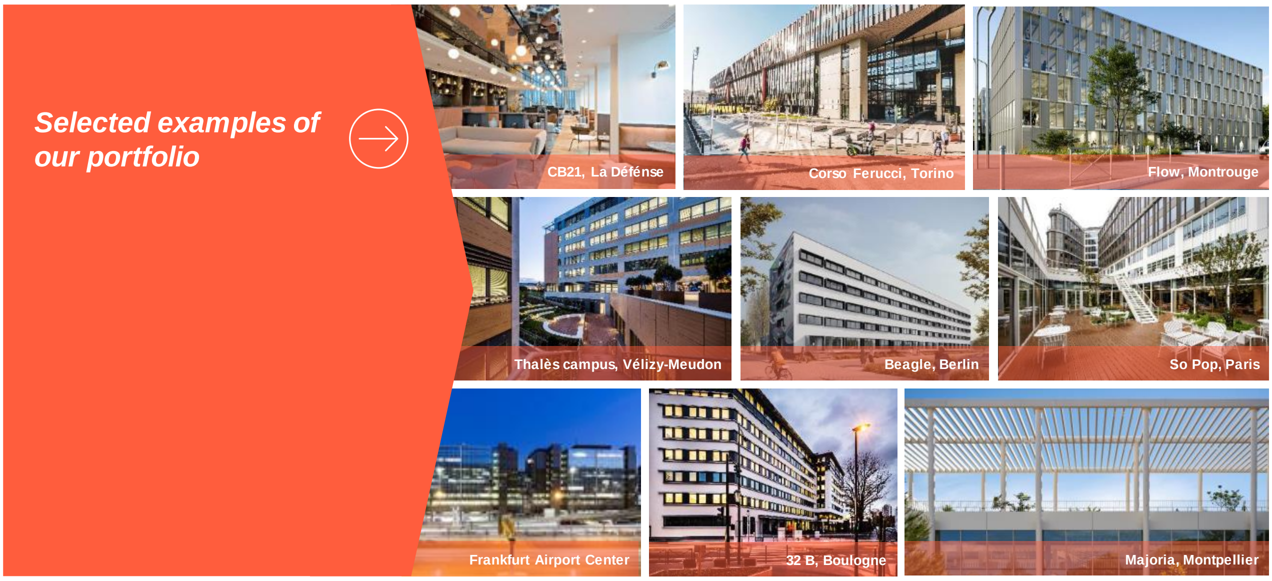
- **Non-Core assets** (**8%**): gathers secondary offices assets outside city-centers in Germany, Italy, Greater Paris, for which WALB is lower (2.6 years).



CORE ASSETS IN CITY CENTERS (65% ; €6.2 billion Group share)



CORE ASSETS OUTSIDE CITY CENTERS (26% ; €2.5 billion Group share)



B. FRANCE OFFICES: 32% OF COVIVIO'S PORTFOLIO

Covivio owns an office portfolio in France of €6.6 billion (€5.5 billion Group share) strategically split as follows:

- 58% of Core assets in city centers;
- 35% of Core assets outside city centers;
- 7% of non-Core assets.

1. Market: take-up back to historical levels and polarization

- Take-up in Greater Paris office market reached **2.1 million m²** in 2022, up **+10%** year-on-year & only **5%** below its 10-year average:
  - Demand was focused on new/refurbished assets, representing 82% of the total (vs. 71% from 2010 to 2019) for transactions > 5,000m².
  - **Paris outperformed**, with an annual take-up increased by **+20%** YoY to **983 700** m² and now counting for **47%** of the total take-up in Greater Paris (vs. 40% on average over the last 5 years).
  - In **the 1rst ring**, take-up increased by **+13%** YoY to **301,500** m² while decreasing by **9%** in the 2nd ring to **199,700 m²**.

- The **immediate offer** increased by +**7%** YoY to **4.3 million m²** and vacancy rate now stands at **7.9%** (+50bps YoY), but with strong disparities:
  - In **Paris CBD,** vacancy rate decreased by -**70bps** to **2.4%**
  - **In the 1st ring,** vacancy rate increased to 9.7% vs 8.4% at end-2021.

- **Future available supply** at end 2022 was stable, at 1.4 million m².

- Average **headline rents in greater Paris for new or restructured space** rose by **+2%** year-on-year to **€431/m²** and for second-hand space by **+4%** to **€423/m²:**
  - Prime rents in Paris kept on increasing, reaching an all-time high of **€980/m²/year** (+5% year-on-year) at end-2022 (with some transactions recorded above €1000/m²/year);
  - Incentives in the Paris region increased by **+20bps** YoY to **24.6%** at end-2022, however with strong disparities: from **15.7%** in Paris CBD to **33.9%** in La Défense.

- **Office investments in Greater Paris totaled €10.4 billion at the end of the year, down -21% YoY mainly due to a low Q4 (at €2.1 billion /-65% YoY)**, mostly impacted by changing economic and financial conditions. The trend is downward for all the submarkets, except for French regions, for which investment market was up in 2022 and also in Q4.
  Overall, in France, large transactions (>€200 million) were particularly affected and counted for 18% of total investments (vs. 10-year average of 30%). On the opposite, **focus was on the smaller sizes, with transactions between €5 million and €10 million up +12%, and transactions between €10 million and €20 million up +24%.**

- After a positive H1, prime yields increased over the second semester, with Paris up +30bps to 3%, Paris excluding CBD up +40bps to 3.2%, and the 1st ring up +40bps to 4%.
  However, the asset class remains popular among end-users and equity investors, which demonstrated a strong appetite during the year. In France, open-ended funds (SCPI/OPCI) kept on raising massive equity in 2022, totaling an all-time high of €16.1 billion, up +47% year-on-year but also +9% above the previous record in 2019.
  Sources: ImmoStat, BNP Real Estate, CBRE, Aspim

At end 2022, the France Offices activity was marked by:

- **-2.4% like-for-like value** vs. 2021, with disparities between city centers (-0.3%) and non-core assets (-12.3%).
- **+5.3% LFL rental growth,**
- More than **100,000m² let or pre-let** and close to **90,000m² renewed, at or above passing rents.**

2. Accounted rental income: +5.3% like-for-like

(€ million)	Rental income 2021 100%	Rental income 2021 Group share	Rental income 2022 100%	Rental income 2022 Group share	Change (%) Group share	Change (%) LfL [1] Group share
Paris Centre West	29.3	29.3	23.2	22.7	-22.8%	+1.9%
Paris South	31.1	26.5	26.1	23.8	-10.3%	+4.4%
Paris North- East	20.5	20.5	23.3	23.0	+12.2%	+10.6%
Total Paris	**80.9**	**76.3**	**72.6**	**69.4**	**-9.0%**	**+6.0%**
Western Crescent and La Défense	39.2	37.8	40.7	35.2	-6.9%	+4.9%
First ring	59.0	42.8	53.3	40.1	-6.4%	+4.9%
Second ring	2.7	2.7	2.6	2.6	-0.9%	+3.2%
Total Paris Region	**181.8**	**159.6**	**169.2**	**147.3**	**-7.7%**	**+5.3%**
Major regional cities	30.7	23.7	30.1	25.5	+7.6%	+5.8%
Other French Regions	6.3	6.3	2.8	2.8	-55.5%	+2.9%
Total	**218.7**	**189.5**	**202.1**	**175.6**	**-7.4%**	**+5.3%**

[1] LfL: Like-for-Like

Compared to last year, rental income decreased by -€13.9 million, mainly as a result of:

- **Rental effect** (+€8 million) with **+5.3%** on a like-for-like basis mostly driven by lettings in Western Crescent and first Ring (Chatillon IRO), and impact of indexations;
- **Disposals** (-€11 million), in 2021 and 2022 of mature assets in Paris South, First Ring and French regions;
- **Pipeline effect** (-€10 million), due to the impact of assets vacated for redevelopment, mostly in peripheral areas.

3. Annualized rents: €214.2 million Group share

(€ million)	Surface (m²)	Number of assets	Annualised rents 2021 Group Share	Annualised rents 2022 100%	Annualised rents 2022 Group Share	Change (%)	% of rental income
Paris Centre West	57,845	8	20.8	35.0	32.2	55%	15%
Paris South	40,965	7	29.7	21.9	21.5	-27%	10%
Paris North- East	141,412	7	21.4	26.7	24.6	15%	12%
Total Paris	**240,222**	**22**	**71.9**	**83.6**	**78.4**	**9%**	**37%**
Western Crescent & La Défense	**160,719**	10	50.2	50.5	43.1	-14%	20%
First ring	307,028	16	60.5	80.3	55.0	-9%	26%
Second ring	33,015	8	2.6	2.7	2.7	5%	1%
Total Paris Region	**740,984**	**56**	**185.3**	**217.1**	**179.2**	**-3%**	**84%**
Major regional cities	274,473	33	28.0	41.0	32.2	15%	15%
Other French Regions	44,908	13	2.9	2.8	2.8	-4%	1%
Total	**1,060,365**	**102**	**216.2**	**261.0**	**214.2**	**-1%**	**100%**

The -1% decrease is mainly explained by the following variations:

- In the Western Crescent including La Défense (-14%), the decrease is explained by the release in Rueil early 2022,
- The decrease in Paris South (-27%) and First Ring (-9%) is mainly due to disposals,
- Increase in Paris Center West (+55%) is explained by the 2022 deliveries.

4. Indexation

In 2022, the indexation contribution increased and representing 2.1% in the total like-for-like revenue.

For current leases:

- 88% of rental income is indexed to the ILAT
- 11% to the ICC
- The balance is indexed to the ILC or the IRL (rental reference index)

5. Rental activity: 193,607m^2 renewed or let during 2022

	Surface (m²)	Annualized Top up rents GS	Annualized rents 2022 (€/m²,100%)
Vacating	61,500	19.3	315
Letting	33,851	8.0	296
Pre-letting	70,807	28.7	556
Renewals	88,948	11.9	216

Covivio proved the quality and attractiveness of its portfolio:

- **Almost 90,000 m²** were **renegotiated or renewed** in 2022 with a +6-year lease extension on average at or above passing rents. Covivio has notably extended the lease maturities on 88,000 m² in Velizy with Thalès, by 12 and 15 years.

- **104,659 m² have been let or pre-let** in 2022, including 70,807 m² on development projects, with:
  - **38,000 m² on Vélizy**, to be delivered in 2026 and 100% pre-let with a 12-year lease to Thalès,
  - **9,340 m² on Paris Anjou**, to be delivered in 2025 and 100% pre-let for 10 years to a top luxury firm,
  - **10,035 m² on Paris Streambuilding**, delivered in 2022 and mainly pre-let with a 9-year lease to OVHCloud,
  - **7,361 m² on Paris Jean Goujon**, delivered in 2022 and pre-let with a 12-year lease to LVMH,
  - **6,129 m² on Levallois Maslö**, to be delivered early 2023 and now 43% pre-let,
  - **6,207 m² in La Défense-CB21** with 4 new tenants, now 97% let,
  - **5,750 m² in Coeur Orly Belaïa**, now 85% let,
  - **4,860 m² in Chatillon IRO**, now 57% let.

- **61,500 m² were vacated**, mostly in Western Crescent (38,159 m2), First ring (12,462 m²) and major regional cities (5,244 m²)
  - 51,000 m² for redevelopment (€14 million of top up rents, Group share), mostly in Western Crescent and first ring;
  - 10,000 m² on assets partially relet.

6. Lease expiries and occupancy rate

6.1. Lease expiries: firm residual lease term of 4.7 years

(€ million)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	49.8	23%	40.1	19%
2024	17.7	8%	7.0	3%
2025	39.9	19%	23.9	11%
2026	5.6	3%	1.9	1%
2027	20.0	9%	12.9	6%
2028	15.2	7%	19.1	9%
2029	7.4	3%	16.4	8%
2030	17.5	8%	29.3	14%
2031	2.7	1%	20.8	10%
2032	16.0	7%	19.1	9%
Beyond	22.5	11%	23.6	11%
Total	**214.2**		**214.2**	

The firm residual duration of leases was stable vs year-end-2021.

In 2023, the €50 million of lease expiries representing 7.2% of Covivio annualized revenues are split as follow:

- 6.1% of Covivio annualized revenues (€42.5 million) already managed : 48% for Core Assets in City Centers (€20.6 million) / 7% for Core assets outside city centers (€3.1million) / 44% for non-Core Assets (€18.8 million).
- 1.1% of Covivio annualized revenues (€7.3 million) to be managed related to Core assets, well located in Paris West (Issy Atlantis) and Paris North (Cap 18)

6.2. Occupancy rate: 94.4% at end 2022

(%)	2021	2022
Paris Centre West	99.9%	99.3%
Southern Paris	99.6%	100.0%
North Eastern Paris	98.6%	85.4%
Paris	**99.4%**	**94.7%**
Western Crescent and La Défense	90.0%	95.1%
Inner ring	89.4%	92.0%
Outer ring	96.2%	96.3%
Total Paris Region	**93.3%**	**94.0%**
Major regional cities	96.4%	98.6%
Other French Regions	65.9%	80.2%
Total	**93.2%**	**94.4%**

- In Paris, the occupancy rate has decreased from above 99% to 95%, mostly due to the delivery of So Pop in September 2022 with a current occupancy rate of 36%.

- In the Western Crescent, the occupancy rate increases thanks to the lettings on CB21, at 93% occupancy end-2022 (+13pts compared to end-2021). The tower is even 97% let since new lettings were signed early 2023.

7. Portfolio values

7.1. Change in portfolio values

(M€, Including Duties Group share)	Value 2021	Acquis.	Invest.	Disp.	Value creation on acquis./disp.	Change in value	Change in scope	Value 2022
Assets in operation	4,881	0	66	-352	-1	-158	266	4,703
Assets under development	1,000	0	83	0	0	19	-257	844
Total	**5,880**	**0**	**149**	**-352**	**-1**	**-139**	**9**	**5,547**

The portfolio value decreased by €-333 M€ million since year-end-2021 (-5.7%) mainly driven by:

- \- €139 million from **like-for-like** value drop, mostly on non-Core assets,
- \+ €149 million invested in **development projects** and in **upgrading work** on assets in operation;

- - €352 million from **disposals**, mainly signed last year and transferred in 2022 (Carré Suffren and Eiffage Vélizy), on mature assets.

7.2. Like-for-like portfolio evolution: -2.4%

(€ million, Excluding Duties)	Value 2021 100%	Value 2021 Group share	Value 2022 100%	Value 2022 Group share	LfL (%) change [1] 12 months	Yield [2] 2021	Yield [2] 2022	% of SubTotal
Paris Centre West	1,466	1,389	1,595	1,501	+3.2%	3.1%	3.2%	27%
Paris South	898	743	497	497	-2.5%	4.0%	4.4%	9 %
Paris North- East	680	554	695	558	-2.2%	5.0%	4.4%	10 %
Total Paris	3,044	2,686	2,787	2,556	+0.8%	3.9%	3.8%	46 %
Western Crescent and La Défense	1,298	1,148	1,221	1,077	-8.8%	5.4%	5.6%	19 %
Neuilly / Levallois								*6 %*
La Défense / Péri Défense / Rueil								*10 %*
Issy-les-Moulineaux / Boulogne								*3 %*
Inner ring	1,810	1,271	1,622	1,146	-4.6%	5.1%	5.4%	21 %
Montrouge / Malakoff / Châtillon								*6 %*
Vélizy / Meudon								*9 %*
Other								*5 %*
Outer ring	40	40	34	34	-5.1%	6.5%	8.1%	1 %
Total Paris Region	**6,192**	**5,145**	**5,664**	**4,814**	**-2.8%**	**4.6%**	**4.6%**	**87 %**
Major regional cities	**991**	**682**	**918**	**700**	**+0.7%**	**4.3%**	**4.8%**	**13 %**
Lyon / Marseille / Bordeaux								*6 %*
Other								*6 %*
SubTotal	**7,183**	**5,827**	**6,582**	**5,514**	**-2.4%**			
Other French Regions	53	53	33	33	-12.0%	5.5%	8.4%	1%
Total	**7,236**	**5,880**	**6,615**	**5,547**	**-2.4%**	**4.6%**	**4.7%**	**100%**

[1] LfL: Like-for-Like
[2] Yield excluding assets under development

The high quality of the portfolio drives resilience in values change, with a limited decline of -2.4% on a like-for-like basis at end December 2022, considering value creation on development pipeline, although assets under operation where hit by slight increase in capitalization rates and some more specific declines in assets in need of repositioning:

- Sustained performance in Paris (+0.8% like-for-like), and Major regional cities (+0.7%) mostly driven by the good rental activity during the year,
- Downwards adjustment in peripheral areas, more impacted by the Working from Home, particularly non-Core assets (-12.3%).

8. Assets partially owned

Partially owned assets are the following:

- CB 21 Tower (75% owned) in La Défense.
- The Silex 1 and 2 assets in Lyon (50.1% owned and fully consolidated).
- So Pop project in Paris 17th (50.1% owned and fully consolidated).
- Streambuilding project in Paris 17th (50% owned and fully consolidated).
- The Dassault campuses in Vélizy (50.1% owned and fully consolidated).
- The New Vélizy campus for Thales (50.1% owned and accounted for under the equity method).
- Euromed Centre in Marseille (50% owned and accounted for under the equity method).
- Coeur d'Orly in Greater Paris (50% owned and accounted for under the equity method).

C. ITALY OFFICES: 14% OF COVIVIO'S PORTFOLIO

Covivio's Italy strategy is focused on Milan, where the Group's acquisitions and developments are concentrated. At end-December 2022, the Group owned offices worth €3.0 billion (€2.5 billion Group share) composed of:

- 83% (€2.1 billion) of offices in Milan, mostly in the CBD and centre of the city;
- 14% (€0.3 billion Group share) Telecom Italia assets outside Milan, 100% occupied with 9.5 years firm lease;
- 4% (€0.1 billion) non-core assets outside Milan.

1. Milan Office market: a record year for take-up and rents

- Milan office letting market recorded a total take-up of **487,000m²** in 2022 (**+41%** year-on-year & **+48%** vs. 10-year average), of which **117 000m²** (+22% YoY) in Q4 alone. These figures are **5% above** the historical record reached in **2019**, confirming the **strong momentum for Milan office market**.

- Moreover, occupiers' attention is now focused on improving their brand identity by moving to **Grade A buildings** in prime locations, offering a good level of services, as demonstrated by the level of **grade A/A Green** offices, which now counts for **82%** (vs **73%** at end-2021) of the total take-up in Milan.

- The average vacancy rate in Milan stood at **+11.6%** (**+0.5pt** vs end-2021), with strong disparity between the centre (where most of Covivio's portfolio is located) and the periphery:
  - In **Milan CBD**, the vacancy rate stood at **5.5%**, **-60bps** YoY (vs. 6.1% at end-2021).
  - Vacancy rates increased mostly in the **periphery** (+240bps at 16.7%) and in **Hinterland** (+140bps at 17.0%).

- The intense demand for high-quality spaces, combined with the scarcity of grade A assets, contributed to a **+11% increase in prime rents** in Milan, reaching **€690/m²/year**.

- With a total amount of **€3.3 billion** in 2022 (**+86%** YoY / only **10%** below its 2019 peak), the **Milan office investment market** remained very active and represents 72**%** of the total transacted office volume in Italy (+97% at €4.6 billion).

- Reflecting the macroeconomic conditions and the global markets uncertainty, prime yields now stand at 3.75% in Milan CBD and 4.25% in the Centre.

Covivio's activities in Italy at end-December 2022 were marked by:

- An **occupancy rate increased by +180bps to 98.4%** and **high indexation contribution,** justifying a **+4.2% like-for-like rental growth;**
- The acceleration of **disposals**, with €226 million Group share, mainly from Telecom Italia assets and non-core properties outside Milan;
- Resilience of values, down -2.3% like-for-like, despite the environment.

2. Accounted rental income: +4.2% like-for-like

(€ million)	Rental income 2021 100%	Rental income 2021 Group share	Rental income 2022 100%	Rental income 2022 Group share	Change (%)	Change (%) LfL [1]	% of total
Offices - excl. Telecom Italia	77.1	77.2	76.9	77.0	-0.3%	+4.4%	70.3%
of which Milan	*61.8*	*61.8*	*67.1*	*67.1*	*+8.5%*	*+3.4%*	*61.3%*
Offices - Telecom Italia	75.2	38.3	63.9	32.6	-15.0%	+4.0%	29.7%
Total	**152.3**	**115.5**	**140.8**	**109.5**	**-5.2%**	**+4.2%**	**100.0%**
Non-strategic (retail)	2.9	2.9	0.0	0.0	-100.2%	+0.0%	
Total with non strat	**155.2**	**118.4**	**140.8**	**109.5**	**-7.5%**	**+4.2%**	

[1] LfL: Like-for-Like

Overall, rental income decreased by -€8.8 million compared to 2021 due to:

- **Disposals** of non-core and core-mature assets (-€14.4 million);
- **Increasing like-for-like rents** (+€4.3 million, +4.2%) mainly due to indexation contribution (2.9 pts), increase in occupancy rate (1.8 pts) and reversion (-0.5 pt).
- **Deliveries** of The Sign B, The Sign C and Symbiosis D in Milan (+€4.4 million);
- **Assets vacated for redevelopment** (-€3.1 million), in Rozzano.

3. Annualized rents: €117 million Group share

(€ million)	Surface (m²)	Number of assets	Annualised rents 2021 Group share	Annualised rents FY 2022 100%	Annualised rents FY 2022 Group share	Change (%)	% of total
Offices - excl. Telecom Italia	298,651	36	92.8	87.2	87.2	-6.0%	75%
Offices - Telecom Italia	470,630	51	34.9	57.4	29.2	-16.3%	25%
Development portfolio	177,117	6	0.0	-	-	0.0%	n.a
Total strategic	**946,398**	**93**	**127.7**	**144.6**	**116.5**	**-8.8%**	**100%**

(€ million)	Surface (m²)	Number of assets	Annualised rents 2021 Group share	Annualised rents FY 2022 100%	Annualised rents FY 2022 Group share	Change (%)	% of total
Milan	521,251	44	85.2	95.0	87.3	2.5%	75%
Rome	66,510	11	4.2	8.9	4.5	7.8%	4%
Turin	65,425	5	5.8	7.6	6.5	11.8%	6%
North of Italy	176,386	21	21.0	18.0	10.1	-52.0%	9%
Others	116,826	12	11.4	15.0	8.0	-29.9%	7%
Total strategic	**946,398**	**93**	**127.7**	**144.6**	**116.5**	**-8.8%**	**100%**

Annualized rental income decreased by -8.8%, due to the disposals.

4. Indexation

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

During 2022, the average monthly change in the CPI was +8.0%.

5. Rental activity: 18,300m² let or pre-let in 2022

(€ million)	Surface (m²)	Annualized Top up rents 2022 Group Share	Annualised rents 2022 (100%, €/m²)
Vacating	25,744	6.2	242
Lettings on operating portfolio	6,216	3.1	483
Lettings on development portfolio	12,082	7.4	638
Renewals	3,873	1.0	259

In 2022, around **18,300 m² of new leases** were signed:

- 6,200 m² on the operating portfolio, of which 3,000 m² of retail spaces;
- 12,080 m² of pre-lettings on the development portfolio, on Corte Italia, fully let.

Additionally, close to 3,900 m² have been renewed with a duration extension of 8 years and a +5.9% uplift.

25,750 m² were vacated during 2022:

- 21,050 m² vacated for development
- 3,000 m² have already been re-let;
- 700 m² under negotiation
- 1,000 m² still to be managed

6. Lease expiries and occupancy rates

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

(€ million Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	9.5	8%	2.9	3%
2024	2.8	2%	2.5	2%
2025	7.6	7%	2.1	2%
2026	5.2	4%	6.9	6%
2027	5.2	4%	7.2	6%
2028	17.9	15%	26.0	22%
2029	3.6	3%	3.0	3%
2030	19.9	17%	15.1	13%
2031	13.6	12%	10.8	9%
2032	8.3	7%	11.2	10%
Beyond	22.9	20%	28.9	25%
Total	**116.5**	**100%**	**116.5**	**100%**

The firm residual lease term stabilized at 7.1 years.

In 2023, the €9.5 million lease expiries, counting for 1.4% of Covivio annualized revenues, are split as follows:

- 1.0% of Covivio annualized revenues already managed due to break option not exercised;
- 0.4% of Covivio annualized revenues to be managed, mainly linked with Core assets.

6.2. Occupancy rate: an increase by +180 bps to 98.4%

(%)	2021	2022
Offices - excl. Telecom Italia	95.4%	97.9%
Offices - Telecom Italia	100.0%	100.0%
Total	**96.6%**	**98.4%**

The occupancy rate increased by +180bps over the year, mainly explained by new lettings.

7. Portfolio values

7.1. Change in portfolio values

(€ million, Group share Excluding Duties)	Value 2021	Acquis.	Invest.	Disp.	Value creation on acquis./disp.	Change in value	Transfer	Value 2022
Offices - excl. Telecom Italia	1,805	-	23	-111	-	-49	28	**1,696**
Offices - Telecom Italia	615	-	-	-115	-	13		**513**
Development portfolio	234	100	26	-	-	-22	-28	**311**
Total strategic activities	**2,653**	**100**	**50**	**-226**	**-**	**-57**	**-**	**2,520**

The change in portfolio values was mainly driven by disposals among the Telecom Italia portfolio, partly offset by the acquisition of a land bank in Milan, hosting the Olympic village for 2026 Winter Olympic Games.

7.2. Portfolio in Milan: 95% of the portfolio excluding Telecom Italia

(€ million, Excluding Duties)	Value 2021 Group share	Value 2022 100%	Value 2022 Group Share	LfL (%) change[1]	Yield [2] 2021	Yield [2] 2022	% of total
Offices - excl. Telecom Italia	1,805	1,696	1,696	-2.8%	5.2%	5.1%	67%
Offices - Telecom Italia	615	1,007	513	2.6%	5.7%	5.7%	20%
Development portfolio	234	311	311	-9.3%	n.a.	n.a.	12%
Total Strategic Activities	**2,653**	**3,014**	**2,520**	**-2.3%**	**5.3%**	**5.2%**	**100%**

[1] LfL: Like-for-Like
[2] Yield excluding development projects

(€ million, Excluding Duties)	Value 2021 Group share	Value 2022 100%	Value 2022 Group Share	LfL (%) change[1]	Yield [2] 2021	Yield [2] 2022	% of total
Milan	2,049	2,249	2,085	-2.3%	4.7%	4.9%	83%
Turin	102	114	97	-4.5%	6.2%	6.7%	4%
Rome	89	179	91	2.5%	4.7%	5.0%	4%
North of Italy	242	257	133	-3.5%	8.4%	7.1%	5%
Others	172	215	114	-3.3%	7.1%	7.6%	5%
Total	**2,653**	**3,014**	**2,520**	**-2.3%**	**5.3%**	**5.2%**	**100.0%**

[1] LfL: Like-for-Like
[2] Yield excluding development projects

The weight of Milan Offices now counts for 83% of the portfolio (+6 pts vs. 2021) and 95% excluding Telecom Italia assets. Milan's weight is in line with Covivio's strategy to focus on major European cities.

- Overall, the -2.3% value decline is mostly with market environment. There were strong disparities between assets in the city centers, down -1.6% year-on-year and non-core assets, down -12.2%.
- Telecom Italia portfolio outperformed on a like-for-like basis (+2.6%) thanks to high 2022 rent indexation and relying on its strong fundamentals (100% occupancy, 9.5 years average lease term).

D. GERMANY OFFICES: 8% OF COVIVIO'S PORTFOLIO

Covivio's Germany offices is made of assets mostly located in 5 of the top 6 cities of Germany: Frankfurt, Berlin, Düsseldorf, Hamburg and München. Covivio's strategy is to strengthen exposure to Berlin, where the Group's developments are concentrated.

At end-December 2022, the Group owned offices worth €1.7 billion (€1.4 billion Group share) composed of:

- 59% of Core assets in city centers,
- 22% of Core assets outside city centers,
- 19% of non-Core assets.

1. Well oriented letting markets, slow-down in investments

- **Take-up** in Germany top six markets in 2022 increased by +4% year-on-year to 3.2 million m², slightly exceeding the 3-year average (+2%). Some markets recorded strong performances, especially Cologne, Hamburg and Munich (respectively +45%, +16% & +13% yoy), supported by the middle segment attractivity (+13% yoy for spaces between 5,000 & 10,000 m²). On the other hand, take-up decreased in Berlin (-7%), Düsseldorf (-7%) and Frankfurt (-12%) in 2022.

- **Immediate supply** remained stable over the past twelve months, reaching 4,923,000 m² at the end of Q4 2022. Vacancy rate reached 5.7% on average, up +20 bps vs. 2021. Berlin displays the lowest vacancy at 3.2% closely followed by Cologne (3.3%), Hamburg (3.9%) & Munich (4.7%). For Berlin, Hamburg and Cologne, vacancy rates decreased in the last twelve months (-25 bps on average). Frankfurt (8.5%) and Düsseldorf's (10.5%) vacancy levels remained higher, mostly explained by peripherical areas.

- **Space under construction** increased by +7% year-on-year (but -1% vs. Q3 2022) to roughly 4.0 million m² to be delivered within the next 12 to 24 months. There is little risk of oversupply in short-term with consequent pre-letting ratios: 43% pre-let on average for the top-6 markets (+2% quarter-on-quarter). In total, future available space represents only 1.25 year of the annual take-up.

- **Prime rents** kept on growing in 2022, with an overall +7% annual growth. This growth is visible in all markets at different paces: +19% in Düsseldorf (408€/m²/year), +6% in Cologne (336€), +6% in Hamburg (€420), +5% in Munich (€540), +2% in Frankfurt (€576) and +3% in Berlin (€540).

- **Investment in German Offices** in 2022 amounted to €22.3 billion (-27% vs. 2021). While the first three quarters showed promising results, there was a significant slowdown in Q4 due to rising interest rates. Prime yields now stand at 3.20% in Berlin, 3.20% in Munich, 3.30% in Hamburg and 3.35% in Frankfurt.

Sources: BNP Research, Savills, Cushman & Wakefield.
Top 6 cities include Berlin, Düsseldorf, Frankfurt, Cologne, Munich, and Hamburg

2. Accounted rental income: +€0.9 million Group share in 2022

(€ million)	Rental income 2021 100%	Rental income 2021 Group share	Rental income 2022 100%	Rental income 2022 Group share	Change (%) Group share	Change (%) LfL [1] Group share	% of rental income
Berlin	10.0	6.9	7.8	5.5	-20.9%	+7.3%	12%
Frankfurt	19.1	17.5	20.5	18.8	+7.3%	+7.3%	41%
Düsseldorf	9.0	8.5	8.9	8.4	-1.0%	-10.5%	18%
Hamburg	9.0	8.5	9.9	9.4	+10.7%	+11.6%	20%
Munich	2.4	2.3	3.2	3.0	+30.5%	+13.5%	7%
Other	1.9	1.2	1.2	0.7	-38.9%	+8.7%	2%
Total	**51.3**	**44.8**	**51.4**	**45.7**	**+2.0%**	**+7.7%**	**100%**

[1] LfL: Like-for-Like

Rental income amounted to €45.7 million in Group Share, grew by +2% (+€0.9 million) compared to 2021. Like-for-like rental growth reached +7.7%, explained by indexation (3.5 pts) and increase in occupancy rate (4.2pts).

3. Annualized rents: €48.2 million Group share

Geographic breakdown

(€ million)	Surface (m²)	Number of assets	Annualised rents 2021 100%	Annualised rents 2021 Group share	Annualised rents 2022 100%	Annualised rents 2022 Group share	Change Group share (%)	% of rental income
Berlin	53,207	6	7.2	5.1	8.3	5.2	+2.5%	11%
Frankfurt	118,900	4	20.7	19.0	22.6	20.3	+6.6%	42%
Düsseldorf	68,786	2	8.8	8.3	9.6	9.1	+9.1%	19%
Hamburg	69,037	2	9.5	8.9	11.0	9.8	+10.0%	20%
Munich	37,104	2	3.0	2.8	3.3	3.1	+9.7%	6%
Other	12,945	1	1.2	0.7	1.2	0.7	+0.5%	2%
Total	**359,978**	**17**	**50.4**	**44.9**	**55.9**	**48.2**	**+7.4%**	**100%**

4. Indexation

Rents are indexed on the German consumer price index for 42% of leases, 10% have a fixed uplift and 33% have an indexation clause if CPI goes above an annual increase between 5% and 10%, the remainder (15%) is not indexed and mainly let to public administration.

5. Rental activity: 11,000 m² let or pre-let in 2022

	Surface (m²)	Annualized Top up rents 2022 (€m, GS)	Annualized rents 2022 (€/m²,100%)
Vacating	7,497	1.2	177
Letting	6,375	1.5	272
Pre-letting	5,089	1.0	202
Renewals	45,473	6.5	155

The rental activity in 2022 was marked by:

- About 6,400 m² let, of which 2,800 m² in Hamburg, 1,100m² in Berlin and 2,200 m² in Frankfurt.
- About 7,500 m² of vacated space, mainly 3,000 m² in Hamburg and 1,700 m² in Berlin.
- About 5,100 m² of pre-let space, thanks to the full pre-letting of Beagle in Berlin by Deutsche Bahn for 15 years.
- About 45,500 m² renewed, of which 28,000 m² in Hamburg, 8,000 m² in Frankfurt and 5,700 m² in Munich.

6. Lease expiries and occupancy rate

6.1. Lease expiries: firm residual lease term of 4.5 years

(€ million)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	5.9	12%	5.9	12%
2024	13.6	28%	11.3	24%
2025	6.8	14%	4.9	10%
2026	3.9	8%	3.3	7%
2027	6.4	13%	4.1	8%
2028	1.3	3%	3.8	8%
2029	2.1	4%	5.7	12%
2030	1.6	3%	1.7	4%
2031	0.0	0%	0.7	1%
2032	2.9	6%	2.9	6%
Beyond	3.7	8%	3.9	8%
Total	**48.2**	**100%**	**48.2**	**100%**

The firm residual duration slightly increased to 4.5 years (vs 4.4 years at end-2021).

€5.9 m of expiries are coming in 2023, representing 0.9% of Covivio annualized revenues. They include:

- €1.4 million already managed, including rental agreements which are rolling leases for which break options will not be exercised, and lease agreements for which the tenant is vacating but the space has already been relet.
- €4.5 million to be managed, mostly related to core assets (0.6%) in Frankfurt or Berlin, while 0.1% relates to non-Core assets.

6.2. Occupancy rate of 85.1%

(%)	2021	2022
Berlin	94.7%	87.4%
Frankfurt	87.4%	88.8%
Düsseldorf	58.5%	93.5%
Hamburg	85.9%	87.2%
Munich	55.3%	56.0%
Other	99.7%	100.0%
Total	**78.8%**	**85.1%**

The occupancy rate increased by +6.3 pts to 85.1% vs. 2021, mainly linked with the launch of the redevelopment of Herzogterrassen now classified in development.

7. Portfolio values

7.1. Change in portfolio values

(€ million, Group share, Excluding Duties)	Value 2021	Invest.	Change in value	Value 2022
Berlin	264	24	47	335
Frankfurt	470	3	-28	445
Düsseldorf	306	3	-24	285
Hamburg	286	3	-23	265
Munich	110	2	-11	100
Other	10	1	0	10
Total	**1,445**	**35**	**-39**	**1,441**

The portfolio value in Group Share stands at **€1,441 million** at the end of 2022, stable vs. year-end 2021 and mainly explained by:

- **€35 million of investments**: investment into development projects (€25 million mainly invested in Alexanderplatz project in Berlin) and investment of €10 million into existing assets.

- **-€39 million of change in values LFL:** most of the impact came from our non-Core portfolio (-€29 million) on only five assets, identified as non-strategic for Covivio. To be noted, there has been a significant value creation on Berlin development projects (+€45 million as a whole) in Alexanderplatz, Beagle (following the full pre-letting to Deutsche Bahn signed in August 2022) and Loft.

7.2. Like-for-like portfolio evolution: -2.7%

(€ million, Excluding Duties)	Value 2021 100%	Value 2021 Group share	Value 2022 100%	Value 2022 Group Share	LfL [1] change 12 months	Yield 2021	Yield 2022	% of total value
Berlin	396	264	509	335	+16.4%	3.8%	3.9%	23%
Frankfurt	510	470	483	445	-5.9%	4.1%	4.5%	31%
Düsseldorf	325	306	303	285	-7.7%	2.7%	4.7%	20%
Hamburg	303	286	281	265	-8.1%	3.1%	3.7%	18%
Munich	117	110	107	100	-10.1%	2.5%	3.1%	7%
Other	16	10	17	10	-0.6%	7.5%	7.1%	1%
Total	**1,667**	**1,445**	**1,699**	**1,441**	**-2.7%**	**3.4%**	**4.1%**	**100%**

[1] LfL: Like-for-Like

Covivio Germany Office portfolio has a critical size with €1.7 billion of assets (100%):

- The portfolio slightly decreased on a like-for-like basis (-2.7%), explained by an **increase in valuation for Berlin assets**, **by +16.4%** mainly due to the value creation of our development projects, more than offset by value declines between -5% to -10% on operating assets in other cities, in line with the market environment.
- In Düsseldorf, the gross yield grew from 2.7% end-2021 to 4.7% in end-2022, mainly explained by the shift of Herzogterrassen from the operating portfolio to the development pipeline.

E. GERMAN RESIDENTIAL: 30% OF COVIVIO PORTFOLIO

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

Covivio owns around ~41,200 units in Berlin, Hamburg, Dresden, Leipzig and North Rhine-Westphalia, representing €8.1 billion (€5.2 billion Group share) of assets.

Covivio is mostly exposed to A-cities in Germany, with a 100% exposure to metropolitan areas above 1 million inhabitants and 90% in cities above 500 000 inhabitants. Covivio targets the high-end of the housing market.

Exposure to Berlin, where housing shortage is the highest in Germany, increased over the last years, from 40% in 2015 to 57% end-2022. Covivio's portfolio in Berlin is of high quality, with 63% of buildings built before 1950 and 66% already divided into condominiums.

1. Supply / demand imbalance increased in 2022, supporting rents and prices

- **In Germany**, the demand for housing remains high and even strengthened in 2022, mainly due to:
  - The increasing number of Ukrainian migrants (1.1 million estimated).
  - The decline in number of buildings completions as German Government missed its target of 400,000 new flats in 2022 due to rising inflation and increasing construction costs.
- This shortage continues to support **rents and prices** in Germany and especially in **Berlin**:
  - R**ents** on new buildings increased by +6.2% to €17.1/m² over a year while on existing buildings, the increase was +6.4% to €11.7/m².
  - Average prices also **increased by +10.1%** year-on-year and reached €4,900 /m² at end-2022, well above the current valuation of Covivio's residential portfolio (**€3,482/m²** in Berlin). The square meter price for new buildings also **increased** by +10.5% to €7,350/m².
- The **changing financing environment** and the **tense economic conditions** have resulted in the German residential investment market being significantly more subdued than in previous years.
- In this context of uncertainty, some players were cautious and postponed their investment decisions. Then, the total transaction volume (for multi-family buildings above 50 units) stood at **€12.2 billion** at end-2022 (22% of German real estate investment volume), well below its highest level reached last year (€51 billion, including Vonovia/Deutsche Wohnen merger for €27.6 billion).
- **The private market was also impacted, but to a lesser extent**, looking at private real estate loans recorded by the Bundesbank, down by -9% year-on-year to a still high level of €257 billion.

Sources: Riwis/Bulwiengesa, Savills

In 2022, Covivio's activities were marked by:

- Continued and sustained rental growth: +3.1% on a like-for-life basis;
- Resilient values: +3.7% increase on a like-for-like basis.

2. Accounted rental income: +3.1% like-for-like

(In € million)	Rental income 2021 100%	Rental income 2021 Group share	Rental income 2022 100%	Rental income 2022 Group share	Change Group share (%)	Change Group share (%) LfL [1]	% of rental income
Berlin	127.2	83.4	140	91.9	+10.1%	+3.0%	52%
of which Residential	103.2	67.6	110.8	72.7	+7.5%	+1.8%	41%
of which Other commercial [2]	24.0	15.8	29.2	19.2	+21.5%	+7.6%	11%
Dresden & Leipzig	22.9	14.8	22.8	14.8	-0.2%	+3.2%	8%
Hamburg	17.1	11.2	17.4	11.4	+1.8%	+2.7%	6%
North Rhine-Westphalia	93.0	59.0	92.7	58.4	-1.0%	+3.4%	33%
Essen	*34.0*	*21.2*	*34.2*	*21.3*	*+0.3%*	*+3.6%*	*12%*
Duisburg	*16.2*	*10.1*	*16.1*	*10.0*	*-1.0%*	*+2.8%*	*6%*
Mulheim	*10.6*	*6.7*	*10.6*	*6.7*	*-0.7%*	*+2.5%*	*4%*
Oberhausen	*10.2*	*6.8*	*9.7*	*6.3*	*-6.7%*	*+3.4%*	*4%*
Other	*21.9*	*14.1*	*22.1*	*14.2*	*+0.5%*	*+4.0%*	*8%*
Total	**260.2**	**168.4**	**272.9**	**176.6**	**+4.8%**	**+3.1%**	**100%**
of which Residential	228.0	147.3	235.0	151.7	+3.0%	+2.5%	86%
of which Other commercial [2]	32.2	21.1	37.8	24.8	+17.3%	+7.3%	14%

[1] LfL: Like-for-Like

[2] Ground-floor retail, car parks, etc

Rental income amounted to €177 million Group share in 2022, up +4.8% (+€8.1 million) due to:

- In Berlin, the like-for-like rental growth is +3.0% (+€2.4 million) driven by the indexation (+2.1 pts) and relettings including modernizations (+0.8 pt);
- Outside Berlin, like-for-like rental growth was strong in all areas (+3.3% on average, +€2.8 million) due to the reletting impact (including modernizations) and the indexation;
- Acquisitions mostly in Berlin in 2021 and 2022 (+€4.0 million);
- Disposals (-€2.8 million), mainly involving a portfolio of mature assets in NRW in H2 2021 as well as some privatizations with high margins in Berlin;
- Others (+€1.8 million), mostly consisting in a change of scope from residential activity to office activity.

3. Annualized rents: €182.8 million Group share

(In € million)	Surface (m²)	Number of units	Annualised rents 2021 Group share	Annualised rents 2022 100%	Annualised rents 2022 Group share	Change Group share (%)	Average rent €/m²/month	% of rental income
Berlin	1,324,003	18,023	90.8	145.3	95.5	5.2%	€9.1/m²	52%
of which Residential	1,139,186	16,832	72.5	114.0	74.8	3.3%	€8.3/m²	40%
of which Other commercial [1]	184,817	1,191	18.3	31.3	20.6	12.8%	€14.1/m²	11%
Dresden & Leipzig	266,643	4,355	15.2	23.2	15,0	-0.9%	€7.3/m²	8%
Hamburg	148,865	2,414	11.4	18.3	12.0	4.8%	€10.2/m²	7%
North Rhine-Westphalia	1,098,854	16,426	58.5	95.6	60.3	3.0%	€7.2/m²	33%
Essen	393,818	5,758	*21.2*	*35.7*	*22.2*	*4.6%*	*€7.6/m²*	*12%*
Duisburg	198,217	3,033	*10.1*	*16.3*	*10.1*	*0.2%*	*€6.9/m²*	*6%*
Mulheim	127,315	2,139	*6.7*	*10.9*	*6.8*	*2.9%*	*€7.1/m²*	*4%*
Oberhausen	124,733	1,830	*6.3*	*10.0*	*6.6*	*3.6%*	*€6.7/m²*	*4%*
Others	254,770	3,666	*14.2*	*22.7*	*14.5*	*2.5%*	*€7.4/m²*	*8%*
Total	2,838,365	41,218	**175.9**	**282.4**	**182.8**	**3.9%**	**€8.3/m²**	**100%**
of which Residential	2,597,618	39,645	151.8	242.2	156.2	2.9%	€7.8/m²	85%
of which Other commercial [1]	240,748	1,573	24.1	40.3	26.4	9.4%	€13.9/m²	14%

The portfolio breakdown has been relatively stable over the past few periods, with Berlin generating slightly above 50% of the rental income (stable vs 2021), through residential units and some commercial units (mainly ground-floor retail).

Rental income (€8.3/m²/month on average) offers solid growth potential through reversion in all our markets including, Berlin (25-30%), Hamburg (20-25%), Dresden and Leipzig (10-15%) and in North Rhine-Westphalia (15-20%).

4. Indexation

Rental income from residential property in Germany changes depending on multiple mechanisms.

4.1. Rents for re-leased properties:

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

As an exception to the unrestricted rent setting principle, cities like Berlin, Hamburg, Cologne and Düsseldorf have introduced rent caps (*Mietpreisbremse*) for re-leased properties. End of May 2022, this rental cap was also decided for Dresden and Leipzig and enforced during summer 2022. In these cities, rents for re-leased properties cannot exceed the public rent reference (*Mietspiegel*) by more than 10%, except in the following conditions:

- If the property has been modernised in the past three years, the rent for the re-let property may exceed the +10% limit by a maximum of 8% of the costs to modernise it.
- In the event the property is completely modernised (work amounting to more than one-third of new construction costs), the rent may be increased freely.
- If the rent received from the previous tenant is higher than the +10% limit, then the previous rent will be the limit in the case of re-letting.

Properties built after 1 October 2014 are not included in the rent cap.

4.2. For current leases:

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

Adjustment to the local comparative rent: The current rent can be increased by 15% to 20% within three years, depending on the region, without exceeding the local comparative rent (*Mietspiegel*). This type of contract represents c. 90% of our rental income.

4.3. For current leases with work carried out:

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

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

5. Occupancy rate: a high level of 99.2%

(%)	2021	2022
Berlin	98.7%	98.6%
Dresden & Leipzig	99.5%	99.6%
Hamburg	100.0%	99.9%
North Rhine-Westphalia	99.5%	99.7%
Total	**99.1%**	**99.2%**

The occupancy rate, already high, increased slightly to 99.2%. It has remained above 98% since the end of 2015 (and above 99% for the past 2 years) and reflects the Group's very high portfolio quality and low rental risk.

6. Portfolio values: €8.1 billion (€5.2 billion Group share)

6.1. Change in portfolio value: 3.1% growth

(In € million, Group share, Excluding Duties)	Value 2021	Acqu.	Invest.	Disposals	Value creation on Acquis./Disposals	Change in value	Change of scope	Value 2022
Berlin	2,912	28	23	-24	7	59	-21	2,985
Dresden & Leipzig	429	-	5	-11	-	7	-	430
Hamburg	389	6	6	-	-	0	0	401
North Rhine-Westphalia	1,350	-	29	-7	0	48	2	1,422
Total	**5,079**	**34**	**64**	**-41**	**7**	**115**	**-19**	**5,238**

In 2022, the portfolio's value increased by +3.1% to €5.2 billion Group share. The growth was mainly driven by the Like-for-like increase in value (€115 million), despite a decline over the second semester (-1.9% like-for-like).

6.2. Change on a like-for-like basis: +3.7% growth

(In € million, Excluding Duties)	Value 2021 100%	Value 2021 Group share	Surface 100% in m²	Value 2022 100%	Value 2022 in €/m²	Value 2022 Group share	LfL [1] change 12 months	Yield 2021	Yield 2022	% of total value
Berlin	4,438	2,912	1,306,776	4,550	3,482	2,985	+3.1%	3.1%	3.1%	57%
of which Residential	3,750	2,460	1,122,535	3,842	3,422	2,519	+3.0%	2.9%	2.9%	48%
of which Other commercial [2]	688	452	184,241	709	3,847	466	+3.9%	4.1%	4.4%	9%
Dresden & Leipzig	661	429	266,643	663	2,486	430	+2.9%	3.5%	3.5%	8%
Hamburg	594	389	148,865	613	4,116	401	+1.7%	2.9%	3.0%	8%
North Rhine-Westphalia	2,143	1,350	1,098,854	2,258	2,055	1,422	+5.7%	4.3%	4.2%	27%
Essen	840	522	393,818	889	2,258	552	+5.9%	4.1%	4.0%	11%
Duisburg	354	220	198,217	362	1,827	225	+5.4%	4.6%	4.5%	4%
Mulheim	231	145	127,315	245	1,923	154	+4.5%	4.6%	4.5%	3%
Oberhausen	187	122	124,733	201	1,612	132	+7.6%	5.2%	5.0%	3%
Others	531	341	254 770	561	2,202	360	+5.7%	4.2%	4.1%	7%
Total	**7,835**	**5,079**	**2,821,138**	**8,084**	**2,866**	**5,238**	**+3.7%**	**3.5%**	**3.5%**	**100%**
of which Residential	6,926	4,484	2,580,967	7,162	2,775	4,634	+3.7%	3.4%	3.4%	88%
of which Other commercial [2]	909	595	240,171	923	3,843	604	+3.9%	4.1%	4.4%	12%

[1] LfL: Like-for-Like

[2] Ground-floor retail, car parks, etc

Covivio's residential portfolio in Germany is valued at €2,866 /m² on average, offering a significant growth potential, especially in Berlin where the current valuation of residential units stands at €3,422 /m², significantly below the average prices (€4,900/m² at end-2022 according to RIWIS/Bulwiengesa).

In 2022, values increased by +3.7% on a like-for-like basis since end-2021 which represents yet another very dynamic period of growth in all our markets despite the decrease of H2 2022:

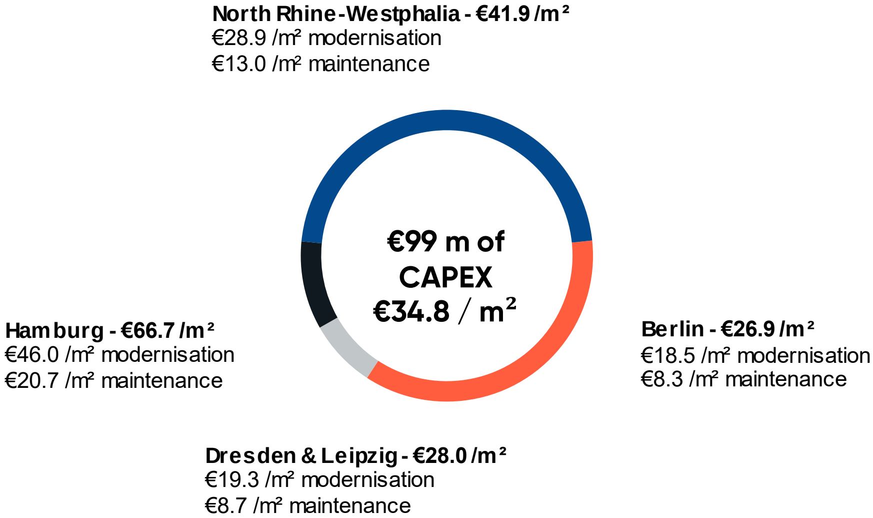
- +3.1% in Berlin due to the increase in values in highly sought-after locations (+5.2% in H1 2022);
- Moderate increases in Hamburg (+1.7%) and Dresden and Leipzig (+2.9%);
- NRW keeps on overperforming with a strong increase (+5.7%).

7. Maintenance and modernization CAPEX

In 2022, CAPEX totalled €99 million (€34.8 /m²; €64 million in Group share) and OPEX came to €18 million (€6.4 /m²); €12 million in Group share).

Most of the Capex in 2022 were spent in Berlin and in NRW. The quality of the portfolio in NRW enables us to benefit both from rent and value increase in this area.

On average, modernization projects, which totalled €68 million in 2022 (€44 million in Group share), have a yield above 5.0%.



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

Covivio Hotels, a 43.9%-owned subsidiary of Covivio as of 31 December 2022, is a listed property investment company (SIIC) and leading hotel real-estate player in Europe. It invests both in hotels under lease (fixed or variable) and hotel operating properties.

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

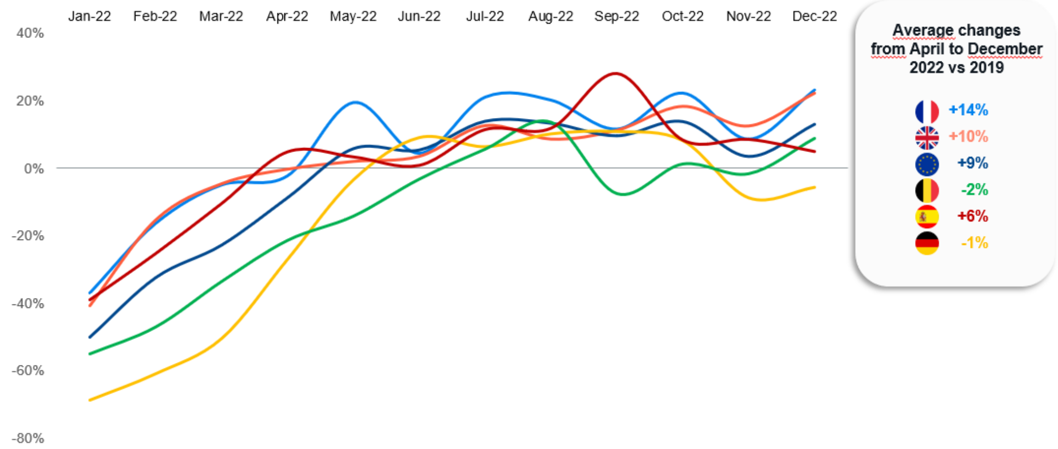
Covivio owns a high-quality hotel portfolio worth €6.6 billion (€2.6 billion in Group share), focused on major European cities and let or operated by major hotel operators such as Accor, B&B, IHG, NH Hotels, etc. This portfolio offers geographic and tenant diversification (across 12 European countries)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

1. Acceleration of recovery over 2022

After a tough beginning of the year mainly due to the Omicron wave, the lifting of restrictions as well as the lower impacts of Covid-19 waves enabled the hotel recovery to further accelerate in 2022:

- In Europe, the **hotel recovery** was sustained, and RevPAR progressively came out higher than their 2019 levels, from **-50%** (vs 2019) in January to **+13%** in December.
- The hotels performance in the second half of the year confirmed the **strong rebound** in European countries, notably France, UK and Italy, which accounts for 56% of Hotel's revenues and testified to the good fundamentals of the hotel industry, particularly the leisure segment.
- **France** (and **Paris** in particular), recorded a **strong recovery** throughout the year, with RevPAR up **+23%** in December 2022 vs 2019 (of which **+52% in Paris**) and occupancy rate **0.2pt above** its pre-crisis level **(+6.1pts in Paris).** These figures demonstrate that, in addition to leisure, business customers are also recovering.
- **The United Kingdom** also came back significantly above 2019 levels (RevPAR up **+22%** in December and occupancy rate only **0.2pts below** its 2019 level).

Rebound in performances (RevPAR) in 2022 vs. 2019



Sources: MKG, STR

- Other good news that appeared over the year was the setting up of Pricing Power. Average daily rates in 2022 beat 2019 levels by +12% on average in Europe, with nice performances among our main exposures: +14% in France and UK, and +8% in Germany.
- On the investment side, the transaction volumes recorded in Europe in 2022 reached €14.3 billion, down -16% vs. 2021, mostly due to a low Q4 2022 (-22%). UK, Spain, and France continued to attract investors, while Germany suffered from a higher slowdown.

Assets partially owned by Covivio Hotels include:

- 8 operating properties in Germany (94.9% owned)
- 92 B&B assets in France, including 90 held at 50.2% and 2 held at 31.2%
- 11 B&B assets in Germany (93.0%)
- 8 B&B assets in Germany, 5 of them 84.6% held and the other 3, 90.0% held
- 2 Motel One assets in Germany (94.0%)
- 25 AccorInvest assets in France (23 assets) and Belgium (2 assets), 31.2% (19 assets) and 33.3% (6 assets) owned respectively

2. Accounted revenues: +64.3% on a like-for-like basis

(In € million)	Revenues 2021 100%	Revenues 2021 Group share	Revenues 2022 100%	Revenues 2022 Group share	Change (%) Group share	Change Group share (%) LfL[1]
Hotel Lease properties - Variable	26.7	11.7	49.4	21.7	+85.5%	+115.5%
Hotel Lease properties - Fixed	136.7	54.1	148.7	59.6	+10.3%	+8.6%
Hotel properties - UK	12.0	5.2	36.5	16.0	+206.2%	+201.5%
Operating properties - EBITDA	21.9	9.4	62.0	26.4	+181.2%	+476.6%
Total revenues Hotels	**197.3**	**80.4**	**296.6**	**123.7**	**+53.9%**	**+64.3%**

1 LfL: Like-for-Like

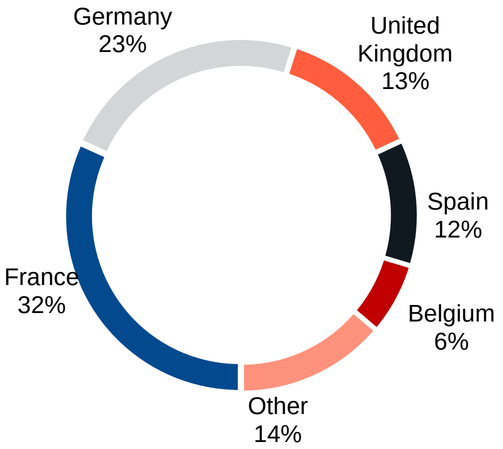
Hotel revenues increased by +53.9% (+€43.3 million Group share) compared to 2021, due to:

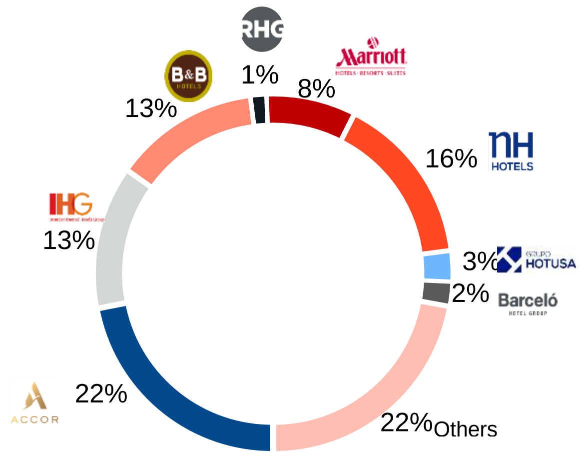
- **Leased hotels:**
  - **AccorInvest variable leases portfolio** (20% of the hotel portfolio), which is indexed on hotel turnover, increased by +115.5% like-for-like compared to 2021, due to the suspension of restrictions in Europe and to hotels performances back to 2019 level. These midscale and economy hotels are located in France and Belgium.
  - **UK fixed leases** (11% of the hotel portfolio): +€10,8 million due to the renegotiation of the leases.
  - **Other fixed leases** (46% of the hotel portfolio):
    - +€ 1.3 million due to the arrival of a new tenant in Madrid.
    - Indexation (+€2 million)
    - Signing of new fixed leases with B&B France +€ 0.9 million, much higher than 2019 variable rent.
- **Operating hotels** (23% of the hotel portfolio): mainly located in Germany and in the North of France. The increase from €9.4 million to €26.4 million (Germany +€13.5 million & France +€3.9 million) is due to the rebound of hotel activity since May.

Collection rate: 100% for hotels excluding rent free and deferred payment.

3. Annualized revenue

Breakdown by operators and by country (based on 2022 revenues) which amount to €130.9 million in Group share.





Revenues are split using the following breakdown: fixed (43%), variable (22%), UK (11%), and EBITDA on management contracts (23%).

4. Indexation

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

5. Lease expiries: 12.7 years of hotels residual lease term

(In € million, Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	0.0	0%	0.0	0%
2024	8.7	9%	2.3	2%
2025	2.1	2%	2.4	2%
2026	0.0	0%	0.0	0%
2027	0.9	1%	0.9	1%
2028	0.0	0%	0.0	0%
2029	10.4	10%	11.2	11%
2030	8.2	8%	8.2	8%
2031	3.9	4%	3.9	4%
2032	7.4	7%	8.5	8%
Beyond	58.9	59%	63.0	63%
Total Hotels in lease	**100.4**	**100%**	**100.4**	**100%**

6. Portfolio values: +2.3% increase like-for-like

6.1. Change in portfolio values

(In € million, Excluding Duties, Group share)	Value 2021	Acquis.	Invest.	Disposals	Change in value	Others	Value 2022
Hotels - Lease properties	2,057	3	23	-47	33	-51	**2,019**
Hotels - Operating properties	521	2	5	-	27	48	**603**
Total Hotels	**2,578**	**5**	**28**	**-47**	**60**	**-2**	**2,622**

At the end of 2022, the portfolio amounted to €2.6 billion Group share, up €44 million compared to year-end 2021, essentially explained by the positive like-for-like change in value (+€60 million).

6.2. Change on a like-for-like basis: +2.3%

(In € million, Excluding Duties)	Value 2021 100%	Value 2021 Group share	Value 2022 100%	Value 2022 Group share	LfL [1] change	Yield [2] 2021	Yield [3] 2022	% of total value
France	**2,283**	**730**	**2,209**	**726**	**+3.2%**	**4.9%**	**4.7%**	**28%**
Paris	827	304	853	314				12%
Greater Paris (excl. Paris)	498	133	500	137				5%
Major regional cities	583	193	525	169				6%
Other cities	374	100	332	107				4%
Germany	**650**	**280**	**666**	**288**	**+2.5%**	**4.7%**	**4.8%**	**11%**
Frankfurt	74	31	76	32				1%
Munich	48	21	51	22				1%
Berlin	73	34	73	32				1%
Other cities	454	193	467	202				8%
Belgium	**283**	**112**	**262**	**103**	**-0.1%**	**6.3%**	**6.0%**	**4%**
Brussels	100	35	101	36				1%
Other cities	183	77	160	67				3%
Spain	**630**	**276**	**646**	**284**	**+2.7%**	**5.2%**	**5.3%**	**11%**
Madrid	283	124	289	127				5%
Barcelona	213	93	216	95				4%
Other cities	134	59	142	62				2%
UK	**785**	**344**	**665**	**292**	**-2.9%**	**4.8%**	**4.5%**	**11%**
Italy	**265**	**116**	**277**	**121**	**+1.8%**	**5.1%**	**5.0%**	**5%**
Other countries	**454**	**199**	**467**	**205**	**+1.5%**	**5.2%**	**5.1%**	**8%**
Total Hotel lease properties	**5,351**	**2,057**	**5,193**	**2,019**	**+1.7%**	**5.0%**	**4.9%**	**77%**
France	**261**	**114**	**300**	**132**	**+13.2%**	**5.4%**	**5.8%**	**5%**
Lille	106	47	109	48				2%
Other cities	155	68	191	84				3%
Germany	**847**	**352**	**875**	**364**	**+2.3%**	**6.7%**	**4.8%**	**14%**
Berlin	596	248	621	258				10%
Dresden & Leipzig	198	82	199	83				3%
Other cities	53	22	55	23				1%
Other countries	**125**	**55**	**245**	**107**	**+3.4%**	**7.1%**	**5.8%**	**4%**
Total Hotel Operating properties	**1,234**	**521**	**1,420**	**603**	**+4.7%**	**6.3%**	**5.2%**	**23%**
Total Hotels	**6,584**	**2,578**	**6,613**	**2,622**	**+2.3%**	**5.3%**	**5.0%**	**100%**

[1] LfL : Like-for-Like on a 12 months basis

[2] 2021 Yield is calculated on the basis of 2021 fixed revenues; Variable revenues and EBITDA of operating properties are calculated on the basis of 2019.

[3] 2022 Yield is calculated on the basis of 2022 revenues and EBITDA yield for hotel operating properties

At the end of December 2022, Covivio held a unique hotel portfolio of €2.6 billion (€6.6 billion at 100%) in Europe. This strategic portfolio is characterised by:

- **High-quality locations**: average Booking.com location grade of 8.8/10 and 89% in major European city destinations.
- **Diversified portfolio:** in terms of countries (12 countries, none representing more than 32% of the total portfolio), and segment (68% economic/midscale and 32% upscale).
- **Major hotel operators** with long-term leases: 16 hotel operators with an average lease duration of 12.7 years.

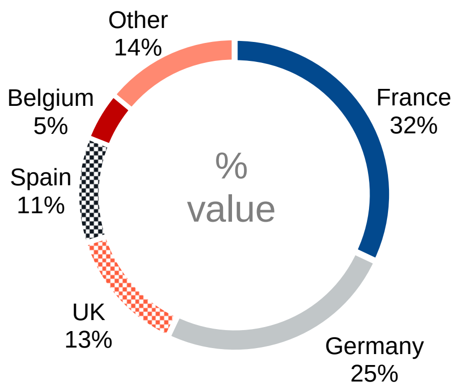
The portfolio value increased by **+2.3% Like-for-Like**, a mix of:

1- **UK portfolio (-2.9%):** strong recovery in activity in the beginning of the H1 then a 7.5% decline in value in H2 due to an increase in capitalization rates (+50 bps) on these 9 assets representing 11% of total hotel portfolio.

2- **Other leased assets (+2.5%):** in line with the resumption on AccorInvest variables rents and the indexation on fixed leased rents. Also thanks to the streamlining of AccorInvest portfolio with joint sales of propcos and opcos and rebranding of 30 assets into Fixed leased B&B hotels.

3- **Operating portfolio (+4.7%):** Good performance for the French portfolio with a value increase of +13.2% thanks to one asset in the south of the France which was renovated and the rebound of the leisure clientele. Later start of the recovery of German assets at the end 2022 (+2.3%).

Portfolio breakdown by value and geography



89% in major European destinations

3. FINANCIAL INFORMATION AND COMMENTS

Covivio's activity involves the acquisition or development, ownership, administration, and leasing of properties, particularly Offices in France, Italy and Germany, Residential in Germany, and Hotels in Europe.

Registered in France, Covivio is a public limited company with a Board of Directors.

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

CONSOLIDATED ACCOUNTS

3.1. Scope of consolidation

On 31 December 2022, Covivio's scope of consolidation includes companies located in France and several European countries. The main equity interests fully consolidated but not wholly owned companies are as follows:

Subsidiaries	31 Dec. 2021	31 Dec. 2022
Covivio Hotels	43.8%	43.9%
Covivio Immobilien	61.7%	61.7%
Covivio Office 6 GmbH (German office)	89.9%	89.9%
Sicaf (Telecom Italia portfolio)	51.0%	51.0%
OPCI CB 21 (CB 21 Tower)	75.0%	75.0%
Covivio Alexanderplatz	55.0%	55.0%
SCI Latécoëre (DS Campus)	50.1%	50.1%
SCI Latécoëre 2 (DS Campus extension)	50.1%	50.1%
SCI 15 rue des Cuirassiers (Silex 1)	50.1%	50.1%
SCI 9 rue des Cuirassiers (Silex 2)	50.1%	50.1%
Sas 6 Rue Fructidor (So Pop)	50.1%	50.1%
SCCV Fontenay sous bois (France Residential)	50.0%	50.0%
SCCV Bobigny (France Residential)	60.0%	60.0%
SNC N2 Batignolles promo (Paris N2)	50.0%	50.0%
SCI N2 Batignolles (Paris N2)	50.0%	50.0%
Fondo Porta Romana (Milan)	N/A	40.3%

3.2. Accounting principles

The consolidated financial statements have been prepared in accordance with the international accounting standards issued by the IASB (International Accounting Standards Board) and adopted by the European Union on the date of preparation. These standards include the IFRS (International Financial Reporting Standards), as well as their interpretations. The financial statements were approved by the Board of Directors on 21 February 2023.

3.3. Simplified income statement - Group share

(In € million, Group share)	2021	2022	var.	%
Net rental income	530.7	550.3	+19.6	+4%
EBITDA from hotel operating activity & flex-office	17.6	38.9	+21.3	+121%
Income from other activities (incl. Property development)	42.8	22.9	-19.9	-46%
Net revenue	**591.1**	**612.1**	**+21.0**	**+4%**
Net operating costs	-77.6	-83.3	-5.7	+7%
Amortisations of operating assets	-49.5	-35.9	+13.6	-27%
Net change in provisions and other	7.7	6.6	-1.1	-14%
Current operating income	**471.7**	**499.5**	**+27.8**	**+6%**
Net income from inventory properties	-2.1	-2.3	-0.2	+8%
Income from value adjustments	553.9	-119.5	-673.4	-122%
Income from asset disposals	-1.3	-6.8	-5.4	+414%
Income from disposal of securities	-1.2	24.9	+26.1	-2147%
Income from changes in scope & other	-10.6	-0.4	+10.2	-96%
Operating income	**1,010.4**	**395.4**	**-615.0**	**-61%**
Cost of net financial debt	-94.7	-87.2	+7.4	-8%
Interest charges linked to financial lease liability	-6.9	-7.2	-0.3	+4%
Value adjustment on derivatives	86.4	371.9	+285.5	+330%
Discounting of liabilities-receivables, and Result of change	-0.3	-0.3	+0.1	-17%
Early amortisation of borrowings' cost	-2.1	-0.9	+1.3	-59%
Share in earnings of affiliates	21.4	40.1	+18.7	+88%
Income before tax	**1,014.1**	**711.8**	**-302.3**	**-30%**
Deferred tax	-67.0	-75.2	-8.2	+12%
Corporate income tax	-23.5	-15.8	+7.7	-33%
Net income for the period	**923.6**	**620.7**	**-302.9**	**-33%**

► €612.1 million net revenue (+3.5%)

Net revenue in Group share increased especially thanks to both dynamic rental activity in all business lines and strong operating activity in hotels.

(In € million, Group share)	2021	2022	var.	%
France Offices	174.8	156.7	-18.1	-10.3%
Italy Offices (incl. retail)	101.0	91.2	-9.9	-9.8%
German Offices	29.5	31.9	+2.4	+8.2%
German Residential	158.8	167.5	+8.6	+5.4%
Hotels in Europe (incl. retail)	66.6	102.5	+36.0	+54.1%
Other (incl. France Residential)	0.1	0.6	+0.5	+569.8%
Total Net rental income	**530.7**	**550.3**	**+19.6**	**+3.7%**
EBITDA from hotel operating activity & flex-office	17.6	38.9	+21.3	+120.8%
Income from other activities	42.8	22.9	-19.9	-46.5%
Net revenue	**591.1**	**612.1**	**+20.9**	**+3.5%**

France & Italy Offices: decrease mainly due to the sale of assets, partially offset by deliveries of development projects and like-for-like rental growth (indexation and letting activity).

Germany Offices: increase of the rents benefitting from high indexation and a slight reduction of the vacancy

German Residential: increase driven by continued rental growth and net effect of acquisitions and disposals

Hotels in Europe: recovery has been very strong and steady since March

- **EBITDA from the hotel operating activity and flex-office:** increase in revenues following the recovery of the activity especially in France. The flex-office activity increased slightly thanks to the ramp-up of this activity and the opening of new spaces in Milan.

- **Income from other activities:** the change in net income from other activities comes from the slowdown in the property development projects and the disposal of the car park activity during H1 2022.

- **Net operating costs:** increase in structure costs (+€5.8 million), due to inflation and following a year 2021 impacted by one-off and low travel expenses & events (due to Covid).

- **Amortisation of operating assets:**
  Note that this item includes the amortisation linked to the right of use according to IFRS 16. This amortisation of right of use is mainly related to owner-occupied buildings and headquarters. The decrease is mainly due to the write-off in our own-occupied building (Gobelins operated under our Wellio flexible workspace brand) and the impact on the car park sale.

- **Net income from inventory properties:**
  This item refers to a marginal real estate trading activity, mainly in Italy.

- **Change in the fair value of assets:**
  The income statement recognises changes in the fair value (-€119.5 million) of assets based on appraisals carried out on the portfolio. This line item does not include the change in fair value of assets recognised at amortised cost under IFRS but is taken into account in the EPRA NAV calculation (hotel operating properties, flex-office assets and other ownoccupied buildings). For more details on changes in the portfolio by activity, see section 1 of this document.

- **Income from asset disposals & disposal of securities:**
  Income from asset disposals contributed €18.1 million during the year.

- **Cost of net financial debt:**
  The cost of net financial debt decreased due to one-off in 2022. Cost of debt is stable vs. 2021.

- **Interest charges linked to finance lease liability:**
  The Group rents some land under long term leasehold. According to IFRS 16, such rental costs are stated as interest charges. The interest charges refer to the hotel activity for an amount equal to -€7.2 million.

- **Value adjustment on derivatives:**
  The fair value of financial instruments (hedging instruments) is positively impacted by an average +287 bps increase in the 10Y swap. The P&L impact is a revenue of +€371.9 million.

Share of income of equity affiliates

Group share	% interest	Contribution to earnings (€million)	Value	Change in equity value (%)
OPCI Covivio Hotels	8.6%	5.9	43.8	12.8%
Lénovilla (New Vélizy)	50.1%	21.1	82.1	26.3%
Euromed	50.0%	2.5	33.9	7.9%
Cœur d'Orly	50.0%	7.9	38.4	26.2%
Phoenix (Hotels)	14.6%	2.7	49.1	4.7%
Fondo Porta di Romana	40.3%	0.1	35.0	-
Other equity interests				
Total		**40.1**	**282.3**	**32.8%**

The equity affiliates include Hotels in Europe and the France Offices sectors:

- OPCI Covivio Hotels: two hotel portfolios, Campanile (32 hotels) and AccorHotels (39 hotels) 80%-owned by Crédit Agricole Assurances.
- Lenovilla: the New Vélizy campus (47,000 m²), let to Thalès and co-owned with Crédit Agricole Assurances.
- Euromed in Marseille: one office building (Calypso) and a hotel (Golden Tulip) in partnership with Crédit Agricole Assurances.
- Coeur d'Orly in Greater Paris: two buildings in the Orly airport business district in partnership with ADP.
- Phoenix hotel portfolio: 32% stake held by Covivio Hotels (43.9% subsidiary of Covivio) in a portfolio of 30 Accor Invest hotels in France & Belgium.
- Fondo Porta di Romana in Milan is a joint venture between Covivio (40.28%), CECIF (55.69%) and Prada (4.03%) to participate to the acquisition of a plot of land.

Taxes

The corporate income tax relates to the tax on:

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

The corporate income tax amounted to -€15.8 million, including taxes on sales (-€2.1 million).

Adjusted EPRA Earnings increased by +4.8 % to €430.2 million (+€19.7 million vs. 2021)

	Net income Group share	Restatements	Adjusted EPRA E. 2022	Adjusted EPRA E. 2021
Net rental income	**550.3**	**-**	**550.3**	**530.7**
EBITDA from the hotel operating activity & flex-office	38.9	-	38.9	17.6
Income from other activities (incl. Property development)	22.9	-	22.9	42.8
Net revenue	**612.1**	**-**	**612.1**	**591.1**
Net operating costs	-83.3	-	-83.3	-77.6
Amortisations of operating assets	-35.9	21.4	-14 .5	-20.4
Net change in provisions and other	6.6	-3.3	3.3	4.8
Operating income	**499.5**	**18.1**	**517.5**	**498.0**
Net income from inventory properties	-2.3	2.3	0.0	0.0
Income from value adjustments	-119.5	119.5	0.0	0.0
Income from asset disposals	-6.8	6.8	0.0	0.0
Income from disposal of securities	24.9	-24.9	0.0	0.0
Income from changes in scope & other	-0.4	0.4	0.0	0.0
Operating result	**395.4**	**122.2**	**517.5**	**498.0**
Cost of net financial debt	-87.2	1.0	-86.3	-90.3
Interest charges linked to finance lease liability	-7.2	4.6	-2.6	-2.7
Value adjustment on derivatives	371.9	-371.9	0.0	0.0
Discounting of liabilities-receivables and Foreign Exch. Result	-0.3	0.0	-0.3	-0.3
Other financial expenses	-0.9	0.6	-0.3	-0.1
Share in earnings of affiliates	40.1	-24.3	15.8	13.5
Pre-tax net income	**711.8**	**-267.8**	**443.9**	**418.0**
Deferred tax	-75.2	75.2	0.0	0.0
Corporate income tax	-15.8	2.1	-13.7	-7.5
Net income for the period	**620.7**	**-190.5**	**430.2**	**410.5**
Average number of shares			*93 955 927*	*94 334 096*
Net income per share			**4.58**	**4.35**

- The restatement of the amortisation of operating assets (+€21.4 million) offsets the real estate amortisation of the flex-office and hotel operating activities.
- The restatement of the net change in provisions (-€3.3 million) consists of the ground lease expenses linked to the UK leasehold.
- Concerning the interest charges linked to finance lease liabilities relating to the UK leasehold, as per IAS 40 §25, €4.6 million was cancelled and replaced by the lease expenses paid (see the amount of -€3.3 million under the line item “Net change in provisions and other”).
- The restatement of the share in earnings of affiliates allows for the EPRA earnings contribution to be displayed.
- The restatement of the corporate income tax (+€2.1 million) is linked to the tax on disposals.

Adjusted EPRA Earnings by activity

(In € million, Group share)	France Offices	Italy Offices[1]	Germany Offices	Germany Residential	Hotels in lease[1]	Hotel operating properties	Corporate or non-attributable sector	2022
Net rental income	156.7	91.2	31.9	167.5	102.3	0.3	0.6	550.3
EBITDA from Hotel operating activity & flex-office	8.6	4.0	0.0	0.0	0.0	26.3	0.0	38.9
Income from other activities (incl. Property development)	11.8	0.4	0.1	9.6	0.0	0.0	1.0	22.9
Net revenue	**177.1**	**95.6**	**32.0**	**177.0**	**102.3**	**26.6**	**1.6**	**612.1**
Net operating costs	-36.1	-6.6	-3.3	-30.3	-2.5	-1.4	-3.0	-83.3
Amortisation of operating assets	-6.6	-1.4	-0.9	-2.3	-0.4	-1.9	-1.0	-14.5
Net change in provisions and other	8.8	-3.7	-0.9	0.4	-1.2	-2.0	1.9	3.3
Operating result	**143.3**	**83.8**	**26.9**	**144.8**	**98.1**	**21.2**	**-0.6**	**517.5**
Cost of net financial debt	-13.0	-22.1	-7.8	-21.8	-17.5	-4.6	0.5	-86.3
Other financial charges	**0.0**	**-0.3**	**-0.4**	**0.0**	**-1.7**	**-0.6**	**-0.1**	-3.1
Finance lease interest	**-**	*-*	*-0.4*	*-*	*-1.4*	*-0.6*	*-0.1*	*-2.5*
Discounted receceivable/payable	*-*	*-*	*-*	*-*	*-0.3*	*-*	*-*	*-0.3*
Irregular financial amortisation	*-*	*-0.3*	*-*	*-*	*-*	*-*	*-*	*-0.3*
Share in earnings of affiliates	10.5	0.1	-	-	5.3	-	-	15.8
Corporate income tax	-0.2	-0.7	-0.5	-7.8	-2.8	-1.3	-0.3	-13.7
Adjusted EPRA Earnings	**140.5**	**60.8**	**18.2**	**115.2**	**81.4**	**14.7**	**-0.5**	**430.2**
Development margin	**-3.7**	**-0.4**	**-**	**-11.3**	**-**	**-**	**-**	**-15.3**
EPRA Earnings	**136.8**	**60.4**	**18.2**	**104.0**	**81.4**	**14.7**	**-0.5**	**414.9**

1: Including non-strategic retail in the subsidiary scope

EPRA Earnings of affiliates

(In € million, Group share)	France Offices	Hotels (in lease)	2022
Net rental income	11.9	7.2	19.1
Net operating costs	-0.4	-0.6	-1.0
Amortisation of operating properties	0.2	0.0	0.2
Operating result	**11.8**	**6.6**	**18.4**
Cost of net financial debt	-1.3	-1.3	-2.6
Corporate income tax	0.0	0.0	0.0
Share in EPRA Earnings of affiliates	**10.5**	**5.3**	**15.8**

3.4. Simplified consolidated income statement (at 100%)

(In € million, 100%)	2021	2022	var.	%
Net rental income	779.3	842.3	+63.0	+8.1%
EBITDA from hotel operating activity & flex-office	30.1	74.9	+44.8	+148.9%
Income from other activities (incl. Property development)	28.8	20.3	-8.5	-29.5%
Net revenue	**838.2**	**937.6**	**+99.4**	**+11.9%**
Net operating costs	-114.2	-121.2	-7.0	+6.2%
Amortisation of operating assets	-75.2	-58.9	+16.3	-21.6%
Net change in provisions and other	17.0	12.6	-4.4	-26.1%
Current operating income	**665.8**	**770.0**	**+104.2**	**+15.6%**
Net income from inventory properties	-2.0	-2.4	-0.4	+18.1%
Income from asset disposals	4.6	-0.5	-5.1	+110.7%
Income from value adjustments	835.3	18.2	-817.1	-97.8%
Income from disposal of securities	-0.8	24.9	+25.7	-3209.5%
Income from changes in scope	-23.3	-0.4	+22.9	-98.1%
Operating income	**1 479.6**	**809.8**	**-669.8**	**-45.3%**
Cost of net financial debt	-167.0	-139.7	+27.3	-16.3%
Interest charge related to finance lease liability	-14.8	-15.8	-1.0	+6.8%
Value adjustment on derivatives	142.6	582.6	+440.0	+308.6%
Discounting of liabilities and receivables	-0.7	-0.6	+0.1	-15.9%
Early amortisation of borrowings' costs	-4.1	-1.5	+2.6	-64.6%
Share in earnings of affiliates	27.4	51.0	+23.6	+86.2%
Income before tax	**1 463.0**	**1 285.8**	**-177.2**	**-12.1%**
Deferred tax	-137.7	-109.8	+27.9	-20.2%
Corporate income tax	-31.4	-28.1	+3.3	-10.7%
Net income for the period	**1 293.9**	**1 147.9**	**-146.1**	**-11.3%**
Non-controlling interests	-370.3	-527.2	-156.8	+42.4%
Net income for the period - Group share	**923.6**	**620.7**	**-302.9**	**-32.8%**

The -€302.8 million (-32.8%) decrease in net income for the period is related to the stable value of the properties on a like for like basis, compared with a +€835.3 million in 2021, partly offset by strong operating performances (+€104.2 million) and the positive impact of derivatives' value of +€582.6 million vs +€142.6 million last year (gain €440.0 million).

Net revenue increased by €99.3 million, mainly due to the recovery of activity in the hotel sector and rental growth in German Residential.

(In € million, 100%)	2021	2022	var.	%
France Offices	202.3	182.3	-20.0	-9.9%
Italy Offices (incl. Retail)	134.5	119.9	-14.6	-10.9%
German Residential	245.6	259.1	+13.5	+5.5%
German Offices	31.6	34.2	+2.6	+8.4%
Hotels in Europe (incl. Retail)	164.7	246.2	+81.4	+49.4%
Other (mainly France Residential)	0.6	0.6	+0.1	+10.9%
Total Net rental income	**779.3**	**842.3**	**+63.0**	**+8.1%**
EBITDA from the hotel operating activity & flex-office	30.1	74.9	+44.8	+149%
Income from other activities	28.8	20.3	-8.5	-29.6%
Net revenue	**838.3**	**937.6**	**+99.3**	**+11.8%**

3.5. Simplified consolidated balance sheet (Group share)

(In € million, Group share) Assets	2021	2022	Liabilities	2021	2022
Investment properties	14,640	14,343			
Investment properties under development	1,341	1,371			
Other fixed assets	852	985			
Equity affiliates	230	282			
Financial assets	304	233			
Deferred tax assets	94	78			
Financial instruments	45	562	**Shareholders' equity**	**9,194**	**9,443**
Assets held for sale	505	228	Borrowings	8,728	7,924
Cash	929	343	Financial instruments	142	244
Inventory (Trading & Construction activities)	153	190	Deferred tax liabilities	769	835
Other	668	500	Other liabilities	927	670
Total	**19,760**	**19,116**	**Total**	**19,760**	**19,116**

Investment properties, Properties under development and Other fixed assets

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

(In € million, Group share)	2021	2022	var.
France Offices	5,496	5,164	-332
Italy Offices (incl. Retail)	2,653	2,445	-208
German Offices	1,349	1,335	-15
German Residential	5,202	5,374	+172
Hotels in Europe (incl. Retail)	2,600	2,606	+6
Car parks (and other)	37	4	-33
Total Fixed Assets	**17,337**	**16,927**	**-410**

The decrease in **France Offices** (-€332 million) was mainly due to the disposals (-€327 million), the change in fair value (-€180 million) partly offset by +€165 million of Acquisition and CAPEX.

In Italy Offices, the change (-€208 million) was mainly due to disposals for the year (-€224 million) and the decrease in fair value (-€58 million), partly offset by the CAPEX & acquisition of the year (+€66 million).

The increase in **German Residential** (+€172million) was mainly due to the growth in fair value (+€131 million), CAPEX and acquisitions (+€83million), partly offset by disposals for the year (-€41 million).

German Offices (-€15 million) was mainly due to the decrease in fair value (-€48 million) partly offset by the CAPEX (+€33 million).

The increase in the **Hotels in Europe portfolio** (+€6 million) was mainly driven by the increase in fair value (+€36 million), Acquisition and Capex (+€43 million), right of use (+€6 million), offset by disposal (-€45 million) and foreign currency exchange losses (-€23 million)

- **Assets held for sale (included in the total fixed assets above), €227.9 million at the end of December 2022**

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

  - 77.3% of offices in France.
  - 11.1% of offices in Italy.
  - 8.3% of hotels in Europe.
  - 3.4% of residential in Germany.

- **Total Group shareholders' equity**

Shareholders' equity increased from €9,194 million at the end of 2021 to €9,443 million at 31 December 2022, i.e. +€249 million, mainly due to:

  - Income for the period: +€620.7 million.
  - The dividend distribution: -€353.3 million.
  - Purchase of own shares: -€38.6 million.
  - Change in Other Comprehensive Income +€8.8 million.

- **Deferred tax liabilities**

Deferred tax liabilities represent €835 million in liabilities versus €769 million on 31 December 2022. This €91.2 million increase is mainly due to the growth of appraisal values in Germany (+€50.0 million).

3.6. Simplified consolidated balance sheet (at 100%)

(In € million, 100%) **Assets**	**2021**	**2022**	**Liabilities**	**2021**	**2022**
Investment properties	21,450	21,391			
Investment properties under development	1,707	1,574			
Other fixed assets	1,525	1,718			
Equity affiliates	340	401			
Financial assets	138	114	Shareholders' equity	9,194	9,443
Deferred tax assets	106	86	Non-controlling interests	4,430	4,648
Financial instruments	64	813	**Shareholders' equity**	**13,623**	**14,092**
Assets held for sale	902	259	Borrowings	11,834	10,968
Cash	1,063	462	Financial instruments	201	300
Inventory (Trading & Construction activity)	212	264	Deferred tax liabilities	1,222	1,320
Other	730	579	Other liabilities	1,357	981
Total	**28,237**	**27,661**	**Total**	**28,237**	**27,661**

4. FINANCIAL RESOURCES

Summary of the financial activity

Covivio is rated BBB+ with a stable outlook by S&P, confirmed on April 27th, 2022.

At December 2022, Covivio's Loan-to-Value (LTV) ratio was 39.5% (LTV policy < 40%), thanks to active portfolio rotation and resilient appraisal values. Average cost of debt slightly increases to 1.24% (+4 bps vs end-2021), thanks to a highly hedged debt, and maturity of debt is at 4.8 years.

The liquidity position is also strong, with €1.5 billion available at end-December 2022 on Covivio SA, including €1.3 billion of undrawn credit lines and €0.2 billion of cash.

4.1. Main debt characteristics

Group share	31 Dec. 2021	31 Dec. 2022
Net debt, Group share (€ million)	7,799	**7,581**
Average annual rate of debt	1.20%	**1.24%**
Average maturity of debt (in years)	5.4	**4.8**
Debt active hedging spot rate	78%	**86%**
Average maturity of hedging	6.8	**6.3**
LTV including duties	39.1%	**39.5%**
ICR	6.7	**6.9**

4.2. Debt by type

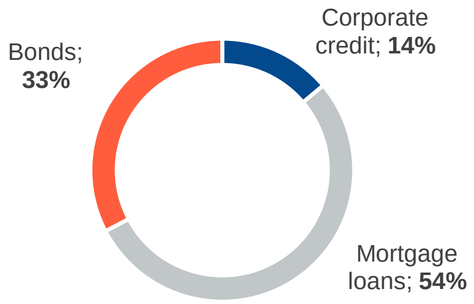
Covivio's net debt stands at €7.6 billion in Group share at end-December 2022 (€10.5 billion on a consolidated basis), -0.2 billion compared to end-2021.

Additionally, Covivio had €0.7 billion in commercial paper outstanding at 31 December 2022.

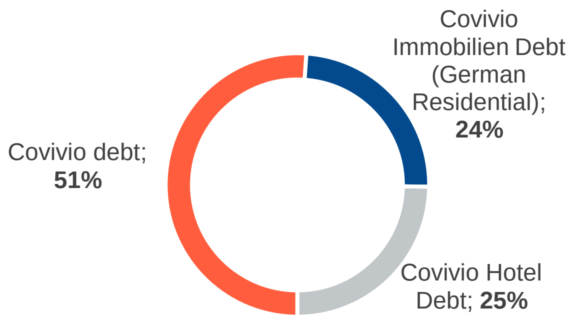
Covivio has built its financing policy on diversification (both geographically and by asset class) and granularity. At the end of 2022, 49% of its debt was comprised of mortgages, 42% of bonds, 9% of commercial paper (€743 million, more than covered by undrawn credit lines of €1.5 billion).

In 2024 and 2025, approximately 33% of maturities (€887 million) relate to undrawn credit lines, mainly in France and Germany, which are in the process of being renewed and greened. Only 17% (€454 million) related to two bonds maturing at the end of 2024 and in 2025. The remaining 50% (€1.3 billion) is comprised of bank mortgages that are well-diversified in terms of asset class and geography: 40% in Germany Offices, 36% in Germany Residential, 15% in hotels, 5% in Italy Offices and 4% in France Offices. No single item of debt maturing before 2025 exceeds €350 million.

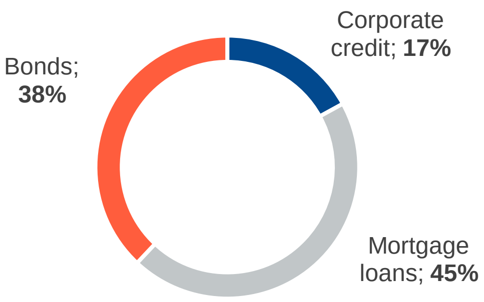
Consolidated commitments
by type



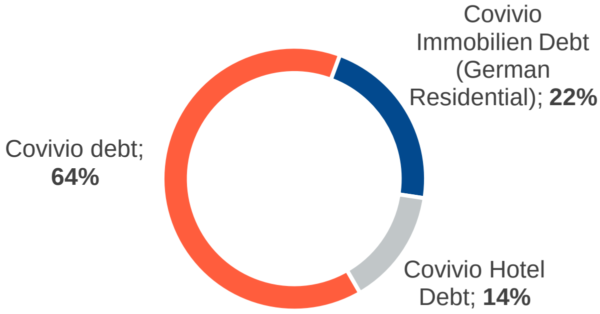
Consolidated commitements
by company



Group share commitments
by type



Group share commitements
by company

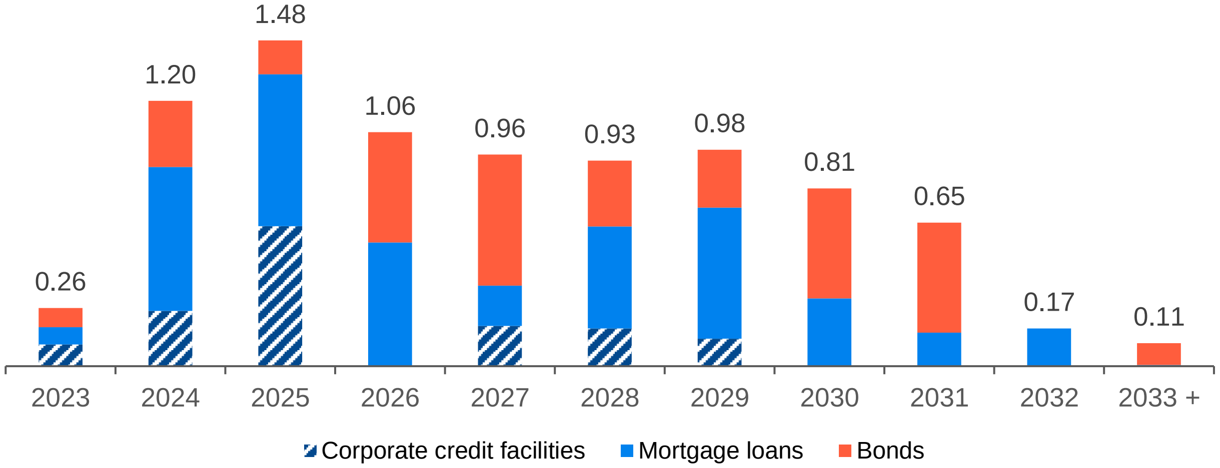


4.3. Debt maturity

The average maturity of Covivio's debt stands at 4.8 years at end-December 2022. Until 2024, there is no major maturity that has not already been covered or is already under renegotiation.

The next large maturities occur in 2024 and are mainly composed of a bond of €300 million and a mortgage debt of €207 million Group share linked to the Telecom Italia portfolio.

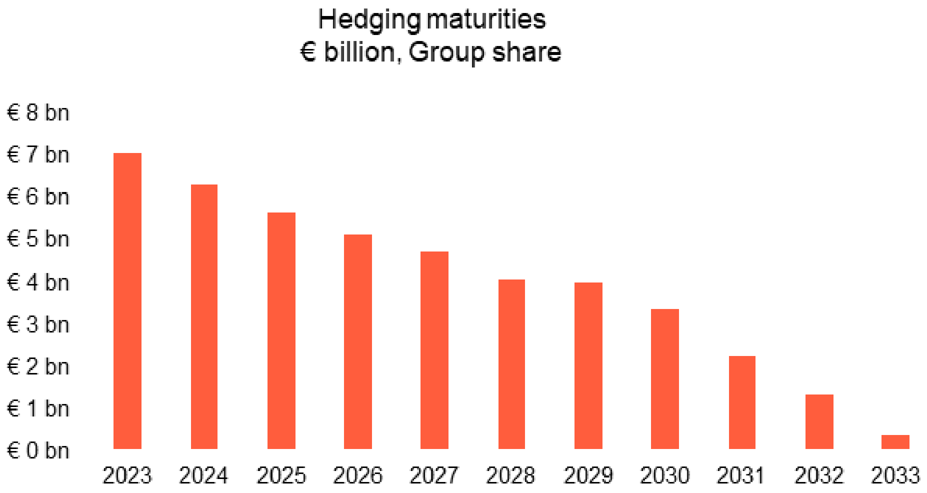
Debt maturities by type
(in € billions, Group Share)



4.4. Hedging profile

At end-December 2022, debt is hedged at 87% on average over the year, and 82% on average over the next three years, all of which with maturities equivalent to or exceeding the debt maturity.

The average term of the hedges is 6.3 years Group share.



4.5. Average interest rate on debt and sensitivity

The average interest rate on Covivio's debt slightly increased by 4 bps to 1.24% in Group share.

Financial structure

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

- The most restrictive consolidated LTV covenants amounted, at 30 December 2022, to 60% for Covivio and Covivio Hotels.
- The most restrictive ICR consolidated covenants applicable to the REITs, at 30 December 2022, are of 200% for Covivio and Covivio Hotels.

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

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

Ratio	Covenant	31 Dec. 2022
LTV	60.0%	42.3%
ICR	200%	6.86
Secured debt ratio	25.0%	4.9%

[1] Excluding duties and sales agreements

All covenants were fully complied with at year end 2022. No loan has an accelerated payment clause contingent on Covivio's rating, which is currently BBB+, Stable outlook (S&P rating) confirmed on 27th April 2022.

Detail of Loan-to-Value calculation (LTV)

(In € million Group share)	31 Dec. 2021	31 Dec. 2022
Net book debt	7,799	7,581
Receivables linked to associates (full consolidated)	-226	-169
Receivables on disposals	-110	-16
Preliminary sale agreements	-377	-228
Purchase debt	72	54
Net debt	**7,158**	**7,222**
Appraised value of real estate assets (Including Duties)	18,414	18,151
Preliminary sale agreements	-471	-228
Financial assets	18	15
Receivables linked to associates (equity method)	105	86
Share of equity affiliates	230	282
Value of assets	**18,297**	**18,306**
LTV Excluding Duties	**41.2%**	**41.5%**
LTV Including Duties	**39.1%**	**39.5%**

4.6. Reconciliation with consolidated accounts

Net debt

(In € million)	Consolidated accounts	Minority interests	Group share
Bank debt	10,968	-3,043	**7,924**
Cash and cash equivalents	462	-119	**343**
Net debt	**10,506**	**-2,925**	**7,581**

Portfolio

(In € million)	Consolidated accounts	Portfolio of companies under the equity method	Fair value of operating properties	Other assets held for sale	Right of use of investment properties	Minority interests	Group share
Investment & development properties	22,965	1,166	1,945	0	-253	-8,656	**17,166**
Assets held for sale	259	0	0	0	0	-32	**228**
Total portfolio	**23,224**	**1,166**	**1,945**	**0**	**-253**	**-8,688**	**17,394**

Duties	918
Portfolio group share including duties	18,312
(-) portfolio of companies consolidated under the equity method	-449
(-) Fair value of car park activity	0
(+) Fair value of trading activities	-190
(+) Right of use of operating properties	478
(+) Advances and deposits on fixed assets	0
Portfolio for LTV calculation	**18,151**

Interest Coverage Ratio

(In € million)	Consolidated accounts	Minority interests	Group share
EBITDA (net rents (-) operating expenses (+) results of other activities)	823.9	-289.6	**534.3**
Cost of debt	125.9	-48.0	**77.8**
ICR			**6.86**

5. EPRA REPORTING

The following reporting was prepared in accordance with EPRA (European Public Real Estate Association) Best Practices Recommendations, available on EPRA website (www.epra.com).

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

5.1. Change in net rental income (Group share)

€ million	2021	Acquis.	Disposals	Developments (deliveries & vacating for redevelopment)	Indexation, asset management & occupancy	Others	2022
France Offices	**175**	0	-11	-9	7	-5	**157**
Italy Offices (incl. retail)	**101**	0	-14	1	4	0	**91**
German Offices	**29**	0	0	0	2	0	**32**
German Residential	**159**	4	-3	0	3	5	**167**
Hotels in Europe (incl. Retail & excl. EBITDA from operating properties)	**67**	0	-1	0	27	11	**103**
Other (France Residential)	**0**	0	1	0	0	0	**1**
Total	**531**	**4**	**-29**	**-8**	**42**	**11**	**550**

The revenues LFL growth (including EBITDA from Hotels) is +12.7% in FY 2022 (cf. page 13).

Reconciliation with financial data

€ million	**2022**
Total from the table of changes in Net rental Income (GS)	**550**
Adjustments	0
Total net rental income (Financial data § 3.3)	**550**
Minority interests	292
Total net rental income (Financial data § 3.4)	**842**

5.2. Investment assets – Information on leases

Annualized rental income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any incentives.

$$\text{Vacancy rate at end of period} = \frac{\text{Market rental value on vacant assets}}{\text{Contractual annualized rents on occupied assets} + \text{Market rental value on vacant assets}}$$

$$\text{EPRA vacancy rate at end of period} = \frac{\text{Market rental value on vacant assets}}{\text{Market rental value on occupied and vacant assets}}$$

(€ million, Group share)	Gross rental income (€m)	Net rental income (€m)	Annualized rents (€ m)	Surface (m²)	Average rent (€/m²)	Vacancy rate (excl. Secured area) (%)	ERV of spot vacant space (€ m)	ERV of the whole portfolio (€ m)	EPRA vacancy rate (%)
France Offices	176	157	214	1,060,365	246	5.6%	18	227	7.9%
Italy Offices (incl. retail)	110	91	116	946,398	153	1.6%	2	125	1.6%
German Offices	41	32	48	359,978	155	14.9%	9	53	17.0%
German Residential	181	167	183	2,838,365	99	0.8%	2	196	0.8%
Hotels in Europe (Excl. EBITDA from operating properties)	99	103	102	n.c	n.c	-	-	102	-
Total [1]	**607**	**550**	**664**	**5,205,106**	**143**	**3.5%**	**31**	**704**	**4.3%**

1. Including French residential and others

The spread between the vacancy rate excluding the secured lease (3.5%) and the EPRA vacancy rate (4.3%) is due to area which are included in the EPRA vacancy as vacant but already let although the lease has not started yet.

Regarding the German Residential, the €196 million of ERV doesn't include the potential reversion in all our markets Berlin (25-30%), Hamburg (20-25%), Dresden and Leipzig (10-15%) and in North Rhine-Westphalia (15-20%).

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

5.3. Investment assets - Asset values

(€ million, Group share)	Market value	Change in fair value over the year	Duties	EPRA NIY
France Offices	5,547	-180	260	3.6%
Italy Offices (incl. Retail)	2,520	-58	86	3.9%
German Residential	5,238	131	365	3.0%
German Offices	1,441	-48	87	2.%
Hotels in Europe (incl. Retail)	2,645	36	119	4.7%
Other (France Resi. and car parks)	4			n.a
Total 2022	17,394	-119	918	3.6%

The change in fair value over the year presented above excludes change in value of operating properties, hotel operating properties, and assets under the equity method.

The EPRA net initial yield is the ratio of:

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

Reconciliation with financial data

€ million	2022
Total portfolio value (Group share, market value)	17,394
Fair value of the operating properties	-1,117
Fair value of companies under equity method	-449
Other assets held for sale	0
Right of use on investment assets	118
Fair value of car parks facilities	-4
Tangible fixed assets	0
Investment assets Group share [1] (Financial data§ 3.5)	15,942
Minority interests	7,282
Investment assets 100% [1] (Financial data§ 3.5)	23,224

[1] Fixed assets + Developments assets + asset held for sale

Reconciliation with IFRS

€ million	2022
Change in fair value over the year (Group share)	-119
Others	-
Income from fair value adjustments Group share (Financial data § 3.3)	-119
Minority interests	138
Income from fair value adjustments 100% (Financial data § 3.4)	18

5.4. Assets under development

	Ownership type	% ownership (Group share)	Fair value 2022	Capitalised financial expenses in 2022	Total cost [1] (€m, Group share)	% Progress[3]	Delivery date	Surface at 100% (m²)	Pre-letting	Yield (%)
Levallois Maslo	FC	100%		3.5	212	73%	2023	19,800 m²	43%	4.7%
DS Campus Extension	FC	50%		0.7	71	85%	2023	27,500 m²	100%	7.2%
Fontenay Floria	FC	100%		-	43	70%	2023	9,300 m²	0%	5.5%
Paris Anjou	FC	100%		1.7	238	10%	2025	9,300 m²	100%	3.4%
Meudon Atlas	FC	100%		0.1	229	2%	2026	38,000 m²	100%	7.0%
Total France Offices			**504**	**6.0**	**793**	**29%**		**103,900 m²**	**81%**	**5.2%**
The Sign D	FC	100%		0.5	76	10%	2024	13,200 m²	92%	6.1%
Corte italia	FC	100%		1.6	122	18%	2024	12,100 m²	100%	6.1%
Rozzano - Strada 8	FC	100%		0.4	45	7%	2024	25,700 m²	40%	7.8%
Symbiosis G+H	FC	100%		1.2	193	6%	2025	38,000 m²	100%	6.3%
Total Italy Offices			**178**	**3.7**	**435**	**9%**		**89,000 m²**	**91%**	**6.3%**
Düsseldorf Herzogterrassen	FC	94%		-	304	0%	2024	55,700 m²	52%	4.4%
Berlin Beagle	FC	100%		0.2	16	10%	2023	5,100 m²	100%	6.5%
Berlin Alexanderplatz	FC	55%		2.6	345	18%	2026	60,000 m²	0%	4.8%
Total German Offices			**400**	**2.8**	**665**	**15%**		**120,800 m²**	**26%**	**4.7%**
Total			**1,083**	**12.5**	**1,893**	**19%**		**313,700 m²**	**67%**	**5.3%**

[1] Total cost including land and financial cost.
[2] FC : Full consolidation
[3] Financial completion

Total cost of committed projects is therefore € 2.022 million (cf 1.G. Development projects).

Reconciliation with total committed pipeline

(€M, Group share)	Capitalised financial expenses over the year	Total cost incl. financial cost (Group share)
Projects fully consolidated	13	1,893
Projects on own-occupied buildings (L'Atelier St Lazare)	1	102
Others	9	26
Total Offices Committed pipeline	**23**	**2,022**
German Residential (built to let & built to sell activity)		164
French Residential (built to sell activity)		260
Total Committed pipeline	**23**	**2,446**

Reconciliation with financial data

	31 Dec. 2022
Total fair value of assets under development	1,083
Project under technical review and non-committed projects	288
Assets under development (Financial data § 3.5)	**1,371**

5.5 Information on leases

	Firm residual lease term (years)	Residual lease term (years)	Lease expiration by date of 1st exit option Annualised rental income of leases expiring				
			N+1	N+2	N+3 to 5	Beyond	Total (€m)
France Offices	4.7	5.5	23%	8%	31%	38%	214
Italy Offices (incl. retail)	7.1	7.7	8%	2%	16%	74%	116
Germany Offices	4.5	5.1	12%	28%	36%	24%	48
Hotels in Europe (incl. retail)	12.6	14.0	0%	8%	13%	89%	102
Others (German Residential, Hotels Ebitda, others)	n.a	n.a	n.a	n.a	n.a	n.a	213
Total[1]	**7.0**	**7.8**	**9%**	**6%**	**15%**	**70%**	**694**

1. Percentage of lease expiries on total revenues

In 2023, 9.4% of total leases are expiring: 3.1% have no intention to vacate the property and 4.2% are going to be redeveloped. The other part, 2.0%, shall be managed (tenant decision not yet taken or will leave).

5.6 EPRA Net Initial Yield

The data below shows detailed yield rates for the Group and the transition from the EPRA topped-up yield rate to Covivio's yield rate.

- EPRA topped-up net initial yield is the ratio of:

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

- EPRA net initial yield is the ratio of:

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

(€ million, Group share) Excluding French Residential and car parks	**Total 2021**	**France Offices**	**Italy Offices** (incl. Retail)	**German Offices**	**German Residential**	**Hotels in Europe** (incl. Retail)	**France residential**	**Total 2022**
Investment, disposable and operating properties	**17,703**	5,547	2,520	1,441	5,238	2,645	4	**17,394**
Restatement of assets under development	**-1,340**	-718	-211	-428	-14	-	-	**-1,371**
Restatement of undeveloped land and other assets under development	**-260**	-220	-100	-13	-	-	-	**-333**
Duties	**921**	260	86	87	365	119	-	**918**
Value of assets including duties (1)	**17,025**	4,869	2,295	1,087	5,589	2,764	4	**16,608**
Gross annualized IFRS revenues	**656**	196	106	37	183	132	-	**653**
Irrecoverable property charge	**-70**	-21	-18	-8	-14	-2	-	**-63**
Annualized net revenues (2)	**586**	175	88	29	169	130	-	**590**
Rent charges upon expiration of rent free periods or other reductions in rental rates	**45**	19	9	5	-	1	-	**34**
Annualized topped-up net revenues (3)	**631**	193	98	33	169	131	-	**624**
EPRA Net Initial Yield (2)/(1)	**3.4%**	3.6%	3.9%	2.6%	3.0%	4.7%	n.a	**3.6%**
EPRA "Topped-up" Net Initial Yield (3)/(1)	**3.7%**	4.0%	4.3%	3.1%	3.0%	4.7%	n.a	**3.8%**
Transition from EPRA topped-up NIY to Covivio yield								
Impact of adjustments of EPRA rents	**0.4%**	0.5%	0.8%	0.8%	0.3%	0.1%	-	**0.4%**
Impact of restatement of duties	**0.2%**	0.2%	0.2%	0.3%	0.2%	0.2%	-	**0.2%**
Covivio reported yield rate	**4.4%**	4.7%	5.2%	4.1%	3.5%	5.0%	n.a	**4.4%**

5.7. EPRA cost ratio

(€million, Group share)	2021	2022
Cost of other activities and fair value	-34.7	-35.2
Expenses on properties	-23.7	-21.5
Net losses on unrecoverable receivables	-5.5	0.2
Other expenses	-4.0	-6.0
Overhead	-98.7	-105.1
Amortisation, impairment and net provisions	5.5	3.1
Income covering overheads	25.1	28.1
Cost of other activities and fair value	-2.7	-6.3
Property expenses	0.8	-0.4
EPRA costs (including vacancy costs) (A)	**-137.9**	**-143.0**
Vacancy cost	18.8	21.5
EPRA costs (excluding vacancy costs) (B)	**-119.1**	**-121.5**
Gross rental income less property expenses	593.8	607.2
EBITDA from hotel operating properties & coworking, income from other activities and fair value	74.1	108.1
Gross rental income (C)	**667.9**	**715.3**
EPRA costs ratio (including vacancy costs) (A/C)	**20.6%**	**20.0%**
EPRA costs ratio (excluding vacancy costs) (B/C)	**17.8%**	**17.0%**

The EPRA cost ratio is decreasing mainly due to lower unpaid rents and gross rental income increase.

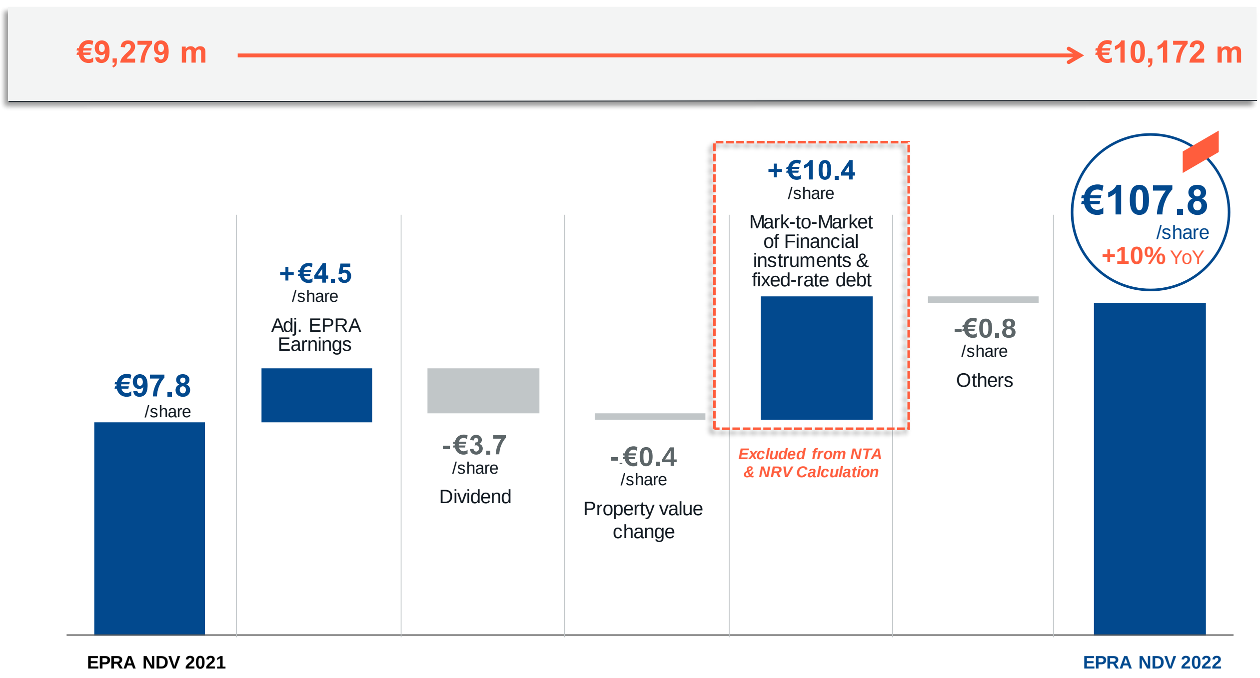
5.8. Adjusted EPRA Earnings: increase of +5% to €430.2 million

(€million)	2021	2022
Net income Group share (Financial data §3.3)	**923.6**	**620.7**
Change in asset values	-553.9	119.5
Income from disposal	4.7	-15.8
Acquisition costs for shares of consolidated companies	10.6	0.4
Changes in the value of financial instruments	-86.4	-371.9
Interest charges related to finance lease liabilities (leasehold > 100 years)	4.2	4.6
Rental costs (leasehold > 100 years)	-2.9	-3.3
Deferred tax liabilities	67.0	75.2
Taxes on disposals	15.9	2.1
Adjustment to amortisation	29.1	21.4
Adjustments from early repayments of financial instruments	6.4	1.6
Adjustment IFRIC 21	0.0	0.0
EPRA Earnings adjustments for associates	-7.9	-24.3
Ajusted EPRA Earnings (B)	**410.5**	**430.2**
Adjusted EPRA Earnings in €/share (B)/(C)	**4.35**	**4.58**
Promotion margin	-15.0	-15.3
EPRA Earnings (A)	**395.4**	**414.9**
EPRA Earnings in €/share (A)/(C)	**4.19**	**4.42**
Average number of shares (C)	94,334,096	93,955,927

5.9. EPRA NRV, EPRA NTA and EPRA NDV

	2021	2022	Var.	Var. (%)
EPRA NRV (€ m)	11,091	11,040	-51	-0.5%
EPRA NRV / share (€)	116.9	117.0	+0.1	+0.1%
EPRA NTA (€ m)	10,100	10,044	-56	-0.6%
EPRA NTA / share (€)	106.4	106.4	+0.0	+0.0%
EPRA NDV (€ m)	9,279	10,172	+892	+9.6%
EPRA NDV / share (€)	97.8	107.8	+10.0	+10.2%
Number of shares	94,882,277	94,385,959	-496,318	-0.5%

Evolution of EPRA NDV



Reconciliation between shareholder's equity and EPRA NAV

	2021 (€ m)	€ per share	2022 (€ m)	€ per share
Shareholders' equity	**9,194**	**96.9**	**9,443**	**100.0**
Fair value assessment of operating properties	175		227	
Duties	921		918	
Financial instruments	99		-334	
Deferred tax liabilities	702		786	
EPRA NRV	**11,091**	**116.9**	**11,040**	**117.0**
Duties	-886		-884	
Goodwill and intangible assets	-78		-68	
Deferred tax liabilities	-27		-44	
EPRA NTA	**10,100**	**106.4**	**10,044**	**106.4**
Optimization of duties	-35		-34	
Intangible assets	28		17	
Fixed-rate debts (1)	-40		553	
Financial instruments	-99		334	
Deferred tax liabilities	-675		-742	
EPRA NDV	**9,279**	**97.8**	**10,172**	**107.8**

(1) Excluding credit spread impact of €67.3M

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

The real estate portfolio held directly by the Group was valued on 30 December 2022 by independent real estate experts such as Cushman, REAG, CBRE, HVS, JLL, BNPP Real Estate, MKG and CFE. This did not include:

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

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

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

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

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

Fair value assessment of operating properties

In accordance with IFRS, operating properties are valued at historical cost. To take into account the appraisal value, a €227 million value adjustment was recognised in EPRA NRV, NDV, NTA.

Fair value adjustment for own occupied buildings and operating hotel properties

In accordance with IAS 40, owner-occupied buildings and operating hotel properties are not recognised at fair value in the consolidated financial statements. In line with EPRA principles, EPRA NRV was adjusted for the difference resulting from the fair value appraisal of the assets for €74.0 million. The market value of these assets is determined by independent experts.

Fair value adjustment for fixed-rate debts

The Group has taken out fixed-rate loans (secured bond and private placement). In accordance with EPRA principles, EPRA NDV was adjusted for the fair value of fixed-rate debt. The impact was +€553 million at 31 December 2022.

Recalculation of the base cost excluding duties of certain assets

When a company, rather than the asset that it holds, can be sold, transfer duties are re-calculated based on the company's net asset value (NAV). The difference between these re-calculated duties and the transfer duties already deducted from the value had an impact of €33.9 million at 31 December 2022.

Deferred tax liabilities

The EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

For this purpose, the Group uses the following method:

- **Offices**: takes into account 50% of deferred tax considering the regular asset rotation policy,
- **Hotels**: takes into account deferred tax on the non-core part of the portfolio, expected to be sold within the next few years,
- **Residential**: includes the deferred tax linked to the building classified as Assets available held for sale, considering the low level of asset rotation in this activity.

5.10 CAPEX by type

€ million	2021		2022	
	100%	Group share	100%	Group share
Acquisitions [1]	7	4	58	35
Development	359	249	239	155
Investment Properties	206	136	241	161
Capitalized expenses on development portfolio [2] (except under equity method)	67	59	38	30
Total	**639**	**448**	**577**	**381**

[1] Acquisitions including duties

[2] Financial expenses capitalized, commercialization fees and other capitalized expenses

The € 155 million group share of Development Capex relates to acquisition and renovation expenses on development projects (excluding properties under equity method and assets under operation but including Capex on 2022 deliveries).

The €161 million group share of Investment Properties is mainly composed of:

- c.€56 million on offices: refurbishment work (c.€41 million) and tenant improvement (c.€15 million) to enhance the value on strategic offices such as CB21, Boulogne, Lyon, Italian offices
- €25 million of modernisation Capex on hotels, with the aim to improve the quality of assets and benefit from increased revenues and performance,
- €44 million of modernization Capex on German Residential, generating revenues
- €20 million maintenance Capex on German Residential,
- €16 million corresponding to studies and capex on development projects not yet committed.

5.11. EPRA LTV

The following table is published for the first time, in line with EPRA recommendations.

EPRA LTV As at Dec. 31, 2022 (€ million, Group share)	Group €M as reported	Proportionate Consolidation Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	Combined
Include:					
Borrowings from Financial Institutions	5,998	197		-2,371	3,824
Commercial paper	743			-	743
Hybrids (including Convertibles, preference shares, debt, options, perpetuals)	-			-	-
Bond Loans	3,946			-645	3,301
Foreign Currency Derivatives (futures, swaps, options and forwards)	-			-	-
Net Payables	-			-	-
Owner-occupied property (debt)	-			-	-
Current accounts (Equity characteristic)	-			-	-
Exclude:					
Cash and cash equivalents	462	43		-140	365
Net Debt (a)	**10,225**	**154**	**-**	**-2,876**	**7,503**
Include:					
Owner-occupied property	2,019	13		-837	1 195
Investment properties at fair value	21,138	541		-7,183	14,496
Properties held for sale	259	-		-31	228
Properties under development	1,574			-203	1,371
Intangibles	-			-	-
Net Receivables	128	9		-4	133
Financial assets	344			-159	185
Total Property Value (b)	**25,462**	**563**	**-**	**-8,417**	**17,608**
Real Estate Transfer Taxes	1,307	124		-513	918
Total Property Value (incl. RETTs) (c)	**26,769**	**687**	**-**	**-8,930**	**18,526**
LTV (a/b)	**40.2%**				**42.6%**
LTV (incl. RETTs) (a/c) (optional)	**38.2%**				**40.5%**

LTV	**42.6%**
Duties	-2.1%
Preliminary Agreements	-0.7%
Other effects (including consolidation restatements)	-0.3%
LTV Including Duties	**39.5%**

5.12. EPRA performance indicator reference table

EPRA information	Section	in %	Amount in €	Amount in €/share
EPRA Earnings	5.8		€415 m	€4.4/share
Adjusted EPRA Earnings	5.8		€430 m	€4.6/share
EPRA NRV	5.9		€11,040 m	€117.0/share
EPRA NTA	5.9		€10,044 m	€106.4/share
EPRA NDV	5.9		€10,172 m	€107.8/share
EPRA net initial yield	5.6	3.6%		
EPRA topped-up net initial yield	5.6	3.8%		
EPRA vacancy rate at year-end	5.2	4.3%		
EPRA costs ratio (including vacancy costs)	5.7	20.0%		
EPRA costs ratio (excluding vacancy costs)	5.7	17.0%		
EPRA LTV	5.11	42.6%		
EPRA indicators of main subsidiaries	6	-		

6. FINANCIAL INDICATORS OF THE MAIN ACTIVITIES

	Covivio Hotels			Covivio Immobilien		
	2021	**2022**	**Change. (%)**	**2021**	**2022**	**Change. (%)**
EPRA Earnings (full year - M€)	99.0	**220.9**	+123.1%	162.5	**166.3**	+2.4%
EPRA NRV	3,868	**4,105**	+6.1%	5,470	**5,733**	+4.8%
EPRA NTA	3,498	**3,722**	+6.4%	4,953	**5,199**	+5.0%
EPRA NDV	3,167	**3,763**	+18.8%	4,134	**4,574**	+10.6%
% of capital held by Covivio	43.8%	**43.9%**	+0.1pts	61.7%	**61.7%**	-
LTV including duties	37.1%	**35.0%**	-2.1pts	32.0%	**31.7%**	-0.3pts
ICR	3.1	**6.0**	+2.9pts	6.8	**7.3**	+0.5pts

7. GLOSSARY

Net asset value per share: NRV, NTA and NDV

NRV (Net Reinstatement Value) per share, NTA (Net Tangible Assets) per share and NDV (Net Disposal Value) per share are calculated pursuant to the EPRA recommendations, based on the shares outstanding as at year-end (excluding treasury shares) and adjusted for the effect of dilution.

Operating assets

Properties leased or available for rent and actively marketed.

Rental activity

Rental activity includes mention of the total surface areas and the annualized rental income for renewed leases, vacated premises and new lettings during the period under review.

For renewed leases and new lettings, the figures provided take into account all contracts signed in the period so as to reflect the transactions completed, even if the start of the leases is subsequent to the period.

Lettings relating to assets under development (becoming effective at the delivery of the project) are identified under the heading "Pre-lets".

Cost of development projects

This indicator is calculated including interest costs. It includes the costs of the property and costs of construction.

Definition of the acronyms and abbreviations used:

MRC: Major regional cities, i.e. Lyon, Bordeaux, Lille, Aix-Marseille, Montpellier, Nantes and Toulouse
ED: Excluding Duties
ID: Including Duties
IDF: Paris region (Île-de-France)
ILAT: French office rental index
CCI: Construction Cost Index
CPI: Consumer Price Index
RRI: Rental Reference Index
PACA: Provence-Alpes-Côte-d'Azur
LFL: Like-for-Like
GS: Group share
CBD: Central Business District
Rtn: Yield
Chg: Change
MRV: Market Rental Value

Firm residual term of leases

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

Green Assets

“Green” buildings, according to IPD, are those where the building and/or its operating status are certified as HQE, BREEAM, LEED, etc. and/or which have a recognised level of energy performance such as the BBC-effinergieR, HPE, THPE or RT Global certifications.

Unpaid rent (%)

Unpaid rent corresponds to the net difference between charges, reversals and irrecoverable loss of income divided by rent invoiced. These appear directly in the income statement under net cost of irrecoverable income.

Loan To Value (LTV)

The LTV calculation is detailed in Part 4 “Financial Resources”.

LTV EPRA is available in the dedicated EPRA reporting, Part 5.

Rental income

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

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

Annualized “topped-up” rental income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any relief.

Portfolio

The portfolio presented includes investment properties, properties under development, as well as operating properties and properties in inventory for each of the entities, stated at their fair value. For the hotel operating properties, it includes the valuation of the portfolio consolidated under the equity method. For offices in France, the portfolio includes asset valuations of Euromed and New Vélizy, which are consolidated under the equity method.

Projects

- Committed projects: these are projects for which promotion or construction contracts have been signed and/or work has begun and has not yet been completed at the closing date. The delivery date for the relevant asset has already been scheduled. They might pertain to VEFA (pre-construction) projects or to the repositioning of existing assets.
- Managed projects: These are projects that might be undertaken and that have no scheduled delivery date. In other words, projects for which the decision to launch operations has not been finalised.

Yields/return

The portfolio returns are calculated according to the following formula:

$$\frac{\text{Gross annualized rent (not corrected for vacancy)}}{\text{Value excl. duties for the relevant scope (operating or development)}}$$

The returns on asset disposals or acquisitions are calculated according to the following formula:

$$\frac{\text{Gross annualized rent (not corrected for vacancy)}}{\text{Acquisition value including duties or disposal value excluding duties}}$$

EPRA Earnings

EPRA Earnings is defined as "the recurring result from operating activities". It is the indicator for measuring the company's performance, calculated according to EPRA's Best Practices Recommendations. The EPRA Earnings per share is calculated using the average number of shares (excluding treasury shares) over the period under review.

Calculation:

(+) Net Rental Income

(+) EBITDA of hotels operating activities and *Coworking*

(+) Income from other activities

(-) Net Operating Costs (including costs of structure, costs on development projects, revenues from administration and management)

(-) Depreciation of operating assets

(-) Net change in provisions and other

(-) Cost of the net financial debt

(-) Interest charges linked to finance lease liability

(-) Net change in financial provisions

(+) EPRA Earnings of companies consolidated under the equity method

(-) Corporate taxes

(=) EPRA Earnings

Surface

SHON: Gross surface

SUB: Gross used surface

Debt interest rate

Average cost:

$$\frac{\text{Financial Cost of Bank Debt for the period} + \text{Financial Cost of Hedges for the period}}{\text{Average cost of debt outstanding in the year}}$$

Spot rate: Definition equivalent to average interest rate over a period of time restricted to the last day of the period.

Occupancy rate

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

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

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

The “Occupancy rate” indicator includes all portfolio assets except assets under development.

Like-for-like change in rent

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

This change is restated for certain severance pay and income associated with the Italian real estate (IMU) tax.

Given specificities and common practices in German residential, the Lile-for-Like change is computed based on the rent in €/m² spot N versus N-1 (without vacancy impact) on the basis of accounted rents.

For operating hotels (owned by FDMM), like-for-like change is calculated on an EBITDA basis

Restatement done:

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

Like-for-like change in value

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

The like-for-like change presented in portfolio tables is a variation taking into account CAPEX works done on the existing portfolio. The restated like-for-like change in value of this work is cited in the comments section. The current scope includes all portfolio assets.

Restatement done:

- Deconsolidation of acquisitions and disposals realised over the period
- Restatement of work realised on assets under development during period N