Paris, 20 July 2023, 6:00 pm

First-half 2023 results:

Solid operating performance, balance sheet strengthened

"In a real estate environment marked by rising interest rates and a slowdown in the investment market, Covivio is rapidly adapting. The €350m of new disposal agreements as well as the scrip dividend further reinforce the balance sheet's solidity. Meanwhile, strong like-for-like revenue growth of 7.6% has allowed us to raise our recurring net income guidance for 2023."
Christophe Kullmann, Covivio Chief Executive Officer

+7.6% like-for-like revenue growth

- Revenues of €321 million in Group share, up 5% as reported and up 7.6% like-for-like
- Offices: 68,750 m² of offices let or renewed and like-for-like rental growth of +5.3%
- Germany Residential: acceleration of like-for-like growth (+3.8%) and average reversion of +20%
- Hotels: up 20% like-for-like, including variable revenues up 42% and fixed rents up 10%
- 95.8% occupancy rate and 7-year firm average lease maturity

Maintained healthy balance sheet despite values adjustment

- Portfolio value at €16.4 billion (€24.8 billion at 100%), down -5.5% like-for-like and -7.8% over one year
- €350 million (€437 million at 100%) in new disposal agreements year-to-date
- Scrip dividend option 79% subscribed, thereby strengthening the balance sheet by €279 million
- €765 million financed or refinanced in H1 2023, reducing 2024/2025 debt maturities
- BBB+ rating and stable outlook confirmed by S&P in May 2023

Stable recurring net income

- Recurring net income of €223.4 million or €2.36 per share, stable year-on-year despite the impact of disposals
- Debt ratio contained (LTV at 40.7%)
- Net tangible assets (EPRA NTA) impacted by values decline: €91.1 per share (down 14% over six months)

New ESG milestones reached

- Adoption of "Say on Climate" resolution at 94%, publication of Second Climate Report, and share of certified portfolio at 93.5%
- S&P Global Rating score raised to 85/100 and "sector leader" status confirmed
- Proportion of green debt raised to 50% from 38% at end-2022

2023 guidance raised

- Strong operating momentum offsetting the increase in financial expenses
- 2023 adjusted EPRA Earnings guidance raised to around €420 million from initial €410 million

Covivio: a diversified and continuously adapting portfolio

Covivio has a €24.8 billion (€16.4 billion Group share) portfolio of diversified assets in Europe, in sectors where it is a leading player:

- **54% of the portfolio comprises offices** in France, Italy and Germany, mainly in central locations in Paris, Milan and the main German cities;
- **Germany Residential represents 30% of the portfolio.** It is located in the city centres of Berlin, Dresden, Leipzig, Hamburg, and in major cities in North Rhine-Westphalia;
- **Hotels (16% of the portfolio),** located in major European tourist destinations (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.), are let to and managed by major operators such as Accor, IHG, B&B, NH Hotels, etc.

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

1. **Central locations in major European cities,** primarily Paris, Berlin and Milan. As a result, 97% of the properties 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 62% 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, including hybrid offers combining commercial leases and flexible contracts.

Solid operating performance across all business lines

Offices: +5.3% like-for-like rental growth

Consolidation of take-up, continued increase in prime rents[1]

After two strong years in 2021 and 2022, take-up is slowing on average in Europe. In Greater Paris, take-up fell 22% to 816,200 m² for the first half of 2023. Demand remains largely focused on the most central districts, with Paris inner-city accounting for nearly 44%. While immediate supply increased 10% year-on-year to 4.5 million m² (8% vacancy rate), it fell 21% over the same period in Paris CBD, with a vacancy rate down to below 2.5%. This accentuated polarisation continued to boost prime rents, up 9% year-on-year and crossing the €1,000/m²/year mark for the first time ever. Incentives slightly increased to 24.6% on average, with strong disparities between Paris CBD (16%) and La Défense (34%).

These trends are also observable in Milan and the main German cities. In Milan, after a record year 2022, take-up fell 20% to 202,000 m². The average vacancy rate stood at 10.8% but remains limited in the city centre (5.1%). Prime rents rose 4% year-on-year to €700/m²/year.

Lastly, in the six largest German cities, take-up fell 35% to 1.1 million m², while the vacancy rate rose 0.5pt to 6% (but remained low in Berlin, Hamburg, and Cologne at 3.9%). Prime rents continued to rise, up 11% year-on-year, including a 5% increase in Berlin (€540/m²/year).

On average in Europe, BNP Paribas Real Estate expects take-up to fall around 10% in 2023 followed by a 5% upswing in 2024.

Dynamic first-half letting activity

In this context, Covivio's letting performance remained dynamic, boosted by its strategy focused on centrality, new or renewed offices and client-centricity, adapting its strategy in less central localisations. Lettings and lease renewals totalled 68,750 m² over six months, comprising 44,600 m² of new lettings and 24,150 m² of lease renewals.

In France, several significant lettings are worth noting, with strong momentum in the second quarter:

- 3,514 m² in CB21 (La Défense), bringing the occupancy rate to 99% compared to 93% at the beginning of the year;
- 6,110 m² let in the Atlantis building (Issy-les-Moulineaux), a few months after the departure of the long-standing tenant occupying 11,500 m², bringing the occupancy rate to 56%;
- 1,439 m² in the 32 B building (Boulogne), resulting in full occupancy;
- 1,503 m² in the So Pop building (Paris-Saint Ouen), now 39% let;
- 7,875 m² in the Maslö building (Levallois), bringing the occupancy rate to 68% compared to 43% at end-2022, a few months after delivery.

Germany enjoyed a brisk first half with 11,179 m² of new lettings, including 7,776 m² in the Zeughaus building (Hamburg), bringing the occupancy rate to 95%. 22,049 m² of leases have also been renewed, including 7,901 m² in the CCC building and 5,993 m² on FAC building (both in Frankfurt), as well as 2,930 m² in Zeughaus.

In Italy, the trend remained highly favourable and the occupancy rate stayed above 98%.

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[1] *Sources: BNP Paribas Real Estate, Immostat, DILS, JLL*

Following these letting successes, the occupancy rate, impacted in the first quarter by two asset deliveries and one departure, rebounded 90 bp in the second quarter and stood at 93.1% at end June. Like-for-like growth increased 5.3%, mainly driven by indexation (5.2 pts).

Germany Residential: accelerating rental growth

Ongoing increase in market rents

Germany's structural housing shortage is growing steadily (particularly in Berlin), in the face of strong immigration and dwindling supply. It is expected to exceed 700,000 units over the coming years.

As a result, pressure is intensifying on market rents, which continue to grow, up 7.6%[2] over six months and up 15.6% year-on-year for existing buildings in Berlin (around €12.8/m²/month at 30 June 2023). In addition, the latest indexation indices published in Germany (Mietspiegel) rose sharply, up 6% in Dresden, 21% in Munich and 5.4% in Berlin (which is expecting a second index revision in 2024).

Steepening like-for-like growth

Against this backdrop, the high-quality portfolio, mainly located in Berlin, posted robust performances benefitting from a 99.1% occupancy rate. Like-for-like rental growth accelerated in the first half to 3.8% (vs. 3.1% in 2022), driven by indexation (1.8 pp), modernisation works (1.1 pp) and reversion (1.1 pp). As such, relettings were realized with +20% reversion, of which 27% in Berlin.

Hotels: strong first-half growth

Sharp rise in average prices and return to 2019 levels

Hotel performance in the first half of 2023 pursued its growth path driven by sharp rises in average prices, but also since May by a return to occupancy rates close to or above their 2019 levels (down 1.9 pp in Europe and up 1.2 pp in France). The existing strong domestic customer base strengthened further, while international customers also started to return. All hotel market segments from economy through to upscale benefited from these trends.

As a result, RevPAR rose 12.7% on average in Europe, up 20% in May alone. Covivio's main markets significantly exceeded their 2019 performance: Italy (up 43% in May), France (up 29%) and the UK (up 17%). After trailing behind for some time, Germany, which is more exposed to business customers, also posted a marked increase in performance in May (up 14%).

The medium-term outlook remains favourable and was even revised upwards by Oxford Economics between January and June 2023 (night in hotels expectations), up 10% and 20% respectively in France and Italy. In the short term, the summer period augurs well, with expected improvements versus 2022 performance driven by Southern European countries.

First-half revenues up 20% like-for-like

The excellent first-half performance by the hotel market resulted in revenue growth of 20.3% like-for-like. Boosted by a favourable base effect, variable revenues rose 42%: variable rents from the AccorInvest portfolio rose 32% like-for-like, driven by strong performances from the Paris assets, while EBITDA from hotel operating properties rose 54%.

Fixed-rent revenues also rose sharply, up 10% like-for-like, driven by indexation (4.7 pp) the triggering of additional variable rents (4.6 pp) linked to solid performance as well as asset management operations (0.4 pt).

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[2] *Source: Immoscout24*

Maintained healthy balance sheet

€350 million in new disposal agreements in 2023

Since the beginning of the year, amid an investment market slowdown, Covivio has made further headway with its disposal programme, with a second quarter upswing.

Accordingly, €350 million of new disposal agreements (€437 million at 100%) were obtained in 2023 at an average margin of -1.2% versus end-2022 appraisal values.

In terms of breakdown, Covivio leveraged its diversified portfolio by obtaining new disposal agreements in all three asset classes: €268 million in offices (€278 million at 100%), at an average margin of -2.2%; €24 million (€35 million at 100%) in Germany residential, at an average margin of 6.7%, through privatisation (€9 million) and small block disposals (€15 million); €58 million (€123 million at 100%) in hotels, mainly in Southern Europe, close to end-2022 appraisal values.

As such, in seven months, Covivio agreed on €550 million disposal agreements representing 37% of the disposal plan announced in December 2022 (€1.5 billion to be completed by end-2024). In addition, advanced negotiations are underway for a further €350 million in disposals.

Quality refocusing of development pipeline

During the first half, Covivio delivered three office buildings representing a total of €356 million Group share and an average yield of 5.4%.

In Vélizy, Covivio delivered a 27,500 m² extension for Dassault Systèmes under its ongoing long-term partnership. In Paris/Levallois-Perret, the 20,800 m² Maslö building delivered in January is now 68% let. Finally, Le Floria, a 9,300 m² building in Fontenay, was also delivered.

Meanwhile, the Group continues to upgrade the portfolio and refocus on city centres, including the start of redevelopment work on the Grands Boulevards building in Paris CBD. Previously occupied at low rents by Orange, this 7,500 m² asset will undergo complete refurbishment involving €68 million of Capex, which will allow the rent to be increased significantly. The marginal return will therefore be over 6%.

At end June, Covivio had a committed project pipeline worth €1.6 billion (down 20% vs. end 2022, and down 33% year-on-year), 82% located in city centres (vs. 80% at end-2022), 62% pre-let, representing an average expected yield of 5.5% and average remaining Capex of €165 million per year from now until 2027.

Successful scrip dividend option 79.3% subscribed by shareholders

The scrip dividend option was 79.3% subscribed. This transaction allowed Covivio to further strengthen its balance sheet via a €279 million capital increase, thereby confirming shareholder confidence in Covivio's strategy. Settlement-delivery took place on 1 June 2023, resulting in the issuance of 6,220,293 new shares.

€765 million financed or refinanced in H1 2023, reducing 2024/2025 debt maturities

Covivio has anticipated a large portion of its 2024 and 2025 maturities, securing a total of €765 million in financing or refinancing (€737 million Group share), 89% *Green*.

Accordingly, €585 million in green corporate credit facilities were secured over an average term of more than 6 years, plus €81 million in mortgage financing and €99 million in extension of existing bond.

As such, nearly 25% of 2024 and 2025 debt instalments were processed during the first half.

Liquidity also improved over the semester, to €1.15Bn (undrawn credit line and cash, net of commercial papers) vs. €0.8Bn end-2022.

Significant -5.5% downward value adjustment in H1 2023

In view of the new interest rate and investment market environment, **the group's portfolio value** (valued every six months by independent appraisers) **fell 5.5% like-for-like (and by 7.8% over one year) to €24.8 billion (€16.4 billion Group share)**. The increase in capitalisation rates (around 36 bp over six months on a like-for-like basis) was partly offset by rental momentum across all business lines. Average portfolio yield was 4.7% (compared with 4.4% at end 2022).

Office asset values were down 5.7% like-for-like. Rental market polarisation is also reflected in asset values, where there is a **strong disparity between core assets in city centres (down 3.4%), core assets outside city centres (down 7.4%) and non-core peripheral assets (down 18%, and down nearly 25% year-on-year).**

Values in Germany Residential fell by 7.3%, across all regions: North Rhine-Westphalia (down 6.4%), Hamburg (down 6.8%), Berlin (down 7.4%) and Dresden and Leipzig (down 9.9%). Metric values based on block appraisals, remained well below average retail market prices. The average portfolio value was €3,221/m² in Berlin (compared to an average retail market price of €4,900/m²), €3,836/m² in Hamburg, €2,241/m² in Dresden and Leipzig and €1,919/m² in North Rhine-Westphalia.

Hotel values were more resilient (down 0.8% like-for-like), benefiting from a higher initial yield and the ongoing business recovery. Values of variable-leased assets fell by 0.5% and fixed-rents assets by 1.1%.

ESG strategy: further achievements in 2023

Increasing proportion of green debt to 50% from 38% at end-2022

A pioneer in the issuance of Green Bonds since 2016, Covivio has taken a step further towards aligning its financing policy with its ESG goals by publishing a Green Financing Framework for its hotel subsidiary and launching the conversion of its bond issues (€949 million) into Green Bonds. Already €3.8 billion in hotel assets are eligible for Green Bond allocation criteria. The Group intends to increase this proportion by pursuing its continuous portfolio quality improvement programme.

With the addition of green financing during the semester, the proportion of Covivio's green debt has now risen to 50% compared with 38% at end-2022.

Adoption of "Say on Climate" resolution, publication of 2023 Climate Report, and increasing portfolio certification

In an ongoing drive to strengthen its environmental commitments, Covivio obtained a 94% majority vote on the "Say on Climate" resolution at the General Meeting, allowing shareholders to express an opinion on Covivio's climate plan for 2030. The climate plan includes objectives covering all of the Group's activities in Europe and the entire asset life cycle: construction, materials, operation and refurbishment. These targets for 2030, approved by the Science-Based Target initiative (SBTi), include: (i) efforts to reduce greenhouse gas emissions by 40% in intensity (vs. 2010), allowing a 1.5°C alignment across the operational scope (scopes 1 and 2) and "well below" 2°C for indirect emissions (scope 3), and (ii) a "net zero" contribution for direct activities (scopes 1 and 2).

Covivio has also published its second climate report and increased its share of portfolio certified to 93.5% (vs. 93.2% at end-2022), including 63.4% of offices portfolio certified Very Good or higher.

Improvement in S&P Global Ratings score

On 7 July 2023, S&P Global Ratings raised its ESG rating to 85/100 (vs. 83/100), justifying its new recommendation on grounds of improvements in environmental performance and governance. The rating agency cited the improved impact on biodiversity through the use of the Global Biodiversity Score tool, the €254 million green Capex plan for 2030 designed to meet the carbon trajectory and the "Say on Climate" resolution.

Resilient H1 2023 results

7.6% like-for-like revenue growth

The excellent operating performance achieved by our three business lines resulted in a 5.0% like-for-like increase in rental income to €494.7 million (€321.2 million Group share), including **7.6% like-for-like growth**. **Like-for-like growth is mainly driven by indexation (3.8 pp), reversion (0.7 pp) and variable hotel revenues (3.1 pp).** The average occupancy rate for the portfolio stood at 95.8%.

H1 2023, €m	Rental income H1 2022 Group share	Rental income H1 2023 100%	Rental income H1 2023 Group share	Like-for-like change Group share	Occupancy rate %	Firm lease duration in years
France Offices	*86.1*	*101.1*	*87.1*	+4.9%	92.0%	4.8
Italy Offices	*55.4*	*65.3*	51.3	+5.5%	98.5%	6.7
Germany Offices	*22.7*	*27.2*	24.2	+6.7%	86.0%	4.3
Total Offices	164.2	193.6	162.6	+5.3%	93.1%	5.3
Germany Residential	87.2	141.8	91.8	+3.8%	99.1%	n.a.
Hotels in Europe	53.4	157.4	65.9	+20.3%	100.0%	12.6
Total strategic activities	**304.8**	**492.8**	**320.3**	**+7.6%**	**95.8%**	**7.0**
Non-strategic (retail)	1.0	1.9	0.8	+4.5%	100.0%	7.5
TOTAL	**305.8**	**494.7**	**321.2**	**+7.6%**	**95.8%**	**7.0**

Recurring net income (adjusted EPRA Earnings) stable at €223 million

Adjusted EPRA Earnings amounted to €223.4 million or €2.36 per share, stable over one year. The recovery in the hotel business and strong like-for-like revenue growth offset the decline in property development margins, the impact of disposals and the increase in financial expenses. Under the impact of falling values, the Group posted a net loss of €690 million.

NAV decline by around 8% over six months

The half-yearly value adjustments (down 5.5%) as well as the payment of the full dividend during the semester are mainly responsible for the decline in NAV, with an accentuated impact on NAV per share due to the increase in the number of shares following exercise of the scrip dividend option. EPRA Net tangible assets (NTA) was down 8.7% to €9.2 billion and down 14.4% to €91.1 per share. EPRA Net disposal value (NDV) fell likewise to €9.4 billion and €93.0 per share. Lastly, EPRA Net reinstatement value (NRV) amounted to €10.1 billion and €100.4 per share.

40.7% LTV ratio, close to the policy < 40%

Since December 2022, the measures taken to strengthen the balance sheet have enabled the Group to reduce net debt Group share by €175 million to €7.4 billion. The finalisation of disposal agreements over the coming months is expected to further reduce net debt to €7.1 billion.

The debt coverage ratio (LTV including duties and preliminary sale agreements) is therefore under control at 40.7%, despite the payment of the full dividend during the first half and value adjustments. Thanks to the first-half refinancing arrangements and extensive hedging, the increase in the average interest rate on debt was limited at 1.46% compared to 1.24% at end-2022, while the interest coverage ratio (ICR) remained high (6.1x). The net debt to EBITDA ratio improved from 14.2x at end-2022 to 13.5x.

Thus, Covivio relies on diversified debt with an average maturity of 4.7 years. The active hedging ratio stood at 90% with an average maturity of 5.8 years for hedging instruments. Coupled with solid operating performances, these factors contributed to S&P’s confirmation of its BBB+, stable outlook rating on 16 May 2023.

2023 guidance raised

Amid a turbulent financial environment and real estate investment market, Covivio is reaping the benefits of its strategy by strengthening its balance sheet and capitalising on favourable trends in its rental markets. Hotel revenues are better than expected, as is the contribution from office rent indexation.

Covivio has therefore decided to raise its 2023 adjusted EPRA Earnings target to €420 million from the initial objective of €410 million (€4.3 per share).

Over the medium term, Covivio will continue to strengthen its balance sheet quality, by pursuing its disposal programme (€950 million still to reach by the end of 2024). At the same time, Covivio will continue to rely on its diversified portfolio underpinned by solid growth potential in rental income. In offices, the rental market polarization will continue to benefit the 67% core offices in city centres, while the 26% core offices outside city centres are mainly let under long-term leases (6.4 years) to premium tenants. The 7% of non-core assets will be transformed into residential or sold. In Germany Residential, rental reversion potential has increased and the indexation indices (including a further Mietspiegel revision in Berlin in 2024) will contribute to like-for-like growth. Lastly, the outlook for hotels (night in hotels expectations) has been revised upwards since the beginning of the year and the change in demand has spawned a multitude of asset management opportunities generating a high return on investment.

AGENDA

- Q3 2023 activity: 19th October 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 €24.8bn 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) / 85/100 by S&P

Corte Italia - Milan

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1. BUSINESS ANALYSIS

A. REVENUES: €495 MILLION AND €321 MILLION GROUP SHARE IN H1 2023

	100%			Group share				
(€ million)	H1 2022	H1 2023	Change (%)	H1 2022	H1 2023	Change (%)	Change (%) LfL	% of revenue
Offices in Europe	**197.7**	**193.6**	**-2.1%**	**164.2**	**162.6**	**-1.0%**	**+5.3%**	**51%**
France Offices	**100.5**	**101.1**	**+0.6%**	**86.1**	**87.1**	**+1.2%**	**+4.9%**	**27%**
Paris	37.2	35.9	-3.4%	34.9	33.9	-3.0%	+1.8%	11%
Greater Paris (excl. Paris)	47.8	48.4	+1.3%	37.7	39.3	+4.1%	+3.9%	12%
Major regional cities	12.6	15.5	+23.0%	10.6	12.8	+20.4%	+17.0%	4%
Other French Regions	2.9	1.2	-57.9%	2.9	1.2	-57.9%	-8.6%	0%
Italy Offices	**71.6**	**65.3**	**-8.8%**	**55.4**	**51.3**	**-7.5%**	**+5.5%**	**16%**
Offices - excl. Telecom Italia	38.5	36.6	-4.8%	38.5	36.7	-4.8%	+4.6%	11%
Offices - Telecom Italia	33.1	28.7	-13.5%	16.9	14.6	-13.5%	+7.8%	5%
German Offices	**25.5**	**27.2**	**+6.4%**	**22.7**	**24.2**	**+6.5%**	**+6.7%**	**8%**
Berlin	3.8	3.7	-2.0%	2.7	2.6	-3.5%	-3.0%	1%
Other cities	21.7	23.4	+7.9%	20.1	21.6	+7.8%	+8.0%	7%
German Residential	**134.8**	**141.8**	**+5.3%**	**87.2**	**91.8**	**+5.3%**	**+3.8%**	**29%**
Berlin	68.7	73.3	+6.7%	45.1	48.1	+6.6%	+3.9%	15%
Dresden & Leipzig	11.4	11.6	+1.5%	7.4	7.5	+1.5%	+3.0%	2%
Hamburg	8.6	9.1	+5.5%	5.6	6.0	+5.5%	+3.3%	2%
North Rhine-Westphalia	46.0	47.9	+4.2%	29.0	30.2	+4.2%	+4.0%	9%
Hotels in Europe	**129.0**	**157.4**	**+22.0%**	**53.4**	**65.8**	**+23.2%**	**+20.3%**	**21%**
Hotels - Lease Properties	**109.7**	**125.8**	**+14.7%**	**45.4**	**52.4**	**+15.5%**	**+14.3%**	**16%**
France	36.8	44.7	+21.3%	13.4	17.0	+26.6%	+25.4%	5%
Germany	15.3	17.0	+11.3%	6.6	7.3	+9.4%	+10.3%	2%
UK	16.4	18.2	+11.6%	7.2	8.0	+11.3%	+12.9%	2%
Spain	16.2	18.3	+13.0%	7.1	8.0	+13.0%	+11.1%	2%
Belgium	6.5	7.5	+15.3%	2.8	3.3	+15.3%	+24.3%	1%
Others	18.6	20.1	+8.2%	8.2	8.8	+8.2%	+4.2%	3%
Hotels - Operating Properties (EBITDA)	**19.2**	**31.6**	**+64.2%**	**8.1**	**13.5**	**+66.7%**	**+53.8%**	**4%**
Total strategic activities	**461.4**	**492.8**	**+6.8%**	**304.8**	**320.3**	**+5.1%**	**+7.6%**	**100%**
Non-strategic	2.2	1.9	-12.4%	1.0	0.8	-12.1%	+4.5%	0%
Total Revenues	**463.6**	**494.7**	**+6.7%**	**305.8**	**321.2**	**+5.0%**	**+7.6%**	**100%**

Group share revenues stand at €321 million vs. €306 million in H1 2022 under the following effects:

- **The revenues of strategic activities increase by +7.6% on like-for-like basis due to :**
  - Office: +5.3% like-for-like, driven by indexation and leasing activity;
  - Hotels: like-for-like revenue increased by +20.3% due to the strong rebound in variable revenues (EBITDA + variable leases) of +42% and a +10% like-for-like growth for fixed lease properties (including UK);
  - German Residential: an accelerated growth of +3.8% like-for-like (vs. 3.1% in 2022).
- **Deliveries of new assets** (+€8 million), mainly in Paris 1st ring
- **Asset disposals** (-€15 million), in mostly in France (-€7 million) and Italy offices (-€8 million);
- **Vacating assets for redevelopment** (-€2 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. Lease expires: 7.0 years average lease term

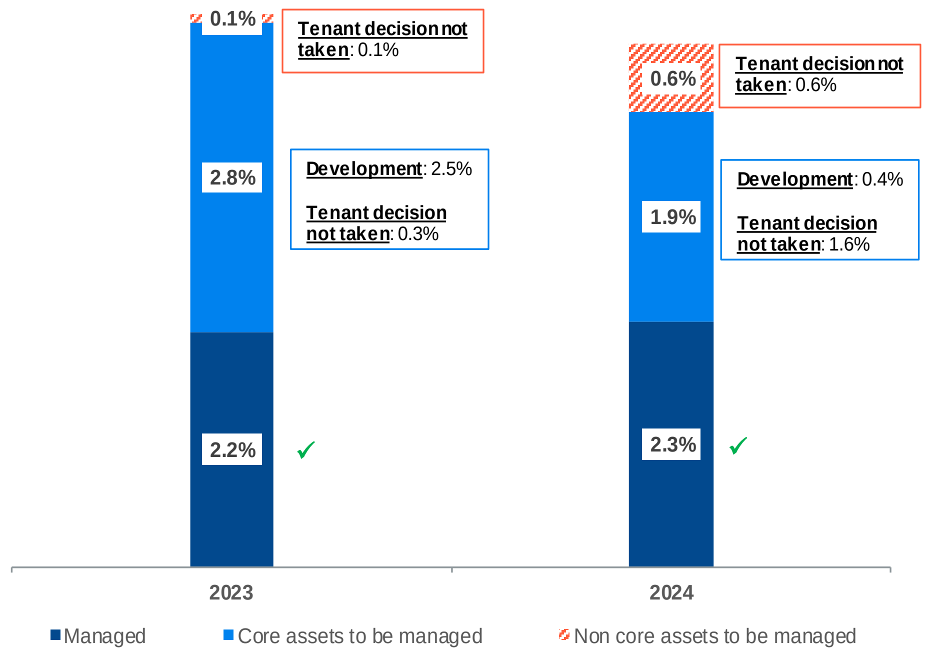
Average lease duration by activity

(Years)	By lease end date (1st break)		By lease end date	
Group share	**2022**	**H1 2023**	**2022**	**H1 2023**
France Offices	4.7	4.8	5.5	5.5
Italy Offices	7.1	6.7	7.7	7.2
Germany Offices	4.5	4.3	5.1	4.7
Total Offices	**5.4**	**5.3**	**6.1**	**5.9**
Hotels in Europe	12.7	12.6	14.1	14.4
Non-strategic	7.9	7.5	8.3	7.9
Total	**7.0**	**7.0**	**7.8**	**7.9**

The average firm residual duration of leases remains high, at 7.0 years at end-June 2023.

Lease expiries schedule

(€ million; Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	35	5%	27	4%
2024	38	5%	23	3%
2025	58	8%	34	5%
2026	21	3%	12	2%
2027	33	5%	23	3%
2028	36	5%	48	7%
2029	30	4%	37	5%
2030	53	8%	56	8%
2031	21	3%	38	5%
2032	30	4%	43	6%
Beyond	125	18%	139	20%
Total Offices and Hotels leases	481	69%	481	69%
German Residential	186	27%	186	27%
Hotel operating properties	31	4%	31	4%
Total	**698**	**100%**	**698**	**100%**



2. Occupancy rate: 95.8% secured

(%)	Occupancy rate	
Group share	**2022**	**H1 2023**
France Offices	94.4%	92.0%
Italy Offices	98.4%	98.5%
German Offices	85.1%	86.0%
Total Offices	**94.4%**	**93.1%**
German Residential	99.2%	99.1%
Hotels in Europe	100.0%	100.0%
Total strategic activities	**96.6%**	**95.8%**
Non-strategic	100.0%	100.0%
Total	**96.6%**	**95.8%**

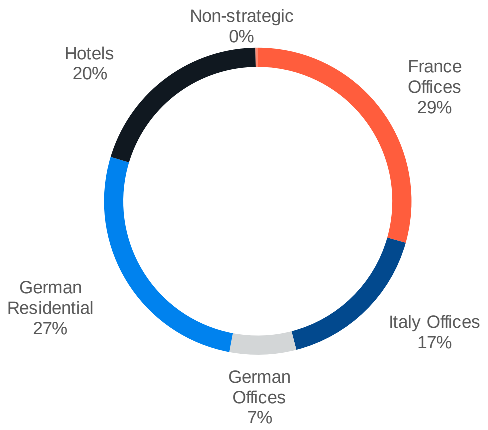
The occupancy rate remains high but recognizes a slight decline by -0.8 pt over six months, to 95.8% for the whole portfolio. Following letting successes, offices occupancy, impacted in Q1 by two deliveries and one departure in Greater Paris, rebounds by +90bps in Q2 2023 to 93.1%.

C. BREAKDOWN OF ANNUALIZED REVENUES

By major tenants

(€ million, Group share)	Annualised revenues H1 2023	%
Orange	37	5%
Accor	33	5%
Telecom Italia	29	4%
NH	22	3%
IHG	18	3%
B&B	18	3%
Suez	18	3%
Dassault	17	2%
Tecnimont	16	2%
Thalès	12	2%
LVMH	8	1%
Natixis	8	1%
EDF / Enedis	7	1%
Fastweb	6	1%
NTT Data Italia	5	1%
Intesa	5	1%
Crédit Agricole	5	1%
Hotels lease properties	11	2%
Other tenants <€5M	236	34%
German Residential	186	27%
Total	**698**	**100%**

By activity



D. COST TO REVENUE RATIO BY BUSINESS

(€ million, Group share)	France Offices[1]	Italy Offices (incl. retail)	Germany Offices	German Residential	Hotels in Europe (incl. retail)[1]	Other (Mainly France Residential)	Total[1]	
	H1 2023	H1 2023	H1 2023	H1 2023	H1 2023	H1 2023	H1 2022	H1 2023
Rental Income	87.1	51.3	21.8	94.2	53.3	0.0	297.7	**307.7**
Unrecovered property operating costs	-9.2	-4.5	-1.9	-1.2	-0.6	0.0	-21.5	**-17.4**
Expenses on properties	-1.0	-2.1	-0.7	-6.5	-0.2	-0.2	-10.1	**-10.6**
Net losses on unrecoverable receivable	1.4	-0.4	-0.4	-1.0	-0.3	0.0	4.0	**-0.7**
Net rental income	**78.4**	**44.4**	**18.9**	**85.4**	**52.1**	**-0.2**	**270.1**	**279.0**
Cost to revenue ratio	**7.7%**	**13.5%**	**13.5%**	**9.3%**	**1.8%**	**0.0%**	**8.3%**	**8.6%**

[1]*Ratio restated of IFRIC21 impact, spread over the year*

E. DISPOSALS: €350M OF NEW AGREEMENTS IN H1 2023

(€ million)		Disposals (agreements as of end of 2022 closed)	Agreements as of end of 2022 to close	New disposals H1 2023	New agreements H1 2023	Total H1 2023	Margin vs 2022 value	Yield	Total Realised Disposals
		1		2	3	= 2 + 3			= 1 + 2
Offices in Europe	100%	150	104	8	270	278	-2.1%	3.7%	158
	Group share	150	100	7	261	268	-2.2%	3.7%	157
Germany Residential	100%	10	2	7	29	35	7.0%	2.8%	17
	Group share	6	1	5	20	24	6.7%	2.8%	11
Hotels in Europe	100 %	26	22	32	91	123	0.2%	7.5%	58
	Group share	8	10	24	34	58	0.4%	7.1%	32
Total	**100 %**	**186**	**127**	**47**	**390**	**437**	**-0.8%**	**4.7%**	**233**
	Group share	**164**	**111**	**36**	**315**	**350**	**-1.2%**	**4.2%**	**200**

New disposals and agreements totalled €350 million Group share (€437 million at 100%) at end-June 2023. Covivio maintained its strategy of qualitative asset rotation. In details, the disposal agreements include:

- **Offices**: €268 million Group share (€278 million at 100%) with an average margin of -2.2%, including €54 million of development capex to be spent.
- **Germany residential:** €24 million Group share (€35 million at 100%) with +48.2% average margin on privatizations (€9 million in Group share) and €15 million on bloc sales (-9.4% margin);
- **Hotels:** €58 million Group share (€123 million at 100%) with +0.4 % margin, including one hotel from Italian offices portfolio (100% owned by Covivio).

F. INVESTMENTS: €149M REALIZED IN H1 2023 GROUP SHARE

€149 million Group share (€197 million at 100%) of capex were realized in H1 2023, to improve the quality of our portfolio and create value:

- Capex in the **development pipeline** totalled €107 million Group share (€135 million at 100%),
- €42 million Group share (€62 million at 100%) relate to **works on the operating portfolio** of which €27 million in German Residential

G. DEVELOPMENT PROJECTS:

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

1. Deliveries: 57,600m² of offices delivered in the first half of 2023

Three offices projects were delivered in H1 2023 in the Greater Paris with an average occupancy rate of 70%. These were:

- Maslo in Levallois (€216 million total cost & 20,800 m²), 68% let vs 43% at the end of 2022;
- DS Campus Extension in Vélizy-Villacoublay (€67 million cost Group Share & 27,500 m²), 100% let;
- Floria in Fontenay-sous-Bois (€33 million total cost & 9,300 m²), 0% let.

2. Committed Office Pipeline: €1.6 Bn Group share pre-let at 62%

Pipeline at end-June 2023:

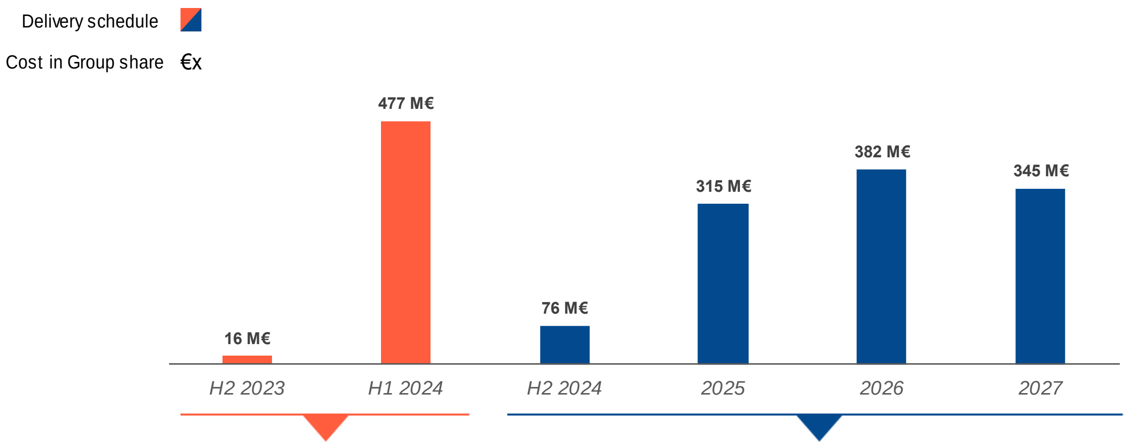
€1.6 Bn	5.5%	62%	82%
cost Group share	yield on cost	pre-let	in city center

Covivio has a pipeline of office buildings in France, Germany, and Italy, the bulk of it (82%) in the city centers of Paris, Milan and Berlin, where demand for prime assets is high. This pipeline is highly pre-let (62%) and will participate to the continued improvement of the portfolio quality.

Committed projects	Surface [1] (m²)	Total Budget [2] (M€, 100%)	Total Budget [2] (M€, Group share)	Pre-let (%)	Target Yield [3] (%)
France Offices	51,350	484	484	75%	6.0%
Italy Offices	89,000	435	435	91%	6.3%
Germany Offices	128,400	1,006	691	26%	4.7%
Total offices	**268,750**	**1,925**	**1,610**	**62%**	**5.5%**

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

- One project was committed in H1 2023: Paris Grands Boulevards in Paris CBD.
- One project is excluded from the pipeline: Paris Anjou following disposal.
- The current pipeline at end-June 2023 is composed of 11 projects.



Next 12-month

Deliveries in H2 2023 & H1 2024

5 office projects in European city centers o/w 2 office projects in Germany and Italy

Beyond 12-month

Deliveries in H2 2024 - 2027

6 prime buildings in high-quality locations (European CBDs, Greater Paris)

Capex still to be spent on the committed development pipeline reaches on average €165 million per year by 2027.

Committed projects	Location	Project (Regeneration / Construction)	Surface [1] (m²)	Delivery year	Pre-leased (%)	Total Budget [2] (M€, 100%)	Total Budget [2] (M€, Group share)	Target Yield [3]
L'Atelier (Madrid St Lazare)	Paris	Regeneration	5,850 m²	2024	100%	102	102	n.a
Paris Grands Boulevards	Paris	Regeneration	7,500 m²	2026	0%	153	153	4.5%
Thalès 2	Meudon	Construction	38,000 m²	2026	100%	229	229	7.0%
To be delivered in 2024 and beyond			**51,350 m²**		**75%**	**484**	**484**	**6.0%**
Total France committed pipeline			**51,350 m²**		**75%**	**484**	**484**	**6.0%**
The Sign D	Milan	Construction	13,200 m²	2024	92%	76	76	6.1%
Corso Italia	Milan	Regeneration	25,700 m²	2025	100%	122	122	6.1%
Rozzano Strada	Milan	Regeneration	12,100 m²	2024	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 committed pipeline			**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%**
Herzogterrassen (94% share)	Düsseldorf	Regeneration	55,700 m²	2024	55%	323	304	4.4%
Loft (65% share)	Berlin	Regeneration	7,600 m²	2024	0%	40	26	5.3%
Alexanderplatz (55% share)	Berlin	Construction	60,000 m²	2027	0%	627	345	4.8%
To be delivered in 2024 and beyond			**123,300 m²**		**23%**	**990**	**675**	**4.6%**
Total Germany committed pipeline			**128,400 m²**		**26%**	**1,006**	**691**	**4.7%**
Total committed pipeline			**268,750 m²**		**62%**	**1,925**	**1,610**	**5.5%**

[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 in H2 2023, for a total budget of €38 million (€58 million at 100%), with a targeted margin >20%.
- At the end of H1 2023, the pipeline is composed of 8 quality projects mostly located in Berlin, where housing shortage is the highest in Germany, totaling 350 residential units and a total cost of €108 million Group share, with a target promotion margin of 13%.

Committed projects	Units	Total Budget[1] (€M, 100%)	Total Budget[1] (€M, Group share Covivio SA)
Berlin - Hochstraße 12	27		
Berlin - Hochstraße 22	10		
Berlin - Großbeerenstraße	73		
Berlin - Markelstr. 38-42	92		
NRW - Westring	28		
Delivered in H2 2023	**230**	**58**	**38**
Berlin - Iceland Sales (EIS 1)	98		
Berlin - Iceland Reigel	3		
Berlin - Iceland Tower (turm) 2	19		
To be sold in 2024 and beyond	**120**	**107**	**70**
Total Germany Residential	**350**	**165**	**108**

3.2 France

- The current pipeline is composed of 6 projects located mainly in the Greater Paris and Bordeaux, representing 59,990 m², a total cost of €167 million Group Share, with a target margin close to 9%. 78% of the projects are already pre-sold.

Committed projects	Units	Total Budget[1] (€M, 100%)	Total Budget[1] (€M, Group share Covivio SA)	Pre-sold (%)
Chartres Sully	110			
Delivered in H2 2023	**110**	**16**	**16**	**100%**
Bobigny CT	158			
Saint-Germain-en-Laye	25			
Fontenay-sous-Bois Tr1	249			
Bordeaux Lac (Ilot 2 & 4)	303			
Antony CDG	68			
To be sold in 2024 and beyond	**803**	**198**	**152**	**76%**
Total French Residential	**913**	**213**	**167**	**78%**

[1] Including land and financial costs

4. Managed Pipeline

4.1 Landbanks:

In the long-term, Covivio also owns more than 300,000 m² of landbanks that could welcome new development projects:

- in Greater Paris and Major French Cities (214,000 m²) mainly for turnkey developments;
- in Milan with Symbiosis and Vitae (30,000 m²) and Porta Romana (75,000 m²);
- and approximately 15,000 m² in Germany, mostly in Berlin.

4.2 Germany residential managed projects:

Covivio continues to strengthen its mid-term pipeline with multiple projects under study for approximately 130,000m² mostly in Berlin.

H. PORTFOLIO

Portfolio value: -5.5% like-for-like change

(€ million, Excluding Duties)	Value 2022 Group Share	Value H1 2023 100%	Value H1 2023 Group share	LfL [1] 6 months change	Yield [2] 2022	Yield [2] H1 2023	% of portfolio
France Offices	5,547	6,097	5,099	-6.7%	4.7%	4.8%	31%
Italy Offices	2,520	2,975	2,485	-1.5%	5.2%	5.4%	15%
German Offices	1,441	1,577	1,332	-9.2%	4.1%	4.5%	8%
Offices in Europe	9,508	**10,649**	**8,916**	**-5.7%**	**4.8%**	**4.9%**	**54%**
Residential Germany	5,238	**7,492**	**4,854**	**-7.3%**	**3.5%**	**3.8%**	**30%**
Hotels in Europe	2,622	**6,585**	**2,613**	**-0.8%**	**5.0%**	**5.5%**	**16%**
Non-strategic	27	53	26	-5.7%	6.3%	6.7%	0%
Total	**17,394**	**24,780**	**16,408**	**-5.5%**	**4.4%**	**4.7%**	**100%**

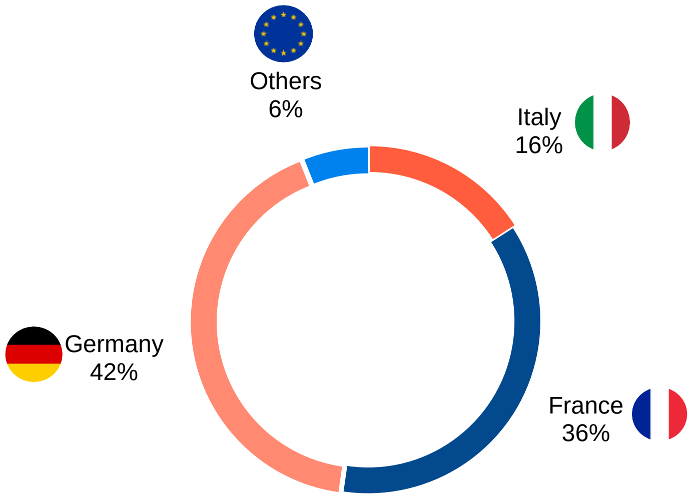
[1] LfL: Like-for-Like

[2] Yield on variable and operating properties based on last 12 months (H2 2022+ H1 2023)

The portfolio decreased by –5.5% like-for-like (-€986 million) to reach €16.4 billion Group share (€24.8 billion in 100%) mostly due to:

- **France Offices** values were down -6.7% like-for-like, with an average yield increasing from 4.7% to 4.8% (+37bps like-for-like increase in capitalization rates and -28bps of scope effects);
- **Italian Offices** values were down -1.5% like-for-like, with an average yield up from 5.2% to 5.4% (+23bps like-for-like increase in capitalization rates and -9bps of scope effects);
- **German Offices** values were down -9.2% like-for-like, with an average yield increasing from 4.1% to 4.5% (+40bps like-for-like increase in capitalization rates);
- **Overall in offices**, asset values were down -5.7% on a like-for-like basis, with substantial disparities between the city centre assets (67% of the portfolio), down -3.7%, and the more pronounced fall of -18.2% in the non-core category (7% of the office portfolio), directly impacted by structural changes in working patterns;
- **Germany Residential** saw a -7.3% decrease **on a like-for-like basis**, across all geographies and an average yield up from 3.5% to 3.8% (+33bps like-for-like increase in capitalization rates);
- **In Hotels,** portfolio remained globally stable (-0.8%), with an average yield increasing from 5% to 5.5%, mostly driven by the increase in capitalization rates (+50bps like-for-like), offset by good operating performance.

Geographical breakdown of the portfolio in H1 2023



I. LIST OF MAIN ASSETS

The value of the ten main assets represents 15% of the portfolio Group share, stable vs end 2022.

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

2. BUSINESS ANALYSIS BY SEGMENT

A. OFFICES: 54% OF COVIVIO'S PORTFOLIO

Since the start of the year, take-up is decreasing in Europe after two strong years in 2021 and 2022, impacted by working from home. However, the attractiveness of prime assets keeps on growing, with a demand increasingly focused on high-quality buildings located in top locations, with a full range of services.

In this context of stronger polarization, Covivio continues to improve its portfolio quality, focusing on attractive locations by developing high-quality assets, mostly in city-centers and attractive business districts with long term partnerships.

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

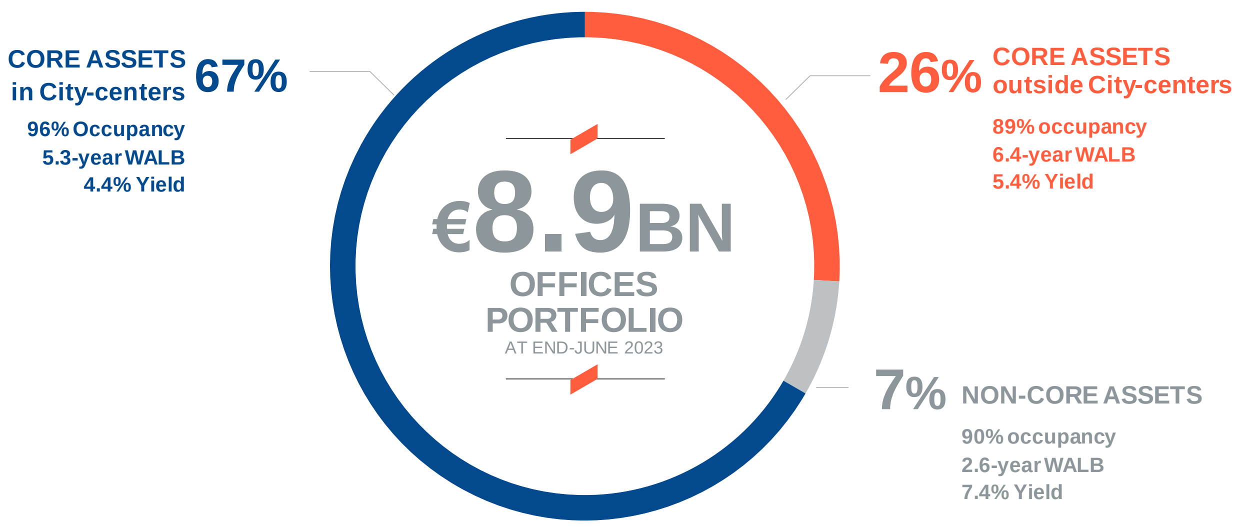
Covivio owns offices in France (31% of Covivio's portfolio), Italy (15%), and Germany (8%) with a portfolio of **€10.7 billion (€8.9 billion** Group share) at end-June 2023.

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

- **Core assets in city-centers** (**67%** of Covivio's office portfolio): located in city-centers *(Paris/Levallois, Berlin, Milan, Düsseldorf, Hamburg, and French major regional cities),* with **high occupancy** (**96%**) and **long WALB** (**5.3** years).

- **Core assets outside city-centers** (**26%**)**:** including assets with **strong value resiliency** and **liquidity**, in well-connected top-business districts *(Greater Paris, Periphery of German cities)* and with **high occupancy** (**89%**) and **long WALB** (6.4 years), mostly let to long-term partners such as Telecom Italia, Thalès, Dassault Systèmes.

- **Non-Core assets** (**7%**): gathers secondary offices assets outside city-centers in Germany, Italy, Greater Paris, for which WALB is lower (2.6 years), with a **disposal** or **conversion into residential** strategy.



B. FRANCE OFFICES: 31% OF COVIVIO'S PORTFOLIO

Covivio owns an office portfolio in France of €6.1 billion (€5.1 billion Group share) strategically split as follows:

- 59% of Core assets in city centers;
- 35% of Core assets outside city centers;
- 5% of non-Core assets.

1. Market: an ever more obvious polarization in Greater Paris

- Take-up in Greater Paris office market reached **816 200 m²** in H1 2023, down **-22%** year-on-year:
    - **Paris Centre West** continued to outperform, with a take-up decline of **-15%** year-on-year to **252,300m²**
    - **Paris inner city** counted for **44%** of the total take-up in Greater Paris (vs. 40% on average over the last 5 years).
- The **immediate offer** increased by +4% over the last 6 months to **4.5 million m²** and vacancy rate now stands at **8.0%**, but with strong disparities:
    - In **Paris CBD,** due to lack of new deliveries, vacancy rate is below 2.5%**,**
    - **In the Western Crescent and 1st ring,** vacancy rate increased again, to 14.3% and 14.4%.

- Prime rents in Paris kept on increasing, reaching an all-time high of **€1,050/m²/year** (+7% vs. 2022), while it remained stable in other areas (stable in 1st ring at €330/m² for instance). Incentives in the Paris region stabilized over the last 6 months, to **24.1%** at end-March 2023, however with strong disparities: **16%** in Paris CBD and **33.7%** in La Défense.

- **Office investments in Greater Paris totaled €2.7 billion over H1 2023, down -46% YoY**. Prime yields increased over the first semester, with Paris CBD up +25bps between 3.5% to 3.75%, according to JLL.

Sources: ImmoStat, BNP Real Estate, JLL

At half-year 2023, the France Offices activity was marked by:

- **-6.7% like-for-like value** vs. end 2022, with disparities between city centers (-3.7%) and non-core assets (-27.5%).
- **+4.9% LFL rental growth,**
- **30 106 m² let or renewed.**

2. Accounted rental income: +4.9% like-for-like

(€ million)	Rental income H1 2022 100%	Rental income H1 2022 Group share	Rental income H1 2023 100%	Rental income H1 2023 Group share	Change (%)	Change (%) LfL [1]
Paris Centre West	9.9	9.9	15.6	14.3	+ 44.9%	+5.6%
Paris South	15.8	13.5	7.9	7.9	- 41.2%	+5.7%
Paris North- East	11.5	11.5	12.4	11.6	+ 0.6%	-3.5%
Total Paris	**37.2**	**34.9**	**35.9**	**33.9**	**- 3.0%**	**+1.8%**
Western Crescent and La Défense	18.3	15.7	20.6	17.7	+ 12.5%	-1.9%
First ring	28.2	20.7	26.5	20.2	- 2.4%	+8.0%
Second ring	1.3	1.3	1.4	1.4	+ 6.2%	+5.5%
Total Paris Region	**85.0**	**72.6**	**84.4**	**73.1**	**+ 0.7%**	**+3.1%**
Major regional cities	12.6	10.6	15.5	12.8	+ 20.4%	+17.0%
Other French Regions	2.9	2.9	1.2	1.2	- 57.9%	-8.6%
Total	**100.5**	**86.1**	**101.1**	**87.1**	**+ 1.2%**	**+4.9%**

Compared to last year, rental income increased by +€1 million, mainly as a result of:

- **Like-for-like rental growth** (+€3.8 million) of **+4.9%**, mostly driven by the impact of a strong indexation (4.4% contribution) and lettings in Major regional cities (Silex², Bordeaux Cité Numérique) and first Ring (Chatillon IRO, Orly Belaïa),
- **Disposals** (-€6.7 million) realized in 2022 (-€5.2 million) and in 2023 (-€1.5 million),
- **Assets vacated for redevelopment** (-€1.5 million), to be seen as the result of rents losses due to releases, balanced by indemnities,
- **Delivery of new assets (**+€6.8 million), shared between 2022 deliveries (So Pop, Streambuilding, Goujon) and 2023 deliveries (Maslo, DS Campus) which started to produce rents from mid-May.

3. Annualized rents: €205.0 million Group share

(€ million)	Surface (m²)	Number of assets	Annualised rents 2022 100%	Annualised rents 2022 Group Share	Annualised rents H1 2023 100%	Annualised rents H1 2023 Group Share	Change (%)	% of rental income
Paris Centre West	56,206	7	35.0	32.2	34.5	31.0	- 3.8%	15%
Paris South	26,201	4	21.9	21.5	17.5	17.1	- 20.4%	8%
Paris North- East	139,658	7	26.7	24.6	26.5	24.2	- 1.9%	12%
Total Paris	222,065	18	83.6	78.4	78.5	72.3	- 7.8%	35%
Western Crescent and La Défense	130,324	8	50.5	43.1	47.8	39.9	- 7.5%	19%
First ring	342,122	17	80.3	55.0	89.3	59.5	+ 8.2%	29%
Second ring	25,301	6	2.7	2.7	2.8	2.8	+ 1.4%	1%
Total Paris Region	719,811	49	217.1	179.2	218.3	174.4	- 2.7%	85%
Major regional cities	237,954	30	41.0	32.2	37.3	28.2	- 12.4%	14%
Other French Regions	44,908	13	2.8	2.8	2.5	2.5	- 12.1%	1%
Total	**1,002,674**	**92.0**	**260.9**	**214.1**	**258.1**	**205.0**	**- 4.3%**	**100%**

The -4% decrease is mainly explained by the following variations:

- In the Western Crescent including La Défense (-7%), the decrease is explained by releases in Issy Atlantis and Rueil Degrémont,
- The decrease in Paris South (-20%) is mostly explained by releases of assets (Keller and Bobillot) that will be redeveloped,
- Increase in First Ring (+8%) is mostly explained by the delivery of DS Campus.

4. Indexation

In H1 2023, the indexation contribution increased and counted for 90% of the total like-for-like revenue.

For current leases:

- 93% of rental income is indexed to ILAT
- 5% to ICC
- The balance is indexed to ILC or the IRL

5. Rental activity: 30,106 m² renewed or let during H1 2023

(€ million)	Surface (m²)	Annualized Top up rents H1 2023 Group Share (€m)	Annualised rents H1 2023 (100%, €/m²)
Vacating	58,096	17	292
Lettings on operating portfolio	28,516	10	366
Renewals	1,590	1	533

- **In a slowing market, 30,106 m²** have been signed **or renewed** in H1 2023, with the main lettings:

- **28,516 m² have been let or pre-let** in 2023, of which:
  - **7,875 m² on Levallois Maslö**, now 68% let,
  - **6,110 m² on Atlantis in Issy-les-Moulineaux,** vacated early 2023 and already 56% relet,
  - **3,514** m² renewed **in La Défense-CB21**, now 99% let,
  - **1,439 m² on Boulogne Grenier,** now 100% let,
  - **1,503 m² on Paris Saint-Ouen So Pop**, now 39% let.

- **58,096 m² were vacated**, mostly in Paris (21,475 m²), Western Crescent (25,674 m²) and major regional cities (10,374 m²)
  - 28,047 m² for redevelopment (€9.4 million of top up rents, Group share), mostly in Paris
  - 21,110 m² on assets to be relet (with 13,274 m² already relet)
  - 8,938 m² on assets under disposal agreement.

6. Lease expiries and occupancy rate

6.1. Lease expiries: firm residual lease term of 4.8 years

(€ million Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	28.6	14%	21.5	11%
2024	14.6	7%	8.1	4%
2025	38.8	19%	24.0	12%
2026	8.6	4%	1.8	1%
2027	20.8	10%	11.5	6%
2028	15.1	7%	17.6	9%
2029	10.7	5%	16.6	8%
2030	22.3	11%	30.2	15%
2031	2.9	1%	20.0	10%
2032	14.0	7%	23.9	12%
Beyond	28.6	14%	29.8	15%
Total	**205.0**	**100%**	**205.0**	**100%**

The firm residual duration of leases remains stable at 4.8 years.

At end-June 2023, the €29 million of 2023 lease expiries representing 4.1% of Covivio annualized revenues are split as follow:

- 4.0% of Covivio annualized revenues (€28.2 million) already managed / redevelop: 42% for Core Assets in city centers (€12.0 million) / 6% for Core assets outside city centers (€1.7million) / 52% for non-Core Assets (€14.6 million).
- 0.1% of Covivio annualized revenues (€0.4 million) to be managed related to Core assets, well located in Saint-Ouen and Paris North (Cap 18).

6.2. Occupancy rate: 92.0% at end 2022

(%)	2022	H1 2023
Paris Centre West	99.3%	99.9%
Southern Paris	100.0%	100.0%
North Eastern Paris	85.4%	87.0%
Paris	**94.7%**	**94.9%**
Western Crescent and La Défense	95.1%	89.3%
Inner ring	92.0%	89.2%
Outer ring	96.3%	96.4%
Total Paris Region	**94.0%**	**91.5%**
Major regional cities	98.6%	97.4%
Other French Regions	80.2%	73.3%
Total	**94.4%**	**92.0%**

- In Paris, the occupancy rate level increased by +20bps to 94.9%, compared to 94.7% at end-2022. Vacant spaces in Paris are especially located on So Pop (with a current occupancy of 39%).
- In the Western Crescent, the occupancy rate decreased to 89.3%, due to Issy Atlantis fully vacated and now 56% relet, and the delivery of Maslö partly occupied (68%). Excluding these two assets, other occupancy rate increased, especially on CB21, at 99% end-June 23 (+6pts compared to end-2022).
- In the inner ring, the decrease in occupancy is mostly linked with the delivery of Le Floria in Fontenay.

7. Portfolio values

7.1. Change in portfolio values

(M€, Including Duties Group share)	Value FY 2022	Invest.	Disp.	Change in value	Franchise	Transfer	Change in scope	Value H1 2023
Assets in operation	4,703	28	-134	-310	5	0	53	4,347
Assets under development	844	21	0	-59	0	0	-53	752
Total	**5,547**	**49**	**-134**	**-369**	**5**	**0**	**0**	**5,099**

The portfolio value decreased by - €448 million since year-end-2022 (-8.1%) mainly driven by:

- - €369 million from **like-for-like** value drop (-6.7%), due to cap rate extension and repricing on assets needing repositioning,
- + €49 million invested in **development projects** and **upgrading works** on assets in operation;
- - €134 million from **disposals**, mainly linked with 3 assets disposals completed end-March 2023.

7.2. Like-for-like portfolio evolution: -6.7%

(€ million, Excluding Duties)	Value FY 2022 100%	Value FY 2022 Group share	Value H1 2023 100%	Value H1 2023 Group share	LfL (%) change 6 months	Yield ² FY 2022	Yield ² H1 2023	% of SubTotal
Paris Centre West	1,595	1,501	1,556	1,465	-3.8%	3.2%	3.5%	29%
Paris South	497	497	470	470	-5.5%	4.4%	4.1%	9%
Paris North- East	695	558	660	535	-4.1%	4.4%	4.5%	10%
Total Paris	**2,787**	**2,556**	**2,685**	**2,470**	**-4.2%**	**3.8%**	**3.9%**	**48%**
Western Crescent and La Défense	1,221	1,077	1,101	975	-10.3%	5.6%	4.5%	19%
Neuilly / Levallois								6%
La Défense / Péri Défense / Rueil								9%
Issy-les-Moulineaux / Boulogne								3%
Inner ring	1,622	1,146	1,477	1,023	-10.3%	5.4%	6.1%	20%
Montrouge / Malakoff / Châtillon								7%
Vélizy / Meudon								9%
Other								4%
Outer ring	34	34	32	32	+3.4%	8.1%	8.6%	1%
Total Paris Region	**5,664**	**4,814**	**5,295**	**4,500**	**-7.0%**	**4.6%**	**4.7%**	**88%**
Major regional cities	**918**	**700**	**770**	**567**	**-5.1%**	**4.8%**	**5.3%**	**11%**
Lyon / Marseille / Bordeaux								6%
Other								5%
SubTotal	**6,582**	**5,514**	**6,065**	**5,066**	**-6.8%**			**99%**
Other French Regions	33	33	33	33	-2.0%	8.4%	7.5%	1%
Total	**6,615**	**5,547**	**6,097**	**5,099**	**-6.7%**	**4.7%**	**4.8%**	**100%**

[1] LfL: Like-for-Like

[2] Yield excluding assets under development

The -6.7% change in like-for-like value is mostly driven by the current context of cap rate increase, on all geographical areas and more specifically asset in the western crescent and inner ring that need repositioning.

Average yield increases by +10bps to 4.8% and is a mix of several effects. To be noted, the decreased yield in Western Crescent and La Défense from 5.6% to 4.5% is mostly linked with the delivery of Maslö in Levallois, 68% occupied. The decrease in Paris South from 4.4% to 4.1% is linked with vacated assets under disposal agreement and a short-term lease in Paris 6th before departure of tenant expected in H2.

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 Saint-Ouen (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: 15% OF COVIVIO'S PORTFOLIO

Covivio's Italy strategy is focused on Milan, where the Group's developments are concentrated. At H1 2023, the Group owns 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 years firm lease;
- 3% (€0.1 billion) non-core assets outside Milan.

By category, this portfolio is made of 85% of core assets in city centers, 9% outside city centers and 6% of non-Core assets.

1. Milan Office market: take-up decline but still on high levels[1]

- Milan office letting market recorded a total take-up of **202,000m²** in H1 2023 (**-20%** year-on-year, compared to a record H1 2022).
- Tenants' remained focused on **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 count for **73%** of the total take-up in Milan.
- The average vacancy rate in Milan stood at **+10.3%** at end-March 2023, 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 **5.1%**,
  - Vacancy rates increased mostly in the **periphery** (16.0%) and in **Hinterland** (14.8%).
- The intense demand for high-quality spaces, combined with the scarcity of grade A assets, contributed to a **+4%** yoy **increase in prime rents** in Milan, reaching **€700/m²/year**.
- With a total amount of **€413 million in** (**-80%** YoY), the **Italian office investment market** was low in H1 2023 and only counted for 20**%** of the total transacted office volume in Italy (-32% at €2 billion).
- Prime yields now stand at 3.8% in Milan CBD and 4.25% in the Centre.

[1] *Sources : Savills, DILS, Cushman & Wakefield*

Covivio's activities in Italy at over the first half 2023 were marked by:

- An **occupancy rate increased by +10bps to 98.5%**
- A **strong like-for-like rental growth of +5.5%**
- **Resilience of values, down -1.5% like-for-like**.

2. Accounted rental income: +5.5% like-for-like

(€ million)	Rental income H1 2022 100%	Rental income H1 2022 Group share	Rental income H1 2023 100%	Rental income H1 2023 Group share	Change (%)	Change (%) LfL [1]	% of total
Offices - excl. Telecom Italia	38.5	38.5	36.6	36.7	- 4.8%	+ 4.6%	71.5%
of which Milan	32.8	32.8	33.6	33.6	+ 2.4%	+ 4.1%	65.5%
Offices - Telecom Italia	33.1	16.9	28.7	14.6	- 13.5%	+ 7.8%	28.5%
Total	**71.6**	**55.4**	**65.3**	**51.3**	**-7.5%**	**+ 5.5%**	**100.0%**

Overall, rental income decreased by -€4.1 million compared to H1 2022, mostly due to:

- **Disposals** of non-core and core-mature assets (-€8.0 million);
- **Increasing like-for-like rents** (+€2.6 million, +5.5%) mainly due to:
  - New leases on Dante retail (+0.7%) and letting activity on Garibaldi complex (+0.3%);
  - Indexation contribution (+6.2%)
  - Partially offset by renewal on Lorenteggio (-1.4%) and vacancy on Amedei (-0.5%)
- **Delivery** of Symbiosis D in Milan (+€1.4 million);
- **Assets vacated for redevelopment** (-€0.5 million), in Rozzano;

3. Annualized rents: €116 million Group share

(€ million)	Surface (m²)	Number of assets	Annualised rents 2022 100%	Annualised rents 2022 Group share	Annualised rents H1 2023 100%	Annualised rents H1 2023 Group share	Change (%)	% of total
Offices - excl. Telecom Italia	274,519	31	87.2	87.2	86.7	86.7	-0.6%	75%
Offices - Telecom Italia	468,920	50	57.4	29.2	57.2	29.2	0.0%	25%
Development portfolio	184,685	6	0.0	0.0	0.0	0.0	0.0%	0%
Total	**928,125**	**87**	**144.6**	**116.5**	**143.9**	**115.9**	**-0.6%**	**100%**

(€ million)	Surface (m²)	Number of assets	Annualised rents 2022 100%	Annualised rents 2022 Group share	Annualised rents H1 2023 100%	Annualised rents H1 2023 Group share	Change (%)	% of total
Milan	524,738	42	95.0	87.3	96.4	88.7	+ 1.6%	77%
Rome	66,510	11	8.9	4.5	8.9	4.5	+ 0.9%	4%
Turin	65,425	5	7.6	6.5	7.7	6.6	+ 1.6%	6%
North of Italy	165,682	20	18.0	10.1	16.2	8.2	- 18.4%	7%
Others	105,770	9	15.0	8.0	14.7	7.8	- 2.8%	7%
Total	**928,125**	**87**	**144.6**	**116.5**	**143.9**	**115.9**	**- 0.6%**	**100%**

Annualized rental income decreased by -0.6%, due to disposals.

4. Indexation

In H1 2023, the 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.

Since the beginning of 2023, the average monthly change in the CPI was 8%.

5. Rental activity: 4,900m² let or pre-let in H1 2023

(€ million)	Surface (m²)	Annualized Top up rents H1 2023 Group Share	Annualised rents H1 2023 (100%, €/m²)
Vacating	2,191	0.5	245
Lettings on operating portfolio	2,078	0.7	357
Lettings on development	2,790	0.4	140
Renewals	549	0.1	336

In H1 2023, around **4,900 m² of new leases** were signed:

- 2,100 m² on the operating portfolio;
- 2,800 m² of pre-lettings on the development portfolio (Rozzano)

Additionally, close to 550 m² have been renewed with a duration extension of 7 years and a +16% uplift.

2,190 m² were vacated during H1 2023:

- 1,240 m² have already been re-let;
- 950 m² still to be managed.

6. Lease expiries and occupancy rates

6.1. Lease expiries: 6.7 years of average firm lease term

(€ million Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	3.2	3%	2.2	2%
2024	6.1	5%	1.9	2%
2025	8.2	7%	1.9	2%
2026	5.3	5%	7.1	6%
2027	5.4	5%	7.2	6%
2028	19.5	17%	25.9	22%
2029	2.9	3%	3.1	3%
2030	20.2	17%	15.5	13%
2031	14.4	12%	11.5	10%
2032	8.8	8%	11.9	10%
Beyond	21.9	19%	27.7	24%
Total	**115.9**	**100%**	**115.9**	**100%**

The firm residual lease term stabilized at 6.7 years.

In 2023, the €3.2 million lease expiries, counting for 0.5% of Covivio annualized revenues (3% of Italian offices revenues), are split as follows:

- 0.4% of Covivio annualized revenues already managed due to break option not exercised yet;
- 0.1% of Covivio annualized revenues to be managed, mainly linked with Core assets.

6.2. Occupancy rate: an increase by +10 bps to 98.5%

(%)	2022	H1 2023
Offices - excl. Telecom Italia	97.9%	98.0%
Offices - Telecom Italia	100%	100.0%
Total	**98.4%**	**98.5%**

The occupancy rate increased by +10 bps over the semester, mainly explained by new lettings.

7. Portfolio values

7.1. Change in portfolio values

(€ million, Group share Excluding Duties)	Value 2022	Invest.	Disp.	Change in value	Value H1 2023
Offices - excl. Telecom Italia	1,696	5	-44	-30	1,627
Offices - Telecom Italia	513		-1	-2	510
Development portfolio	311	42	0	-5	348
Total strategic activities	**2,520**	**46**	**-45**	**-37**	**2,485**

The portfolio value decreased since end-2022 (-1.5%) was mainly driven by disposals on mature assets, partly offset by the €46 million invested in development projects and in upgrading works on assets in operation.

7.2. Portfolio in Milan: 96% of the portfolio excluding Telecom Italia

(€ million, Excluding Duties)	Value 2022 Group share	Value H1 2023 100%	Value H1 2023 Group Share	LfL (%) change [1] 6 months	Yield [2] 2022	Yield [2] H1 2023	% of total
Offices - excl. Telecom Italia	1,696	1,627	1,627	-1.8%	5.1%	5.3%	65%
Offices - Telecom Italia	513	1,001	510	-0.4%	5.7%	5.7%	21%
Development portfolio	311	348	348	-1.3%	n.a	n.a	14%
Total	**2,520**	**2,975**	**2,485**	**-1.5%**	**5.2%**	**5.4%**	**100%**

(€ million, Excluding Duties)	Value 2022 Group share	Value H1 2023 100%	Value H1 2023 Group Share	LfL (%) change 1 6 months	Yield [2] 2022	Yield [2] H1 2023	% of total
Milan	2,085	2,235	2,069	-2.5%	4.9%	5.1%	83%
Turin	97	107	90	-7.8%	6.7%	7.3%	4%
Rome	91	177	90	-1.3%	5.0%	5.0%	4%
North of Italy	133	249	127	-1.5%	7.1%	6.5%	5%
Others	114	208	109	-2.1%	7.6%	7.2%	4%
Total	**2,520**	**2,975**	**2,485**	**-1.5%**	**5.2%**	**5.4%**	**100%**

The weight of Milan Offices now counts for 83% of the portfolio (stable vs. 2022) and 96% excluding Telecom Italia assets. Milan's weight is in line with Covivio's strategy to focus on major European cities.

- Overall, the -1.5% value decline is mostly linked with market environment. There were strong disparities between assets in the city centers, down -0.7% year-on-year and non-core assets, down of -10.9%.
- Telecom Italia portfolio showed stability again (-0.4%), relying on its strong fundamentals 100% occupancy and 9 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 Munich. Covivio's strategy is to strengthen exposure to Berlin, where the Group's developments are concentrated.

At H1 2023, the Group owned offices worth €1.6 billion (€1.3 billion Group share) composed of:

- 60% of Core assets in city centers,
- 22% of Core assets outside city centers,
- 18% of non-Core assets.

1. Resilience of the letting markets, slow-down in investments

- **Take-up** in Germany top six markets in H1 2023 decreased by 35% year-on-year to 1.1 million m², below the 3-year average (-21%), linked with working from home impact.
- **Vacancy rate** reached 5.1% on average, up +30 bps vs. 2022. Berlin, Hamburg, and Cologne vacancy rates remain at low levels at 3.9%, followed by Munich at 5.0%. Frankfurt (8.7%) and Dusseldorf's (10.9%) vacancy levels remained higher, mostly explained by peripherical areas.
- **Space under construction** decreased by 8% year-on-year (but -2% vs. Q1 2023) to roughly 3.7 million m² to be delivered within the next 12 to 24 months. 46% is already pre-let on average for the top-6 markets.
- **Prime rents** kept on growing in H1 2023, with an overall +5.5% year-to-date growth. This growth is visible in all markets at different paces: +14% in Cologne (384€), +12% in Düsseldorf (456€/m²/year), +4% in Munich (€564), +2% in Berlin (€540) and stable evolution in Hamburg (€420) and Frankfurt (€576).
- **Investment in German Offices** faced a strong decline in H1 2023, amounting to €3.2 billion (-78% vs. H1 2022). In the current context of rising interest rates, the "wait and see" approach in the market initiated in 2022 has continued in the half of the year. Prime yields now stand at 3.75% in Berlin, 3.70% in Munich, 3.90% in Hamburg and 4.0% in Frankfurt.

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

2. Accounted rental income: +6.7% like-for-like in H1 2023

(€ million)	Rental income H1 2022 100%	Rental income H1 2022 Group share	Rental income H1 2023 100%	Rental income H1 2023 Group share	Change (%) Group share	Change (%) LfL [1] Group share	% of rental income
Berlin	3.8	2.7	3.7	2.6	-3.5%	-3.0%	11%
Frankfurt	10.0	9.2	10.9	10.1	+9.3%	+7.7%	42%
Düsseldorf	4.7	4.4	5.0	4.7	+6.3%	+10.8%	19%
Hamburg	4.9	4.7	5.3	5.0	+6.7%	+6.7%	20%
Munich	1.5	1.4	1.6	1.5	+7.2%	+7.2%	6%
Other	0.6	0.4	0.6	0.4	+7.1%	+1.3%	2%
Total	**25.5**	**22.7**	**27.2**	**24.2**	**+6.5%**	**+6.7%**	**100%**

Rental income amounted to €24.2 million in Group Share, up by +€1.5 million compared to H1 2022 due to:

- **Indexation for €1.3 million;**
- **Letting activity for €0.8 million**: mainly lease agreements signed in 2021 and 2022 with full rental income effect in 2023; mainly seen on Zeughaus in Hamburg (+€0.3 million), Frankfurt Airport Centre (+€0.1 million), Airport Business Centre in Düsseldorf (+€0.1 million) and City Gate in Berlin (+€0.1 million).
- **Releases for -€0.6 million:** this is mainly due to the impact of 2022 (Zeughaus, Tino) and 2023 releases (FAC, Zeughaus).

3. Annualized rents: €48.9 million Group share

Geographic breakdown

(€ million)	Surface (m²)	Number of assets	Annualised rents 2022 100%	Annualised rents 2022 Group share	Annualised rents H1 2023 100%	Annualised rents H1 2023 Group share	Change Group Share (%)	% of rental income
Berlin	53,207	6	8.3	5.2	8.9	5.2	-0.1%	11%
Frankfurt	118,900	4	22.6	20.3	23.1	21.1	+3.9%	43%
Düsseldorf	68,786	2	9.6	9.1	10.0	9.5	+4.4%	19%
Hamburg	69,037	2	11.0	9.8	13.0	10.0	+2.2%	21%
Munich	37,104	2	3.3	3.1	2.6	2.4	-21.3%	5%
Other	12,945	1	1.2	0.7	1.2	0.7	+0.0%	2%
Total	**359,978**	**17**	**55.9**	**48.2**	**58.9**	**48.9**	**+1.6%**	**100%**

The annualized rental income reached €48.9 million at the end of June 2023.

4. Indexation

Rents are indexed on the German consumer price index for 42% of leases, 10% have a fixed uplift and 32% have an indexation clause (if CPI goes above an annual increase between 5% and 10%). The remainder (16%) is not indexed and mainly let to public administration.

5. Rental activity: 11,200 m² let or pre-let in H1 2023

(€ million)	Surface (m²)	Annualized Top up rents H1 2023 Group Share	Annualised rents H1 2023 (100%, €/m²)
Vacating	9,593	1.4	170
Letting	11,179	2.7	262
Renewals	22,049	4.1	188

The rental activity in H1 2023 was marked by:

- About 11,200 m² let, of which 7,800 m² in Hamburg, 2,200 m² in Frankfurt, 700 m² in Berlin and 400 m² in Munich.
- About 9,600 m² of vacated space, of which 5,700 m² in Munich, 1,900 m² in Berlin, 1,100 m² in Frankfurt and 900 m² in Hamburg.
- About 22,000 m² renewed, of which 13,900 m² in Frankfurt, 3,200 m² in Munich, 2,900 m² in Hamburg, 2,000 m² in Berlin.

6. Lease expiries and occupancy rate

6.1. Lease expiries: firm residual lease term of 4.3 years

(€ million Group share)	By lease end date (1st break)	% of total	By lease end date	% of total
2023	3.6	7%	3.6	7%
2024	12.8	26%	12.1	25%
2025	8.0	16%	5.8	12%
2026	4.2	8%	3.5	7%
2027	5.8	12%	3.3	7%
2028	1.8	4%	4.1	8%
2029	3.1	6%	5.3	11%
2030	1.8	4%	1.9	4%
2031	0.0	0%	0.8	2%
2032	3.4	7%	3.7	8%
Beyond	4.6	9%	4.8	10%
Total	**48.9**	**100%**	**48.9**	**100%**

The firm residual duration slightly decreased to 4.3 years (vs. 4.5 years end-2022).

€3.6 million of expiries are coming in 2023, representing 0.5% of Covivio annualized revenues. They include:

- 0.2% – €1.7 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.
- 0.2% – €1.6 million to be managed, mainly in Frankfurt Airport Centre, Fischer in Berlin and Zeughaus in Hamburg.

6.2. Occupancy rate of 86.0%

(%)	2022	H1 2023
Berlin	87.4%	84.7%
Frankfurt	88.8%	89.7%
Düsseldorf	93.5%	93.7%
Hamburg	87.2%	96.1%
Munich	56.0%	43.8%
Other	100.0%	100.0%
Total	**85.1%**	**86.0%**

The occupancy rate increased by +0.9 pts to 86.0% vs. end-2022. This is mainly linked to letting, especially on Zeughaus in Hamburg (ca. 7,800 m²) and on CCC in Frankfurt (ca. 1,200 m²). In Berlin, the decrease in occupancy is mostly linked to one departure in Fischer, while in Munich the decrease is mainly due to one departure on Sunquare.

7. Portfolio values

7.1. Change in portfolio values

(€ million, Group share Excluding Duties)	Value 2022	Invest.	Change in value	Value H1 2023
Berlin	335	21	-38	318
Frankfurt	445	1	-34	412
Düsseldorf	285	3	-32	256
Hamburg	265	1	-16	250
Munich	100	0	-14	86
Other	10	0	-1	10
Total strategic activities	**1,441**	**26**	**-134**	**1,332**

7.2. Like-for-like portfolio evolution: -9.2%

(€ million, Excluding Duties)	Value 2022 100%	Value 2022 Group share	Value H1 2023 100%	Value H1 2023 Group Share	LfL (%) change [1] 6 months	Yield [2] 2022	Yield [2] H1 2023
Berlin	509	335	485	318	-10.8%	3.9%	4.3%
Frankfurt	483	445	447	412	-7.6%	4.5%	5.1%
Düsseldorf	303	285	271	256	-11.2%	4.7%	5.3%
Hamburg	281	265	266	250	-5.9%	3.7%	4.0%
Munich	107	100	92	86	-13.8%	3.1%	2.8%
Other	17	10	16	10	-5.2%	7.1%	7.5%
Total	**1,699**	**1,441**	**1,577**	**1,332**	**-9.2%**	**4.1%**	**4.5%**

[1] LfL: Like-for-Like

Covivio Germany Office portfolio has a critical size with €1.6 billion of assets (€1.3 billion group share):

- The portfolio decreased on a like-for-like basis (-9.2%), mostly explained by the increase in cap rates;
- The gross yield grew from 4.1% end-2022 to 4.5% in mid-2023, mainly explained by the decreased value of the operating portfolio. At full occupancy rate, yield would reach 5.6%.

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 ~41,250 units in Berlin, Hamburg, Dresden, Leipzig, and North Rhine-Westphalia, representing €7.5 billion (€4.9 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, represents 57% at end-June 2023. Covivio's portfolio in Berlin is of high quality, with 68% of buildings built before 1950 and 66% already divided into condominiums.

1. Supply/demand imbalance increased since the start of the year, supporting rents

- **In Germany**, the demand for housing kept on rising since the start of the year. Supply has become even scarcer, due to rising inflation and construction costs, as well as labor shortages.

- This shortage continues to support rents in Germany and especially in Berlin. Asking rents on new buildings in Berlin **increased by +17%** to €18.0/m² over a year while on existing buildings, the increase was **+16% to €12.84/m²**.

- On the other hand, continued interest rates hikes led to prices correction: average prices in Berlin **were stable** since the beginning of the year for existing flats, at €4,950/m² at end-March 2023, well above the current valuation of Covivio's residential portfolio (**€3,221/m²** in Berlin). However, the square meter price for new buildings decreased by -4% to €7,100/m².

- Against this backdrop of uncertainty on interest rates, inflation and construction costs evolution, wait-and-see attitude prevailed, postponing some investment decisions. As a result, transaction volumes decreased sharply over a year: the total transaction volume (for multi-family buildings above 50 units) was down -53% to **€3.7 billion** in H1 2023.

- **The private market was also impacted, but to a lesser extent**, looking at private real estate loans recorded by the Bundesbank, down by -40% year-on-year to €164 billion over the last 12 months.

Sources: Immoscout24, Riwis/Bulwiengesa, Savills

In H1 2023, Covivio's activities were marked by:

- Accelerated rental growth: +3.8% on a like-for-life basis (vs. +3.1% in 2022);
- -7.3% value decline on a like-for-like basis, in a slow investment market.

2. Accounted rental income: +3.8% like-for-like

(In € million)	Rental income H1 2022 100%	Rental income H1 2022 Group share	Rental income H1 2023 100%	Rental income H1 2023 Group share	Change Group share (%)	Change Group share (%) LfL [1]	% of rental income
Berlin	68.7	45.1	73.3	48.1	+ 6.6%	+3.9%	52%
of which Residential	54.7	35.9	57.4	37.6	+ 5.0%	+2.1%	41%
of which Other commercial [2]	14.1	9.3	15.9	10.5	+ 13.1%	+10.8%	11%
Dresden & Leipzig	11.4	7.4	11.6	7.5	+ 1.5%	+3.0%	8%
Hamburg	8.6	5.6	9.1	6.0	+ 5.5%	+3.3%	6%
North Rhine-Westphalia	46.0	29.0	47.9	30.2	+ 4.2%	+4.0%	33%
Essen	16.9	10.5	17.8	11.0	+ 4.9%	+4.3%	12%
Duisburg	8.1	5.0	8.2	5.1	+ 1.9%	+4.2%	6%
Mulheim	5.2	3.3	5.5	3.5	+ 5.1%	+3.1%	4%
Oberhausen	4.8	3.1	5.0	3.3	+ 4.1%	+3.6%	4%
Other	10.9	7.0	11.4	7.3	+ 4.7%	+4.0%	8%
Total	**134.8**	**87.2**	**141.8**	**91.8**	**+ 5.3%**	**+3.8%**	**100%**
of which Residential	116.4	75.1	121.4	78.4	+ 4.4%	+2.8%	85%
of which Other commercial [2]	18.4	12.0	20.5	13.4	+ 11.4%	+10.6%	15%

[1] LfL: Like-for-Like

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

Rental income amounted to €92 million Group share in H1 2023, up +5.3% (+€4.6 million) due to:

- In Berlin, the like-for-like rental growth is +3.9% (+€ 1.6 million) driven by the indexation (+2.2 pts) and relettings including modernizations (+1.7 pt);
- Outside Berlin, like-for-like rental growth was strong in all areas (+3.8% on average, +€1.7 million) due to the reletting impact (including modernizations) and the indexation.

3. Annualized rents: €186.4 million Group share

(In € million)	Surface (m²)	Number of units	Annualised rents 2022 Group share	Annualised rents H1 2023 100%	Annualised rents H1 2023 Group share	Change Group share (%)	Average rent €/m²/month	% of rental income
Berlin	1,324,648	18,039	95.5	148.8	97.6	+ 2.2%	€9.4 /m²	52%
of which Residential	1,140,490	16,851	74.8	116.4	76.4	+ 2.0%	€8.5 /m²	40%
of which Other commercial [1]	184,158	1,188	20.6	32.4	21.3	+ 3.0%	€14.6 /m²	11%
Dresden & Leipzig	266,626	4,355	15.0	23.5	15.2	+ 1.3%	€7.3 /m²	8%
Hamburg	148,873	2,415	12.0	18.6	12.2	+ 1.5%	€10.4 /m²	7%
North Rhine-Westphalia	1,100,298	16,442	60.3	97.3	61.4	+ 1.8%	€7.4 /m²	33%
Essen	393,935	5,757	22.2	36.1	22.4	+ 1.0%	€7.6 /m²	12%
Duisburg	198,379	3,033	10.1	16.6	10.3	+ 2.0%	€7.0 /m²	6%
Mulheim	128,453	2,156	6.8	11.2	7.1	+ 3.3%	€7.3 /m²	4%
Oberhausen	124,840	1,830	6.6	10.2	6.7	+ 1.8%	€6.8 /m²	4%
Others	254,691	3,666	14.5	23.2	14.9	+ 2.3%	€7.6 /m²	8%
Total	**2,840,445**	**41,251**	**182.8**	**288.2**	**186.4**	**+ 2.0%**	**€8.5 /m²**	**100%**
of which Residential	2,600,503	39,684	156.2	246.7	159.2	+ 1.9%	€7.9 /m²	85%
of which Other commercial [1]	239,944	1,567	26.4	41.5	27.2	+ 3.1%	€14.4 /m²	15%

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

The portfolio breakdown has been relatively stable over the past few periods, with Berlin generating slightly above 50% of the rental income (stable vs 2022), through residential units and some commercial units (mainly ground-floor retail).

Rental income (€8.5/m²/month on average) offers solid growth potential through reversion vs. unregulated market rents in all our markets including Berlin (45-50%), Hamburg (20-25%), Dresden and Leipzig (10-15%) and in North Rhine-Westphalia (20-25%).

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. 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 99.1%

(%)	2022	H1 2023
Berlin	98.6%	98.6%
Dresden & Leipzig	99.6%	99.5%
Hamburg	99.9%	99.9%
North Rhine-Westphalia	99.7%	99.6%
Total	**99.2%**	**99.1%**

The occupancy rate stands at 99.1%. 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: €7.5 billion (€4.9 billion Group share)

6.1. Change in portfolio value: -7.3%

(In € million, Group share, Excluding Duties)	Value 2022	Invest.	Disposals	Change in value	Other	Value H1 2023
Berlin	2,985	13	-10	-236	10	2,763
Dresden & Leipzig	430	2	-	-45	-	388
Hamburg	401	2	-	-29	-	374
North Rhine-Westphalia	1,422	10	0	-101	-1	1,330
Total	**5,238**	**27**	**-10**	**-411**	**9**	**4,854**

In H1 2023, the portfolio's value decreased by -7.3% to €4.9 billion Group share, driven by the like-for-like decrease in value (€411 million).

6.2. Change on a like-for-like basis: -7.3%

(In € million, Excluding Duties)	Value 2022 100%	Value 2022 Group Share	Surface 100% in m²	Value H1 2023 100%	Value H1 2023 in €/m²	Value H1 2023 Group share	LfL [1] change 6 months	Yield 2022	Yield H1 2023	% of total value
Berlin	4,550	2,985	1,307,553	4,212	3,221	2,763	-7.4%	3.1%	3.5%	57%
of which Residential	3,842	2,519	1,123,971	3,534	3,144	2,318	-8.0%	2.9%	3.2%	48%
of which Other commercial [2]	709	466	183,582	678	3,692	445	-4.1%	4.4%	4.8%	9%
Dresden & Leipzig	663	430	266,626	597	2,241	388	-9.9%	3.5%	3.9%	8%
Hamburg	613	401	148,873	571	3,836	374	-6.8%	3.0%	3.3%	8%
North Rhine-Westphalia	2,258	1,422	1,100,298	2,112	1,919	1,330	-6.4%	4.2%	4.6%	27%
Essen	889	552	393,935	828	2,101	514	-6.9%	4.0%	4.4%	11%
Duisburg	362	225	198,379	343	1,727	213	-5.4%	4.5%	4.8%	4%
Mulheim	245	154	128,453	225	1,752	142	-7.6%	4.5%	5.0%	3%
Oberhausen	201	132	124,840	193	1,547	127	-3.9%	5.0%	5.3%	3%
Others	561	360	254,691	523	2,054	335	-6.8%	4.1%	4.4%	7%
Total	**8,084**	**5,238**	**2,823,350**	**7,492**	**2,654**	**4,854**	**-7.3%**	**3.5%**	**3.8%**	**100%**
of which Residential	7,162	4,634	2,583,983	6,610	2,558	4,277	-7.7%	3.4%	3.7%	88%
of which Other commercial [2]	923	604	239,368	882	3,685	577	-4.2%	4.4%	4.7%	12%

[1] LfL: Like-for-Like

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

Covivio's residential portfolio in Germany is valued at a low €2,654 /m² on average, offering significant buffer to unit market prices, especially in Berlin where the current valuation of residential units stands at €3,144/m², significantly below the average prices for existing assets (€4,950/m² at end-March 2023, according to RIWIS/Bulwiengesa).

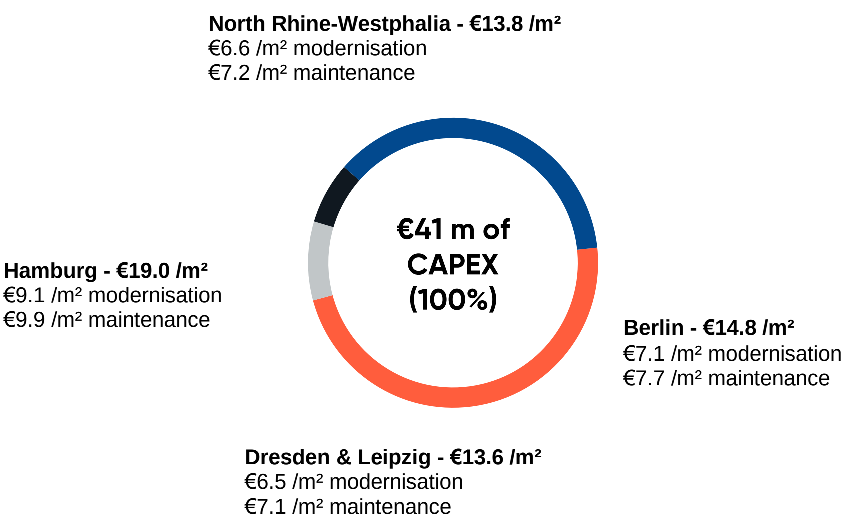
In H1 2023, values decreased by 7.3% on a like-for-like basis versus end-2022, reflecting the current wait-and-see attitude in the investment market. The average yield of the portfolio is up +35bps to 3.8%

7. Maintenance and modernization CAPEX

In H1 2023, CAPEX totalled €41 million (€14.5 /m²; €27 million in Group share) and OPEX came to €10 million (€3.4 /m²); €6 million in Group share).

Most of the Capex in H1 2023 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 €20 million in H1 2023 (€14 million in Group share), have a yield above 5.0%.



F. HOTELS IN EUROPE: 16% OF COVIVIO'S PORTFOLIO

Covivio Hotels, a 43.9%-owned subsidiary of Covivio as of the 30 of June 2023, 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. Continued rebound in H1 2023

The recovery of the hotels industry is strong since the end of health restrictions.

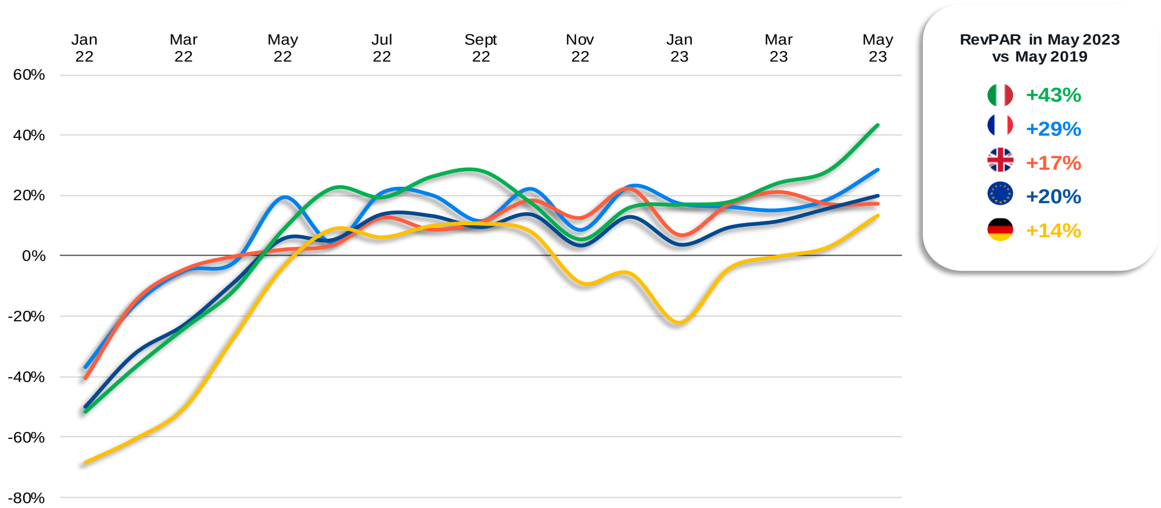
- **In Europe, RevPAR progressively came out higher than their 2019 levels, up by +13% ytd and even by +20% in May.**

- **All European countries are rebounding**, notably Southern Europe countries, supported by strong performances for the leisure segment. The comeback of events and thus business travelers was also stronger over the semester, allowing strong performances across all hotels ranges.

- **Italy had exceptional performances, with RevPAR up +43%** in May 2023 vs. 2019. **France** recorded an increase of **+29%** (of which **+41% in Paris**), with occupancy +1.2pt above 2019**.**

- **The United Kingdom** was significantly above 2019 levels (RevPAR up **+17%** in May and occupancy rate only **1.3pt below** 2019).

Rebound in performances (RevPAR) in H1 2023 vs. 2019



Sources: MKG, STR

- The Pricing Power of the hotel activity became more obvious in 2023. Average daily rates beat 2019 levels by +23% on average in Europe in May, with nice performances among our main exposures: +42% in Italy, +27% in France, +19% UK and +21% in Germany. Other good news over the semester was the increase in occupancy, still -1.9pt below 2019 levels in Europe in May, but up +1.7pt in France.

- On the investment side, the transaction volumes recorded in Europe in Q1 2023 reached €3 billion, stable vs. Q1 2022, while real estate investment market was sharply down on other asset classes. UK, Spain, and France continued to attract the lion's share of investments.

Assets partially owned by Covivio Hotels include:

- 8 operating properties in Germany (94.9% owned)
- 91 B&B assets in France, including 89 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: +20.3% on a like-for-like basis

(In € million)	Revenues H1 2022 100%	Revenues H1 2022 Group Share	Revenues H1 2023 100%	Revenues H1 2023 Group Share	Change (%) Group share	Change Group share (%) LfL [1]
Hotel Lease properties - Variable	21.1	9.3	27.0	11.8	+27.2%	+32.4%
Hotel Lease properties - Fixed	72.3	28.9	80.6	32.6	+12.7%	+9.0%
Hotel properties - UK	16.4	7.2	18.2	8.0	+11.1%	+12.9%
Operating properties - EBITDA	19.2	8.1	31.6	13.5	+66.7%	+53.8%
Total revenues Hotels	**129.0**	**53.4**	**157.4**	**65.8**	**+23.2%**	**+20.3%**

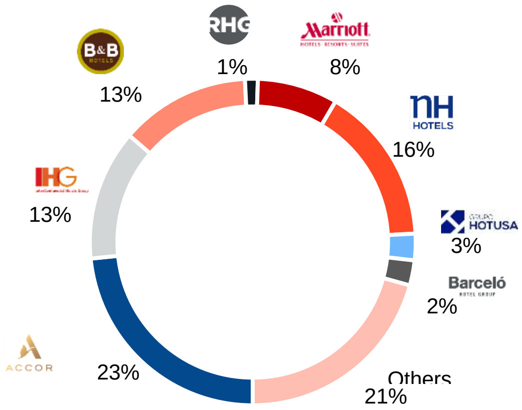
1 LfL: Like-for-Like

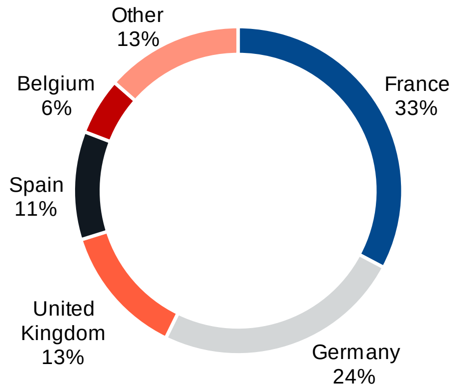
Hotel revenues increased by +20.3% (+€12.4 million Group share) compared to H1 2022, due to:

- **Leased hotels:**
  - **AccorInvest variable leases portfolio** (20% of the hotel portfolio), which is indexed on hotel turnover, increased by +32.4% like-for-like compared to H1 2022, driven by intense touristic recovery. These midscale and economy hotels are located in France and Belgium,
  - **UK fixed leases** (11% of the hotel portfolio): +€0.8 million of variable rent component driven by recovery of the activity,
  - **Other fixed leases** (46% of the hotel portfolio):
    - Indexation (+€1.7 million)
    - Signing of new fixed leases with B&B France +€ 0.4 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 €8.1 million to €13.5 million (Germany +€2.9 million & France +€1.15 million) was driven by the recovery of the tourism industry.

3. Annualized revenue

Breakdown by operators and by country (based on H1 2023 revenues, totalling €140.3 million in Group share)





Revenues are split using the following breakdown: fixed (47%), variable (19%), 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: 12.6 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	4.7	4%	0.7	1%
2025	2.6	2%	2.4	2%
2026	2.8	3%	0.0	0%
2027	1.0	1%	1.0	1%
2028	0.0	0%	0.0	0%
2029	13.6	12%	11.6	11%
2030	8.6	8%	8.6	8%
2031	2.2	2%	4.1	4%
2032	3.8	4%	3.8	4%
Beyond	69.8	64%	76.9	70%
Total Hotels in lease	**109.0**	**100%**	**109.0**	**100%**

6. Portfolio values: -0.8% like-for-like

6.1. Change in portfolio values

(In € million, Excluding Duties, Group share)	Value 2022	Invest.	Disposals	Change in value	Others	Value H1 2023
Hotels - Lease properties	2,019	1	-7	-15	16	**2,014**
Hotels - Operating properties	603	1	-	-7	1	**599**
Total Hotels	**2,622**	**3**	**-7**	**-22**	**17**	**2,613**

At the end of June 2023, the portfolio amounted to €2.6 billion Group share, down €9 million compared to year-end 2022, essentially explained by the negative like-for-like change in value (€22 million).

6.2. Change on a like-for-like basis: -0.8%

(In € million, Excluding Duties)	Value 2022 100%	Value 2022 Group share	Value H1 2023 100%	Value H1 2023 Group share	LfL [1] change	Yield [2] 2022	Yield [3] H1 2023	% of total value
France	**2,209**	**726**	**2,194**	**722**	**- 0.4%**	**4.7%**	**5.2%**	**27.6%**
Paris	853	314	852	314				12.0%
Greater Paris (excl. Paris)	500	137	490	134				5.1%
Major regional cities	525	169	528	170				6.5%
Other cities	332	107	324	103				4.0%
Germany	**666**	**288**	**653**	**282**	**- 1.9%**	**4.8%**	**5.2%**	**10.8%**
Frankfurt	76	32	74	31				1.2%
Munich	51	22	47	21				0.8%
Berlin	73	32	73	31				1.2%
Other cities	467	202	459	199				7.6%
Belgium	**262**	**103**	**260**	**102**	**- 0.8%**	**6.0%**	**6.6%**	**3.9%**
Brussels	101	36	100	36				1.4%
Other cities	160	67	159	66				2.5%
Spain	**646**	**284**	**637**	**280**	**- 0.0%**	**5.3%**	**5.6%**	**10.7%**
Madrid	289	127	284	125				4.8%
Barcelona	216	95	222	97				3.7%
Other cities	142	62	131	58				2.2%
UK	**665**	**292**	**679**	**298**	**- 1.8%**	**4.5%**	**5.3%**	**11.4%**
Italy	**277**	**121**	**279**	**122**	**+ 0.8%**	**5.0%**	**5.1%**	**4.7%**
Other countries	**467**	**205**	**474**	**208**	**- 1.0%**	**5.1%**	**5.5%**	**8.0%**
Total Hotel lease properties	**5,193**	**2,019**	**5,176**	**2,014**	**- 0.8%**	**4.9%**	**5.4%**	**77.1%**
France	**300**	**132**	**307**	**135**	**+ 1.9%**	**5.8%**	**6.3%**	**5.2%**
Lille	109	48	108	47				1.8%
Other cities	191	84	199	87				3.3%
Germany	**875**	**364**	**860**	**358**	**- 2.1%**	**4.8%**	**5.9%**	**13.7%**
Berlin	621	258	607	253				9.7%
Dresden & Leipzig	199	83	197	82				3.1%
Other cities	55	23	55	23				0.9%
Other countries	**245**	**107**	**243**	**107**	**- 1.6%**	**5.8%**	**6.3%**	**4.1%**
Total Hotel Operating properties	**1,420**	**603**	**1,410**	**599**	**- 1.1%**	**5.2%**	**6.0%**	**22.9%**
Total Hotels	**6,613**	**2,622**	**6,585**	**2,613**	**- 0.8%**	**5.0%**	**5.5%**	**100.0%**

[1] LfL : Like-for-Like on a 6 months basis

[2] 2022 Yield is calculated on the basis of 2022 revenues and EBITDA yield for hotel operating properties

[3] 2023 Yield is calculated on the basis of 2023 fixed revenues; Variable revenues and EBITDA of operating properties are calculated on a rolling year (H2 2022 to H1 2023).

At the end of June 2023, Covivio held a unique hotel portfolio of €2.6 billion group share (€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 33% 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 12.6 years.

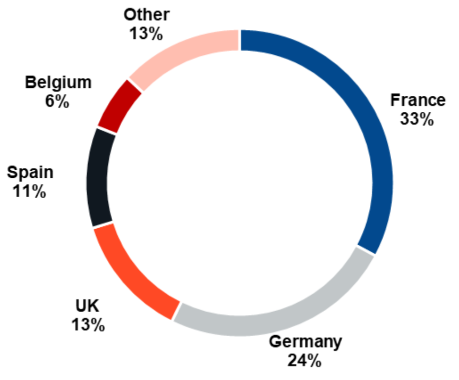
The portfolio value decrease by -0.8**% Like-for-Like**, a mix of:

1- **UK portfolio (-1.8%):** decline in value in the first half, on 9 assets counting for 11% of total hotel portfolio.

2- **Other leased assets (-0.6%):** This slight fall, due to the increase in cap rates, was mostly offset by a positive income effect linked to the growth in hotel performance and strong indexation of rents.

3- **Operating portfolio (-1.1%):** The value of German hotel fell by 2.1% in the first half, reflecting market performance and a rise in interest rates. Good performance for the French portfolio with a value increase of +1.9% thanks to one asset in the south of the France which was renovated and the rebound of the leisure clientele.

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 30 June 2023, 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. 2022	30 June 2023
Covivio Hotels	43.9%	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 (Streambuilding)	50.0%	50.0%
SCI N2 Batignolles (Streambuilding)	50.0%	50.0%
Hôtel N2 (Streambuilding - Zoku)	100.0%	50.1%
Fondo Porta Romana (Milan)	40.3%	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 20 July 2023.

3.3. Simplified income statement - Group share

(In € million, Group share)	H1 2022	H1 2023	var.	%
Net rental income	270.1	279.0	+8.9	3%
EBITDA from hotel operating activity & flex-office	13.6	21.3	+7.7	+56%
Income from other activities (incl. Property development)	14.4	11.3	-3.1	-21%
Net revenue	**298.1**	**311.6**	**+13.5**	**+5%**
Net operating costs	-35.5	-39.5	-4.0	+11%
Amortisations of operating assets	-17.9	-20.3	-2.4	+14%
Net change in provisions and other	3.8	6.9	+3.1	+82%
Current operating income	**248.6**	**258.7**	**+10.1**	**+4%**
Net income from inventory properties	-1.4	0.0	+1.4	n.a.
Income from value adjustments	380.4	-928.3	-1,308.7	n.a.
Income from asset disposals	-0.8	-2.4	-1.6	+206%
Income from disposal of securities	24.5	-0.3	-24.8	n.a.
Income from changes in scope & other	-0.4	-0.8	-0.4	+107%
Operating income	**650.8**	**-673.1**	**-1,323.9**	**n.a.**
Income from non-consolidated companies	0.0	0.0	+0.0	n.a.
Cost of net financial debt	-42.0	-50.5	-8.5	+20%
Interest charges linked to financial lease liability	-3.5	-3.6	-0.1	+3%
Value adjustment on derivatives	261.1	-29.4	-290.5	n.a.
Discounting of liabilities-receivables, and Result of change	-0.5	0.2	+0.7	n.a.
Early amortisation of borrowings' cost	1.5	-0.3	-1.8	n.a.
Share in earnings of affiliates	23.5	-15.9	-39.4	n.a.
Income before tax	**891.0**	**-772.7**	**-1,663.7**	**n.a.**
Deferred tax	-91.1	87.7	+178.8	n.a.
Corporate income tax	-4.2	-4.7	-0.5	+11%
Net income for the period	**795.7**	**-689.7**	**-1,485.5**	**n.a.**

▶ €311.6 million net revenue (+4.5%)

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)	H1 2022	H1 2023	var.	%
France Offices	75.2	78.2	+3.0	+4.0%
Italy Offices (incl. retail)	46.4	44.4	-2.0	-4.4%
German Offices	16.7	18.9	+2.2	+13.1%
German Residential	81.8	85.4	+3.6	+4.4%
Hotels in Europe (incl. retail)	50.0	52.1	+2.1	+4.3%
Total Net rental income	**270.1**	**279.0**	**+8.9**	**+3.3%**
EBITDA from hotel operating activity & flex-office	13.6	21.3	+7.7	+56.5%
Income from other activities	14.4	11.3	-3.1	-21.2%
Net revenue	**298.1**	**311.6**	**+13.5**	**+4.5%**

France Offices: Increase is led by indexation and deliveries partially offset by the sales of assets

Italy Offices: decrease mainly due to the sale of assets, partially offset by and like-for-like rental growth driven by high indexation

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 driven by mainly indexation, and modernisation works and positive reversion

Hotels in Europe: recovery has been very strong and steady over the period having significant impact on variable rents

- **EBITDA from the hotel operating activity and flex-office:** increase in revenues of the hotel property activity following the strong dynamic of the activity in all countries and new hotels operated by the group since H2 2022, mainly in UK, and Belgium. The flex-office activity increased slightly thanks to the ramp-up of this activity and the opening of new spaces in Milan with full year effect in 2023.

- **Income from other activities:** the change in net income from other activities comes from the slowdown in the property development projects in German residential.

- **Net operating costs:** increase in structure costs (+€4.0 million) due to inflation and non-recurrent profit of €1.8 million on free shares plans in 2022 due to executive directors departures.

- **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 €2.4 million increase is mainly due to new operated hotels in the UK (3 hotels), Belgium (2 hotels in Bruges) in France (1 hotel in Paris) and the full year effect of the new Wellio site opened in 2022.

- **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 (-€928.3 million) of assets based on appraisals carried out on the portfolio. This line item does not include the change in fair value of assets recognised at amortised cost under IFRS but is taken into account in the EPRA NAV calculation (hotel operating properties, flex-office assets and other own occupied buildings). For more details on changes in the portfolio by activity, see section 1 of this document.

- **Income from asset disposals & disposal of securities:**
Income from asset disposals contributed €-2.4 million during the year.

- **Cost of net financial debt:**
The cost of net financial debt increases due to the rise in interest rate, partially offset by a decrease of net debt.

- **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. This is stable compared with H1 2022 and refers to the hotel activity for an amount equal to -€2.3 million.

- **Value adjustment on derivatives:**
The fair value of financial instruments (hedging instruments) is slightly impacted by an average -15 bps decrease in the 10Y swap. The P&L impact is a revenue of -€29.4 million.

Share of income of equity affiliates

Group Share	% interest	Contribution to earnings (€million)	Value	Change in equity value (%)
OPCI Covivio Hotels	8.7%	1.0	43.9	+0.4%
Lénovilla (New Vélizy)	50.1%	-13.3	73.4	-10.6%
Euromed	50.0%	-2.9	30.9	-8.7%
Cœur d'Orly	50.0%	-2.1	36.1	-5.9%
Phoenix (Hotels)	14.6%	1.0	49.6	+1.1%
Fondo Porta di Romana	40.3%	0.5	35.5	+1.3%
Total		**-15.9**	**269.5**	**-4.5%**

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

- OPCI Covivio Hotels: three hotel portfolios, B&B (18 hotels), Campanile (22 hotels) and AccorHotels (37 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 25 Accor Invest hotels in France & Belgium and 2 B&B in France.
- 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 -€4.7 million, including taxes on sales (-€0.7 million).

Adjusted EPRA Earnings stable at €223.4 million (+€0.7 million vs. H1 2022)

	Net income Group share	Restatements	Adjusted EPRA E. H1 2023	Adjusted EPRA E. H1 2022
Net rental income	**279.0**	**2.4**	**281.4**	**273.1**
EBITDA from the hotel operating activity & flex-office	21.3	0.7	22.0	14.2
Income from other activities (incl. Property development)	11.3	0.0	11.3	14.4
Net revenue	**311.6**	**3.1**	**314.8**	**301.7**
Management and administration revenues	12.3	0.0	12.3	13.6
Operating costs	-51.8	0.0	-51.8	-49.1
Amortisations of operating assets	-20.3	12.6	-7.7	-7.4
Net change in provisions and other	6.9	-4.8	2.1	2.3
Operating income	**258.7**	**10.9**	**269.6**	**261.1**
Net income from inventory properties	0.0	0.0	0.0	0.0
Income from value adjustments	-928.3	928.3	0.0	0.0
Income from asset disposals	-2.4	2.4	0.0	0.0
Income from disposal of securities	-0.3	0.3	0.0	0.0
Income from changes in scope & other	-0.8	0.8	0.0	0.0
Operating result	**-673.1**	**942.8**	**269.6**	**261.1**
Cost of net financial debt	-50.5	0.0	-50.5	-41.2
Interest charges linked to finance lease liability	-3.6	2.3	-1.3	-1.3
Value adjustment on derivatives	-29.4	29.4	0.0	0.0
Discounting of liabilities-receivables and Foreign Exchange Result	0.2	0.0	0.2	-0.1
Early amortisation of borrowings' costs	-0.3	0.3	0.0	1.8
Share in earnings of affiliates	-15.9	25.5	9.6	7.2
Pre-tax net income	**-772.7**	**1,000.1**	**227.4**	**227.5**
Deferred tax	87.7	-87.7	0.0	0.0
Corporate income tax	-4.7	0.7	-4.0	-4.7
Net income for the period	**-689.7**	**913.1**	**223.4**	**222.7**
Average number of shares			*94,838,980*	*94,154,158*
Net income per share			**2.36**	**2.37**

- The restatement of the amortisation of operating assets (+€12.6 million) offsets the real estate amortisation of the flex-office and hotel operating activities.
- The restatement of the net change in provisions (-€2.2 million) consists of the ground lease expenses linked to the UK leasehold and the reversal of a null and void provision for a €3.3 million on the Hotels in Europe scope.
- Concerning the interest charges linked to finance lease liabilities relating to the UK leasehold, as per IAS 40 §25, €2.3 million was cancelled and replaced by the lease expenses paid (see the amount of -€2.2 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 (+€0.7 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	H1 2023
Net rental income	80.6	44.4	18.9	85.4	51.5	0.8	-0.2	281.4
EBITDA from Hotel operating activity & flex-office	4.9	2.8	0.0	0.0	0.0	14.3	0.0	22.0
Income from other activities (incl. Prop. development)	9.4	0.6	0.0	0.8	0.0	0.0	0.5	11.3
Net revenue	**94.8**	**47.7**	**18.9**	**86.2**	**51.6**	**15.1**	**0.3**	**314.8**
Net operating costs	-15.7	-5.2	-0.5	-15.0	-1.2	-0.8	-1.1	-39.5
Amortisation of operating assets	-3.8	-0.7	-0.4	-1.1	0.0	-1.1	-0.6	-7.7
Net change in provisions and other	3.7	-1.2	-0.1	0.0	-0.2	-0.6	0.4	2.1
Operating result	**79.0**	**40.7**	**17.9**	**70.2**	**50.1**	**12.7**	**-1.0**	**269.6**
Cost of net financial debt	-11.4	-7.0	-2.3	-17.1	-9.8	-3.2	0.2	-50.5
Other financial charges	0.0	-0.1	-0.2	0.0	-0.3	-0.5	0.0	-1.2
Share in earnings of affiliates	6.2	0.5	0.0	0.0	2.9	0.0	0.0	9.6
Corporate income tax	-0.2	-2.3	-0.3	1.7	-2.0	-0.7	-0.3	-4.0
Adjusted EPRA Earnings	**73.6**	**31.8**	**15.1**	**54.8**	**40.9**	**8.3**	**-1.1**	**223.4**
Development margin	**-1.1**	**-0.6**		**-0.3**				**-2.0**
EPRA Earnings	**72.5**	**31.2**	**15.1**	**54.5**	**40.9**	**8.3**	**-1.1**	**221.4**

EPRA Earnings of affiliates

(In € million, Group share)	France Offices	Italy Offices	Hotels (in lease)	H1 2023
Net rental income	6.7	-	3.9	10.6
Net operating costs	-0.1	-	-0.3	-0.5
Amortisation of operating properties	0.4	-	0.0	0.4
Operating result	**6.9**	**-**	**3.6**	**10.5**
Cost of net financial debt	-0.7	0.5	-0.6	-0.8
Share in earnings of affiliates	-	-	-0.1	-0.1
Share in EPRA Earnings of affiliates	**6.2**	**0.5**	**2.9**	**9.6**

3.4. Simplified consolidated income statement (at 100%)

(In € million, 100%)	H1 2022	H1 2023	var.	%
Net rental income	415.0	426.2	+11.2	+2.7%
EBITDA from hotel operating activity & flex-office	24.8	39.6	+14.8	+59.7%
Income from other activities (incl. Property developme	12.7	3.1	-9.6	-75.4%
Net revenue	**452.5**	**469.0**	**+16.5**	**+3.6%**
Net operating costs	-54.2	-55.9	-1.7	+3.2%
Amortisation of operating assets	-30.1	-34.8	-4.7	+15.6%
Net change in provisions and other	7.9	15.7	+7.8	+98.9%
Current operating income	**376.1**	**394.0**	**+17.9**	**+4.8%**
Net income from inventory properties	-1.5	0.0	+1.5	n.a.
Income from asset disposals	0.6	-3.7	-4.3	n.a.
Income from value adjustments	646.6	-1,277.7	-1,924.3	n.a.
Income from disposal of securities	24.5	-0.3	-24.8	n.a.
Income from changes in scope	-0.5	-1.9	-1.4	+276.8%
Operating income	**1,045.8**	**-889.5**	**-1,935.3**	**n.a.**
Cost of net financial debt	-70.5	-85.7	-15.2	+21.6%
Interest charge related to finance lease liability	-7.7	-7.8	-0.1	+1.7%
Value adjustment on derivatives	399.7	-29.2	-428.9	n.a.
Discounting of liabilities and receivables	-1.2	0.4	+1.6	n.a.
Early amortisation of borrowings' costs	1.1	-0.4	-1.5	n.a.
Share in earnings of affiliates	31.2	-13.3	-44.5	n.a.
Income before tax	**1,398.5**	**-1,025.6**	**-2,424.1**	**n.a.**
Deferred tax	-134.3	128.9	+263.2	n.a.
Corporate income tax	-7.9	-7.9	+0.0	-0.0%
Net income for the period	**1,256.4**	**-904.6**	**-2,161.0**	**n.a.**
Non-controlling interests	460.7	-214.9	-675.6	n.a.
Net income for the period - Group share	**795.7**	**-689.7**	**-1,485.4**	**n.a.**

The -€1,485.4 million decrease in net income for the period compared with HY 2022 is related to the value decreases of properties (-€1,277.7 million compared with a +€646.6 million in HY 2022) and derivatives (€-29.2 million compared with a +€399.7 in HY 2022), partly offset by the change in deferred taxes mainly related to the effects described above (+€263.2 million) and strong operating performances.

Net revenue increased by €16.5 million, mainly due to the strong performance in the hotel sector and rental growth in German Residential, partially offset by a decrease in property development margins.

(In € million, 100%)	H1 2022	H1 2023	var.	%
France Offices	89.0	91.3	+2.3	+2.6%
Italy Offices (incl. Retail)	61.2	57.2	-4.0	-6.5%
German Residential	126.6	132.4	+5.8	+4.6%
German Offices	17.9	20.3	+2.4	+13.2%
Hotels in Europe (incl. Retail)	120.3	125.0	+4.7	+3.9%
Total Net rental income	**415.0**	**426.2**	**+11.2**	**+2.7%**
EBITDA from the hotel operating activity & flex-office	24.8	39.6	+14.9	+60.1%
Income from other activities	12.7	3.1	-9.6	-75.4%
Net revenue	**452.5**	**469.0**	**+16.5**	**+3.7%**

3.5. Simplified consolidated balance sheet (Group share)

(In € million, Group share) Assets	2022	H1 2023	Liabilities	2022	H1 2023
Investment properties	14,343	13,594			
Investment properties under development	1,371	1,270			
Other fixed assets	985	998			
Equity affiliates	282	270			
Financial assets	233	247			
Deferred tax assets	78	80			
Financial instruments	562	532	**Shareholders' equity**	**9,443**	**8,686**
Assets held for sale	228	123	Borrowings	7,924	7,752
Cash	343	345	Financial instruments	244	204
Inventory (Trading & Construction activities)	190	199	Deferred tax liabilities	835	744
Other	500	537	Other liabilities	670	809
Total	**19,116**	**18,195**	**Total**	**19,116**	**18,195**

Investment properties, Properties under development and Other fixed assets

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

(In € million, Group share)	2022	H1 2023	var.
France Offices	5,164	4,757	-407
Italy Offices (incl. Retail)	2,445	2,410	-35
German Offices	1,335	1,236	-99
German Residential	5,374	4,984	-390
Hotels in Europe (incl. Retail)	2,606	2,595	-11
Car parks (and other)	4	4	0
Total Fixed Assets	**16,927**	**15,985**	**-942**

The decrease in **France Offices** (-€407 million) was mainly due to the disposals (-€133 million), the change in fair value (-€325 million) partly offset by +€44 million of Acquisition and CAPEX.

In Italy Offices, the change (-€35 million) was mainly due to disposals for the period (-€45 million) and the decrease in fair value (-€37 million), partly offset by the CAPEX (+€48 million).

The decrease in **German Residential** (-€390 million) was mainly due to the change in fair value (-€423 million), CAPEX and acquisitions (+€38million), partly offset by disposals for the year (-€7 million).

German Offices (-€99 million) was mainly due to the decrease in fair value (-€128 million) partly offset by the CAPEX (+€28 million).

The increase in the **Hotels in Europe portfolio** (-€11 million) was mainly driven by the decrease in fair value (-€17 million), Amortization of operating properties and other tangible assets (-€11 million), Acquisition and Capex (+€8 million), right of use (-€1 million), offset by disposals (-€7 million) and foreign currency exchange gain (+€16 million)

Assets held for sale (included in the total fixed assets above), €120.3 million at the end of June 2023

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

- 51.4% of offices in France.
- 35.4% of hotels in Europe.
- 7.6% of residential in Germany.
- 5.5% of offices in Italy.

Total Group shareholders’ equity

Shareholders’ equity decreased from €9,443 million at the end of 2022 to €8,686 million at 30 June 2023, i.e. -€757 million, mainly due to:

- Income for the period: -€689.7 million.
- The dividend distribution: -€351.9 million, partially offset by the option in payment in shares for +€279.1 million

Deferred tax liabilities

Deferred tax liabilities represent €835.3 million in liabilities versus €744.7 million on 30 June 2023. This €90.6 million decrease is mainly due to the drop in appraisal values in Germany (-€85.9 million) slightly offset by stable appraisal values on the hotel scope.

3.6. Simplified consolidated balance sheet (at 100%)

(In € million, 100%) Assets	2022	H1 2023	Liabilities	2022	H1 2023
Investment properties	21,391	20,381			
Investment properties under development	1,574	1,397			
Other fixed assets	1,718	1,740			
Equity affiliates	401	389			
Financial assets	114	124	Shareholders' equity	9,443	8,686
Deferred tax assets	86	90	Non-controlling interests	4,648	4,275
Financial instruments	813	780	**Shareholders' equity**	**14,092**	**12,961**
Assets held for sale	259	193	Borrowings	10,968	10,898
Cash	462	475	Financial instruments	300	262
Inventory (Trading & Construction activity)	264	274	Deferred tax liabilities	1,320	1,187
Other	579	656	Other liabilities	981	1,189
Total	**27,661**	**26,498**	**Total**	**27,661**	**26,498**

4. FINANCIAL RESOURCES

Summary of the financial activity

Covivio is rated BBB+ with a stable outlook by S&P, confirmed on May 16th, 2023.

At 30 June 2023, Covivio's Loan-to-Value (LTV) ratio was 40.7% (LTV policy < 40%), thanks to active portfolio rotation and despite value adjustments. Average cost of debt slightly increases to 1.46% (+22 bps vs end-2022), thanks to a highly hedged debt, and maturity of debt is at 4.7 years.

The liquidity position is also strong, with €1.5 billion available at end-June 2023 on Covivio SA, including €1.4 billion of undrawn credit lines and €0.1 billion of cash.

4.1. Main debt characteristics

Group share	31 Dec. 2022	30 Jun. 2023
Net debt, Group share (€ million)	7,581	**7,406**
Average annual rate of debt	1.24%	**1.46%**
Average maturity of debt (in years)	4.8	**4.7**
Debt active hedging spot rate	86%	**90%**
Average maturity of hedging	6.3	**5.8**
LTV including duties	39.5%	**40.7%**
ICR	6.9	**6.1**

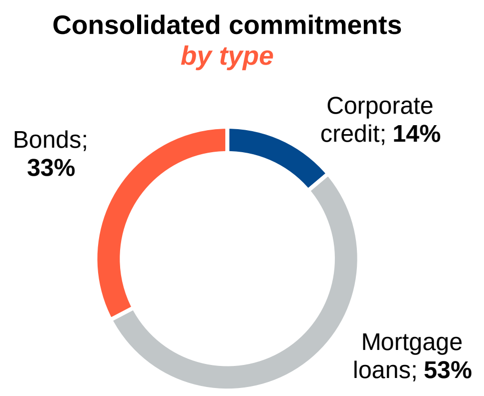
4.2. Debt by type

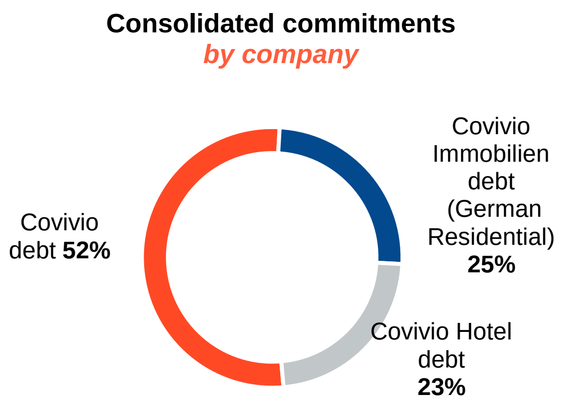
Covivio's net debt stands at €7.4 billion in Group share at end-June 2023 (€10.4 billion on a consolidated basis), -0.2 billion compared to end-2022.

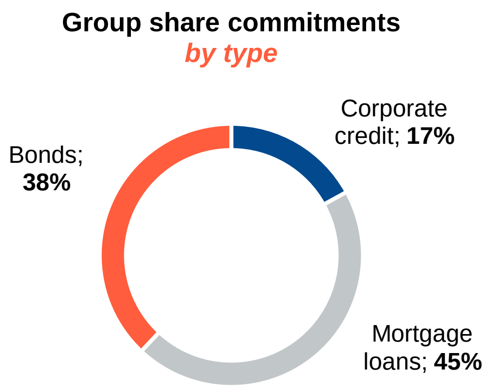
Additionally, Covivio had €0.35 billion in commercial papers outstanding at 30 June 2023.

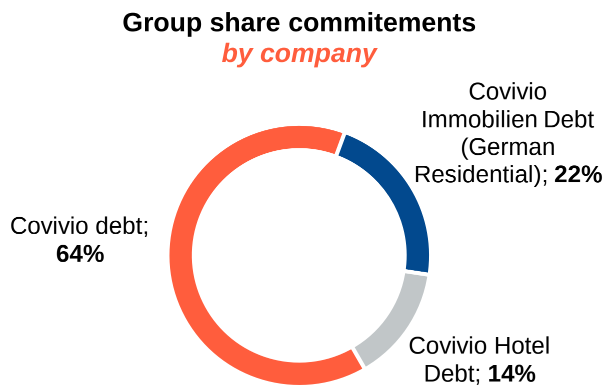
Covivio has built its financing policy on diversification (both geographically and by asset class) and granularity. At end-June 2023, 51% of its debt was comprised of mortgages, 44% of bonds, 5% of commercial paper (€350 million, more than covered by undrawn credit lines of €1.4 billion).

In 2024 and 2025, approximately 16% of maturities (€347 million) relate to undrawn credit lines. Only 21% (€453 million) related to two bonds maturing at the end of 2024 and in 2025. The remaining 62% (€1.3 billion) is comprised of bank mortgages that are well-diversified in terms of asset class and geography: 32% in Germany Residential, 29% in Germany Offices, 14% in France Offices, 13% in Italy Offices, and 12% in hotels. No single item of debt maturing before 2025 exceeds €350 million.





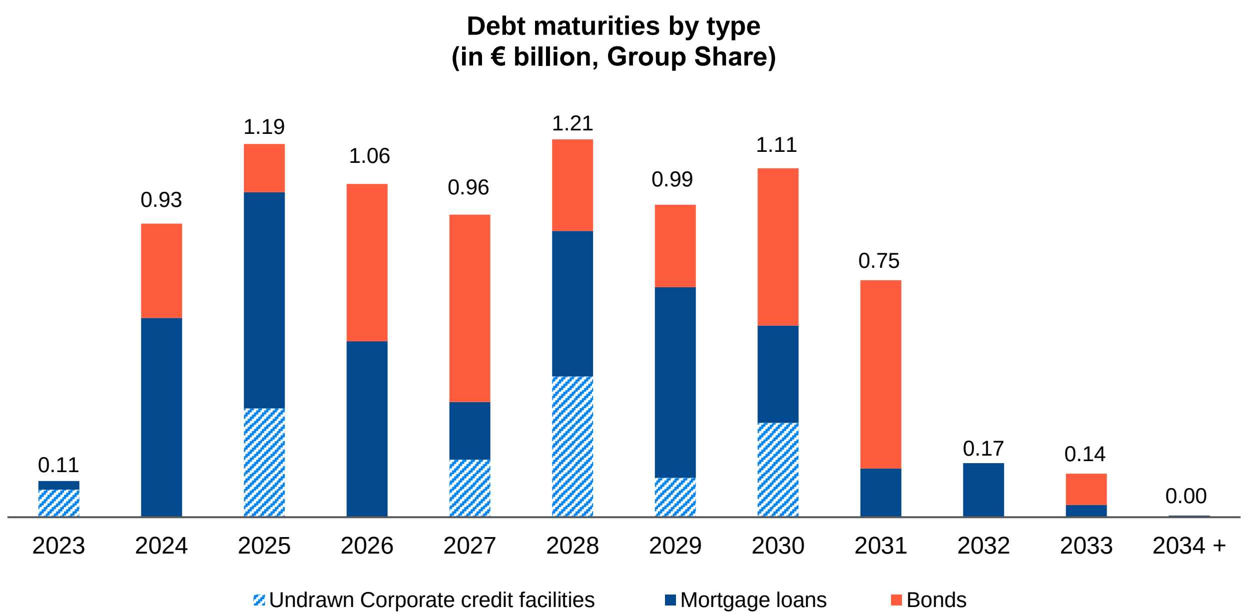




4.3. Debt maturity

The average maturity of Covivio's debt stands at 4.7 years at end-June 2023. Until 2024, there is no major maturity that has not already been covered or is already under renegotiation.

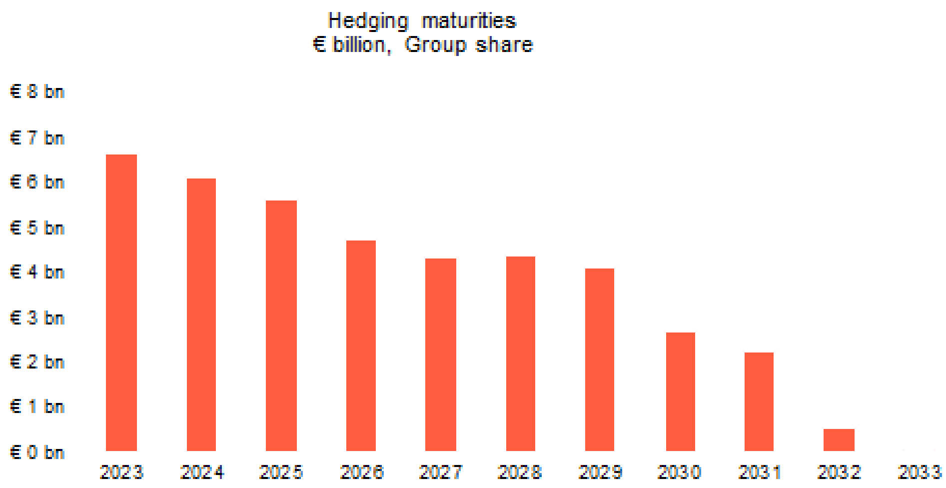
The next large maturities occur in 2024 and are mainly composed of a bond of €300 million and a mortgage debt of €150 million Group share linked to the Telecom Italia portfolio.



4.4. Hedging profile

At end-June 2023, debt is hedged at 90% on average over the year, and 77% 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 5.8 years Group share.



4.5. Average interest rate on debt and sensitivity

The average interest rate on Covivio's debt slightly increased by 22 bps to 1.46% 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 June 2023, to 60% for Covivio and Covivio Hotels.
- The most restrictive ICR consolidated covenants applicable to the REITs, at 30 June 2023, 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	30 Jun. 2023
LTV	60.0%	42.3%[1]	44.0%[1]
ICR	2.00	6.86	6.11
Secured debt ratio	25.0%	4.9%	5.2%

[1] Excluding duties and sales agreements

All covenants were fully complied with at year end-June 2023. No loan has an accelerated payment clause contingent on Covivio's rating, which is currently BBB+, Stable outlook (S&P rating) confirmed on 16th May 2023.

Detail of Loan-to-Value calculation (LTV)

(In € million Group share)	31 Dec. 2022	30 Jun. 2023
Net book debt	7,581	7,406
Receivables linked to associates (full consolidated)	-169	-185
Receivables on disposals	-16	26
Preliminary sale agreements	-228	-332
Purchase debt	54	67
Net debt	**7,222**	**6,983**
Appraised value of real estate assets (Including Duties)	18,151	17,133
Preliminary sale agreements	-228	-332
Financial assets	15	15
Receivables linked to associates (equity method)	86	67
Share of equity affiliates	282	270
Value of assets	**18,306**	**17,153**
LTV Excluding Duties	**41.5%**	**42.9%**
LTV Including Duties	**39.5%**	**40.7%**

4.6. Reconciliation with consolidated accounts

Net debt

(In € million)	Consolidated accounts	Minority interests	Group share
Bank debt	10,898	-3,147	**7,752**
Cash and cash equivalents	475	-129	**345**
Net debt	**10,424**	**-3,018**	**7,406**

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	21,778	1,119	1,953	-	-255	-9,727	**14,867**
Assets held for sale	193	-	-	-7	-	-65	**120**
Total portfolio	**21,971**	**1,119**	**1,953**	**-7**	**-255**	**-9,792**	**14,987**

Duties	862
Portfolio group share including duties	15,849
(-) portfolio of companies consolidated under the equity method	-426
(+) Fair value of trading activities	199
(+) Other operating properties	1,511
Portfolio for LTV calculation	**17,133**

Interest Coverage Ratio

(In € million)	Consolidated accounts	Minority interests	Group share
EBITDA (net rents (-) operating expenses (+) results of other activities)	3,306	-3,024	**282**
Cost of debt	79	-33	**46**
ICR			**6.11**

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	H1 2022	Acquis.	Disposals	Developments (deliveries & vacating for redevelopment)	Indexation, asset management & occupancy	Others	H1 2023
France Offices	**75**	0	-7	5	4	2	**78**
Italy Offices (incl. retail)	**46**	0	-8	1	2	3	**44**
German Offices	**17**	0	0	0	1	1	**19**
German Residential	**82**	1	1	0	2	0	**85**
Hotels in Europe (incl. Retail & excl. EBITDA from operating properties)	**50**	0	0	0	5	-2	**52**
Other (France Residential)	**0**	0	0	0	0	0	**0**
Total	**270**	**1**	**-15**	**6**	**14**	**3**	**279**

The revenues LFL growth (including EBITDA from Hotels) is +7.6% in H1 2023.

€ million	H1 2023
Total from the table of changes in Net rental Income (GS)	**279**
Adjustments	-
Total net rental income (Financial data § 3.3)	**279**
Minority interests	147
Total net rental income (Financial data § 3.4)	**426**

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)	Annualised rents (€ m)	Surface (m²)	Average rent (€/m²)	Vacancy rate (excluding Secured area) (%)	ERV of spot vacant space (€ m)	ERV of the whole portfolio (€ m)	EPRA vacancy rate (%)
France Offices	87	78	205	1,002,674	257	8.0%	27	227	12.1%
Italy Offices (incl. retail)	51	44	116	928,125	155	1.5%	2	124	1.5%
German Offices	22	19	49	359,978	163	14.0%	10	54	18.6%
German Residential	94	85	186	2,840,445	101	0.9%	2	188	0.9%
Hotels in Europe (incl. Retail & excl. EBITDA from operating properties)	53	52	111	-	-	-	-	111	-
Other (France Residential)	-	- 0	-	-	-	-	-	-	-
Total [1]	**308**	**279**	**667**	**5,131,222**	**146**	**4.2%**	**41**	**703**	**5.8%**

1. Including French residential and others

The spread between the vacancy rate excluding the secured lease (4.2%) and the EPRA vacancy rate (5.8%) 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 ERV doesn't include the potential reversion in all our markets Berlin (45-50%), Hamburg (20-25%), Dresden and Leipzig (10-15%) and in North Rhine-Westphalia (20-25%).

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	5,099	-325	241	3.9%
Italy Offices (incl. Retail)	2,485	-37	85	4.2%
German Offices	1,332	-127	81	3.0%
German Residential	4,854	-422	339	3.3%
Hotels in Europe (incl. Retail)	2,634	-17	119	5.1%
Other (France Resi. and car parks)	4			n.a.
Total H1 2023	**16,408**	**-928**	**865**	**3.9%**

The change in fair value over the year presented above excludes change in value of operating properties, 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	H1 2023
Total portfolio value (Group share, market value)	**16,408**
Fair value of the operating properties	-1,116
Fair value of companies under equity method	-426
Other assets held for sale	3
Right of use on investment assets	120
Fair value of car parks facilities	-4
Tangible fixed assets	3
Investment assets Group share [1] (Financial data§ 3.5)	**14,988**
Minority interests	6,984
Investment assets 100% [1] (Financial data§ 3.5)	**21,972**

1 Fixed assets + Developments assets + asset held for sale

Reconciliation with IFRS

€ million	H1 2023
Change in fair value over the year (Group share)	-928
Others	-
Income from fair value adjustments Group share (Financial data § 3.3)	**-928**
Minority interests	-199
Income from fair value adjustments 100% (Financial data § 3.3)	**-1,128**

5.4. Assets under development

	Ownership type	% ownership (Group share)	Fair value H1 2023	Capitalised financial expenses over the year	Total cost incl. financial cost [1] (€m, Group share)	% progress	Delivery date	Surface at 100% (m²)	Pre-letting	Yield (%)
Meudon Atlas	FC[2]	100%	12	0.2	229	3%	2026	38,000 m²	100%	7.0%
Paris Grands Boulevards	FC	100%	98	0.4	153	6%	2026	7,500 m²	0%	4.5%
Total France Offices			**110**	**0.6**	**382**	**4%**		**45,500 m²**	**70%**	**6.0%**
The Sign D	FC	100%	26	0.3	76	28%	2024	13,200 m²	92%	6.1%
Corso Italia	FC	100%	95	0.9	122	24%	2025	25,700 m²	100%	6.1%
Rozzano - Strada 8	FC	100%	24	0.3	45	30%	2024	12,100 m²	40%	7.8%
Symbiosis G+H	FC	100%	69	0.7	193	19%	2025	38,000 m²	100%	6.3%
Total Italy Offices			**214**	**2.2**	**435**	**23%**		**89,000 m²**	**91%**	**6.3%**
Düsseldorf Herzogterrassen	FC	94%	214	1.1	304	4%	2024	55,700 m²	55%	4.4%
Berlin Beagle	FC	100%	25	0.1	16	71%	2023	5,100 m²	100%	6.5%
Berlin Alexanderplatz	FC	55%	132	2.7	345	26%	2027	60,000 m²	0%	4.8%
Total German Offices			**492**	**3.9**	**665**	**17%**		**120,800 m²**	**27%**	**4.7%**
Total			**816**	**6.7**	**1,482**	**15%**		**255,300 m²**	**61%**	**5.5%**

1 Total cost including land and financial cost
2 FC: Full consolidation

Reconciliation with total committed pipeline

(€M, Group share)	Capitalised financial expenses over the year	Total cost incl. financial cost (Group share)
Projects fully consolidated	**6.7**	**1,482**
Projects on own-occupied buildings (Paris Madrid Saint Lazare)	0.5	**102**
Others (Loft)	0.0	**26**
Total Offices Committed pipeline	**7.2**	**1,610**
German Residential		**262**
French Residential		**213**
Total Committed pipeline	**7.2**	**2,085**

The total cost of committed projects is therefore € 1,610 million (cf 1.G. Development projects).

Reconciliation with financial data

	June 2023
Total fair value of assets under development	**816**
Project under technical review and non-committed projects	**454**
Assets under development (Financial data § 3.5)	**1,270**

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)	Section
France Offices	4.8	5.5	7%	19%	22%	38%	205	2B
Italy Offices (incl. retail)	6.7	7.2	5%	7%	26%	59%	116	2C
Germany Offices	4.3	4.7	26%	16%	24%	26%	49	2D
Hotels in Europe (incl. retail)	12.6	14.4	4%	2%	3%	90%	111	2F
Others (German Residential, Hotels Ebitda, others)	n.a	n.a	n.a	n.a	n.a	n.a	218	
Total[1]	**7.0**	**7.9**	**5%**	**8%**	**13%**	**68%**	**698**	

1. Percentage of lease expiries on total revenues

In H2 2023, 5.1% of total leases are expiring: 2.2% have no intention to vacate the property and 2.5% are going to be redeveloped. The other part, 0.4%, 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 2022**	**France Offices**	**Italy Offices** (incl. Retail)	**German Offices**	**German Residential**	**Hotels in Europe** (incl. Retail)	**Total H1 2023**
Investment, disposable and operating properties	**17,394**	5,099	2,485	1,332	4,854	2,634	**16,404**
Restatement of assets under development	**-1,371**	-621	-247	-398	-3	-	**-1,270**
Restatement of undeveloped land and other assets under development	**-333**	-214	-101	-13	-	-	**-327**
Duties	**918**	241	85	81	339	119	**865**
Value of assets including duties (1)	**16,608**	**4,506**	**2,222**	**1,002**	**5,189**	**2,754**	**15,672**
Gross annualised IFRS revenues	**653**	189	107	35	186	144	**661**
Irrecoverable property charge	**-63**	-15	-14	-5	-17	-3	**-54**
Annualised net revenues (2)	**590**	**174**	**93**	**30**	**169**	**142**	**608**
Rent charges upon expiration of rent free periods or other reductions in rental rates	**34**	17	9	7	-	1	**33**
Annualised topped-up net revenues (3)	**624**	**191**	**101**	**37**	**169**	**142**	**640**
EPRA Net Initial Yield (2)/(1)	**3.6%**	3.9%	4.2%	3.0%	3.3%	5.1%	**3.9%**
EPRA "Topped-up" Net Initial Yield (3)/(1)	**3.8%**	4.2%	4.6%	3.7%	3.3%	5.2%	**4.1%**
Transition from EPRA topped-up NIY to Covivio yield							
Impact of adjustments of EPRA rents	**0.4%**	0.3%	0.7%	0.5%	0.4%	0.1%	**0.4%**
Impact of restatement of duties	**0.2%**	0.3%	0.2%	0.4%	0.3%	0.2%	**0.3%**
Covivio reported yield rate	**4.4%**	**4.8%**	**5.4%**	**4.5%**	**3.8%**	**5.5%**	**4.7%**

5.7. EPRA cost ratio

(€million, Group share)	H1 2022	H1 2023
Unrecovered Rental Cost	-18.5	-15.0
Expenses on properties	-10.1	-10.6
Net losses on unrecoverable receivables	4.0	-0.7
Other expenses	-1.7	-1.9
Overhead	-47.4	-49.9
Amortisation, impairment and net provisions	2.3	2.1
Income covering overheads	13.6	12.3
Cost of other activities and fair value	-1.5	-5.3
Property expenses	0.3	-0.3
EPRA costs (including vacancy costs) (A)	**-59.1**	**-69.3**
Vacancy cost	10.8	10.9
EPRA costs (excluding vacancy costs) (B)	**-48.3**	**-58.4**
Gross rental income less property expenses	297.4	308.0
EBITDA from hotel operating properties & coworking, income from other activities and fair value	37.7	49.0
Gross rental income (C)	**335.0**	**357.0**
EPRA costs ratio (including vacancy costs) (A/C)	**17.6%**	**19.4%**
EPRA costs ratio (excluding vacancy costs) (B/C)	**14.4%**	**16.4%**

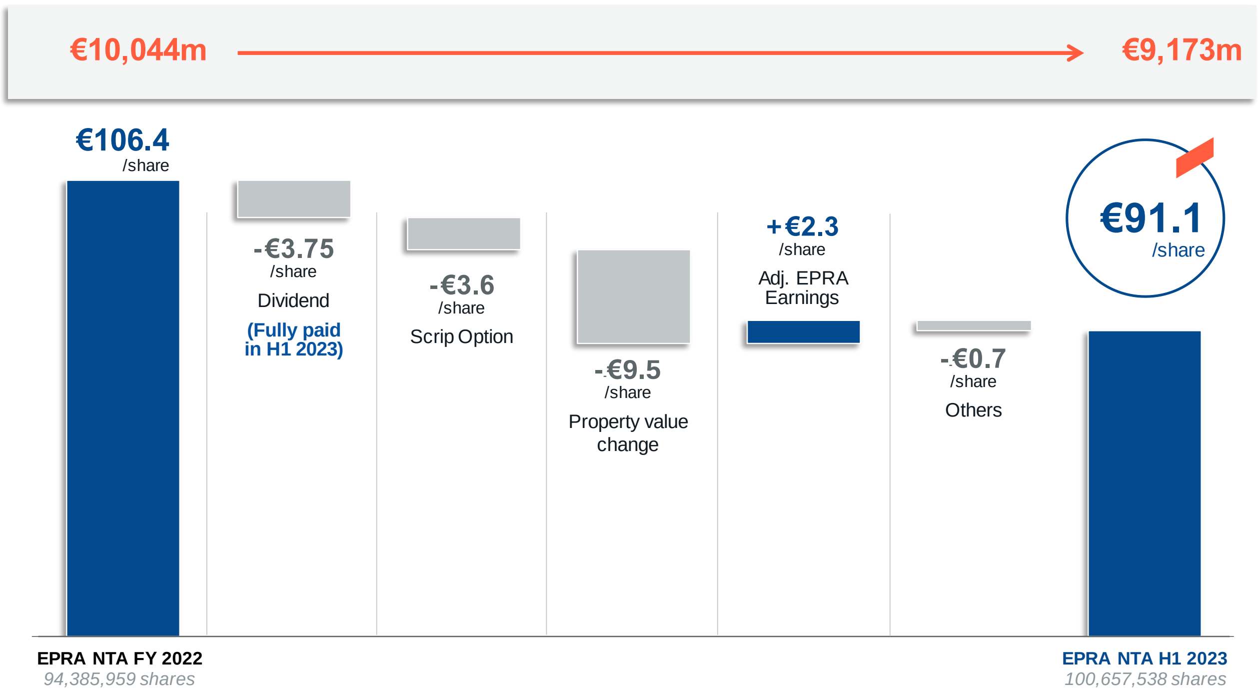
5.8. Adjusted EPRA Earnings: stable to €223.4 million

(€million)	H1 2022	H1 2023
Net income Group share (Financial data §3.3)	**795.7**	**-689.7**
Change in asset values	-380.4	928.3
Income from disposal	-22.3	2.7
Acquisition costs for shares of consolidated companies	0.4	0.8
Changes in the value of financial instruments	-261.1	29.4
Interest charges related to finance lease liabilities (lease	2.2	2.3
Rental costs (leasehold > 100 years)	-1.6	-1.6
Deferred tax liabilities	91.1	-87.7
Taxes on disposals	-0.5	0.7
Adjustment to amortisation	10.5	12.6
Neutralization Result of change Hungary	0.4	0.0
Adjustments from early repayments of financial instrume	1.0	0.2
Adjustment IFRIC 21	3.6	3.1
EPRA Earnings adjustments for associates	-16.3	25.5
Ajusted EPRA Earnings (B)	**222.7**	**223.4**
Adjusted EPRA Earnings in €/share (B)/(C)	**2.37**	**2.36**
Promotion margin	-9.1	-2.0
EPRA Earnings (A)	**213.6**	**221.4**
EPRA Earnings in €/share (A)/(C)	**2.27**	**2.33**
Development margin	9.1	2.0
Average number of shares (C)	94,154,158	94,838,980

5.9. EPRA NRV, EPRA NTA and EPRA NDV

	2022	H1 2023	Var.	Var. (%)
EPRA NRV (€ m)	11,040	10,105	-935	-8.5%
EPRA NRV / share (€)	117.0	100.4	-16.6	-14.2%
EPRA NTA (€ m)	10,044	9,173	-870	-8.7%
EPRA NTA / share (€)	106.4	91.1	-15.3	-14.4%
EPRA NDV (€ m)	10,172	9,359	-812	-8.0%
EPRA NDV / share (€)	107.8	93.0	-14.8	-13.7%
Number of shares	94,385,959	100,657,538	6,271,579	+6.6%

Evolution of EPRA NTA



Reconciliation between shareholder's equity and EPRA NAV

	2022 (€ m)	€ per share	H1 2023 (€ m)	€ per share
Shareholders' equity	**9,443**	**100.0**	**8,686**	**86.3**
Fair value assessment of operating properties	227		202	
Duties	918		865	
Financial instruments and ORNANE	0		0	
Deferred tax liabilities	0		0	
EPRA NRV	**11,040**	**117.0**	**10,105**	**100.4**
Restatement of value Excluding Duties on some assets	-884		-827	
Goodwill and intangible assets	-68		-68	
Deferred tax liabilities	0		0	
EPRA NTA	**10,044**	**106.4**	**9,173**	**91.1**
Optimization of duties	-34		-38	
Intangible assets	17		18	
Fixed-rate debts	553		521	
Financial instruments and ORNANE	0		0	
Deferred tax liabilities	0		0	
EPRA NDV	**10,172**	**107.8**	**9,359**	**93.0**

(1) Excluding credit spread impact of €-22M

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 June 2023 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 €202 million value adjustment was recognised in EPRA NRV, NDV, NTA related to :

- co-working and operating hotel properties for €158 million
- own-occupied buildings for €42 million
- car parks for €2 million

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 +€521 million at 30 June 2023.

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 €38 million at 30 June 2023.

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	H1 2022		H1 2023	
	100%	Group share	100%	Group share
Acquisitions [1]	42	25	0	0
Developments	120	80	113	83
Investment Properties	105	69	82	58
Capitalized expenses on development portfolio [2] (except under equity method)	17	13	23	20
Total	**284**	**186**	**218**	**160**

[1] Acquisitions including duties

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

The €83 million group share of Development Capex relates to renovation expenses on development projects (excluding properties under equity method and assets under operation but including Capex on H1'2023 deliveries).

The €58 million group share of Investment Properties is mainly composed of:

- €20 million on offices including tenant improvement
- €5 million of modernisation Capex on hotels, with the aim to improve the quality of assets and benefit from increased revenues and performance,
- €33 million of modernization & maintenance Capex on German Residential

5.11. EPRA LTV

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

EPRA LTV 30 Jun. 2023 (€ 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	6,417	195		-2,582	4,030
Commercial paper	350				350
Hybrids (including Convertibles, preference shares, debt, options, perpetuals)	-			-	-
Bond Loans	3,845			-533	3,312
Foreign Currency Derivatives (futures, swaps, options and forwards)				-	-
Net Payables				-	-
Owner-occupied property (debt)				-	-
Current accounts (Equity characteristic)				-	-
Exclude:					-
Cash and cash equivalents	475	29		-144	360
Net Debt (a)	**10,138**	**166**		**-2,971**	**7,333**
Include:					
Owner-occupied property	2,021	10		-851	1,180
Investment properties at fair value	20,126	495		-6,899	13,722
Properties held for sale	186	-		-66	120
Properties under development	1,397	-		-127	1,270
Intangibles	-	-		0	-
Net Receivables	32	4		22	58
Financial assets	358	-		-162	196
Total Property Value (b)	**24,120**	**509**	**0**	**-8,083**	**16,546**
Real Estate Transfer Taxes	1,232			-367	865
Total Property Value (incl. RETTs) (c)	**25,352**	**509**	**0**	**-8,450**	**17,411**
LTV (a/b)	**42.0%**				**44.3%**
LTV (incl. RETTs) (a/c) (optional)	**40.0%**				**42.1%**

	H1 2023
LTV EPRA	**44.3%**
Duties	-2.2%
Preliminary Agreements	-1.1%
Other effects (including conso. restatements)	-0.3%
LTV Including duties	**40.7%**

5.12. EPRA performance indicator reference table

EPRA information	Section	in %	Amount in €	Amount in €/share
EPRA Earnings	5.8	-	€221 m	€2.3 /share
Ajusted EPRA Earnings	5.8		€223 m	€2.4 /share
EPRA NRV	5.9	-	€10,105 m	€100.4 /share
EPRA NTA	5.9	-	€9,173 m	€91.1 /share
EPRA NDV	5.9	-	€9,359 m	€93.0 /share
EPRA net initial yield	5.6	3.9%	-	-
EPRA topped-up net initial yield	5.6	4.1%	-	-
EPRA vacancy rate at year-end	5.2	5.8%	-	-
EPRA costs ratio (including vacancy costs)	5.7	19.4%	-	-
EPRA costs ratio (excluding vacancy costs)	5.7	16.4%	-	-
EPRA LTV	5.11	44.3%		
EPRA indicators of main subsidiaries	6	-	-	-

6. FINANCIAL INDICATORS OF THE MAIN ACTIVITIES

	Covivio Hotels			Covivio Immobilien		
	FY 2022	H1 2023	Change (%)	FY 2022	H1 2023	Change (%)
EPRA Earnings (half year - M€)	102.5	**112.1**	+9.4%	82.9	**78.2**	-5.6%
EPRA NRV	4,105	**3,998**	-2.6%	5,733	**5,043**	-12.0%
EPRA NTA	3,722	**3,618**	-2.8%	5,199	**4,548**	-12.5%
EPRA NDV	3,763	**3,646**	-3.1%	4,574	**3,990**	-12.8%
% of capital held by Covivio	43.9%	**43.9%**	+0.0 pts	61.7%	**61.7%**	+0.0 pts
LTV including duties	35.0%	**35.9%**	+0.9 pts	31.7%	**34.8%**	+3.1 pts
ICR	6.0x	**5.2x**	- .8x	7.3x	**4.2x**	- 3.1x

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.

<u>Calculation:</u>

(+) 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