


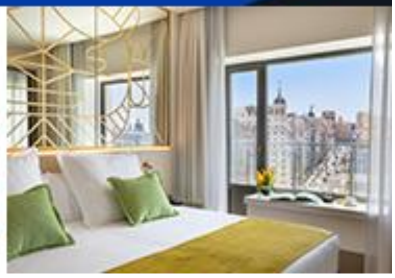

Paris, le 20 juillet 2023, 18h

Résultats semestriels 2023 :

Solide performance opérationnelle et renforcement du bilan

« Dans un environnement immobilier impacté par la hausse des taux d'intérêt et un marché de l'investissement ralenti, Covivio s'adapte rapidement. Les 350 M€ de nouveaux accords de cessions et le paiement du dividende en actions confortent la solidité du bilan. Dans le même temps, la forte croissance de nos revenus de +7,6% à périmètre constant nous permet de relever notre perspective de résultat net récurrent 2023. »
Christophe Kullmann, Directeur Général de Covivio

Croissance des revenus à périmètre constant de +7,6%

- Revenus part du groupe de 321 M€, en hausse de +5% à périmètre courant et de +7,6% à périmètre constant
- Bureaux : 68 750 m² de bureaux loués ou renouvelés et croissance des loyers à périmètre constant de +5,3%
- Résidentiel allemand : accélération de la croissance à périmètre constant (+3,8%) et réversion moyenne de +20%
- Hôtels : +20% à périmètre constant, dont +42% sur les revenus variables et +10% sur les loyers fixes
- Taux d'occupation de 95,8% avec une maturité moyenne ferme des baux de 7 années

Maintien d'un bilan sain malgré les baisses de valeurs

- Patrimoine de 16,4 Md€ (24,8 Md€ à 100%), en baisse de -5,5% à périmètre constant (et de -7,8% sur un an)
- 350 M€ (437 M€ à 100%) de nouveaux accords de cessions depuis le début d'année
- Option de paiement du dividende en actions souscrite à 79%, permettant de renforcer le bilan à hauteur de 279 M€
- 765 M€ financés ou refinancés, réduisant les échéances de dettes 2024/2025
- Notation BBB+, perspective stable confirmée par S&P en mai 2023

Stabilité du résultat net récurrent

- Résultat récurrent de 223,4 M€ et 2,36€/action, stable sur un an malgré l'effet des cessions
- Ratio d'endettement contenu (LTV de 40,7%)
- Actif net réévalué (EPRA NTA) impacté par les baisses de valeurs : 91,1€/action (-14% sur six mois)

Nouvelles étapes franchies en matière d'ESG

- Résolution « Say on Climate » adoptée à 94%, publication du second Rapport Climat, patrimoine certifié à 93,5%
- Relèvement de la notation S&P Global rating à 85/100, statut de « *sector leader* » confirmé
- Hausse de la part de la dette verte, à 50% vs 38% fin 2022

Perspectives 2023 relevées

- Bonne dynamique opérationnelle permettant de compenser la hausse des frais financiers
- Objectif d'*EPRA Earnings* ajusté 2023 de l'ordre de 420 M€ (vs perspectives initiales de 410 M€)

Covivio : un patrimoine diversifié et en adaptation continue

Covivio détient un patrimoine de 24,8 Md€ (16,4 Md€ PdG) d'actifs en Europe, diversifié dans des activités où le groupe joue un rôle d'acteur de premier plan :

- **54% du patrimoine est composé de bureaux** en France, Italie et Allemagne, majoritairement dans des localisations centrales à Paris, Milan et dans les principales villes allemandes ;
- **Le résidentiel en Allemagne représente 30% du patrimoine**. Il est situé dans les centres-villes de Berlin, Dresde, Leipzig, Hambourg et les grandes villes de la Rhénanie du Nord-Westphalie ;
- **Les hôtels (16% du patrimoine)**, situés dans les grandes villes touristiques européennes (Paris, Berlin, Rome, Madrid, Barcelone, Londres, etc.), sont loués et gérés par les opérateurs leaders : Accor, IHG, B&B, NH Hotels, etc.

Ce patrimoine est géré selon **trois piliers stratégiques** :

1. **La localisation au cœur des grandes métropoles européennes**, en particulier Paris, Berlin et Milan. Ainsi, 97% des actifs se situent à moins de 5 minutes à pied d'un transport en commun.
2. **La conception d'un immobilier neuf**, alliant performance énergétique, bien-être et adaptation à l'évolution des usages. Les projets en cours de rénovation ou de construction sont d'ores et déjà pré-loués à 62%.
3. **La culture-clients,** qui place l'utilisateur au centre de la stratégie. Covivio accompagne dans la durée ses clients dans leurs stratégies immobilières, en co-définissant avec eux leurs projets et en nouant des relations partenariales durables (maturité moyenne ferme des baux de 7 ans). Cela se traduit notamment par une approche conseil forte, une politique servicielle ambitieuse et toujours plus de flexibilité, avec par exemple des offres hybrides alliant bail commercial et contrat flexible.

Solide performance opérationnelle sur tous les métiers

Bureaux : croissance de +5,3% des loyers à périmètre constant

Consolidation de la demande placée, poursuite de la hausse des loyers *prime*[1]

Après deux solides années en 2021 et 2022, la demande placée marque le pas en moyenne en Europe. En Île-de-France, elle recule de -22% à 816 200 m² sur le premier semestre 2023. Cette demande reste largement orientée sur les zones les plus centrales, Paris intra-muros représentant près de 44% de la demande. Si l'offre immédiate augmente de +10% sur un an à 4,5 millions de m² (taux de vacance de 8%), elle recule de -21% sur la même période à Paris QCA, pour un taux de vacance en baisse, sous 2,5%. Cette polarisation accentuée profite toujours aux loyers *prime,* en hausse de +9% sur un an et franchissant pour la première fois la barre des 1 000 €/m²/an. Les mesures d'accompagnement sont en légère hausse, à 24,6% en moyenne, avec de fortes disparités entre Paris QCA à 16% et La Défense à 34%.

Ces mêmes tendances sont également observables à Milan et dans les principales villes allemandes. A Milan, après une année 2022 record, la demande placée recule de -20% à 202 000 m². Le taux de vacance moyen ressort à 10,8% mais reste limité dans le centre-ville (5,1%). Les loyers *prime* gagnent +4% sur un an, à 700 €/m²/an.

Enfin, dans les 6 plus grandes villes allemandes, la demande placée baisse de -35% à 1,1 million de m², le taux de vacance progresse de +0,5 pt à 6% (mais reste faible à Berlin, Hambourg et Cologne, à 3,9%). Les loyers *prime* poursuivent leur progression, en hausse annuelle de +11%, dont +5% à Berlin (540€/m²/an).

En moyenne en Europe, la demande placée est attendue par BNP Paribas Real Estate en recul de l'ordre de -10% en 2023, avant un rebond de +5% en 2024.

Activité locative dynamique au 1er semestre

Dans ce contexte, l'activité locative de Covivio est demeurée dynamique, bénéficiant de sa stratégie axée sur la centralité, les bureaux neufs ou rénovés et la culture-clients, et adaptant sa stratégie dans les localisations les moins centrales. Les commercialisations ou renouvellements de baux ont totalisé 68 750 m² sur six mois. Le groupe a ainsi enregistré 44 600 m² de nouvelles commercialisations, auxquelles s'ajoutent 24 150 m² de renouvellements.

En France, plusieurs commercialisations significatives sont à noter, avec un fort dynamisme au 2e trimestre :

- 3 514 m² dans CB21 à La Défense, portant le taux d'occupation à 99%, contre 93% en début d'exercice ;
- 6 110 m² sécurisés dans l'immeuble Atlantis à Issy-les-Moulineaux, quelques mois après le départ du locataire historique sur 11 500 m², portant ainsi le taux d'occupation à 56% ;
- 1 439 m² dans l'immeuble 32 B à Boulogne, portant le taux d'occupation à 100% ;
- 1 503 m² sur l'immeuble So Pop à Paris-Saint Ouen, désormais occupé à 39% ;
- 7 875 m² sur l'immeuble Maslö à Levallois, portant son taux d'occupation à 68% vs 43% fin 2022, quelques mois après sa livraison.

En Allemagne, le semestre a été actif avec 11 179 m² de nouvelles commercialisations, dont 7 776 m² sur l'immeuble Zeughaus à Hambourg, portant son taux d'occupation à 95%. 22 049 m² de baux ont également été renouvelés, dont 7 901 m² sur l'immeuble CCC et 5 993 m² sur l'immeuble FAC tous deux à Francfort, ainsi que 2 930 m² sur Zeughaus.

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

En Italie, la dynamique est restée très favorable et le taux d'occupation se maintient au-dessus de 98%.

A la suite de ces succès locatifs, le taux d'occupation, impacté au 1er trimestre par deux livraisons d'actifs et un départ, rebondit au second trimestre de +90pb, à 93,1% à fin juin. La croissance à périmètre constant ressort en hausse de +5,3%, principalement soutenue par l'indexation (pour 5,2 pts).

Résidentiel allemand : accélération de la croissance locative

Des loyers de marché en augmentation continue

Le déficit structurel de logements ne cesse de s'accentuer en Allemagne (notamment à Berlin), face à la forte immigration et à la réduction de l'offre, et devrait dépasser les 700 000 unités ces prochaines années.

Ainsi, la pression s'intensifie sur les loyers de marché, qui continuent de progresser, de +7,6%[2] sur six mois et de +15,6% sur un an pour les immeubles existants à Berlin (à environ 12,8 €/m²/mois au 30 juin 2023). En outre, les derniers indices d'indexation publiés en Allemagne (Mietspiegel) progressent fortement, de +6% à Dresde, +21% à Munich et +5,4% à Berlin (qui devrait bénéficier d'une seconde actualisation de l'indice en 2024).

Accélération de la croissance à périmètre constant

Dans ce contexte, le patrimoine de qualité et majoritairement berlinois affiche de très solides performances, bénéficiant d'un taux d'occupation de 99,1%. La croissance des loyers à périmètre constant accélère au premier semestre, à +3,8% (vs +3,1% en 2022), soutenue par l'indexation (1,8pt), les travaux de modernisation (1,1pt), et la réversion (1,1pt). Les relocations ont ainsi été réalisées en hausse de +20%, dont +27% à Berlin.

Hôtellerie : en forte croissance au 1er semestre

Forte augmentation des prix moyens et retour de l'occupation aux niveaux de 2019

Les performances hôtelières du premier semestre 2023 poursuivent leur croissance, portées par de fortes hausses des prix moyens, mais également depuis le mois de mai par le retour à des taux d'occupation proches ou au-dessus de leurs niveaux de 2019 (-1,9 pt en Europe et +1,2 pt en France). La clientèle domestique, déjà très présente, a progressé, tandis que la clientèle internationale est également de retour. Toutes les gammes du marché hôtelier en tirent parti, de l'économique au haut de gamme.

Les RevPAR s'inscrivent ainsi en croissance de +12,7% en moyenne en Europe, et de +20% sur le seul mois de mai. Les principaux marchés de Covivio ont largement dépassé leurs performances de 2019 : Italie (+43% au mois de mai), France (+29%) et Royaume-Uni (+17%). L'Allemagne, longtemps en retard et plus exposée à la clientèle d'affaires, affiche également des performances en nette progression au mois de mai (+14%).

Les perspectives à moyen terme restent favorables et ont même été revues en hausse par Oxford Economics entre janvier et juin 2023 (perspectives de nuitées hôtelières), de respectivement +10% et +20% en France et en Italie. A court terme, l'été s'annonce prometteur, avec des performances attendues en hausse par rapport à 2022, portées par les pays d'Europe du Sud.

[2] *Source : Immoscout24*

Croissance des revenus à périmètre constant de +20% au 1er semestre

Les très bons résultats du marché hôtelier sur le 1er semestre se traduisent par une croissance des revenus de +20,3% à périmètre constant. Les revenus variables, bénéficiant d'un effet de base favorable, gagnent +42% : les loyers variables sur le portefeuille AccorInvest augmentent de +32% à périmètre constant, bénéficiant de fortes performances sur les actifs parisiens, tandis que l'EBITDA des hôtels détenus en murs et fonds augmente de +54%.

Les loyers fixes sont également en forte croissance, de +10% à périmètre constant, soutenus par l'indexation (4,7 pts), le déclenchement de loyers variables additionnels (4,6 pts) liés aux solides performances et les opérations d'*asset management* (0,4 pt).

Maintien d'un bilan sain

350 M€ de nouveaux accords de cessions en 2023

Depuis le début d'année, dans un contexte de ralentissement du marché de l'investissement, Covivio a réalisé de nouvelles avancées dans son programme de cessions, avec une accélération au second trimestre.

Ainsi, 350 M€ de nouveaux accords de cessions (437 M€) ont été obtenus en 2023, avec une marge moyenne de -1,2% par rapport aux valeurs d'expertise de fin 2022.

Dans le détail, Covivio a pu bénéficier de son portefeuille diversifié en sécurisant de nouvelles cessions sur ses trois classes d'actifs : 268 M€ de bureaux (278 M€ à 100%) avec une marge moyenne de -2,2% ; 24 M€ (35 M€ à 100%) de résidentiel en Allemagne, avec une marge moyenne de +6,7%, tant par le biais de privatisations (9 M€) que de petites cessions en blocs (15 M€) ; 58 M€ (123 M€ à 100%) d'hôtels, principalement en Europe du Sud, près des valeurs d'expertise de fin 2022.

En sept mois, les 550 M€ d'accords de cessions représentent 37% du plan de cessions communiqué en décembre 2022 (1,5 Md€ de ventes d'ici fin 2024). En outre, le groupe est en négociations avancées pour 350 M€ de cessions supplémentaires.

Recentrage qualitatif du pipeline de développement

Au cours du 1er semestre, Covivio a livré trois immeubles de bureaux pour un total de 316 M€ part du groupe et un rendement moyen de 5,4%.

A Vélizy, Covivio a livré une extension de 27 500 m² pour Dassault Systèmes, dans le cadre de la poursuite de son partenariat long terme. A Levallois-Perret, l'immeuble Maslö, 20 800 m², livré en janvier, est désormais commercialisé à hauteur de 68%. Enfin, l'immeuble Le Floria, 9 300 m² à Fontenay, a également été livré.

En parallèle, le groupe poursuit le travail de valorisation de son patrimoine et de recentrage sur les cœurs de villes, en lançant le redéveloppement de l'immeuble Grands Boulevards, dans le QCA parisien. L'actif de 7 500 m², anciennement occupé par Orange à de faibles loyers, connaîtra une restructuration complète moyennant 68 M€ de capex, permettant une croissance significative du loyer. Le rendement marginal ressort ainsi à plus de 6%.

Covivio affiche dès lors à fin juin un pipeline de projets engagés de 1,6 Md€ (-20% vs fin 2022, -33% sur un an), à 82% dans les centres-villes (vs 80% fin 2022), 62% précommercialisé, pour un rendement moyen attendu à 5,5% et un montant de capex restant à décaisser de 165 M€ par an en moyenne d'ici à 2027.

Succès de l'option de paiement du dividende en actions choisie par 79,3% des actionnaires

L'option de paiement du dividende en actions a été souscrite à hauteur de 79,3%. Cette opération a permis à Covivio de renforcer davantage son bilan, avec une augmentation de capital de 279 M€, illustrant à nouveau la confiance des actionnaires dans la stratégie du groupe. Le règlement-livraison est intervenu le 1er juin 2023, entrainant l'émission de 6 220 293 actions nouvelles.

765 M€ financés ou refinancés au 1er semestre 2023, réduisant les échéances de dettes 2024/2025

Covivio a anticipé une large part de ses échéances de dettes 2024 et 2025, sécurisant un total de 765 M€ de financements ou refinancements (737 M€ en part du groupe), à 89% verts.

585 M€ de crédits *corporate* associés à des critères ESG ont ainsi été sécurisés, sur une durée moyenne de plus de 6 ans, auxquels s'ajoutent 81 M€ de financements hypothécaires et 99 M€ d'extension de dette obligataire existante.

Ainsi, près de 25% des échéances de dettes 2024 et 2025 ont été traitées sur le semestre.

La liquidité du groupe a également été améliorée sur le semestre, à 1,15 Md€ (nette des billets de trésorerie) contre 0,8 Md€ fin 2022.

Ajustement significatif des valeurs : -5,5% au S1

Devant le nouvel environnement de taux et du marché de l'investissement, **la valeur du patrimoine du groupe** (expertisé tous les 6 mois par des experts indépendants) **est en recul de -5,5% à périmètre constant (et -7,8% sur un an) et s'élève à 24,8 Md€ (16,4 Md€ part du groupe)**. La hausse des taux de capitalisation (de l'ordre de +36 points de base sur six mois à périmètre constant) a été partiellement compensée par la dynamique locative sur l'ensemble des activités. Le rendement moyen du patrimoine ressort à 4,7% (vs 4,4% fin 2022).

En bureaux, les valeurs d'actifs baissent de -5,7% à périmètre constant. La polarisation du marché locatif se traduit également dans les valeurs d'actifs, avec une **forte disparité entre les actifs *core* en centre-ville (-3,4%), *core* en dehors des centres-villes (-7,4%) et les actifs *non-core* périphériques (-18,2%, et près de -25% sur un an).**

En résidentiel allemand, les valeurs d'expertises reculent également, de -7,3%, et ce sur l'ensemble de nos régions : Rhénanie-du-Nord Westphalie (-6,4%), Hambourg (-6,8%), Berlin (-7,4%) et Dresde & Leipzig (-9,9%). Les valeurs métriques, basées sur des valorisations en bloc, ressortent très inférieures aux prix moyens de marché au détail. La valeur moyenne du patrimoine s'établit à 3 221 €/m² à Berlin (vs prix moyen de marché au détail de 4 900 €/m²), 3 836 €/m² à Hambourg, 2 241 €/m² à Dresde & Leipzig, et 1 919 €/m² en Rhénanie-du-Nord Westphalie.

En hôtels, les valeurs sont plus résilientes (-0,8% à périmètre constant), bénéficiant d'un rendement initial plus élevé et de la poursuite du rebond de l'activité. Les valeurs des actifs à revenus variables baissent de -0,5% et ceux à revenus fixes de -1,1%.

Stratégie ESG : nouveaux succès en 2023

Hausse de la part de la dette verte à 50% vs 38% fin 2022

Pionnier dans l'émission d'obligations vertes (*Green bonds*) depuis 2016, Covivio a franchi une nouvelle étape dans l'alignement de sa politique financière avec ses ambitions ESG, en dotant sa filiale hôtelière d'un *Green Financing Framework* et en lançant la transformation de ses souches obligataires (949 M€) en *Green bonds*. D'ores et déjà 3,8 Md€ d'actifs hôteliers sont éligibles aux critères d'affectation aux obligations vertes. Le groupe entend augmenter cette part grâce au travail d'amélioration continue de la qualité de son patrimoine.

En ajoutant les financements verts du semestre, la part de la dette de Covivio associée à des objectifs ESG est désormais portée à 50%, contre 38% fin 2022.

Résolution « *Say on climate* » adoptée, publication du Rapport Climat 2023 et hausse du patrimoine certifié

Dans une démarche de renforcement permanent de ses engagements environnementaux, Covivio a obtenu le vote à 94% en Assemblée Générale de la résolution « *say on climate* », permettant aux actionnaires de s'exprimer sur le plan climat de Covivio à horizon 2030. Le plan climat se traduit par des objectifs couvrant l'ensemble des activités du groupe en Europe et la totalité du cycle de vie des actifs : construction, matériaux, exploitation et restructuration. Ces objectifs à horizon 2030, approuvés par l'initiative *Science Based Target* (SBTi), comportent notamment : - un effort de réduction des émissions de gaz à effet de serre de 40% en intensité (vs 2010), permettant un alignement 1,5°C sur le périmètre opérationnel (scopes 1 et 2) et « well below » 2°C sur les émissions indirectes (scope 3) - une contribution « net zero » sur les activités directes (scope 1 et 2).

En outre, Covivio a également publié son second rapport climat et fait progresser le taux de certification de son patrimoine à 93,5% (vs 93,2% fin 2022), dont 63,4% de bureaux avec une notation supérieure ou égale à *Very Good*.

Amélioration de la note S&P Global rating

Le 7 juillet dernier, S&P Global Ratings a relevé sa notation ESG à 85/100 (vs 83/100), justifiant sa nouvelle recommandation par l'amélioration des performances environnementales et de la gouvernance. L'agence de notation mentionne notamment une progression de l'impact sur la biodiversité, via l'utilisation de l'outil *Global Biodiversity Score*, le plan de *capex* verts de 254 M€ d'ici 2030 pour atteindre la trajectoire carbone et la résolution « *Say on climate* ».

Des résultats S1 2023 résilients

Hausse des revenus à périmètre constant de +7,6%

Les excellentes performances opérationnelles sur nos 3 métiers permettent aux revenus locatifs de s'inscrire en hausse de +5,0% à périmètre courant, à 494,7 M€ et 321,2 M€ en part du groupe, dont une **croissance à périmètre constant de +7,6%. Cette dernière est principalement portée par l'indexation (3,8 pts), la réversion (0,7 pts) et les revenus variables hôteliers (3,1 pts).** Le taux d'occupation moyen du patrimoine s'établit à un niveau élevé de 95,8%.

S1 2023, million €	**Revenus S1 2022** Part du Groupe	**Revenus S1 2023** 100%	**Revenus S1 2023** Part du Groupe	**% variation à périmètre constant** Part du Groupe	**Taux d'occupation** %	**Durée ferme des baux** en années
Bureaux France	*86,1*	*101,1*	*87,1*	+4,9%	92,0%	4,8
Bureaux Italie	*55,4*	*65,3*	51,3	+5,5%	98,5%	6,7
Bureaux Allemagne	*22,7*	*27,2*	24,2	+6,7%	86,0%	4,3
Total Bureaux	164,2	193,6	162,6	+5,3%	93,1%	5,3
Résidentiel Allemagne	87,2	141,8	91,8	+3,8%	99,1%	n.a.
Hôtels en Europe	53,4	157,4	65,9	+20,3%	100,0%	12,6
Total activités stratégiques	**304,8**	**492,8**	**320,3**	**+7,6%**	**95,8%**	**7,0**
Non stratégique (commerces)	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**

Stabilité du résultat récurrent (EPRA Earnings ajusté) à 223 M€

L'EPRA Earnings ajusté s'élève à 223,4 M€ et 2,36€ / action, stable sur un an. La reprise de l'activité hôtelière et les fortes croissances à périmètre constant des revenus ont permis de compenser la baisse des marges de promotion, l'impact des cessions et la hausse des frais financiers. Le résultat net, impacté par les baisses de valeurs, ressort quant à lui à -690 M€.

Recul de l'ANR de l'ordre de -8% sur six mois

Les ajustements de valeur du semestre (-5,5%) et le paiement de l'intégralité du dividende sur le semestre entrainent une baisse de l'ANR, accentuée par action en raison de la hausse du nombre d'actions liée à l'option de paiement du dividende en titres. L'ANR de continuation (EPRA NTA), baisse de -8,7% à 9,2 Md€ et de -14,4% à 91,1 €/action. L'ANR de liquidation (EPRA NDV) varie dans des proportions comparables, à 9,4 Md€ et 93,0 €/action. Enfin, l'ANR de reconstitution (EPRA NRV) ressort à 10,1 Md€ et 100,4€ par action.

Ratio LTV de 40,7%, proche de la politique < 40%

Depuis décembre 2022, les actions engagées afin de renforcer le bilan ont permis à la dette nette part du groupe de diminuer de 175 M€, à 7,4 Md€. En tenant compte des accords de cessions à finaliser sur les prochains mois, elle serait de 7,1 Md€.

Le ratio d'endettement (LTV droits inclus et y compris promesses de ventes) reste donc maîtrisé, à 40,7%, malgré le paiement de l'intégralité du dividende sur le semestre et les ajustements de valeurs. Les refinancements du semestre et la couverture élevée ont permis de contenir la hausse du taux moyen de la dette, à 1,46% vs 1,24% fin 2022, tandis que le ratio de couverture des intérêts reste élevé (6,1x). Le ratio Dette nette / EBITDA s'améliore, à 13,5x vs 14,2x fin 2022.

Ainsi, Covivio s'appuie sur une dette diversifiée et d'une maturité moyenne de 4,7 ans. Le taux de couverture active atteint 90% pour une maturité moyenne des instruments de couverture de 5,8 années. Ces éléments, ajoutés aux solides performances opérationnelles, ont par ailleurs contribué à la confirmation de la notation de crédit par S&P, BBB+, perspective stable, le 16 mai 2023.

Relèvement des perspectives 2023

Dans un contexte financier et un marché de l'investissement immobilier perturbés, Covivio tire les bénéfices de sa stratégie en renforçant son bilan et en profitant de l'orientation favorable de ses marchés locatifs. Les revenus en hôtellerie sont ainsi meilleurs qu'attendu, tout comme la contribution de l'indexation en bureaux.

Covivio relève ainsi son objectif d'EPRA Earnings ajusté 2023, à 420 M€, contre 410 M€ initialement (4,3€/action)**.**

A moyen terme, Covivio entend poursuivre le renforcement de la qualité de son bilan, en poursuivant son programme de cessions (950 M€ à sécuriser d'ici fin 2024). En parallèle, Covivio continuera de compter sur son patrimoine diversifié jouissant de solides réserves de croissance de ses revenus locatifs. En bureaux, la polarisation du marché locatif continuera de profiter aux 67% de bureaux *core* en centre-ville, tandis que les 26% de bureaux *core* hors des centres-villes sont principalement loués sur de longues durées (6,4 années) à des locataires de qualité. Les 7% de bureaux non core seront transformés en résidentiel ou cédés. En résidentiel en Allemagne, le potentiel de réversion locative s'est accru et les indices d'indexation (dont un nouveau Mietspiegel qualifié à Berlin en 2024) contribueront à la croissance à périmètre constant. Enfin, les perspectives en hôtellerie (prévisions de nuitées hôtelières) ont été revues à la hausse depuis le début d'exercice et la mutation de la demande permet de multiplier les opportunités d'*asset management* à fort retour sur investissement.

AGENDA

- Activité du 3ème trimestre 2023 : 19 octobre 2023

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A PROPOS DE COVIVIO

Fort de son histoire partenariale, de ses expertises immobilières et de sa culture européenne, Covivio invente l'expérience utilisateur d'aujourd'hui et dessine la ville de demain.
Acteur immobilier de préférence à l'échelle européenne, Covivio se rapproche des utilisateurs finaux, capte leurs aspirations, conjugue travailler, voyager, habiter, et coinvente des espaces vivants.

Opérateur européen de référence avec 24,8 Md€ de patrimoine Covivio accompagne les entreprises, les marques hôtelières et les territoires dans leurs enjeux d'attractivité, de transformation et de performance responsable. Construire du bien-être et des liens durables, telle est ainsi la Raison d'être de Covivio qui exprime son rôle en tant qu'opérateur immobilier responsable auprès de l'ensemble de ses parties prenantes : clients, actionnaires et partenaires financiers, équipes internes, collectivités, générations futures. Par ailleurs, son approche vivante de l'immobilier ouvre à ses équipes des perspectives de projets et de parcours passionnants.

Le titre Covivio est coté sur le compartiment A d'Euronext Paris (FR0000064578 - COV), ainsi que sur le marché MTA (Mercato Telematico Azionario) de la bourse de Milan, admis au SRD et rentre dans la composition des indices MSCI, SBF120, Euronext IEIF « SIIC France », CAC Mid100, dans les indices de référence des foncières européennes « EPRA » et « GPR 250 », ainsi que dans les indices ESG FTSE4 Good, CAC SBT 1.5°C, DJSI World et Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 et France 20), Euronext® CDP Environment France EW, Stoxx ESG, Ethibel et Gaïa et bénéficie des reconnaissances et notations EPRA BPRs Gold Awards (rapport financier et développement durable), CDP (B), GRESB (5-Star, 100% public disclosure), Vigeo-Eiris (A1+), ISS-ESG (B-) et MSCI (AAA).

Notations sollicitées :
Volet financier : BBB+ / perspective Stable par S&P
Volet extra-financier : A1+ par V.E (partie de Moody's ESG Solutions) / 85/100 par S&P


Corte Italia - Milan

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

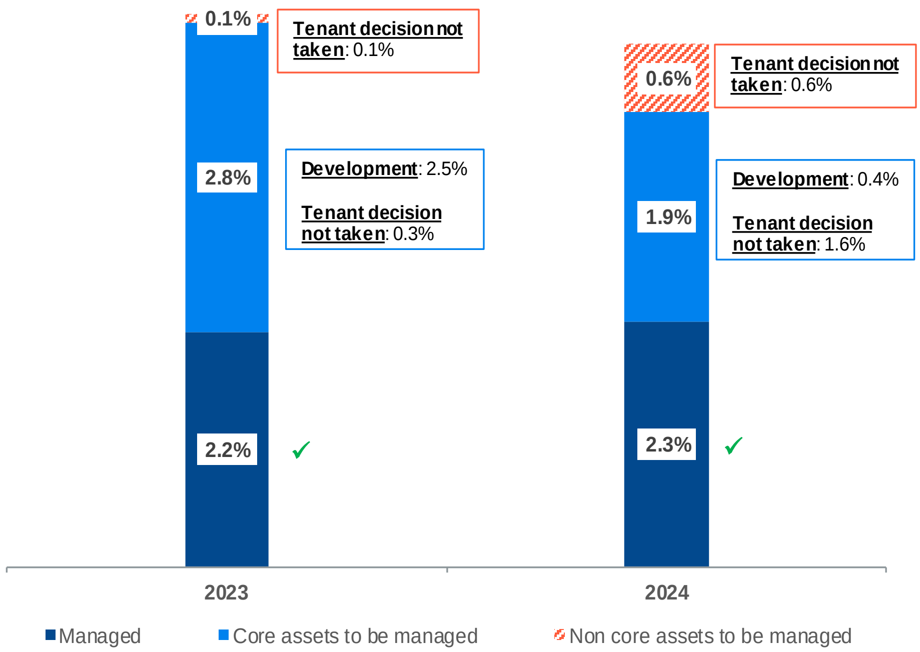
Average lease duration by activity

(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%**

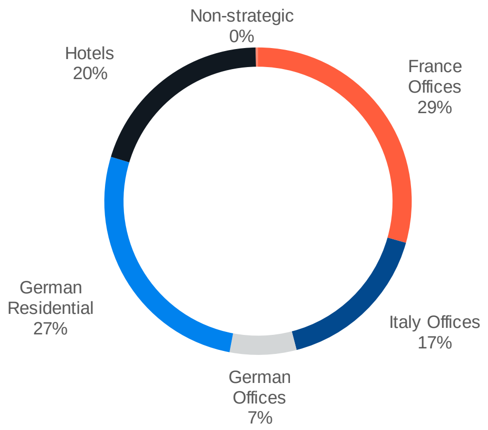
The occupancy rate remains high but recognizes a slight decline by -0.8 pt over six months, to 95.8% for the whole portfolio. Following letting successes, offices occupancy, impacted in Q1 by two deliveries and one departure in Greater Paris, rebounds by +90bps in Q2 2023 to 93.1%.

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:

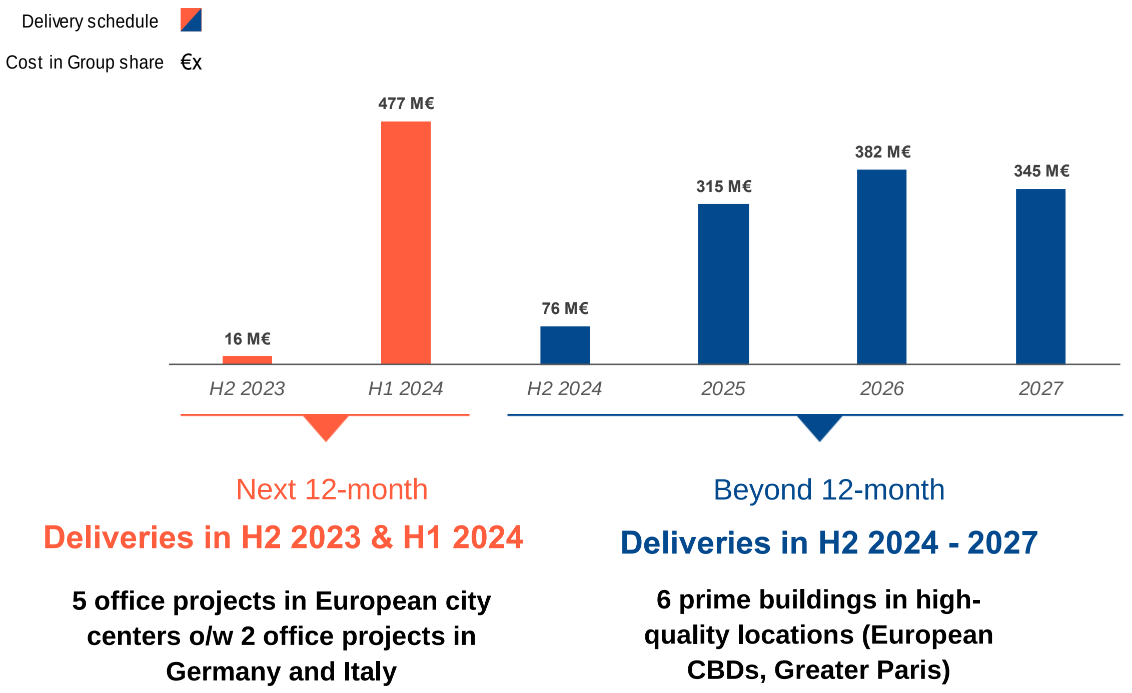
€1.6 Bn	5.5%	62%	82%
cost Group share	yield on cost	pre-let	in city center

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.



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%**

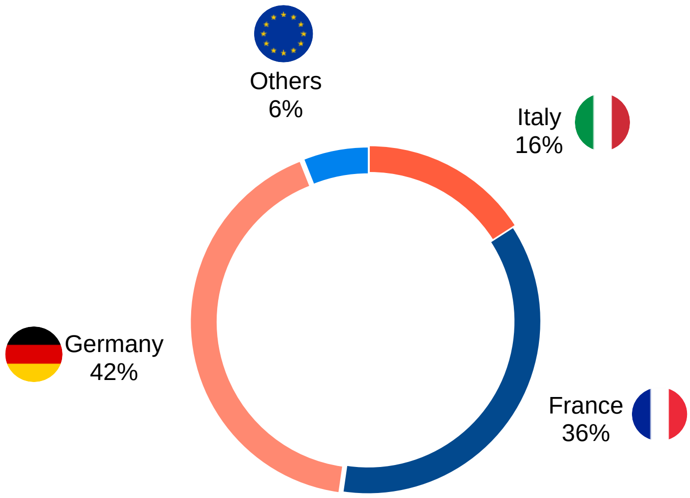
[1] LfL: Like-for-Like

[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).

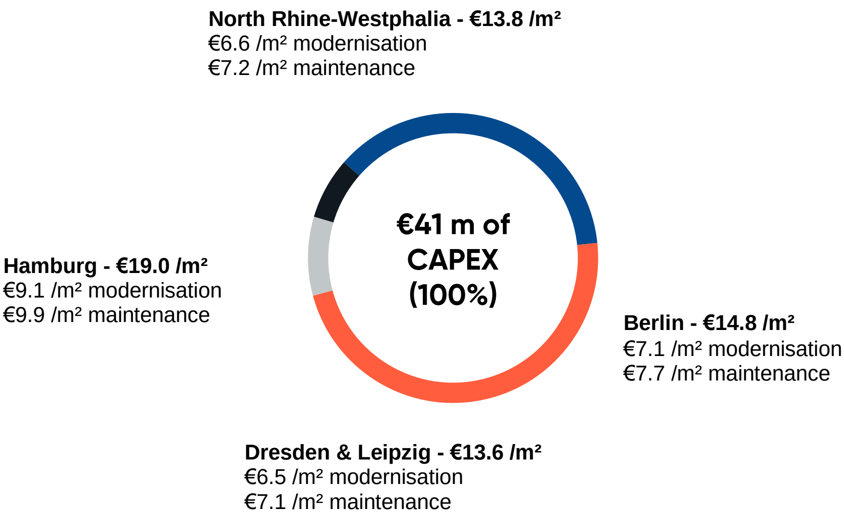
In H1 2023, values decreased by 7.3% on a like-for-like basis versus end-2022, reflecting the current wait-and-see attitude in the investment market. The average yield of the portfolio is up +35bps to 3.8%

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.

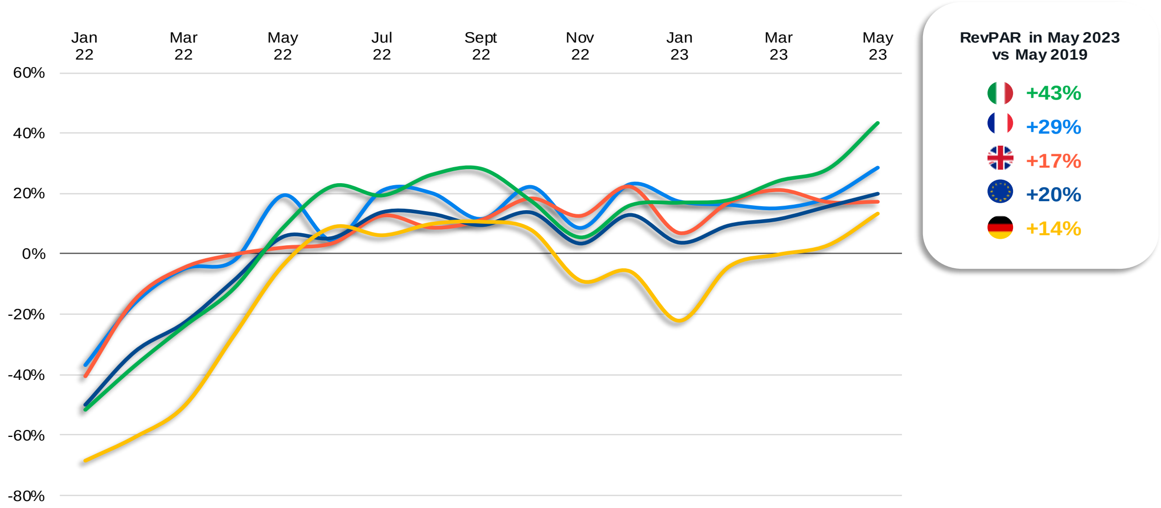
- **In Europe, RevPAR progressively came out higher than their 2019 levels, up by +13% ytd and even by +20% in May.**

- **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%**

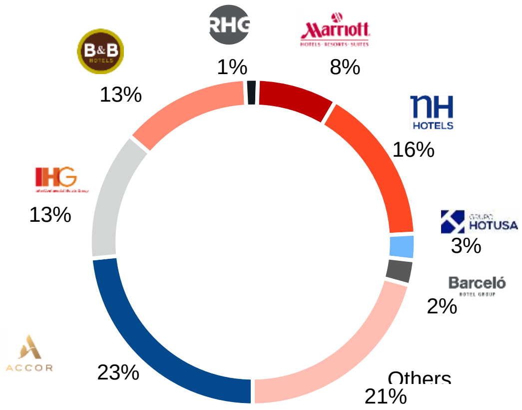
1 LfL: Like-for-Like

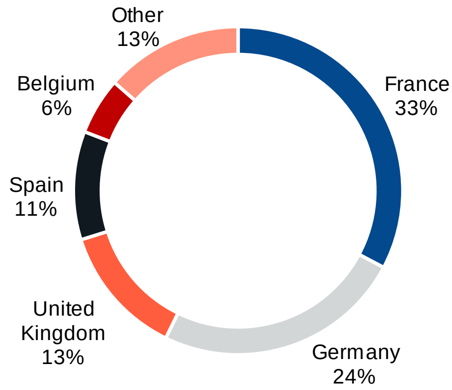
Hotel revenues increased by +20.3% (+€12.4 million Group share) compared to H1 2022, due to:

- **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.

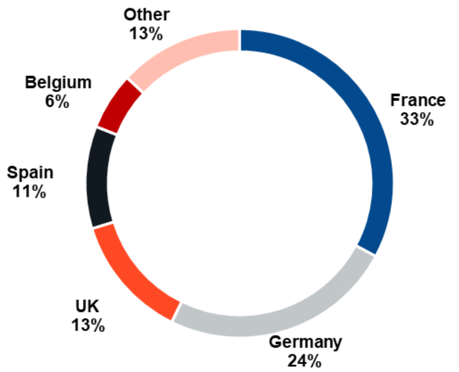
The portfolio value decrease by -0.8**% Like-for-Like**, a mix of:

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**

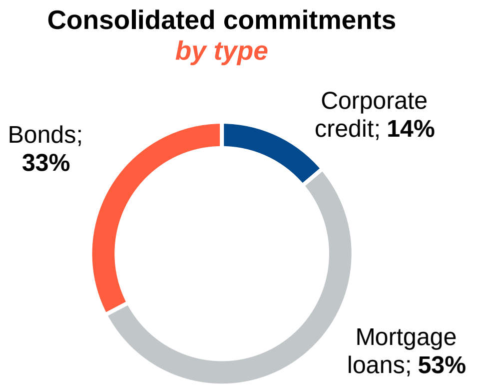
4.2. Debt by type

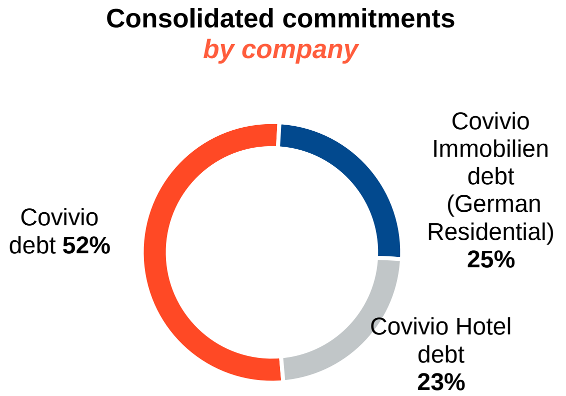
Covivio's net debt stands at €7.4 billion in Group share at end-June 2023 (€10.4 billion on a consolidated basis), -0.2 billion compared to end-2022.

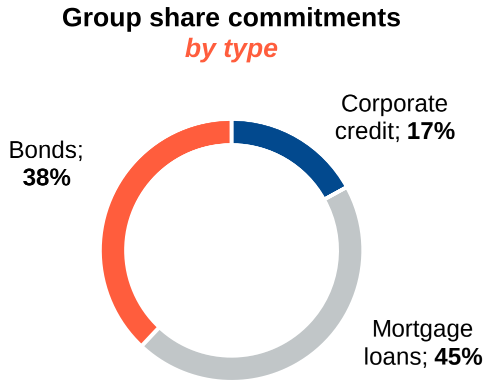
Additionally, Covivio had €0.35 billion in commercial papers outstanding at 30 June 2023.

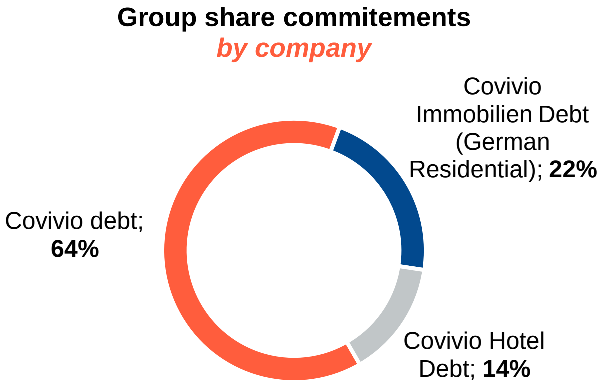
Covivio has built its financing policy on diversification (both geographically and by asset class) and granularity. At end-June 2023, 51% of its debt was comprised of mortgages, 44% of bonds, 5% of commercial paper (€350 million, more than covered by undrawn credit lines of €1.4 billion).

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.





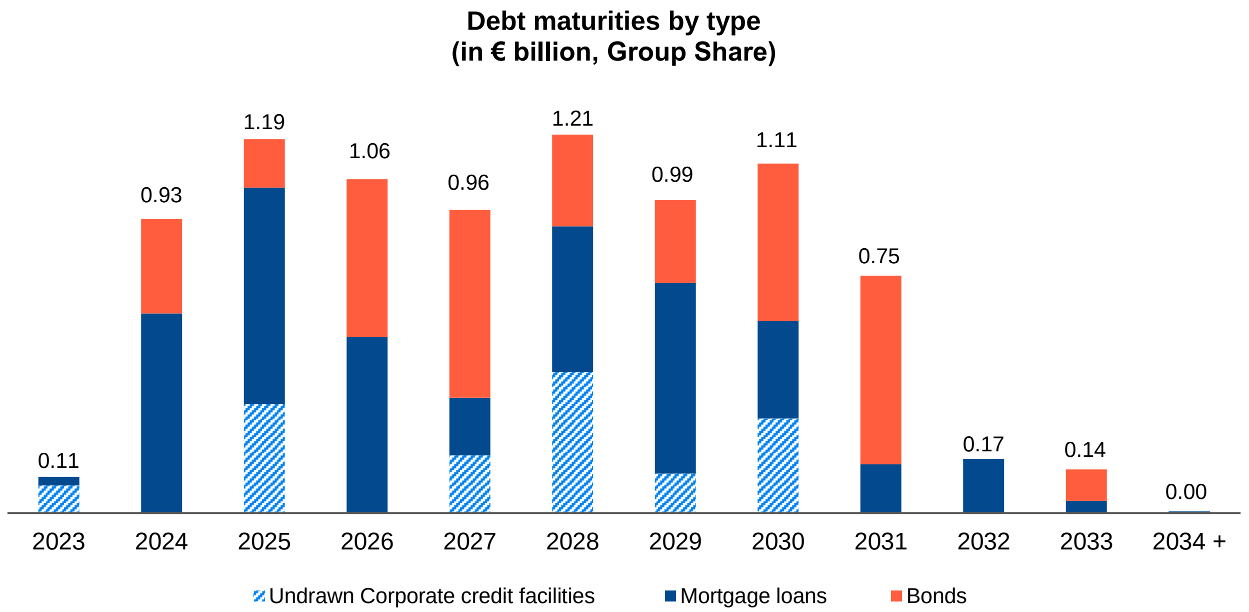




4.3. Debt maturity

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.

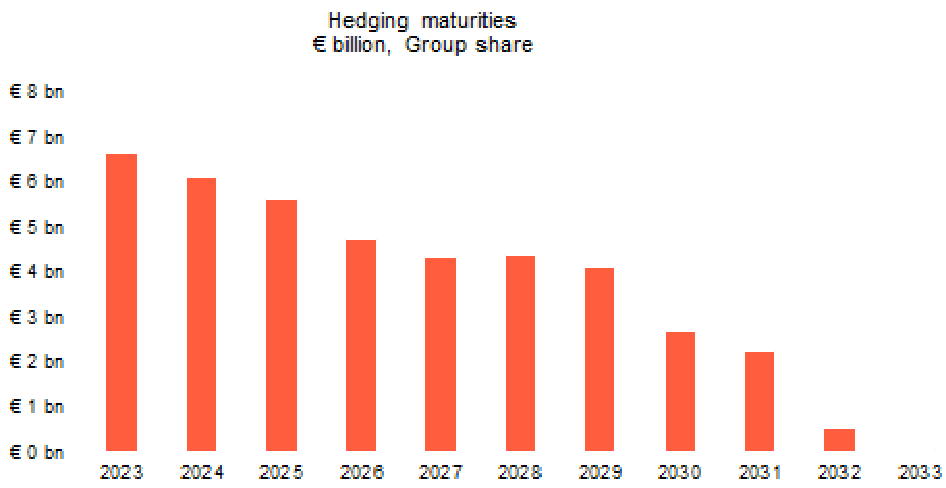
The next large maturities occur in 2024 and are mainly composed of a bond of €300 million and a mortgage debt of €150 million Group share linked to the Telecom Italia portfolio.



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:

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

- EPRA net initial yield is the ratio of:

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

(€ 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%**

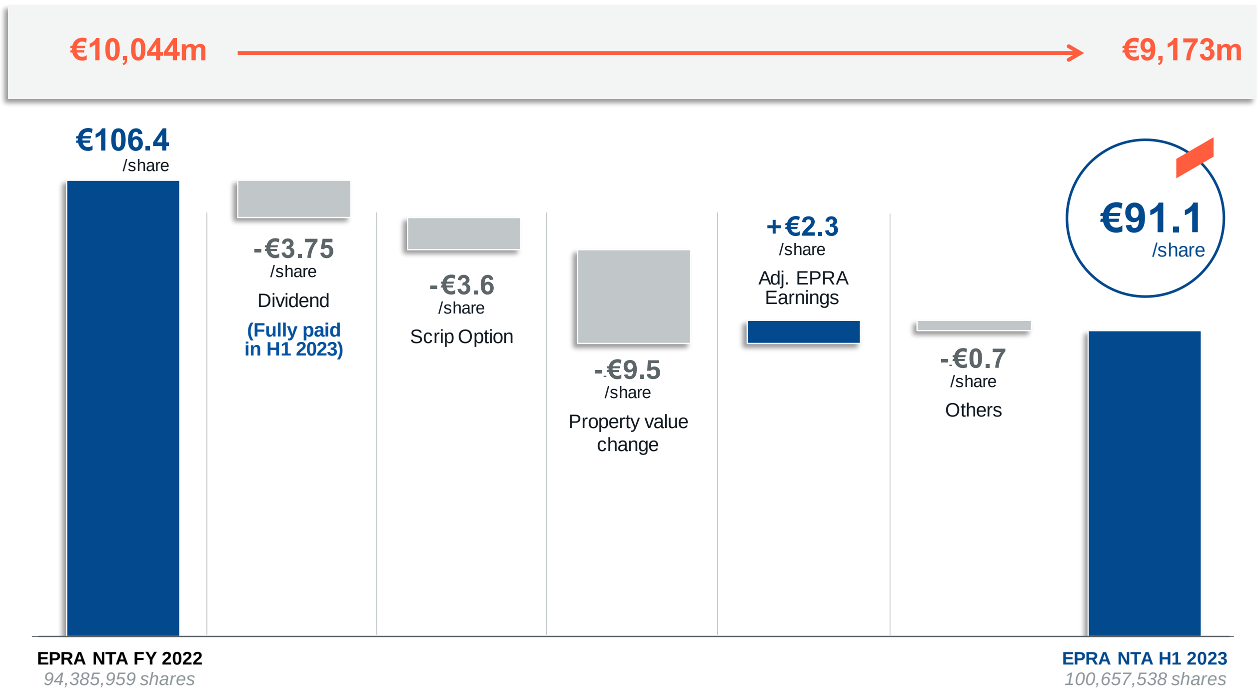
5.8. Adjusted EPRA Earnings: stable to €223.4 million

(€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