first-half financial report

EDITION 2023

COVIVIO

Contents

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2023 first-half financial report

1.1 Business analysis

1.1.1 Revenues: €495 million and €321 million group share in H1 2023

	100%			Group Share				
(In € million)	H1 2022	H1 2023	Change (in %)	H1 2022	H1 2023	Change (in %)	Change (in %) LfL[1]	% of revenue
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%
Offices in Europe	**197.7**	**193.6**	**-2.1%**	**164.2**	**162.6**	**-1.0%**	**+5.3%**	**51%**
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%**

(1) LfL: Like-for-Like.

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:**
  - offices: +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 for redevelopment assets** (-€2 million), especially in Paris Centre West, Western Crescent and first Ring and a non-core asset in Italy.

1.1.2 Lease expiries and occupancy rates

1.1.2.1 Annualized lease expires: 7.0 years average lease term

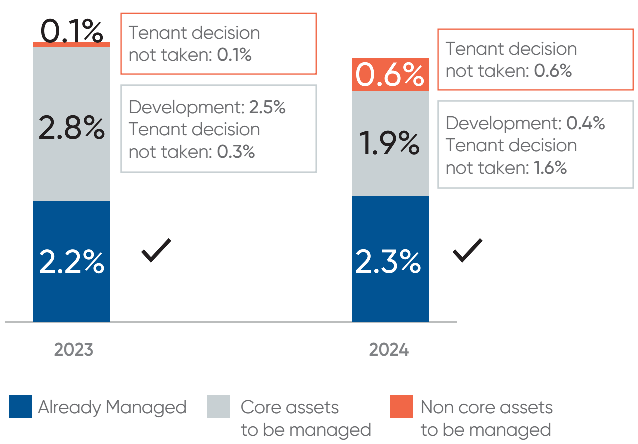
1.1.2.1.1 Average lease duration by activity

(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.

1.1.2.1.2 Lease expiries schedule

(In € 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%**



1.1.2.2 Occupancy rate: 95.8%

(In %)	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%**

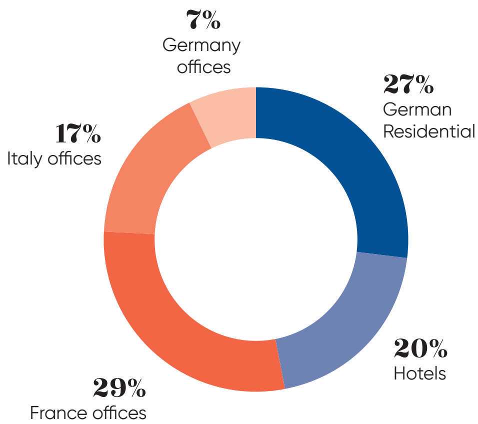
The occupancy rate remains high but recognizes a slight decline by -0.8 pt over six months, to 95.8% for the whole portfolio. Following letting successes, offices occupancy, impacted in Q1 by two deliveries and one departure in Greater Paris, rebounds by +90 bps in Q2 2023 to 93.1%. .

1.1.3 Breakdown of annualized revenues

By major tenants

	Annualized revenues	
(In € million, Group Share)	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



1.1.4 Cost to revenue ratio by business

(In € million, Group Share)	France Offices[1] H1 2023	Italy Offices (incl. retail) H1 2023	Germany Offices H1 2023	German Residential H1 2023	Hotels in Europe (incl. retail)[1] H1 2023	Other (Mainly France Residential) H1 2023	Total H1 2022	Total 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.

1.1.5 Disposals: €350 million of new agreements in H1 2023

(In € million)		Disposals (agreements as of end of 2022 closed) (1)	Agreements as of end 2022 to close	New disposals H1 2023 (2)	New agreements[1] H1 2023 (3)	Total H1 2023 = (2) + (3)	Margin vs. 2022 value	Yield	Total Realised Disposals = (1) + (2)
Offices in Europe[1]	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%) in H1 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:** €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).

1.1.6 Investments: €149 million 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 the 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.

1.1.7 Development projects

1.1.7.1 Deliveries: 57,600 m² 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
- Le Floria in Fontenay-sous-Bois (€33 million total cost & 9,300 m²), 0% let.

1.1.7.2 Committed Office Pipeline: €1.6 billion Group Share pre-let at 62%

Pipeline at end-June 2023

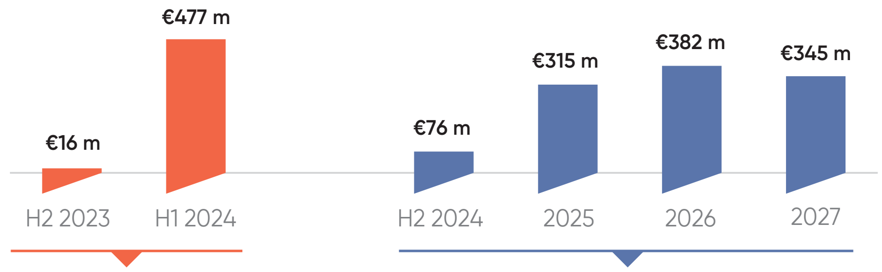
€1.6 bn cost Group share | **5.5%** yield on cost | **62%** pre-let | **82%** in City-centers

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] (in m²)	Total Budget[2] (in €M, 100%)	Total Budget[2] (in €M, Group Share)	Pre-let (in %)	Target yield[3] (in %)
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 agreement.
- The current pipeline at end-June 2023 is composed of **11 projects.**



Next 12-month
Deliveries H2 2023 & H1 2024
5 office projects in European city centers o/w 2 office projects in Germany and Italy

Beyond 12-month
Deliveries in H2 2024, 2025, 2026 & 2027
6 prime buildings in high-quality locations (European CBDs, Greater Paris)

Delivery schedule **x €m** Group share cost

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

Committed projects	Location	Project	Surface[1] (m²)	Delivery	Pre-leased (in %)	Total Budget[2] (in €M, 100%)	Total Budget[2] (in €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 OFFICES			**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 OFFICES			**89,000 M²**		**91%**	**435**	**435**	**6.3%**
Beagle	Berlin	Regeneration	5,100 m²	2023	100%	16	16	6.5%
To be delivered in 2023			**5,100 m²**		**100%**	**16**	**16**	**6.5%**
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 OFFICES			**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.

1.1.7.3 Build-to-sell residential pipeline

1.1.7.3.1 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] (in €M, 100%)	Total Budget[1] (in €M, Group Share)
Berlin - Hochstraße 12	27		
Berlin - Hochstraße 22	10		
Berlin - Großbeerenstraße	73		
Berlin - Markelstr. 38-42	92		
NRW - Westring	28		
To be sold 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**

(1) Including land and financial costs.

1.1.7.3.2 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] (in €M, 100%)	Total Budget[1] (in €M, Group Share)	Pre-sold rate (In %)
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.

1.1.7.4 Managed Pipeline

1.1.7.4.1 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.

1.1.7.4.3 Germany residential managed projects

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

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1.1.8 Portfolio

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

(In € 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%
Total Offices – 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).

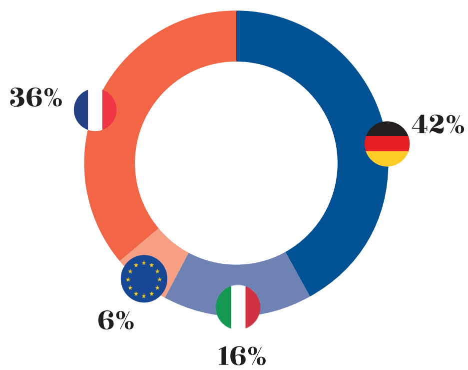
The portfolio decreased by –5.5% like-for-like (-€986 million) to reach €16.4 billion Group share (€24.8 billion in 100%) mostly due to:

- **France offices:** values were down -6.7% like-for-like, with an average yield increasing from 4.7% to 4.8% (+37 bps like-for-like increase in capitalization rates and -28 bps of scope effects)
- **Italy offices:** values were down -1.5% like-for-like, with an average yield up from 5.2% to 5.4% (+23 bps like-for-like increase in capitalization rates and -9 bps of scope effects)
- **Germany offices**: values were down -9.2% like-for-like, with an average yield increasing from 4.1% to 4.5% (+40 bps 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% (+33 bps 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 (+50 bps like-for-like), offset by good operating performance.

Geographical breakdown of the portfolio in H1 2023



1.1.9 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 (in m²)	Covivio share
Garibaldi Complex	Milan	Tecnimont. LinkedIn. etc.	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%

1.2 Business analysis by segment

1.2.1 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.

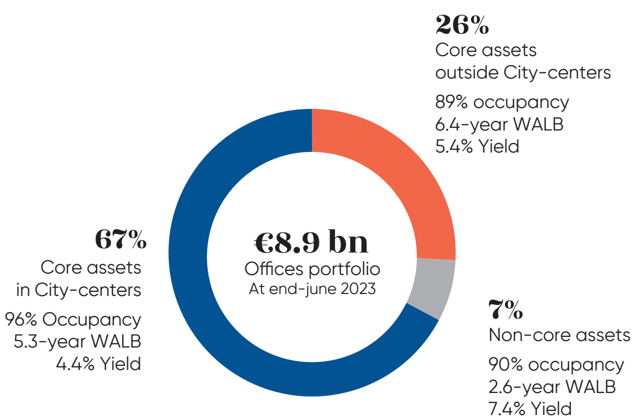
In this context of stronger polarization, Covivio continues to improve its portfolio quality, focusing on attractive locations by developing high-quality assets, mostly in city-centers and attractive business districts with long term partnerships.

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.



1.2.2 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.

1.2.2.1 Take-up: 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 +25 bps between 3.5% to 3.75%, according to JLL.

Sources: ImmoStat, BNP Real Estate, JLL

At end June 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.

1.2.2.2 Accounted rental income: +4.9% 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 (in %) Group Share	Change (in %) LfL[1] Group Share
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%**

(1) LfL: Like-for-Like.

Compared to last year, rrental 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.

1.2.2.3 Annualized rents: €205.0 million Group Share

(In € million)	Surface (in 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 (in %)	% 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**	**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.

1.2.2.4 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.

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

	Surface (in m²)	Annualized top up rents (in €M, 100%)	Annualized rents 2023 (in €/m², 100%)
Vacating	58,096	17	292
Letting	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
  - 3,514m² 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.

1.2.2.6 Lease expiries and occupancy rate

1.2.2.6.1 Lease expiries: firm residual lease term of 4.8 years

(In € million)	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).

1.2.2.6.2 Occupancy rate: 92.0% at end June 2023

(In %)	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 +20 bps 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.

1.2.2.7 Portfolio values

1.2.2.7.1 Change in portfolio values

(In € million, 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.

1.2.2.7.2 Like-for-like portfolio evolution: -6.7%

(In € million, excluding duties)	Value 2022 100%	Value 2022 Group Share	Value 2023 100%	Value 2023 Group Share	LfL (in %) change[1] 6 months	Yield[2] 2022	Yield[2] 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	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.

1.2.2.8 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).

1.2.3 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.

1.2.3.1 Milan Office market: take-up decline but still on high levels

- 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.

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.**

1.2.3.2 Accounted rental income: +5.5% 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 (in %)	Change (in %) 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%**

(1) LfL: Like-for-Like.

Overall, rental income decreased by -€4.1 million compared to H1 2023, 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.

1.2.3.3 Annualized rental income: €116 million Group Share

(In € million)	Surface (in m²)	Number of assets	Annualized rents 2022 100%	Annualized rents 2022 Group Share	Annualized rents H1 2023 100%	Annualized rents H1 2023 Group Share	Change (in %)	% of total
Offices – excl. Telecom Italia	274,519	31	87.2	86.3	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**	**145.8**	**116.5**	**143.9**	**115.9**	**-0.6%**	**100%**

(In € million)	Surface (in m²)	Number of assets	Annualized rents 2022 100%	Annualized rents 2022 Group Share	Annualized rents H1 2023 100%	Annualized rents H1 2023 Group Share	Change (in %)	% of total
Milan	524,738	42	950.	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	180.	10.1	16.2	8.2	-18.4%	7%
Others	105,770	9	150.	80.	14.7	7.8	-2.8%	7%
TOTAL	**928,125**	**87**	**144.6**	**116.5**	**143.9**	**115.9**	**-0.6%**	**100%**

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

1.2.3.4 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%.

1.2.3.5 Rental activity: 4,900 m² let or prelet in H1 2023

(In € million)	Surface (in m²)	Annualized top up rents Group Share	Annualized rents 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.

1.2.3.6 Lease expiries and occupancy rates

1.2.3.6.1 Lease expiries: 6.7 years of average firm lease term

(In € 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.

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

(In %)	2022	H1 2023
Offices – excl. Telecom Italia	97.9%	98.0%
Offices – Telecom Italia	100.0%	100.0%
TOTAL	**98.4%**	**98.5%**

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

1.2.3.7 Portfolio values

1.2.3.7.1 Change in portfolio values

(In € million, Group Share excluding duties)	Value 2022	Invest.	Disposals	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**

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

(In € million, excluding duties)	Value 2022 Group Share	Value H1 2023 100%	Value H1 2023 Group Share	LfL[1] change	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 STRATEGIC ACTIVITIES	**2,520**	**2,975**	**2,485**	**-1.5%**	**5.2%**	**5.4%**	**100%**

(1) LfL: Like-for-Like.
(2) Yield excluding development projects.

(In € million, excluding duties)	Value 2022 Group Share	Value H1 2023 100%	Value H1 2023 Group Share	LfL[1] change	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%**

(1) LfL: Like-for-Like.
(2) Yield excluding development projects.

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.

1.2.4 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.

1.2.4.1 A growing letting market, but a slow-down in the investment market

- **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** 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.

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

(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 (in %) Group Share	Change (in %) 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	50.	4.7	+6.3%	+10.8%	19%
Hamburg	4.9	4.7	5.3	50.	+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%**

(1) LfL: Like-for-Like.

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).

1.2.4.3 Annualized rents: €48.9 million Group Share

Geographic breakdown

(In € million)	Surface (in m²)	Number of assets	Annualized rents 2022 100%	Annualized rents 2022 Group Share	Annualized rents H1 2023 100%	Annualized rents H1 2023 Group Share	Change Group Share (in %)	% 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	110.	9.8	130.	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.

1.2.4.4 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.

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

	Surface (in m²)	Annualized top up rents (in €M, Group Share)	Annualized rents 2023 (in €/m2 100%)
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.

1.2.4.6 Lease expiries and occupancy rate

1.2.4.6.1 Lease expiries: firm residual lease term of 4.3 years

(In € million)	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	80.	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.

1.2.4.6.2 Occupancy rate of 86.0%

(In %)	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.

1.2.4.7 Portfolio values

1.2.4.7.1 Change in portfolio values

(In € million, Group Share, excluding duties)	Value 2022	Invest.	Change in value	Value H1 2022
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	**1,441**	**26**	**-134**	**1,332**

1.2.4.7.2 Like-for-like portfolio evolution: -9.2%

(In € million, excluding duties)	Value 2022 100%	Value 2022 Group Share	Value H1 2023 100%	Value H1 2023 Group Share	LfL[1] change 6 months	Yield 2022	Yield 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%.

1.2.5 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

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

- 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 supportrents in Germany and especially in Berlin. Asking rentson 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.

1.2.5.2 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 (in %)	Change Group Share (in %) 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	60.	+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	110.	+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	50.	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.

1

1.2.5.3 Annualized rental income: €186.4 million Group Share

(In € million)	Surface (in m²)	Number of units	Annualised rents 2022 Group Share	Annualised rents H1 2023 100%	Annualised rents H1 2023 Group Share	Change Group Share (in %)	Average rent (in €/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	150.	23.5	15.2	+1.3%	€7.3/m²	8%
Hamburg	148,873	2,415	120.	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%	€70./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%).

1.2.5.4 Indexation

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

1.2.5.4.1 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.

1.2.5.4.2. 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.

1.2.5.4.3 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).

1.2.5.5 Occupancy rate: a high level of 99.1%

(In %)	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.

1.2.5.6 Portfolio values: €7.5 billion (€4.9 billion Group Share)

1.2.5.6.1 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).

1.2.5.6.2 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.

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).

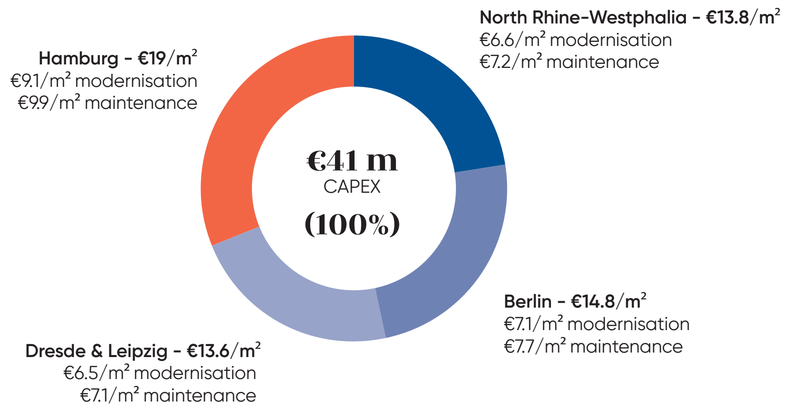
In H1 2023, values decreased by 7.3% on a like-for-like basis *versus* end-2022, reflecting the current wait-and-see attitude in the investment market. The average yield of the portfolio is up +35 bps to 3.8%

1.2.5.7 Maintenance and modernization Capex

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%.



1.2.6 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).

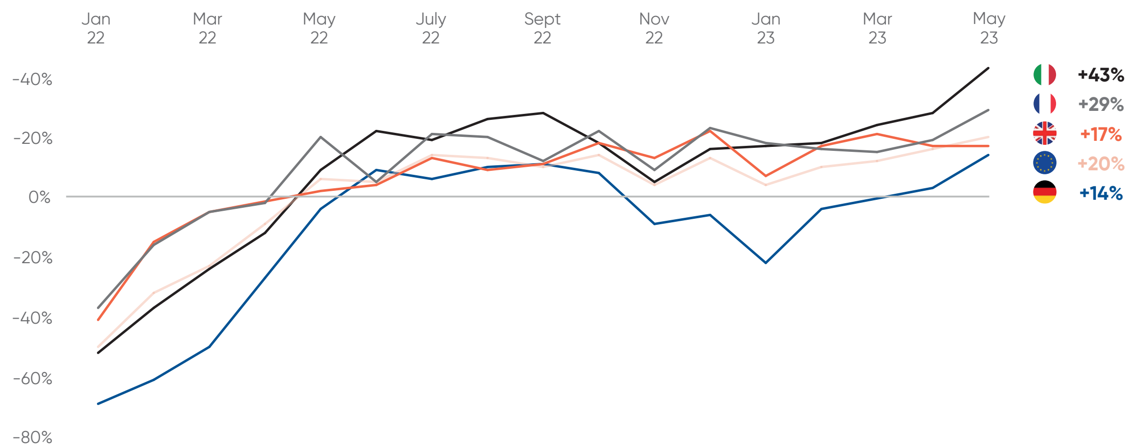
Covivio owns a high-quality hotel portfolio worth €6.6 billion (€2.6 billion in Group share), focused on major European cities and let or operated by major hotel operators such as Accor, B&B, IHG, NH Hotels, etc. This portfolio offers geographic and tenant diversification (across 12 European countries)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

1.2.6.1 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 Kingdomwas 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

- 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.

1.2.6.2 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 (in %) Group Share	Change Group Share (in %) LfL[1]
Hotel Lease properties – Variable	21.1	9.3	270.	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	80.	+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%**

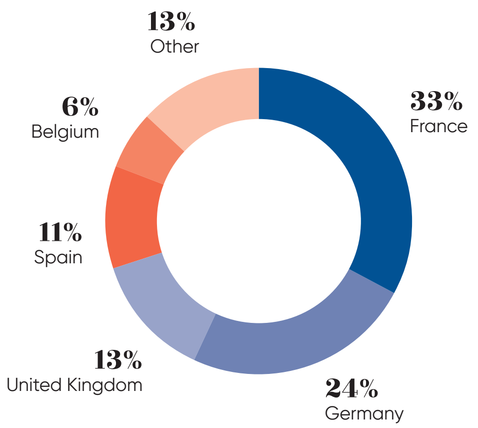
(1) LfL: Like-for-Like.

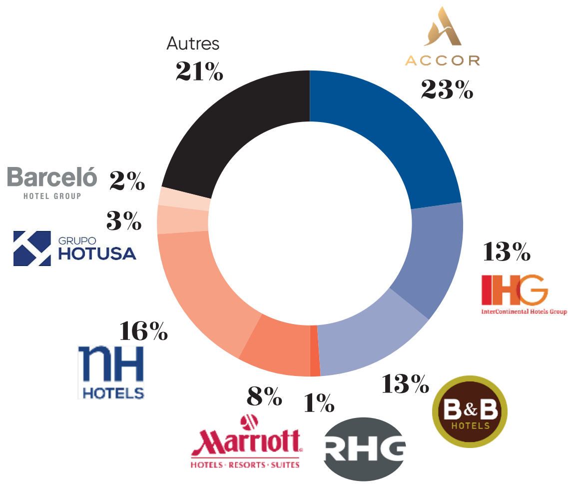
Hotels revenues increased by +20.3% (+€12.4 million Group share) compared to H1 2022, due to:

- **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.

1.2.6.3 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%).

1.2.6.4 Indexation

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

1.2.6.5 Lease expiries: 12.6 years of firm 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	10.	1%	10.	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%**

1.2.6.6 Portfolio values: -0.8% increase like-for-like

1.2.6.6.1 Change in portfolio values

(In € million, excluding duties, Group Share)	Value 2022	Acquis.	Invest.	Disposals	Change in value	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 end-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).

1.2.6.6.2 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) Yield is calculated on the basis of 2023 fixed revenues; Variable revenues and EBITDA of operating propertiesare calculated on a rolling year (H2 2022 to H1 2023).

At end-June 2023, Covivio held a unique hotel portfolio of €2.6 billion group share (€6.6 billion at 100%) in Europe.

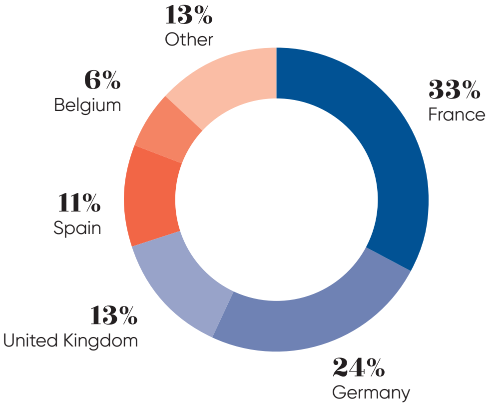
This strategic portfolio is characterised by:

- **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 increased by +2.8% 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

1.3 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

1.3.1 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	31/12/2022	30/06/2023
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%

1.3.2 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.

1.3.3 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.**

1.3.3.1 €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.

1.3.3.2 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.

1.3.3.3 Income from other activities

The change in net income from other activities comes from the slowdown in the property development projects in German residential.

1.3.3.4 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.

1.3.3.5 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.

1.3.3.6 Net income from inventory properties

This item refers to a marginal real estate trading activity, mainly in Italy.

1.3.3.7 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.

1.3.3.8 Income from asset disposals & disposal of securities

Income from asset disposals contributed €-2.4 million during the year.

1.3.3.9 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.

1.3.3.10 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.

1.3.3.11 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.

1.3.3.12 Share of income of equity affiliates

Group Share	% interest	Contribution to earnings (in €M)	Value	Change in equity value (in %)
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
- Cœur 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.

1.3.3.13 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).

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

(In € million, Group Share)	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.

1.3.3.15 Adjusted EPRA Earnings by activity

(In € million, Group Share)	France Offices	Italy Offices*	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**

(1) Including non-strategic retail in the subsidiary scope.

1.3.3.16 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**

1.3.4 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 development)	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%**

1.3.5 Simplified consolidated balance sheet (Group Share)

Assets (in € million, Group Share)	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**

1.3.5.1 Investment properties, Properties under development and Other fixed assets

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

(In € million, Group Share)	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)

1.3.5.2 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.

1.3.5.3 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.

1.3.5.4 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.

1.3.6 Simplified consolidated balance sheet (at 100%)

Assets (in € million, 100%)	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**

1.4 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.

1.4.1 Main debt characteristics

Group Share	31/12/2022	30/06/2023
Net debt, Group Share (in €M)	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 average rate	86%	90%
Average maturity of hedging	6.3	5.8
LTV including duties	39.5%	40.7%
ICR	6.9	6.1

1.4.2 Debt by type

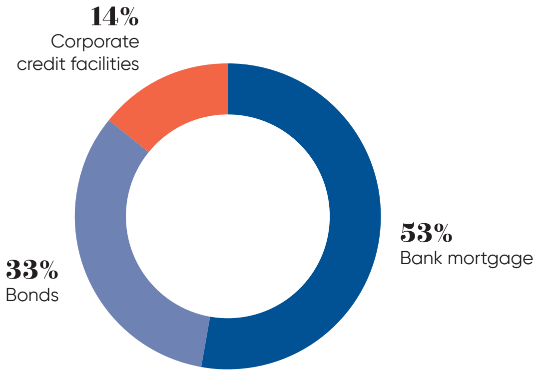
Covivio's net debt stands at €7.4 billion in Group share at end-June 2023 (€10.4 billion on a consolidated basis), -0.2 billion compared to end-2022.

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

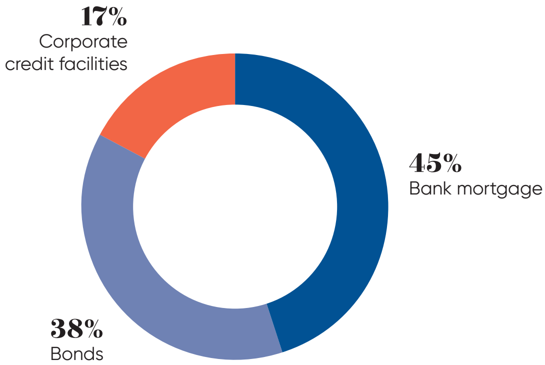
Covivio has built its financing policy on diversification (both geographically and by asset class) and granularity. At end-June 2023, 51% of its debt was comprised of mortgages, 44% of bonds, 5% of commercial paper (€350 million, more than covered by undrawn credit lines of €1.4 billion).

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.

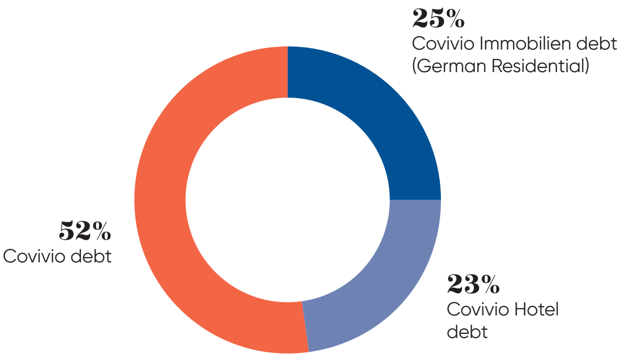
Consolidated commitments
by type



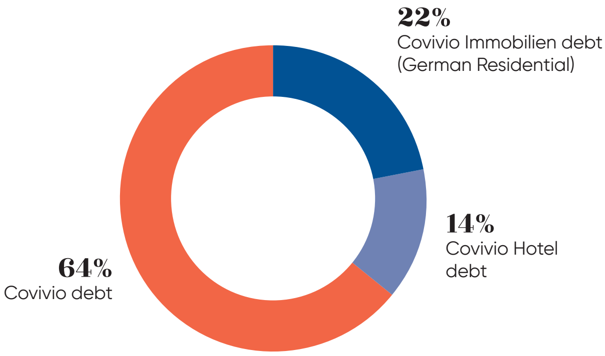
Group share commitments
by type



Consolidated commitments
by company



Group Share commitments
by company

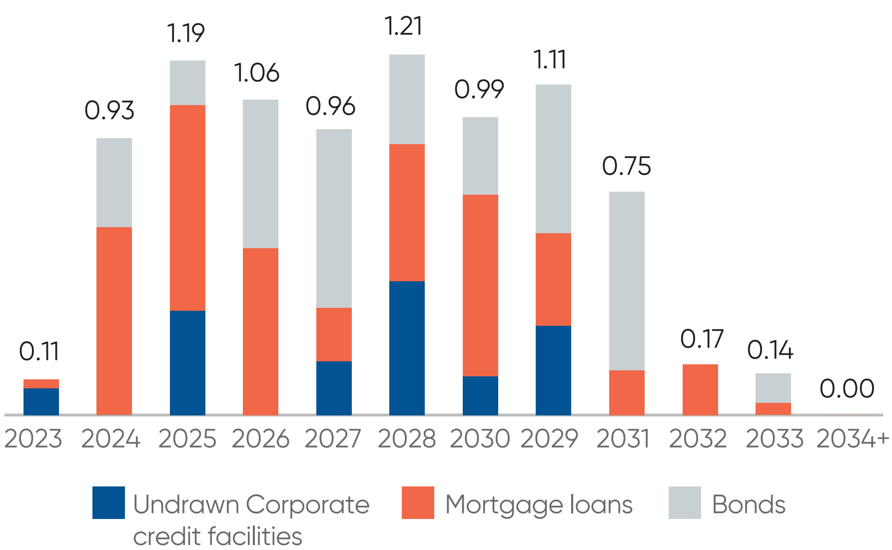


1.4.3 Debt maturity

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.

(in € billion, Group Share)

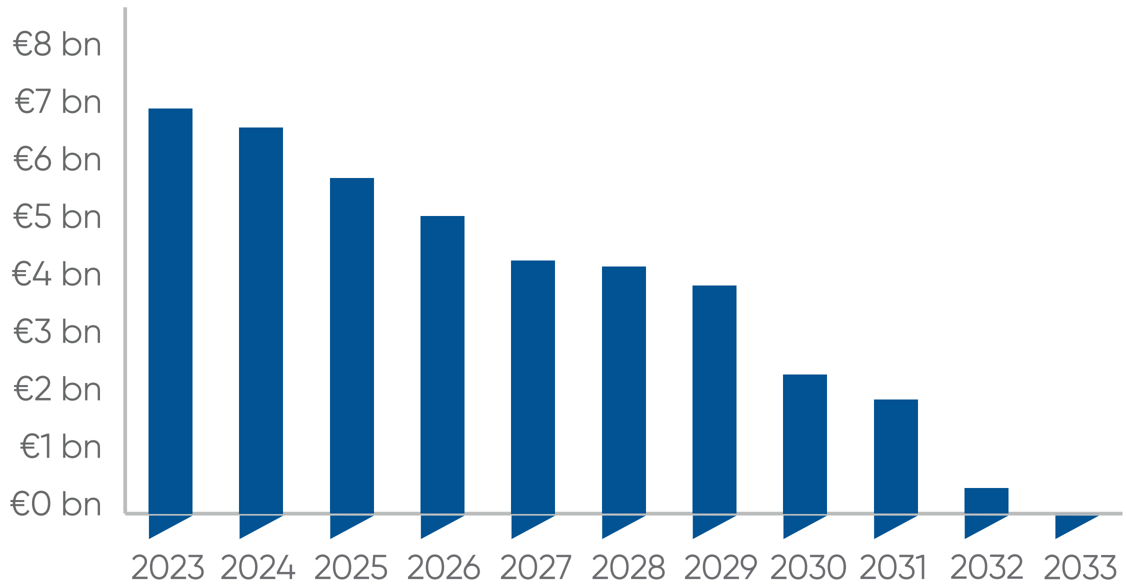


1.4.4 Hedging profile

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.

Hedging maturities (in €bn, Group Share)



1.4.5 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.

1.4.5.1 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	31/12/2022	30/06/2023
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)	31/12/2022	30/06/2023
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%**

1.4.6 Reconciliation with consolidated accounts

1.4.6.1 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**

1.4.6.2 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**

1.4.6.3 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**

1.5 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.

1.5.1 Change in net rental income (Group Share)

(In € 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.

Reconciliation with financial data

(In € million)	H1 2023
Total from the table of changes in Net rental Income (GS)	279
Adjustments	-
TOTAL NET RENTAL INCOME GS (FINANCIAL DATA § 1.3.3)	**279**
Minority interests	147
TOTAL NET RENTAL INCOME 100% (FINANCIAL DATA § 1.3.4)	**426**

1.5.2 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.

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

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

(In € million, Group Share)	Gross rental income (in €M)	Net rental income (in €M)	Annualized rents (in €M)	Surface (in m²)	Average rent (in €/m²)	Vacancy rate (excl. Secured lease) (in %)	ERV of spot vacant space (in €M)[1]	ERV of the whole portfolio (In €M)	EPRA vacancy rate (in %)
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	-
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.

1.5.3 Investment assets – Asset values

(In € 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:

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

Reconciliation with financial data

(In € 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* (FINANCIAL DATA §1.3.5)	**14,988**
Minority interests	6,984
INVESTMENT ASSETS 100%(1) (FINANCIAL DATA § 1.3.5)	**21,972**

(1) Fixed assets + Developments assets + asset held for sale.

Reconciliation with IFRS

(In € million)	H1 2023
Change in fair value over the year (Group Share)	-928
Others	-
INCOME FROM FAIR VALUE ADJUSTMENTS GROUP SHARE (FINANCIAL DATA § 1.3.3)	**-928**
Minority interests	-199
INCOME FROM FAIR VALUE ADJUSTMENTS 100% (FINANCIAL DATA § 1.3.4)	**-1 128**

1.5.4 Assets under development

	Ownership type	% ownership (Group Share)	Fair value H1 2023	Capitalised financial expenses over the year	Total cost incl. financial cost[1] (in €M, Group Share)	% progress	Delivery date	Surface at 100% (in m²)	Pre-letting	Yield (in %)
Meudon Atlas	FC	100%		0.2	229	3%	2026	38,000 m²	100%	7.0%
Paris Grands Boulevards	FC	100%		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%		0.3	76	28%	2024	13,200 m²	92%	6.1%
Corte Italia	FC	100%		0.9	122	24%	2025	25,700 m²	100%	6.1%
Rozzano - Strada 8	FC	100%		0.3	45	30%	2024	12,100 m²	40%	7.8%
Symbiosis G+H	FC	100%		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%		1.1	304	4%	2024	55,700 m²	55%	4.4%
Berlin Beagle	FC	100%		0.1	16	71%	2023	5,100 m²	100%	6.5%
Berlin Alexanderplatz	FC	55%		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 commited pipeline

(In € million, 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 1.1.7 Development projects).

Reconciliation with financial data

(In € million)	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**

1.5.5 Information on leases

	Firm residual lease term (years)	Residual lease term (years)	Lease expiration by date of 1st exit option Annualized rental income of leases expiring				Total (in €M)	Section
			N+1	N+2	N+3 to 5	Beyond		
France Offices	4.8	5.5	7%	19%	22%	38%	205	1.2.2
Italy Offices (incl. retail)	6.7	7.2	5%	7%	26%	59%	116	1.2.3
Germany Offices	4.3	4.7	26%	16%	24%	26%	49	1.2.4
Hotels in Europe (incl. retail)	12.6	14.4	4%	2%	3%	90%	111	1.2.6
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).

1.5.6 EPRA Net Initial Yield

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

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

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

- EPRA net initial yield is the ratio of:

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

(In € 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 annualized IFRS revenues	653	189	107	35	186	144	661
Irrecoverable property charge	-63	-15	-14	-5	-17	-3	-54
Annualized 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
Annualized 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	**4.4%**	**4.8%**	**5.4%**	**4.5%**	**3.8%**	**5.5%**	**4.7%**

1.5.7 EPRA cost ratio

(In € million, Group Share)	H1 2022	H1 2023
Cost of other activities and fair value	-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	-2.5
Property expenses	0.3	-0.3
EPRA costs (including vacancy costs) (A)	**-59.1**	**-66.5**
Vacancy cost	10.8	10.9
EPRA costs (excluding vacancy costs) (B)	**-48.3**	**-55.6**
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	36.4
Gross rental income (C)	**335.0**	**344.4**
EPRA COSTS RATIO (INCLUDING VACANCY COSTS) (A/C)	**17.6%**	**19.3%**
EPRA COSTS RATIO (EXCLUDING VACANCY COSTS) (B/C)	**14.4%**	**16.2%**

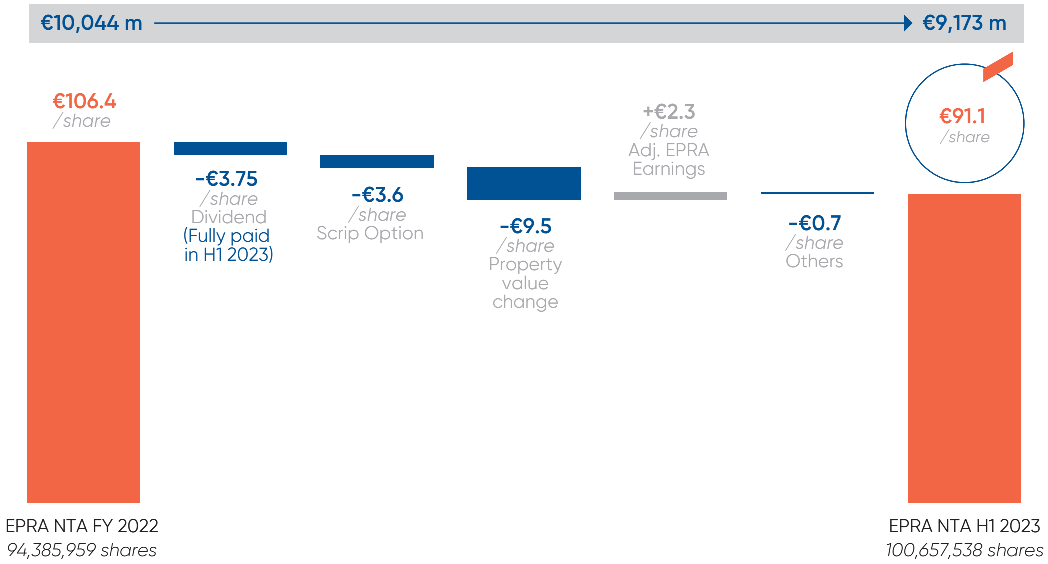
1.5.8 Ajusted EPRA Earnings: stable to €223.4 million

(In € 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 (leasehold > 100 years)	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 instruments	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

1.5.9 EPRA NRV, EPRA NTA and EPRA NDV

	2022	H1 2023	Var.	Var. (in %)
EPRA NRV (in €M)	11,040	10,105	-935	-8.5%
EPRA NRV/share (in €)	117,0	100.4	-16.6	-14.2%
EPRA NTA (in €M)	10,044	9,173	-870	-8.7%
EPRA NTA/share (in €)	106.4	91.1	-15.3	-14.4%
EPRA NDV (in €M)	10,172	9,359	-812	-8.0%
EPRA NDV/share (in €)	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



1.5.9.1 Reconciliation between shareholder's equity and EPRA NAV

	2022 (in €M)	€ per share	H1 2023 (in €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	-334		-344	
Deferred tax liabilities	786		696	
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	-44		-36	
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	334		344	
Deferred tax liabilities	-742		-659	
EPRA NDV	**10,172**	**107.8**	**9,359**	**93.0**

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.

1.5.9.2 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.

1.5.9.3 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.

1.5.9.4 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.

1.5.9.5 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.

1.5.10 Capex by type

	2022		H1 2023	
(In € million)	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.

1.5.11 EPRA LTV

EPRA LTV		Proportionate Consolidation			
30 Jun. 2023 (€ million, Group share)	Group €M as reported	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%**

1.5.12 EPRA performance indicator reference table

EPRA information	Section	In %	Amount in €	Amount in €/share
EPRA Earnings	1.3.3	-	€221 m	€2.3/share
Ajusted EPRA Earnings	1.3.3	-	€223 m	€2.4/share
EPRA NRV	1.5.9	-	€10,105 m	€100.4/share
EPRA NTA	1.5.9	-	€9,173 m	€91.1/share
EPRA NDV	1.5.9	-	€9,359,m	€93.0/share
EPRA net initial yield	1.5.6	3.9%	-	-
EPRA topped-up net initial yield	1.5.6	4.1%	-	-
EPRA vacancy rate at year-end	1.5.2	5.8%	-	-
EPRA costs ratio (including vacancy costs)	1.5.7	19.3%	-	-
EPRA costs ratio (excluding vacancy costs)	1.5.7	16.2%	-	-
EPRA LTV	1.5.10	44.3%		
EPRA indicators of main subsidiaries	1.6	-	-	-

1.6 Financial indicators of the main activities

	Covivio Hotels			Covivio Immobilien		
	2022	H1 2023	Change (in %)	2022	H1 2023	Change (in %)
EPRA Earnings (full year – in €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 pt	61.7%	61.7%	+0.0 pt
LTV including duties	35.0%	35.9%	+0,9 pt	31.7%	34.8%	+3.1 pts
ICR	6.0x	5.2x	-0.8x	7.3x	4.2x	-3.1x

2 Risks

2.1 Risks and uncertainties

As part of its risk management, Covivio conducts an annual detailed review of the risks to which the company is exposed. Its results and the action plan defined to improve their control are shared in the Audit Committee and the Board of Directors. Covivio invites its readers to refer to Chapter 2 of its 2022 Universal Registration Document (URD) in which the main risks and control systems implemented by are presented.

The rating of risks results from a combined analysis of their potential negative impact (on the Group's valuation, its results, its image and/or on the continuity of its business) and their probability of occurrence. Once quantified, the gross impact and probability are corrected by the control systems in place to determine the net risk.

Following the review of risks carried out in mid-2023, we list below those risks whose level has been severely impacted in the first half of the year and could continue to be affected in the second half, *via* an increase in their net impact and/or their net probability. The systems for managing these risks (unchanged) are described in the 2022 URD available on the Covivio website. To date, the other risks are unchanged.

2.1.1 Risks linked to the environment in which Covivio operates

Unfavourable changes in the real estate market: continued decline in values and slowdown in the investment market

Values

Covivio's total assets at the end of June 2023 (€26.5 billion in consolidated data) mainly consisted of the appraisal value of the buildings, which amounted to €24.8 billion (*i.e.* nearly 93%). Covivio recognises its investment properties at fair value in accordance with the option offered by IAS 40. Thus, any change in the value of buildings has a direct impact on the balance sheet total.

The value of Covivio's asset portfolio is contingent upon the performance of the real estate markets in which the company operates. Both rents and market prices (and consequently the capitalisation rates used by property experts) may be subject to fluctuations due to the economic and financial environment.

A decrease in appraisal values is likely to affect the value of Covivio's net asset value and, possibly, the valuation of its share price.

In the first half of 2023, the value of the portfolio decreased on a like-for-like scope by -5.5%. Net asset value decreased by -8.7% over the six-month period (down 14.4% in euros per share). These declines were more pronounced in German Residential activity (-7.3% like-for-like), and mitigated for hotel assets (-0.8% like-for-like), benefiting from a higher initial yield and the continued upturn in activity in the first half of the year (rental income +20.3% over the half-year).

Asset capitalisation rates could continue to rise automatically driving a further decline in the value of real estate assets.

Investment market slowdown

In an economic context marked by a confirmed rise in interest rates and uncertainty about the economic environment, the first half saw a notable drop in investment volumes. This decline impacted all asset classes and countries. In the first half of the year, investment volumes in Europe across all classes were €36.5 billion (source: Savills, MSCI Real Estate), *i.e.* -62% *vs.* the same period 2022.

New agreements and disposals in the first half of €350 million Group share (€437 million at 100%) were completed at an average margin of -1.2% compared to appraisal values at end-2022.

The sharp slowdown in transactions could continue in the second half of the year and threaten Covivio's announced disposal targets of €1.5bn by the end of 2024. The shortage of investors could also prevent the Company from sealing these transactions on good market terms.

For information purposes, the table below shows the sensitivity of the valuation of assets to yield rates:

(In € million)	Yield[1]	Yield -25 bps	Yield +25 bps	Yield -50 bps	Yield +50 bps	Yield -75 bps	Yield +75 bps
France Offices	4.8%	251.7	-226.8	532.7	-432.2	848.4	-619.1
Italy Offices	5.4%	121.1	-110.4	254.6	-211.5	402.5	-304.3
Hotels in Europe	5.5%	224.8	-205.3	472.2	-393.5	754.6	-566.6
German Residential	3.8%	531.7	-466.7	1,142.9	-879.6	1,853.1	-1,247.5
Germany Offices	4.5%	51.7	-46.2	196.8	-87.8	175.7	-125.5
TOTAL	**4.64%**	**1,181.1**	**-1,055.4**	**2,512.3**	**-2,004.6**	**4,025.3**	**-2,863.0**

The Company's covenants are presented in Section 3.2.5.11.6. "Bank covenants".

2.1.2 Financial risks

Unfavourable interest rate trends (borrowing and exchange rates)

Borrowings

After peaking at 7.3% in February 2023, inflation has slowed down as well as the outlook for 2023 and 2024. To combat inflation, the ECB announced in mid-June 2023 the seventh increase in its reference rates since July 2022. As a result, interest rates on the company's main refinancing operations, the marginal lending facility and the deposit facility have risen by 4.00%, 4.25% and 3.50% respectively since 21 June 2023.

The average interest rate on Covivio's debt is directly impacted by this increase. It was 1.46% at 30 June 2023 *vs.* 1.24% at end-2022 and the average coverage rate was 90%, with a hedging maturity of 5.8 years greater than the maturity of the debt of 4.7 years at 30 June 2023. This increase is expected to continue based on the upcoming maturity schedule are rising financial expenses on the portion of unhedged debt. More generally, Covivio's ability to implement its short-/medium-term investment strategy could be constrained.

- An increase/decrease in the 3-month Euribor of 25 bps would have an impact of +€1.128/-1.128 million on the amount of the Group's financial expenses in 2023.
- An increase/decrease in the 3-month Euribor of 50 bps would have an impact of +€2,251/-2,262 million on the amount of the Group's financial expenses.
- An increase/decrease in the 3-month Euribor of 75 bps would have an impact of +€3,369/-3,407 million on the amount of the Group's financial expenses.
- An increase/decrease in the 3-month Euribor of 100 bps would have an impact of +€4,475/-4,556 million on the amount of the Group's financial expenses.

Non-compliance with banking covenants (LTV, ICR) related to decreases in value and/or rents

The risks related to changes in values and rents are detailed in the section dedicated to risk "Unfavourable development of the real estate market: decline or stagnation in values and rent" (see above).

In the event of non-compliance with a covenant, Covivio would theoretically have to repay all of its drawn debt. In practice, however, this risk appears unlikely, as banks generally prefer to renegotiate the existing financial conditions of the borrowers concerned, as was observed during the financial crisis of 2008.

Covivio's most restrictive LTV (Loan to Value) covenant is 60% for an effective ratio of 44% (bank LTV) at 30 June 2023.

The template below presents the bank LTV sensitivity to a decrease in value:

Decrease in value	-	-5%	-10%	-15%	-20%
Bank LTV[1]	44%	46%	49%	52%	55%

(1) Excluding duties and sales agreements.

Covivio's most restrictive ICR covenant amounted to X 2.00 for an effective ratio of X 6.11 at 30 June 2023.

3

Condensed consolidated financial statements at 30 June 2023

3.1 Condensed consolidated financial statements at 30 June 2023

3.1.1 Statement of financial position

Assets

(In € thousand)	Note 3.2.5	30/06/2023	31/12/2022
Intangible assets	**1.2**		
Goodwill		118,220	120,102
Other intangible fixed assets		18,338	17,194
Tangible assets	**1.2**		
Operating properties		1,485,197	1,471,533
Other tangible fixed assets		39,595	40,332
Fixed assets in progress		78,998	68,470
Investment properties	1.3	21,778,059	22,964,769
Non-current financial assets	2.2	123,629	113,872
Investments in companies accounted for under the equity method	3.2	389,315	401,058
Deferred tax assets	4	90,051	86,378
Long-term derivative instruments	11.4	579,438	663,944
Total non-current assets		**24,700,841**	**25,947,653**
Assets held for sale	1.3	192,892	259,400
Loans and receivables	5	26,520	41,371
Inventories and work-in-progress	6.2	274,244	264,032
Short-term derivative instruments	11.4	200,152	149,332
Trade receivables	7	461,908	344,714
Tax receivables		23,855	28,342
Other receivables	8	128,662	160,137
Prepaid expenses		14,785	4,447
Cash and cash equivalents	9	474,586	461,541
Total current assets		**1,797,604**	**1,713,316**
TOTAL ASSETS		**26,498,445**	**27,660,969**

Equity & liabilities

	Note 3.2.5	30/06/2023	31/12/2022
Capital		303,019	284,358
Share premium account		4,311,544	4,053,017
Treasury shares		-34,163	-42,873
Consolidated reserves		4,795,345	4,527,814
Net income		-689,711	620,694
Total shareholder's equity, Group Share	**10**	**8,686,034**	**9,443,010**
Non-controlling interests		4,275,462	4,648,499
Total shareholders' equity		**12,961,495**	**14,091,509**
Long-term borrowings	11.2	9,716,291	9,734,862
Long-term rental liabilities	11.5	301,306	298,206
Long-term derivative instruments	11.4	190,480	221,640
Deferred tax liabilities	4	1,187,124	1,320,034
Staff termination benefits	12.2	39,008	38,075
Other long-term liabilities		33,870	35,492
Total non-current assets		**11,468,080**	**11,648,309**
Liabilities held for sale		6,427	0
Trade payables		217,222	146,847
Trade payables on fixed assets		72,908	67,402
Short-term borrowings	11.2	1,182,191	1,232,805
Short-term rental liabilities	11.5	9,201	8,882
Short-term derivative instruments	11.4	71,619	78,760
Security deposits		1,280	817
Advanced and pre-payments received		237,052	196,641
Short-term provisions	12.2	10,053	17,767
Current taxes		45,312	33,903
Other short-term liabilities	13	196,780	117,464
Pre-booked income		18,824	19,863
Total current liabilities		**2,068,869**	**1,921,151**
TOTAL LIABILITIES		**26,498,445**	**27,660,969**

3.1.2 Statement of net income

(In € thousand)	Note 3.2	30/06/2023	30/06/2022
Rental income	6.2.1	463,144	444,328
Unrecovered property operating costs	6.2.2	-20,432	-25,110
Expenses on properties	6.2.2	-14,849	-13,933
Net losses on unrecoverable receivables	6.2.2	-1,635	9,674
Net rental income		**426,227**	**414,959**
EBITDA from Hotel Operating activity & Flex Office	**6.2.3**	**39,613**	**24,769**
Income from other activities	**6.2.3**	**3,128**	**12,667**
Management and administration income		9,930	7,199
Business expenses		-2,646	-2,384
Overheads		-63,195	-59,058
Net operating costs	**6.2.4**	**-55,912**	**-54,243**
Depreciation of operating assets	6.2.5	-34,787	-30,090
Net change in provision and other	6.2.5	15,716	7,901
OPERATING INCOME		**393,985**	**375,964**
Net income from inventory properties		33	-1,462
Income from asset disposals	6.3	-3,665	610
Income from value adjustments	6.4	-1,277,682	646,576
Income from disposal of securities	6.5	-288	24,529
Net income from changes in scope	6.6	-1,884	-466
OPERATING RESULT		**-889,501**	**1,045,750**
Cost of the net financial debt	6.7	-85,736	-70,493
The interest cost for rental liabilities	5.11.5	-7,831	-7,573
Value adjustment on derivatives:	6.8	-29,229	399,650
Discounting and foreign exchange gains or losses	6.8	366	-1,094
Exceptional amortisation of loan issue costs	6.8	-351	1,102
Share of income from companies accounted for under the equity method	5.3.2	-13,304	31,193
NET INCOME BEFORE TAX		**-1,025,583**	**1,398,536**
Deferred taxes	6.9.2	137,554	-134,229
Corporate taxes	6.9.2	-16,579	-7,948
NET INCOME FOR THE PERIOD		**-904,608**	**1,256,358**
of which attributable to non-controlling interests		-214,897	460,683
NET INCOME FOR THE PERIOD – GROUP SHARE		**-689,711**	**795,675**
Group net earnings per share (in €)	**7.2**	**-7.27**	**8.45**
Group diluted net earnings per share (in €)	**7.2**	**-7.23**	**8.40**

3.1.3 Statement of comprehensive income

(In € thousand)	30/06/2023	30/06/2022
NET INCOME FOR THE PERIOD	-904,608	1,256,358
Currency translation differences	10,193	-8,445
Of which effective portion of gains or losses on hedging instruments	-2,330	15,073
Deferred tax on recyclable items	237	
Other comprehensive income that can be reclassified to profit or loss	**8,100**	**6,628**
Actuarial differences on employee benefits	0	0
Deferred tax on non-recyclable items	-408	0
Other comprehensive income that cannot be reclassified to profit or loss	**-408**	**0**
Other items of comprehensive income	**7,692**	**6,628**
COMPREHENSIVE INCOME FOR THE PERIOD	-896,916	1,262,986
of which attributable to owners of the parent company	-686,441	799,675
of which attributable to non-controlling interests	-210,475	463,312

3.1.4 Statement of changes in equity

(In € thousand)	Capital	Share premium	Treasury shares	Reserves and retained earnings	Gains and losses recognised directly in shareholders' equity	Total shareholders' equity, Group Share	Non-controlling interests	Total shareholders' equity
Position at 31 December 2021	**283,946**	**4,119,793**	**-21,304**	**4,818,896**	**-7,521**	**9,193,810**	**4,428,828**	**13,622,638**
Dividends distribution		-66,352		-286,983		-353,335	-144,993	-498,328
Capital increase	229	-229				0	2,853	2,853
Allocation to the legal reserve						0		0
Other			-29,645	-8,704		-38,349	-87	-38,436
Total comprehensive income for the period				**795,673**	**4,000**	**799,673**	**463,311**	**1,262,984**
Of which actuarial gains and losses on pension provision net of deferred tax liabilities						0		0
Of which currency transaction gains and losses					-3,687	-3,687	-4,758	-8,445
Of which effective portion of gains or losses on hedging instruments net of deferred tax liabilities					7,687	7,687	7,386	15,073
Of which net income (loss)				795,673		795,673	460,683	1,256,356
Variation in scope and exchange rates				1,667		1,667	-142,505	-140,838
Shared-based payments				2,425		2,425		2,425
Position at 30 June 2022	**284,175**	**4,053,212**	**-50,949**	**5,322,974**	**-3,521**	**9,605,891**	**4,607,407**	**14,213,298**
Dividends distribution						0	-38,507	-38,507
Capital increase	183	-202		19		0	5,256	5,256
Allocation to the legal reserve						0		0
Other		7	8,076	-8,183		-100	72	-28
Total comprehensive income for the period				**-174,979**	**7,929**	**-167,050**	**74,086**	**-92,964**
Of which actuarial gains and losses on pension provision net of deferred tax liabilities					5,704	5,704	3,476	9,180
Of which currency transaction gains and losses					1,104	1,104	1,456	2,560
Of which effective portion of gains or losses on hedging instruments net of deferred tax liabilities					1,121	1,121	2,630	3,751
Of which net income (loss)				-174,979		-174,979	66,524	-108,455
Variation in scope and exchange rates				-76		-76	185	109
Shared-based payments				4,345		4,345		4,345
Position at 31 December 2022	**284,358**	**4,053,017**	**-42,873**	**5,144,100**	**4,408**	**9,443,010**	**4,648,499**	**14,091,509**
Dividends distribution		-6		-351,890		-351,896	-178,665	-530,561
Capital increase	18,661	260,399				279,060	16,694	295,754
Allocation to the legal reserve		-1,866		1,866		0		0
Other			8,710	-10,536		-1,826	-358	-2,184
Total comprehensive income for the period				**-689,711**	**3,270**	**-686,441**	**-210,475**	**-896,916**
Of which actuarial gains and losses on pension provision net of deferred tax liabilities					-252	-252	-156	-408
Of which currency transaction gains and losses					4,473	4,473	5,720	10,193
Of which effective portion of gains or losses on hedging instruments net of deferred tax liabilities					-951	-951	-1,142	-2,093
Of which net income (loss)				-689,711		-689,711	-214,897	-904,608
Variation in scope and exchange rates				233		233	-233	0
Shared-based payments				3,894		3,894		3,894
POSITION AT 30 JUNE 2023	**303,019**	**4,311,544**	**-34.163**	**4,097,956**	**7,678**	**8,686,034**	**4,275,462**	**12,961,495**

3.1.5 Statement of cash flows

(In € thousand)	Note	30/06/2023	31/12/2022	30/06/2022
Net income for the period		**-904,608**	**1,147,901**	**1,256,358**
Net depreciation and amortisation charges and provisions (excluding those related to current assets)	3.2.6.2.5	30,070	62,272	31,936
Unrealised gains and losses relating to changes in fair value	3.2.5.11.4 & 3.2.6.4	1,306,910	-600,808	-1,046,225
Calculated income and expenses related to share-based payments		3,966	5,920	1,724
Other calculated income and expenses		-9,326	-21,299	-11,928
Gains or losses on disposals		4,235	-24,078	-25,048
Share of income from companies accounted for under the equity method		13,304	-51,001	-31,193
Cash flow after tax and cost of net financial debt		**444,552**	**518,908**	**175,624**
Cost of net financial debt and interest charges on rental liabilities	3.2.6.7 & 3.2.6.8	86,870	143,798	73,001
Income tax expense (including deferred taxes)	3.2.6.9.2	-120,976	137,929	142,178
Cash flow before tax and cost of net financial debt		**410,445**	**800,635**	**390,802**
Taxes paid		-519	-19,632	-4,880
Change in working capital requirements on continuing operations (including employee benefits liabilities)	3.2.5.7.2	8,050	-82,942	-38,737
Net cash flow from operating activities		**417,976**	**698,061**	**347,185**
Impact of changes in the scope	3.2.6.6	634	182,541	199,886
Disposals of tangible and intangible fixed assets	3.2.5.1.2	-195,688	-567,834	-271,541
Disposals of tangible and intangible fixed assets	3.2.5.1.2	247,055	687,340	353,716
Acquisitions of financial assets (non-consolidated securities)		-88	-300	-4,136
Disposals of financial assets (non-consolidated shares)		24	293	150
Dividends received (companies accounted for under the equity method, non-consolidated securities)		8,442	7,560	7,560
Change in loans and advances granted		8,834	13,651	11,227
Other cash flow from investment activities		1,249	-2	-291
Net cash flow from investing activities		**70,462**	**323,250**	**296,570**
Impact of changes in the scope		0	-132	-1,042
Amounts received from shareholders in connection with capital increases:				
Paid by parent company shareholders		16,694	8,109	0
Paid by minority shareholders of consolidated companies	3.1.4	0	0	2,853
Acquisitions and disposals of treasury shares	3.1.4	-1,785	-38,449	-38,549
Dividends paid during the reporting period:				
Dividends paid to parent company shareholders	3.1.4	-72,837	-353,335	-353,335
Dividends paid to non-controlling interests of consolidated companies	3.1.4	-178,665	-183,500	-144,993
Proceeds related to new borrowings	3.2.5.11.2	664,189	1,442,104	506,588
Loan repayments (including debts on lease liabilities)	3.2.5.11.2	-877,592	-2,356,649	-574,849
Net financial interest paid (including interest on lease liabilities)		-95,398	-144,870	-85,571
Other cash flow from financing activities		-46,713	-29,094	-35,120
Net cash flow from financing activities		**-592,106**	**-1,655,817**	**-724,018**
Impact of changes in the exchange rate		1,309	-920	-684
CHANGE IN NET CASH		**-102,359**	**-635,427**	**-80,946**
Opening cash position		425,364	1,060,791	1,060,791
Closing cash position		323,005	425,364	979,845
NET VARIATION OF CASH-FLOW		**-102,359**	**-635,427**	**-80,946**

3.2 Notes to the consolidated financial statements

3.2.1 General principles

3.2.1.1 Accounting standards

The condensed consolidated financial statements of the Covivio group at 30 June 2023 were prepared in accordance with IAS 34 "Interim Financial Reporting".

They do not include all of the information required under IFRS guidelines and must be read in conjunction with the annual financial statements of the Covivio group for the year ended 31 December 2022.

The financial statements were approved by the Board of Directors on 20 July 2023.

Accounting principles and methods used

The accounting principles applied for the condensed consolidated financial statements as at 30 June 2023 are identical to those used for the consolidated financial statements as at 31 December 2022, except for new standards and amendments whose application was mandatory on or after 1 January 2023 and which were not applied early by the Group.

The following amendments, which are mandatory as of 1 January 2023, did not have any impact on the Group's consolidated financial statements:

- IFRS 17 "Insurance contracts" and amendments, adopted on 19 November 2021; IFRS 17 lays out the principles as to the recognition, valuation, presentation and disclosures concerning insurance contracts within the scope of application of the standard. This standard only concerns issuers of insurance contracts. There is no impact for the Group.
- amendments to IAS 8 "Definition of Accounting Estimates", adopted on 2 March 2022; these amendments aim to facilitate the distinction between accounting methods and accounting estimates; these amendments had no impact on the period as there were no changes to accounting method or accounting estimates
- amendments to IAS 1 "Presentation of Financial Statements – Practice Statement 2 – Disclosure of Accounting Policies", adopted on 2 March 2022; the purpose of these amendments is to help companies identify useful information to provide to users of financial statements on accounting methods. The application of these amendments did not lead to significant changes in the presentation of the half-year financial statements
- amendments to IAS 12 "Deferred tax related to assets and liabilities arising from the same transaction", published on 7 May 2021; this amendment specifies how entities should account for deferred taxes on transactions such as leases and decommissioning obligations. The net impact of deferred tax assets and liabilities on IFRS 16 is immaterial; these deferred taxes have not been included in the half-year consolidated financial statements

New standards awaiting adoption by the European Union for which application is immediate as soon as they are adopted:

- amendments to IAS 12 "International Tax Reform – Pillar 2 Model Rules". Regarding the international tax reform and the rules of the Pillar 2 model, the European Union will adopt the amendment during the second half of the year and it will then be immediately applicable and mandatory. The analysis of any impacts is currently being assessed by the Group.

New standards published pending adoption by the European Union whose application is not yet possible:

- amendments to IAS 1 "Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current", published on 23 January 2020 and 15 July 2020; the effective date is 1 January 2024 according to the IASB
- amendments to IFRS 16 "Lease liability in a sale and leaseback", published on 22 September 2022 and not adopted by the EU; the effective date is 1 January 2024 according to the IASB
- amendment to IAS 7 & IFRS 7 Supplier Financing Arrangements.

3.2.1.2 Estimates and judgements

The financial statements have been prepared in accordance with the historic cost convention, with the exception of investment properties and certain financial instruments, which were recognised in accordance with the fair value convention. In accordance with the conceptual framework for IFRS, preparation of the financial statements requires making estimates and using assumptions that affect the amounts shown in these financial statements.

The significant estimates made by the Covivio group in preparing the financial statements mainly relate to:

- the valuations used for testing impairment, in particular assessing the recoverable value of goodwill and intangible fixed assets
- measurement of the fair value of investment properties
- assessment of the fair value of derivative financial instruments
- measurement of provisions.

Due to the uncertainties inherent in any valuation process, the Covivio group reviews its estimates based on regularly updated information. These estimates take into account, where applicable, the financial impacts of commitments made by the Group on the effects of climate change (note 3.2.1.3 to the consolidated financial statements). The future results of the transactions in question may differ from these estimates.

In addition to the use of estimates, Group management makes use of judgements to define the appropriate accounting treatment of certain business activities and transactions when the IFRS standards and interpretations in effect do not precisely address the accounting issues involved.

3.2.1.3 Taking into account the effects of climate change

In 2021, Covivio announced a new carbon trajectory and raised its ambitions to achieve a 40% reduction in greenhouse gas emissions by 2030. This objective, which concerns all scopes 1, 2 and 3, covers all activities in Europe and the entire life cycle of assets: materials, construction, restructuring and operation. In addition, Covivio is aiming for Net Zero Carbon from 2030 on its scopes 1 and 2.

Covivio continued its momentum in terms of environmental certification: the proportion of the portfolio with HQE, BREAM, LEED or equivalent certification, operating and/or under construction, reached 93% at end-June 2023, in line with the objective of 100% at the end of 2025. For more than ten years, Covivio has also set itself ambitious targets for reducing the energy consumption of buildings. This strategy actively contributes to achieving the new carbon trajectory. It is accompanied by a commitment to low-carbon construction on a European scale. In addition, in accordance with European regulations, Covivio published its rates of eligibility and alignment with the European taxonomy at the end of 2022 for the objectives of climate change mitigation and adaptation. (Chapter 3 – Statement of Non-Financial Performance of the Universal Registration Document)

Covivio has strengthened its commitment to incorporating ESG criteria into its operations and development by putting a "Say On Climate" resolution to its shareholders. This resolution, which takes into account the current climate plan for 2030 approved by the Board of Directors in 2021 and 2022, was approved by more than 94% of shareholders at the 2023 Shareholders' Meeting. In this way, Covivio is giving fresh impetus to its ambitions for more sustainable and responsible real estate.

In addition, for its financing, Covivio has requalified 100% of its bonds as green bonds following the publication of its new Sustainable Bond Framework in 2022. This document specifies the environmental criteria used to select eligible assets, including the European taxonomy criteria. Similarly, Covivio Hotels, a 43.86%-owned listed subsidiary, decided to adopt a Green Financing Framework and proposed that its bondholders should convert their bonds into Green bonds.

Finally, in order to better understand the risks and opportunities related to climate change, Covivio publishes each year a report incorporating the recommendations of the TCFD (Taskforce on Climate Financial related Disclosures) and regularly conducts climate resilience analyses of its portfolio. In June 2023, the Group published its second Climate Report, available on its website.

The inclusion of the effects of climate change had no material impact on the judgements made and the main estimates required to prepare the financial statements.

3.2.1.4 IFRS 7 – Reference table

• Liquidity risk	§ 3.2.2.2
• Sensitivity of financial expenses	§ 3.2.2.3
• Credit risk	§ 3.2.2.4
• Market risk	§ 3.2.2.6
• Foreign exchange risk	§ 3.2.2.7
• Sensitivity of the fair value of investment properties	§ 3.2.5.1.5
• Covenants	§ 3.2.5.11.6

3.2.2 Financial risk management

The operating and financial activities of the company are exposed to the following risks:

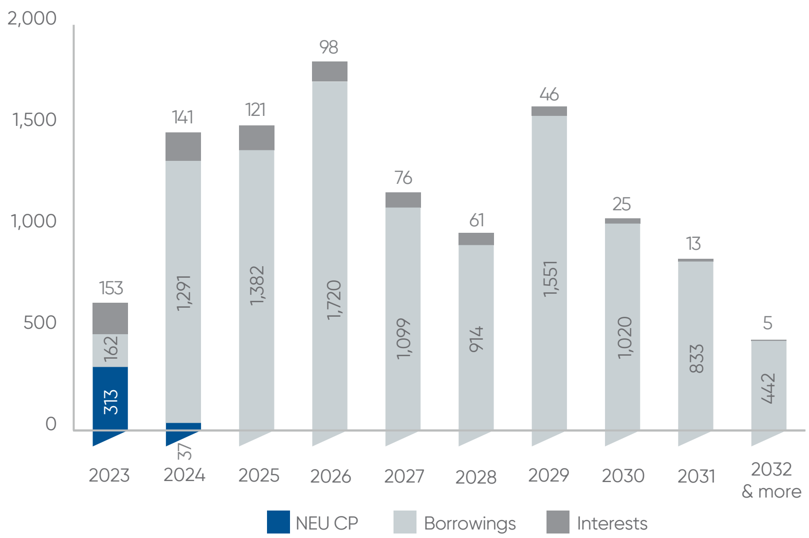
3.2.2.1 Marketing risk for properties under development

The Group is involved in property development. As such, it is exposed to a number of different risks, particularly risks associated with construction costs, completion delays and the marketing of properties. These risks can be assessed in light of the development portfolio (see note 3.2.5.1.4).

3.2.2.2 Liquidity risk

Liquidity risk is managed in the medium and long term with multi-year cash management plans and, in the short term, by using confirmed and undrawn lines of credit. At 30 June 2023, the Covivio group's available cash and cash equivalents amounted to €2,124 million, including €1,609 million in confirmed unused credit lines (€1,515 million in group share), €475 million in cash and cash equivalents and €40 million in unused overdraft facilities.

The graph below summarises the maturities of borrowings (in € million) existing as at 30 June 2023:



The maturities of less than a year in the graph above include €308 million NEU Commercial Paper and €42 million NEU MTN.

The amount of interest payable until the maturity of the debt, estimated on the basis of the outstanding amount at 30 June 2023 and the average interest rate on the debt, totalled €740 million.

Details of the debt maturities are provided in note 3.2.5.11.3, and a description of the banking covenants and accelerated payment clauses included in the loan agreements is presented in note 3.2.5.11.6.

During the first half of 2023, Covivio secured €765 million in refinancing or new financing.

€585 million was raised through the refinancing of corporate credit lines in Green/ESG format, undrawn and with a maturity of up to 7 years.

The German Residential business had mortgage financing of €81 million with an average maturity of 9 years.

Covivio also raised €99 million in bond taps on its 2031 programme, securing the refinancing in 2024 of a mortgage on an office development project in Germany.

In February, Covivio Hotels exercised the option to buy out a finance lease backed by a hotel in Spain for €21 million and also repaid the €200 million private placement due in May 2023 from its corporate resources.

During this half-year, Covivio significantly increased its share of debt anchored to ESG criteria, from 38% at end-2022 to 50% in June 2023.

3.2.2.3 Interest rate risk

The Group's exposure to the risk of changes in market interest rates is linked to its floating rate and long-term financial debt.

To the extent possible, bank debt is primarily hedged *via* financial instruments (see note 3.2.4.11.4). At 30 June 2023, after taking interest rate swaps into account, approximately 90% of the Group's debt was hedged, and the bulk of the remainder was covered by interest rate caps. The impact in 2023 half-year accounts of the sensitivity of interest rates would be as follow:

(In € thousand) Group Share	Interest rate +100 bps at 30/06/2023	Interest rate +50 bps at 30/06/2023	Interest rate -50 bps at 30/06/2023
Cost of net financial debt, June 30, 2023	-4,475	-2,251	2,262

3.2.2.4 Financial counterparty risk

Given the Covivio group's contractual relationships with its financial partners, the company is exposed to counterparty risk. If any of its counterparties is not in a position to honour its commitments, the Group's income could suffer an adverse effect.

This risk primarily involves the hedging instruments subscribed by the Group and which would have to be replaced by a hedging transaction at the current market rate in the event of a default by the counterparty.

The counterparty risk is limited by the fact that Covivio group is a borrower from a structural standpoint. The risk is therefore mainly restricted to the investments made by the Group and to its counterparties in derivative product transactions. The company continually monitors its exposure to financial counterparty risk. The company's policy is to deal only with top-tier counterparties, while diversifying its financial partners and its sources of funding.

The counterparty risk in terms of hedging is included in the valuation of IFTs and amounted to -€17.6 million at 30 June 2023.

3.2.2.5 Leasing counterparty risk

Covivio group's rental income is subject to a certain degree of concentration, to the extent that the ten principal tenants (Orange, Telecom Italia, Suez, AccorHotels, IHG, B&B, etc.) generate approximately 31.5% of annual revenue.

Covivio group is not significantly exposed to the risk of insolvency, since its tenants are selected based on their creditworthiness and the economic prospects of their market segments. The operating and financial performance of the main tenants is regularly reviewed. In addition, tenants grant the Group financial guarantees when leases are signed.

During 2022 and the first half of 2023, the Group benefited from the recovery of the hotel business following the gradual lifting of the various health restrictions related to Covid-19.

The amount of impairment of trade receivables amounted to €35.3 million at 30 June 2023, a decrease of €2 million compared to 31 December 2022.

3.2.2.6 Risk related to changes in the value of the portfolio

Changes in the fair value of investment properties are recognised in the income statement. Changes in property values can thus have a material impact on the operating performance of the Group.

In addition, part of the company's operating income is generated by the sales plan, the income of which is equally dependent on property values and on the volume of possible transactions.

Rentals and property values are cyclical in nature, the duration of the cycles being variable but generally long-term. Different domestic markets have differing cycles that vary from each other in relation to specific economic and market conditions. Within each national market, prices also follow the cycle in different ways and with varying degrees of intensity, depending on the location and category of the assets.

The macroeconomic factors that have the greatest influence on property values and determine the various cyclical trends include the following:

- interest rates
- the market liquidity and the availability of other profitable alternative investments
- economic growth
- the outlook for revenue growth.

Low interest rates, abundant liquidity on the market and a lack of profitable alternative investments generally lead to an increase in property asset values.

Economic growth generally increases demand for leased space and paves the way for rent levels to rise, particularly in offices. These two consequences lead to an increase in the price of real estate assets. Nevertheless, in the medium term, economic growth generally leads to a rise in inflation and then a rise in interest rates.

The investment policy of Covivio group is to minimise the impact of the various stages of the cycle by choosing investments that:

- have long-term leases and high-quality tenants, which soften the impact of a reduction in market rental income and the resulting decline in real-estate prices
- are located in major city centres
- have low vacancy rates, in order to avoid the risk of having to re-let vacant space in an environment where demand may be limited.

The holding of real-estate assets intended for leasing exposes the Covivio group to the risk of fluctuation in the value of real-estate assets and lease payments.

Despite the uncertainty created by the economic downturn, this exposure is limited to the extent that the rentals invoiced are derived from rental agreements, the term and diversification of which mitigate the effects of fluctuations in the rental market.

The sensitivity of the fair value of investment properties to changes in capitalisation rates is analysed in Section 3.2.5.1.5.

3.2.2.7 Exchange rate risk

The Group operates both in and outside the euro zone following acquisition of the hotel properties in the United Kingdom, Poland, Hungary, and the Czech Republic. The Group wanted to hedge against certain currency fluctuations (GBP) by financing part of the acquisitions through a foreign currency loan and a currency swap.

Impact of a decrease in the GBP/EUR exchange rate on the shareholders' equity

	30/06/2023 (in £ M)	Actual 2.5% increase in GBP/EUR exchange rate	5% decrease in GBP/EUR exchange rate (in €M)	10% decrease in GBP/EUR exchange rate (in €M)
Estate	663	20.3	-36.9	-73.9
Debt	400	-12.2	22.3	44.6
Cross-currency swap	250	-7.6	13.9	27.9
IMPACT ON SHAREHOLDERS' EQUITY		**0.4**	**-0.7**	**-1.4**

(-) corresponds to a loss; (+) corresponds to a gain

3.2.2.8 Risk related to changes in the value of shares and bonds

The Group is exposed to risks for two categories of shares:

- non-consolidated shares (note 3.2.5.2)
- securities consolidated according to the equity method (note 3.2.5.3).

This risk primarily involves listed securities in companies consolidated according to the equity method, which are valued according to their value in use. Value in use is determined based on independent assessments of the real-estate assets and financial instruments.

3.2.2.9 Tax environment

3.2.2.9.1 Change by country

The Group has not observed any major changes in the tax environment in France and in other countries.

3.2.2.9.2 Tax risks

Due to the complexity and bureaucracy characteristic of the environment in which the Covivio group operates, the Group is exposed to tax risks. If our counsel believes that an adjustment presents a risk of reassessment, a provision is made.

At 30 June 2023, there was no new tax risk recognised whose effects would have a material impact on the Group's net income or financial position.

3.2.2.9.3 Deferred Taxation

A significant percentage of the Group's real-estate companies have opted for the SIIC regime in France. The impact of deferred tax liabilities is therefore essentially present in German Residential, Germany Offices and Italy Offices. It is also linked to investments in Hotels in Europe (Germany, Spain, Belgium, Ireland, Netherlands, Portugal, the United Kingdom, Poland, Hungary and Czech Republic). In the case of Spain, all Spanish companies have opted for the SOCIMI regime exemption. However, there are deferred tax liabilities related to assets held by the companies prior to opting for SOCIMI treatment.

Deferred tax is mainly due to the recognition of the fair value of the portfolio. The tax rates are detailed in note 3.2.6.9.2 "Taxes and theoretical tax rate by geographical area".

3.2.3 Scope of consolidation

3.2.3.1 Accounting principles applicable to the scope of consolidation

Consolidated subsidiaries and structured entities – IFRS 10

These financial statements include the financial statements of Covivio and the financial statements of the entities (including structured entities) that it controls and its subsidiaries.

Covivio group has control when it:

- has power over the issuing entity
- is exposed or is entitled to variable returns due to its ties with the issuing entity
- has the ability to exercise its power in such as manner as to affect the amount of returns that it receives
- the potential voting rights held by the Group, other holders of voting rights or other parties
- the rights under other contractual agreements
- the other facts and circumstances, where applicable, which indicate that the Group has or does not have the actual ability to manage relevant business activities at the moment when decisions must be made, including voting patterns during previous Shareholders' Meetings.

Subsidiaries and structured entities are fully consolidated.

Equity affiliates – IAS 28

An equity affiliate is an entity in which the Group has significant control. Significant control is the power to participate in decisions relating to the financial and operational policy of an issuing entity without, however, exercising control or joint control on these policies.

The results and the assets and liabilities of equity affiliates are recognised in these consolidated financial statements according to the equity method.

Partnerships (joint control) – IFRS 11

Joint control means the contractual agreement to share the control exercised over a company, which only exists in the event where the decisions concerning relevant business activities require the unanimous consent of the parties sharing the control.

Joint ventures

A joint venture is a partnership in which the parties which exercise joint control over the entity have rights to its net assets.

The results and the assets and liabilities of joint ventures are recognised in these consolidated financial statements according to the equity method.

Joint operations

A joint operation is a partnership in which the parties exercising joint control over the operation have rights to the assets, and obligations for the liabilities relating to it. Those parties are called joint operators.

A joint operator must recognise the following items relating to its interest in the joint operation:

- its assets, including its proportionate share of assets held jointly, where applicable
- its liabilities, including its proportionate share of liabilities undertaken jointly, where applicable
- the income that it derived from the sale of its proportionate share in the yield generated by the joint operation
- its proportionate share of income from the sale of the yield generated by the joint operation
- the expenses that it has committed, including its proportionate share of expenses committed jointly, where applicable.

The joint operator accounts for the assets, liabilities, income and expenses pertaining to its interests in a joint operation in accordance with the IFRS that apply to these assets, liabilities, income and expenses.

No Group company is considered to constitute a joint operation.

3.2.3.2 Change in shareholding rate and/or change in consolidation method

Following the capital increase of Hôtel N2 subscribed by an institutional investor, Covivio now holds 50.1% of the capital and still controls the company.

3.2.3.3 List of consolidated companies

Entries and exits from the scope are presented in the table below at the beginning or end of each business segment.

83 companies in the France Offices segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Covivio	**France**	**Parent company**		
SNC Anjou Promo	France	FC	100.00	
Covivio Ravinelle	France	FC	100.00	100.00
SARL Foncière Margaux	France	FC	100.00	100.00
Covivio 2	France	FC	100.00	100.00
Covivio 4	France	FC	75.00	75.00
Euromarseille 1	France	EM/JV	50.00	50.00
Euromarseille 2	France	EM/JV	50.00	50.00
Euromarseille BI	France	EM/JV	50.00	50.00
Euromarseille PK	France	EM/JV	50.00	50.00
Euromarseille Invest	France	EM/JV	50.00	50.00
Euromarseille H	France	EM/JV	50.00	50.00
Covivio 7	France	FC	100.00	100.00
SCI Bureaux Cœur d'Orly	France	EM/JV	50.00	50.00
SAS Cœur d'Orly Promotion	France	EM/JV	50.00	50.00
Technical	France	FC	100.00	100.00
Le Ponant 1986	France	FC	100.00	100.00
SCI Atlantis	France	FC	100.00	100.00
Iméfa 127	France	FC	100.00	100.00
SNC Latécoère	France	FC	50.10	50.10
SCI du 32 avenue P. Grenier	France	FC	100.00	100.00
SCI du 40 rue JJ. Rousseau	France	FC	100.00	100.00
SCI du 3 place A Chaussy	France	FC	100.00	100.00
SARL BGA Transactions	France	FC	100.00	100.00
SCI du 9 rue des Cuirassiers	France	FC	50.10	50.10
SCI du 15 rue des Cuirassiers	France	FC	50.10	50.10
SCI du 10B et 11 A 13 allée des Tanneurs	France	FC	100.00	100.00
SCI 1 rue de Châteaudun	France	FC	100.00	100.00
SCI du 125 avenue du Brancolar	France	FC	100.00	100.00
SARL du 106-110 rue des Troënes	France	FC	100.00	100.00
SCI du 20 avenue Victor Hugo	France	FC	100.00	100.00
Palmer Plage SNC	France	FC	100.00	100.00
Dual Center	France	FC	100.00	100.00
SNC Télimob Paris	France	FC	100.00	100.00
SNC Télimob Nord	France	FC	100.00	100.00
SNC Télimob Rhone Alpes	France	FC	100.00	100.00
SNC Télimob Sud Ouest	France	FC	100.00	100.00
SNC Télimob Paca	France	FC	100.00	100.00
SARL Télimob Paris	France	FC	100.00	100.00
Pompidou	France	FC	100.00	100.00
OPCI Office CB 21	France	FC	75.00	75.00
Lenovilla	France	EM/JV	50.09	50.10
SCI Latécoère 2	France	FC	50.10	50.10
Meudon Saulnier	France	FC	100.00	100.00
Charenton	France	FC	100.00	100.00
Latepromo	France	FC	100.00	100.00
FDR Participation	France	FC	100.00	100.00
SCI Avenue de la Marne	France	FC	100.00	100.00

83 companies in the France Offices segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Omega B	France	FC	100.00	100.00
SCI Rueil B2	France	FC	100.00	100.00
SCI Factor E	France	FC	100.00	100.00
Wellio	France	FC	100.00	100.00
Bordeaux Lac	France	FC	100.00	100.00
Sucy Parc	France	FC	100.00	100.00
Gambetta Le Raincy	France	FC	100.00	100.00
Orly Promo	France	FC	100.00	100.00
Silex Promo	France	FC	100.00	100.00
21, Rue Jean Goujon	France	FC	100.00	100.00
Villouvette Saint-Germain	France	FC	100.00	100.00
Normandie Niemen Bobigny	France	FC	100.00	100.00
Cité Numérique	France	FC	100.00	100.00
Danton Malakoff	France	FC	100.00	100.00
Meudon Bellevue	France	FC	100.00	100.00
N2 Batignolles	France	FC	50.00	50.00
Valence Victor Hugo	France	FC	100.00	100.00
Nantes Talensac	France	FC	100.00	100.00
Marignane Saint-Pierre	France	FC	100.00	100.00
N2 Batignolles Promo	France	FC	50.00	50.00
6 rue Fructidor	France	FC	50.10	50.10
Fructipromo	France	FC	100.00	100.00
Jean Jacques Bosc	France	FC	100.00	100.00
Terres Neuves	France	FC	100.00	100.00
André Lavignolle	France	FC	100.00	100.00
SCCV Chartres avenue de Sully	France	FC	100.00	100.00
SCI de la Louisiane	France	FC	100.00	100.00
SCCV Bobigny Le 9e Art	France	FC	60.00	60.00
SCCV Fontenay-Sous-Bois Rabelais	France	FC	50.00	50.00
Saint-Germain Hennemont	France	FC	100.00	100.00
Antony Avenue de Gaulle	France	FC	100.00	100.00
Aix en Provence Cézanne	France	FC	100.00	100.00
Hotel N2	France	FC	50.10	100.00
SNC Boulogne Jean Bouveri	France	FC	100.00	100.00
SCI Meudon Juin	France	FC	100.00	100.00
La Mérina Fréjus	France	Merger		100.00

The registered office of the parent company Covivio is located at 18, avenue François Mitterrand – 57000 Metz. The other fully consolidated subsidiaries in the France Offices segment have their registered office located at 8 and 30, avenue Kléber – 75116 Paris.

15 companies in the Italy Offices segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Covivio 7 SpA	Italy	FC	100.00	100.00
Central Società di Investimento per Azioni a capitalo fisso Central Sicaf SpA	Italy	FC	51.00	51.00
Real Estate Roma Olgiata Srl	Italy	FC	75.00	75.00
Covivio Immobiliare 9 S.p.A. SIINQ SINQ	Italy	FC	100.00	100.00
Covivio Projects & Innovation	Italy	FC	100.00	100.00
Wellio Italy	Italy	FC	100.00	100.00
Imser Securitisation Srl	Italy	FC	100.00	100.00
Imser Securitisation 2 Srl	Italy	FC	100.00	100.00
RESolution Tech	Italy	EM	30.00	30.00
Covivio Development Trading SrL	Italy	FC	100.00	100.00
Covivio Attività Immobiliari 3 Srl	Italy	FC	100.00	100.00
Covivio Development Italy SpA	Italy	FC	100.00	100.00
Covivio Attività Immobiliari 4 Srl	Italy	FC	100.00	100.00
Covivio Attività Immobiliari 5 Srl	Italy	FC	100.00	100.00
Fondo Porta Di Romana	Italy	EM	40.28	40.28

The registered office of the companies in the Italy Offices segment is located at 10, Carlo Ottavio Cornaggia, 20123 Milan.

175 companies Hotels in Europe segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
SCA Covivio Hotels (parent company) 100% controlled	**France**	**FC**	**43.86**	**43.86**
SARL Loire	France	FC	43.86	43.86
Ruhl Côte d'Azur	France	FC	43.86	43.86
Foncière Otello	France	FC	43.86	43.86
Hôtel René Clair	France	FC	43.86	43.86
Ulysse Belgique	Belgium	FC	43.86	43.86
Ulysse Trefonds	Belgium	FC	43.86	43.86
Foncière No Bruxelles Grand Place	Belgium	FC	43.86	43.86
Foncière No Bruxelles Aéroport	Belgium	FC	43.86	43.86
Foncière No Bruges Centre	Belgium	FC	43.86	43.86
Foncière Gand Centre	Belgium	FC	43.86	43.86
Foncière Gand Opéra	Belgium	FC	43.86	43.86
Foncière IB Bruxelles Grand-Place	Belgium	FC	43.86	43.86
Foncière IB Bruxelles Aéroport	Belgium	FC	43.86	43.86
Foncière IB Bruges Centre	Belgium	FC	43.86	43.86
Foncière Antwerp Centre	Belgium	FC	43.86	43.86
Foncière Bruxelles Expo Atomium	Belgium	FC	43.86	43.86
Murdelux	Luxembourg	FC	43.86	43.86
Portmurs	Portugal	FC	43.86	43.86
Sunparks Oostduinkerke	Belgium	FC	43.86	43.86
Foncière Vielsam	Belgium	FC	43.86	43.86
Sunparks Trefonds	Belgium	FC	43.86	43.86
Foncière Kempense Meren	Belgium	FC	43.86	43.86
Iris Holding France	France	EM/EA	8.73	8.73
Foncière Iris SAS	France	EM/EA	8.73	8.73
Sables d'Olonne SAS	France	EM/EA	8.73	8.73
OPCI Iris Invest 2010	France	EM/EA	8.73	8.73
Covivio Hotels Gestion Immobilière	France	FC	43.86	43.86
Tulipe Holding Belgique	Belgium	EM/EA	8.73	8.73
Iris Tréfonds	Belgium	EM/EA	8.73	8.73
Foncière Louvain Centre	Belgium	EM/EA	8.73	8.73

175 companies Hotels in Europe segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Foncière Liège	Belgium	EM/EA	8.73	8.73
Foncière Bruxelles Aéroport	Belgium	EM/EA	8.73	8.73
Foncière Bruxelles Sud	Belgium	EM/EA	8.73	8.73
Foncière Bruge Station	Belgium	EM/EA	8.73	8.73
Narcisse Holding Belgique	Belgium	EM/EA	8.73	8.73
Foncière Bruxelles Tour Noire	Belgium	EM/EA	8.73	8.73
Foncière Louvain	Belgium	EM/EA	8.73	8.73
Foncière Malines	Belgium	EM/EA	8.73	8.73
Foncière Bruxelles Centre Gare	Belgium	EM/EA	8.73	8.73
Foncière Namur	Belgium	EM/EA	8.73	8.73
Iris investor Holding GmbH	Germany	EM/EA	8.73	8.73
Iris General Partner GmbH	Germany	EM/EA	8.73	8.73
Iris Berlin GmbH	Germany	EM/EA	8.73	8.73
Iris Bochum & Essen	Germany	EM/EA	8.73	8.73
Iris Frankfurt GmbH	Germany	EM/EA	8.73	8.73
Iris Verwaltungs GmbH & co KG	Germany	EM/EA	8.73	8.73
Iris Nurnberg GmbH	Germany	EM/EA	8.73	8.73
Iris Stuttgart GmbH	Germany	EM/EA	8.73	8.73
B&B Invest Lux 1	Germany	FC	43.86	43.86
B&B Invest Lux 2	Germany	FC	43.86	43.86
B&B Invest Lux 3	Germany	FC	43.86	43.86
Campeli	France	EM/EA	8.73	8.73
OPCI Camp Invest	France	EM/EA	8.73	8.73
Dahlia	France	EM/EA	8.77	8.77
Foncière B2 Hôtel Invest	France	FC	22.02	22.02
OPCI B2 Hôtel Invest	France	FC	22.02	22.02
Foncière B3 Hôtel Invest	France	FC	22.02	22.02
B&B Invest Lux 4	Germany	FC	43.86	43.86
NH Amsterdam Center Hotel HLD	Netherlands	FC	43.86	43.86
Hotel Amsterdam Centre Propco	Netherlands	FC	43.86	43.86
Mo Lux 1	Luxembourg	FC	43.86	43.86
LHM Holding Lux SARL	Luxembourg	FC	43.86	43.86
LHM ProCo Lux SARL	Luxembourg	FC	45.65	45.65
SCI Rosace	France	FC	43.86	43.86
Mo Drelinden, Niederrad, Düsseldorf	Germany	FC	41.23	41.23
Mo Berlin	Germany	FC	41.23	41.23
Mo First Five	Germany	FC	42.91	42.91
Ringer	Germany	FC	43.86	43.86
B&B Invest Lux 5	Germany	FC	40.79	40.79
SCI Hôtel Porte Dorée	France	FC	43.86	43.86
FDM M Lux	Luxembourg	FC	43.86	43.86
OPCO Rosace	France	FC	43.86	43.86
Exco Hôtel	Belgium	FC	43.86	43.86
Invest Hôtel	Belgium	FC	43.86	43.86
H Invest Lux	Luxembourg	FC	43.86	43.86
Hermitage Holdco	France	FC	43.86	43.86
Foncière B4 Hôtel Invest	France	FC	22.02	22.02
B&B Invest Espagne SLU	Spain	FC	43.86	43.86
Rock-Lux	Luxembourg	FC	43.86	43.86
Société Liloise Investissement Immobilier Hôtelier SA	France	FC	43.86	43.86

175 companies Hotels in Europe segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Berlin I (Propco Westin Grand Berlin)	Germany	FC	41.63	41.63
Opco Grand Hôtel Berlin Betriebs (Westin berlin)	Germany	FC	41.63	41.63
Berlin II (Propco Park Inn Alexanderplatz)	Germany	FC	41.63	41.63
Opco Hôtel Stadt Berlin Betriebs (Park-Inn)	Germany	FC	41.63	41.63
Berlin III (Propco Mercure Potsdam)	Germany	FC	41.63	41.63
Opco Hôtel Potsdam Betriebs (Mercure Potsdam)	Germany	FC	41.63	41.63
Dresden II (Propco Ibis Hôtel Dresden)	Germany	FC	41.63	41.63
Dresden III (Propco Ibis Hôtel Dresden)	Germany	FC	41.63	41.63
Dresden IV (Propco Ibis Hôtel Dresden)	Germany	FC	41.63	41.63
Opco BKL Hotelbetriebsgesellschaft (Dresden II to IV)	Germany	FC	41.63	41.63
Dresden V (Propco Pullman Newa Dresden)	Germany	FC	41.63	41.63
Opco Hôtel Newa Dresden Betriebs (Pullman)	Germany	FC	41.63	41.63
Leipzig I (Propco Westin Leipzig)	Germany	FC	41.63	41.63
Opco HotelgesellschaftGeberst, Betriebs (Westin Leipzig)	Germany	FC	41.63	41.63
Leipzig II (Propco Radisson Blu Leipzig)	Germany	FC	41.63	41.63
Opco Hôtel Deutschland Leipzig Betriebs (Radisson Blu)	Germany	FC	41.63	41.63
Erfurt I (Propco Radisson Blu Erfurt)	Germany	FC	41.63	41.63
Opco Hôtel Kosmos Erfurt (Radisson Blu)	Germany	FC	41.63	41.63
Airport Garden Hotel NV	Belgium	FC	43.86	43.86
Investment FDM Rocatiera	Spain	FC	43.86	43.86
Bardiomar	Spain	FC	43.86	43.86
Trade Center Hotel	Spain	FC	43.86	43.86
H Invest Lux 2	Luxembourg	FC	43.86	43.86
Constance	France	FC	43.86	43.86
Hotel Amsterdam Noord FDM	Netherlands	FC	43.86	43.86
Hotel Amersfoort FDM	Netherlands	FC	43.86	43.86
Constance Lux 1	Luxembourg	FC	43.86	43.86
Constance Lux 2	Luxembourg	FC	43.86	43.86
So Hospitality	France	FC	43.86	43.86
Nice-M	France	FC	43.86	43.86
Rock-Lux OPCO	Luxembourg	FC	43.86	43.86
Blythswood Square Hotel Holdco	United Kingdom	FC	43.86	43.86
George Hotel Investments Holdco	United Kingdom	FC	43.86	43.86
Grand Central Hotel Company Holdco	United Kingdom	FC	43.86	43.86
Lagonda Leeds Holdco	United Kingdom	FC	43.86	43.86
Lagonda Palace Holdco	United Kingdom	FC	43.86	43.86
Lagonda Russell Holdco	United Kingdom	FC	43.86	43.86
Lagonda York Holdco	United Kingdom	FC	43.86	43.86
Oxford Spires Hotel Holdco	United Kingdom	FC	43.86	43.86
Oxford Thames Holdco	United Kingdom	FC	43.86	43.86
Roxburghe Investments Holdco	United Kingdom	FC	43.86	43.86
The St David's Hotel Cardiff Holdco	United Kingdom	FC	43.86	43.86
Wotton House Properties Holdco	United Kingdom	FC	43.86	43.86
Blythswood Square Hotel Glasgow	United Kingdom	FC	43.86	43.86
George Hotel Investments	United Kingdom	FC	43.86	43.86
Grand Central Hotel company	United Kingdom	FC	43.86	43.86
Lagonda Leeds PropCo	United Kingdom	FC	43.86	43.86
Lagonda Palace PropCo	United Kingdom	FC	43.86	43.86
Lagonda Russell PropCo	United Kingdom	FC	43.86	43.86
Lagonda York PropCo	United Kingdom	FC	43.86	43.86

175 companies Hotels in Europe segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Oxford Spires Ltd (Propco)	United Kingdom	FC	43.86	43.86
Oxford Thames Hotel Ltd (Propco)	United Kingdom	FC	43.86	43.86
Roxburghe Investments PropCo	United Kingdom	FC	43.86	43.86
The St David's Hotel Cardiff	United Kingdom	FC	43.86	43.86
Wotton House Properties	United Kingdom	FC	43.86	43.86
HEM Diesterlkade Amsterdam BV	Netherlands	FC	43.86	43.86
Dresden Dev	Luxembourg	FC	41.63	41.63
Delta Hotel Amersfoort	Netherlands	FC	43.86	43.86
Opci Oteli	France	EM/EA	13.66	13.66
CBI Orient SAS	France	EM/EA	13.66	13.66
CBI Express SAS	France	EM/EA	13.66	13.66
Kombon	France	EM/EA	14.62	14.62
Jouron	Belgium	EM/EA	14.62	14.62
Foncière Gand Cathédrale	Belgium	EM/EA	14.62	14.62
Foncière Bruxelles Sainte Catherine	Belgium	EM/EA	14.62	14.62
Foncière IGK	Belgium	EM/EA	14.62	14.62
Forsmint Investments	Poland	FC	43.86	43.86
Cerstook Investments	Poland	FC	43.86	43.86
Noxwood Investments	Poland	FC	43.86	43.86
Redwen Investments	Poland	FC	43.86	43.86
Sardobal Investments	Poland	FC	43.86	43.86
Kilmainham Property Holding	Ireland	FC	43.86	43.86
Thormont Ltd	Ireland	FC	43.86	43.86
Honeypool	Ireland	FC	43.86	43.86
Verdun Propco	France	FC	43.86	43.86
SC CZECH AAD	Czech Republic	FC	43.86	43.86
New York Palace Propco	Hungary	FC	43.86	43.86
Hotel Plaza SAS	France	FC	43.86	43.86
Palazzo Naiadi Rome Propco	Italy	FC	43.86	43.86
Palazzo Gaddi Florence Propco	Italy	FC	43.86	43.86
Bellini Venice Propco	Italy	FC	43.86	43.86
Dei Dogi Venice Propco	Italy	FC	43.86	43.86
SLIH AD	France	FC	43.86	43.86
SLIH CP	France	FC	43.86	43.86
SLIH GHB	France	FC	43.86	43.86
SLIH HDB	France	FC	43.86	43.86
SLIH HG	France	FC	43.86	43.86
SLIH HIR	France	FC	43.86	43.86
SOHO 2 SAS	France	FC	43.86	43.86
Roco Italy Hodco Srl	Italy	FC	43.86	43.86
OPCO 2 Bruges NV	Belgium	FC	43.86	43.86
Wotton House Properties Opco Limited	United Kingdom	FC	43.86	43.86
Lagonda York PropCo	United Kingdom	FC	43.86	43.86
Lagonda Leeds PropCo	United Kingdom	FC	43.86	43.86

The registered office of the parent company Covivio Hotels and its main fully consolidated French subsidiaries is located at 30, avenue Kléber – 75116 Paris.

142 companies German Residential segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Covivio Immobilien SE (parent company) 100% controlled	**Germany**	**FC**	**61.70**	**61.70**
Covivio Immobilien	Germany	FC	61.70	61.70
Covivio Lux Residential	Germany	FC	65.57	65.57
Covivio Valore 4	Germany	FC	65.57	65.57
Covivio Wohnen Verwaltungs	Germany	FC	61.70	61.70
Covivio Grundstücks	Germany	FC	61.70	61.70
Covivio Grundvermögen	Germany	FC	61.70	61.70
Covivio Wohnen Service	Germany	FC	61.70	61.70
Covivio Wohnen	Germany	FC	61.70	61.70
Covivio Gesellschaft für Wohnen Datteln	Germany	FC	65.57	65.57
Covivio Stadthaus	Germany	FC	65.57	65.57
Covivio Wohnbau	Germany	FC	65.57	65.57
Covivio Wohnungsgesellechaft GmbH Dümpten	Germany	FC	65.57	65.57
Covivio Berolinum 2	Germany	FC	65.57	65.57
Covivio Berolinum 3	Germany	FC	65.57	65.57
Covivio Berolinum 1	Germany	FC	65.57	65.57
Covivio Remscheid	Germany	FC	65.57	65.57
Covivio Valore 6	Germany	FC	65.57	65.57
Covivio Holding	Germany	FC	100.00	100.00
Covivio Berlin 67 GmbH	Germany	FC	65.57	65.57
Covivio Berlin 78 GmbH	Germany	FC	65.57	65.57
Covivio Berlin 79 GmbH	Germany	FC	65.57	65.57
Covivio Dresden GmbH	Germany	FC	65.57	65.57
Covivio Berlin I SARL	Germany	FC	65.57	65.57
Covivio Berlin V SARL	Germany	FC	65.57	65.57
Covivio Berlin C GmbH	Germany	FC	65.57	65.57
Covivio Dansk Holding Aps	Denmark	FC	61.70	61.70
Covivio Dansk L Aps	Germany	FC	65.57	65.57
Covivio Berlin Prime	Germany	FC	65.57	65.57
Berlin Prime Commercial	Germany	FC	65.57	65.57
Acopio	Germany	FC	100.00	100.00
Covivio Hamburg Holding ApS	Denmark	FC	65.57	65.57
Covivio Hamburg 1 ApS	Germany	FC	65.57	65.57
Covivio Hamburg 2 ApS	Germany	FC	65.57	65.57
Covivio Hamburg 3 ApS	Germany	FC	65.57	65.57
Covivio Hamburg 4 ApS	Germany	FC	65.57	65.57
Covivio Arian	Germany	FC	65.57	65.57
Covivio Bennet	Germany	FC	65.57	65.57
Covivio Marien-Carré	Germany	FC	65.57	65.57
Covivio Berlin IV ApS	Denmark	FC	61.70	61.70
Covivio Berolina Verwaltungs GmbH	Germany	FC	65.57	65.57
Residenz Berolina GmbH & Co KG	Germany	FC	67.33	67.33
Covivio Quadrigua IV GmbH	Germany	FC	65.57	65.57
Real Property Versicherungsmakler	Germany	FC	61.70	61.70
Covivio Quadrigua 15	Germany	FC	69.05	69.05
Covivio Quadrigua 45	Germany	FC	69.05	69.05
Covivio Quadrigua 36	Germany	FC	69.05	69.05
Covivio Quadrigua 46	Germany	FC	69.05	69.05
Covivio Quadrigua 40	Germany	FC	69.05	69.05
Covivio Quadrigua 47	Germany	FC	69.05	69.05

142 companies German Residential segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Covivio Quadrigua 48	Germany	FC	69.05	69.05
Covivio Fischerinsel	Germany	FC	65.57	65.57
Covivio Berolina Fischenrinsel	Germany	FC	65.57	65.57
Covivio Berlin Home	Germany	FC	65.57	65.57
Amber Properties Sarl	Germany	FC	65.57	65.57
Covivio Gettmore	Luxembourg	FC	65.57	65.57
Saturn Properties Sarl	Germany	FC	65.57	65.57
Venus Properties Sarl	Germany	FC	65.57	65.57
Covivio Vinetree	Luxembourg	FC	65.57	65.57
Acopio Facility	Germany	FC	65.53	65.53
Covivio Development	Germany	FC	61.70	61.70
Covivio Rehbergen	Germany	FC	65.57	65.57
Covivio Handlesliegenschaften	Germany	FC	65.57	65.57
Covivio Alexandrinenstrasse	Germany	FC	65.57	65.57
Covivio Spree Wohnen 1	Germany	FC	65.57	65.57
Covivio Spree Wohnen 6	Germany	FC	65.57	65.57
Covivio Spree Wohnen 7	Germany	FC	65.57	65.57
Covivio Spree Wohnen 8	Germany	FC	65.57	65.57
Nordens Immobilien III	Germany	FC	65.57	65.57
Montana-Portfolio	Germany	FC	65.57	65.57
Covivio Cantianstrasse 18 Grundbesitz	Germany	FC	65.57	65.57
Covivio Konstanzer Str.54/Zahringerstr.28, 28a Grundbesitz	Germany	FC	65.57	65.57
Covivio Mariend. Damm 28	Germany	FC	65.57	65.57
Covivio Markstrasse 3 Grundbesitz	Germany	FC	65.57	65.57
Covivio Schnellerstrasse 44 Grundbesitz	Germany	FC	65.57	65.57
Covivio Schönwalder Str.69 Grundbesitz	Germany	FC	65.57	65.57
Covivio Schulstrasse 16/17.Grundbesitz	Germany	FC	65.57	65.57
Covivio Sophie-Charlotten Strasse 31, 32 Grundbesitz	Germany	FC	65.57	65.57
Covivio Zelterstrasse 3 Grundbesitz	Germany	FC	65.57	65.57
Covivio Zinshäuser Alpha	Germany	FC	65.57	65.57
Covivio Zinshäuser Gamma	Germany	FC	65.57	65.57
Second Ragland	Germany	FC	65.57	65.57
Seed Portfolio 2	Germany	FC	65.57	65.57
Erz 1	Germany	FC	65.57	65.57
Covivio Berlin 9	Germany	FC	65.57	65.57
Erz 2	Germany	FC	65.57	65.57
Best Place Living	Germany	FC	31.47	31.47
Covivio Berlin 8	Germany	FC	65.57	65.57
Covivio Selectimmo.de	Germany	FC	65.57	65.57
Covivio Prenzlauer Promenade 49 Besitzgesellschaft	Germany	FC	65.57	65.57
Meco Bau	Germany	FC	61.70	61.70
Covivio Blankenburger Str.	Germany	FC	65.57	65.57
Covivio Immobilien Financing	Germany	FC	65.57	65.57
Covivio Treskowallee 202 Entwicklungsgesellschaft	Germany	FC	65.57	65.57
Covivio Hathor Berlin	Germany	FC	65.57	65.57
Covivio Rhenania 1	Germany	FC	65.57	65.57
Covivio Prime Financing	Germany	FC	61.70	61.70
Covivio Grundbesitz NRW	Germany	FC	65.57	65.57
Covivio Eiger II	Germany	FC	65.57	65.57
Covivio Southern Living Grundbesitz	Germany	FC	65.57	65.57

142 companies German Residential segment	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
Covivio Grundbesitz NRW 2	Germany	FC	65.57	65.57
Buchstrasse 6 & Fehmarner Strasse 14	Germany	FC	65.57	65.57
Covivio Erkstrasse 20	Germany	FC	65.57	65.57
Martin Opitz Strasse 5	Germany	FC	65.57	65.57
Covivio Kurstrasse 23	Germany	FC	65.57	65.57
Covivio Pankstrasse 55 Verwaltungs	Germany	FC	65.57	65.57
Covivio Grospiusstrasse 4	Germany	FC	65.57	65.57
Covivio Grundbesitz Schillerstrasse 10	Germany	FC	65.57	65.57
Covivio Grundbesitz Firstrasse 22	Germany	FC	65.57	65.57
Covivio Lindauer Alee 20 GmbH	Germany	FC	65.57	65.57
TSC 2 Holding Sàrl	Germany	FC	65.57	65.57
TSC Berlin Alpha	Germany	FC	65.57	65.57
TSC Berlin Beta	Germany	FC	65.57	65.57
TSC Berlin Gamma	Germany	FC	65.57	65.57
TSC Berlin Delta	Germany	FC	65.57	65.57
TSC Berlin Epsilon	Germany	FC	65.57	65.57
TSC Berlin Zeta	Germany	FC	65.57	65.57
TSC Berlin Eta	Germany	FC	65.57	65.57
TSC Berlin Theta	Germany	FC	65.57	65.57
TSC Berlin Lota	Germany	FC	65.57	65.57
TSC Berlin Kappa	Germany	FC	65.57	65.57
TSC Berlin Lambda	Germany	FC	65.57	65.57
TSC Berlin My	Germany	FC	65.57	65.57
TSC Berlin XI	Germany	FC	65.57	65.57
TSC Berlin Omicron	Germany	FC	65.57	65.57
TSC Berlin Rho	Germany	FC	65.57	65.57
TSC Berlin Sigma	Germany	FC	65.57	65.57
TSC Berlin Tau	Germany	FC	65.57	65.57
TSC Berlin Ypsilon	Germany	FC	65.57	65.57
Akragas Immobilien	Germany	FC	69.05	69.05
AC Gustav-Müller-Strasse Grundstucks	Germany	FC	61.70	61.70
Areal Consult Grundstucks	Germany	FC	61.70	61.70
Areal Invest Grafestrasse	Germany	FC	61.70	61.70
Areal Invest XI Grunstucks	Germany	FC	61.70	61.70
Areal Invest XIII Grundstücks	Germany	FC	61.70	61.70
Areal Invest XXIX Grundstücks	Germany	FC	61.70	61.70
Areal Invest XXIII Grundstücks	Germany	FC	61.70	61.70
JFT Grundbesitz Nr. 28	Germany	FC	61.70	61.70
Nox Capital Kulmer11 Grundbesitz	Germany	FC	61.70	61.70
Nox Capital Nr. 15	Germany	FC	61.70	61.70
Nox Capital Leinestraße 21 Grundbesitz	Germany	FC	61.70	61.70
Nox Capital Kiehlufer39 Grundbesitz	Germany	FC	61.70	61.70
Covivio Hansastraße 253	Germany	Merged		65.57

The registered office of the parent company Covivio Immobilien SE is at Essener Strasse 66, 46047 Oberhausen.

22 companies Germany Offices segment	Country	Consolidation method in 2023	% interest in2023	% interest in 2022
Covivio Office Holding	**Germany**	**FC**	**100.00**	**100.00**
Covivio Alexanderplatz	Luxembourg	FC	55.00	55.00
Covivio Alexanderplatz	Germany	FC	100.00	100.00
Covivio Office Berlin	Germany	FC	100.00	100.00
Covivio Tino Schwierzina Strasse 32 Grundbezitz	Germany	FC	94.22	94.22
Covivio Gross-Berliner-Damm	Germany	FC	100.00	100.00
Covivio Office (formerly Godewind Immobilien)	Germany	FC	100.00	100.00
Covivio Office 1	Germany	FC	94.22	94.22
Covivio Beteilingungs	Germany	FC	94.22	94.22
Covivio Office 2	Germany	FC	94.22	94.22
Covivio Office 3	Germany	FC	94.22	94.22
Covivio Office 4	Germany	FC	94.22	94.22
Covivio Office 5	Germany	FC	94.22	94.22
Covivio Office 7	Germany	FC	94.22	94.22
Covivio Office 6	Germany	FC	89.90	89.90
Covivio Technical Services 1	Germany	FC	100.00	100.00
Covivio Technical Services 2	Germany	FC	94.22	94.22
Covivio Technical Services 3	Germany	FC	94.22	94.22
Covivio Technical Services 4	Germany	FC	94.22	94.22
Covivio Verwaltungs 4	Germany	FC	94.22	94.22
Covivio Construction	Germany	FC	100.00	100.00
Acopio Office Energie GmbH (Office Germany)	Germany	FC	100.00	100.00

The registered office of the parent company Covivio Office Holding is at Knesebeckstrasse 3, 10623 Berlin.

7 companies in Other segment (France Residential, Car Parks, Services)	Country	Consolidation method in 2023	% interest in 2023	% interest in 2022
1 car parks company:				
Trinité	France	FC	100.00	100.00
6 services companies:				
Covivio Hôtels Gestion	France	FC	100.00	100.00
Covivio Property SNC	France	FC	100.00	100.00
Covivio Développement	France	FC	100.00	100.00
Covivio SGP	France	FC	100.00	100.00
Covivio Proptech	France	FC	100.00	100.00
Covivio Proptech Germany	Germany	FC	100.00	100.00

FC: Full consolidation
EM/EA: Equity Method – Affiliates
EM/JV: Equity Method – Joint Ventures
NC: Not Consolidated
PC: Proportionate Consolidation

There are 444 companies in the Group, including 397 fully consolidated companies and 47 equity affiliates.

3.2.3.4 Evaluation of control

Considering the rules of governance that grant Covivio powers giving it the ability to affect asset yields, the following companies are fully consolidated.

SNC Latécoère and Latécoère 2 (consolidated structured entities)

As at 30 June 2023, SCI Latécoère and Latécoère 2 were 50.1% held by Covivio and fully consolidated. The partnership with the Crédit Agricole Assurances Group (49.9%) was established in 2012 and 2015 as part of the Dassault Systèmes Campus and Dassault Extension projects in Vélizy. Covivio signed a draft agreement to extend the Dassault Systèmes campus through the construction of a new 27,600 m^2 building and the signing of new leases. These leases will begin in early 2023 upon delivery of the extension. The Velizy DS Campus extension 2023 project was delivered on 15 May 2023.

SCIs of 9 and 15 rue des Cuirassiers (consolidated structured entities)

As at 30 June 2023, the SCIs of 9 and 15, rue des Cuirassiers were 50.1% held by Covivio and fully consolidated. The partnership with Assurances du Crédit Mutuel (49.9%) was created in early December 2017 as part of the Silex 1 and Silex 2 office projects in Lyon Part-Dieu. Delivery of the Silex 2 project took place in early July 2021.

SAS 6 rue Fructidor (consolidated structured entities)

As at 30 June 2023, the company 6, rue Fructidor was 50.1% held by Covivio and fully consolidated.

The partnership with Crédit Agricole Assurances was set up in October 2019 as part of the Paris Saint Ouen So Pop project, located on the border between Paris and St Ouen.

Construction work was completed on a building as part of a CPI signed on 29 October 2019 by Fructidor and Fructipromo. The project was delivered on 16 September 2022.

SCI N2 Batignolles, Hôtel N2 and SNC Batignolles Promo (consolidated structured entities)

As at 30 June 2023, SCI N2 Batignolles and SNC Batignolles Promo were 50% owned by Covivio and fully consolidated.

As at 30 June 2023, Hôtel N2 was 50.1% held by Covivio and fully consolidated.

The partnership with Assurances du Crédit Mutuel (50%) was set up in 2018 as part of the Paris N2 StreamBuilding development project located in the Clichy Batignolles ZAC (development zone) in the 17th district of Paris. The delivery took place on 27 September 2022.

SNC Batignolles Promo is 50% owned by Hines.

Covivio Alexanderplatz Sarl (consolidated structured entity)

As at 30 June 2023, Covivio Alexanderplatz Sarl was 55% held by Covivio and fully consolidated. The partnership with Covéa (25%) and Generali Vie (20%) was set up in June 2021 as part of the Alexanderplatz project in Berlin. Delivery of this project is scheduled for 2026. The construction of the building is carried out as part of a CPI between Covivio Alexanderplatz and Covivio Construction GmbH, wholly owned by Covivio.

The following companies are consolidated by the equity method.

SCI Lenovilla (joint venture)

As at 30 June 2023, Lenovilla was 50.09% held by Covivio and consolidated according to the equity method. The partnership with the Crédit Agricole Assurances Group (49.91%) was established in January 2013 as part of the New Vélizy (Thales Campus) project. The shareholder agreement stipulates that decisions be made unanimously.

SCI Cœur d'Orly Bureaux (joint venture)

As at 30 June 2023, SCI Cœur d'Orly Bureaux was 50% held by Covivio and 50% by Aéroports de Paris and was consolidated by the equity method. On 10 March 2008, the shareholders signed a memorandum of understanding, subsequently amended by a succession of deeds and by partnership agreements which set out the partners' rights and obligations with respect to SCI Cœur d'Orly Bureaux.

Fondo Porta di Romana

Fondo Porta di Romana is 40.28% owned by Covivio, 55.69% by CECIF and 4.03% by Prada as at 30 June 2023 and is consolidated by the equity method. Shareholders are bound by a memorandum of understanding specifying the fund's governance rules: no single shareholder can make a key management decision (implementation of an Advisory Committee ruling by a majority of five out of six members) or modify the rules of the fund (implementation of a qualified majority).

3.2.4 Significant events during the period

Significant events during the period were as follows:

3.2.4.1 Macroeconomic environment

Since 2023, several factors impacted the macroeconomic environment in which Covivio operates.

End of various health restrictions in Europe

The end of the various health restrictions in Europe offered Covivio a positive outlook, particularly for the hotel business (note 3.2.4.4).

Investment market slowdown

The investment market slowed down significantly in the face of rising interest rates. Covivio maintained its environmental momentum by continuing its green financing policy and adapting its portfolio to conform to its carbon trajectory.

Inflation

The effect of the increase in energy costs is limited for Covivio due to rent revision clauses (or indexation) or the re-invoicing of these costs to tenants.

The increase in the cost of construction materials is included in Covivio's investment policy and in the monitoring of the budget for real estate development operations.

Rising interest rates

The interest-rate risk management policy (note 3.2.2.3) enables Covivio to hedge against the risk of an increase in the interest rates of its variable-rate debt.

3.2.4.2 France Offices

Disposals of assets (€134 million – profit on disposals net of fees: -€0.7 million) and assets under preliminary sale agreement (€62 million)

During the period, assets were sold for a total of €134.2 million, generating an income from disposal net of costs of -€0.7 million.

At 30 June 2023, the amount of assets under preliminary sale agreement totalled €62 million.

Development portfolio

The asset development programme is presented in note 3.2.5.1.4.

The first half of 2023 was notable for the delivery of three assets located in Vélizy, Fontenay-sous-Bois and Levallois-Perret, and the start of two new projects in Paris.

Mortgage financing

On 13 June 2023, Covivio retapped the bond issued in 2019 for an additional €99 million. On 29 June 2023, Covivio signed a new green revolving loan with BECM of €200 million, which cancels and replaces the two €100 million loans dating from July 2018 and whose final maturity was July 2024 and July 2025.

3.2.4.3 Italy Offices

Disposals (€46 million – loss on disposal net of fees: €0 million) and assets under preliminary sale agreements (€13 million)

Over the period, assets were disposed of totalling €46 million.

At 30 June 2023, the amount of assets under preliminary sale agreement totalled €13 million.

Development portfolio

The asset development programme is presented in note 3.2.5.1.4.

Bond redemption premium

During the first half of 2023, Covivio issued drawdowns for €30 million.

3.2.4.4 Hotels in Europe

Recovery following the gradual lifting of various health restrictions

The first half of 2023 saw the groups activity continuing to grow, with occupancy rates rising and average prices well above 2019 levels. This continued growth is reflected in:

- an increase in rental income at variable rent of €11 million
- the €12.7 million increase in the EBITDA of hotels under management.

Disposals of assets (€17 million – profit on disposals net of fees: -€0.3 million) and assets under preliminary sale agreement (€22 million)

During the first half of 2023, Covivio Hotels sold three assets for €17 million.

At 30 June 2023, a hotel in Spain was under a preliminary sale agreement for €22.1 million.

Signature of an undertaking to sell shares

During the first half of 2023, Covivio signed, through its subsidiary, a commitment to sell shares in a company that owns a hotel in Spain for €75 million.

In accordance with IFRS 5, the company derecognised Other assets and liabilities held for sale by €7.4 million and €6.4 million on the assets and liabilities side, respectively.

Refinancing and redemption

In May 2023, Covivio Hotels repaid its €200 million private placement and drew down €314 million from its credit lines.

3.2.4.5 German Residential

Fall in German Residential asset values

The German Residential segment decreased in value, reflecting an increase in interest rates combined with regulatory caps on rent rises.

Refinancing and redemption

Covivio Immobilien SE raised and secured €81 million in financing with terms of 6.7 and 10 years.

3.2.5 Notes related to the statement of financial position

3.2.5.1 Estate

3.2.5.1.1 Accounting principles applicable to intangible and tangible fixed assets

Intangible fixed assets

Identifiable intangible fixed assets are amortised on a straight-line basis over their expected useful lives. Intangible fixed assets acquired are recorded on the balance sheet at acquisition cost. They primarily include entry fees (and occupancy rights for car parks) and computer software.

Intangible fixed assets are amortised on a straight-line basis, as follows:

- software: over a period of 1 to 10 years
- occupancy rights: 30 years.

Business combinations (IFRS 3) and goodwill from acquisitions

An entity must determine whether a transaction or other event constitutes a business combination within the meaning of the definition of IFRS 3, which states that a company is an integrated set of activities and assets that can be operated and managed for the purpose of providing goods or services to clients, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

In this case, the acquisition cost is set at the fair value on the date of the exchange of the assets and liabilities and equity instruments issued for the purpose of acquiring the entity. Goodwill is recognised as an asset for the surplus of the acquisition cost on the portion of the buyer's interest in the fair value of the assets and liabilities acquired, net of any deferred taxes. Negative goodwill is recorded in the income statement.

To determine whether a transaction is a business combination, the Group considers in particular whether an integrated set of activities and assets is acquired in addition to real estate and whether this set comprises at least one input and a substantial process which, together, contribute significantly to the capacity to generate outputs.

The prospective additional costs are appraised at fair value at the acquisition date. They are definitely appraised in the 12 months following the acquisition. The subsequent change of these additional costs is recorded in the income statement.

After its initial recognition, the goodwill is subject to an impairment test at least once a year. The impairment test consists in comparing the net book value of the intangible and tangible fixed assets and goodwill related to the valuation of the hotels as "Operating Properties" made by the real estate appraisers. These tests led to the recognition of a €1.9 million impairment charge on the Operating Properties.

If the Group concludes that the transaction is not a business combination, then it recognises the transaction as an acquisition of assets and applies the standards appropriate to acquired assets.

Costs related to the acquisition categorised under business combinations are recognised as expenses in accordance with IFRS 3 under "Income from changes in consolidation scope" in the income statement. The costs associated with an acquisition that does not qualify as a business combination are an integral part of the acquired assets.

Investment properties (IAS 40)

Investment properties are real-estate properties held for purposes of leasing within the context of operating leases or long-term capital appreciation (or both).

Investment properties represent the majority of the Group's portfolio. The buildings occupied or operated by Covivio group employees – owner-occupied buildings – are recognised under tangible fixed assets (office properties occupied by employees, spaces used for own Flex Office, hotel real estate managed by the Operating Properties business).

Under the option offered by IAS 40, investment properties are assessed at their fair value. Changes in fair value are recorded in the income statement. Investment property is not amortised.

Valuations are carried out in accordance with the Code of Ethics applicable to SIICs, 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 International Valuation Standards Council (IVSC) and those of the 2014 Red Book of the Royal Institution of Chartered Surveyors (RICS).

The real-estate portfolio directly held by the Group was appraised in full at 31 December 2022 by independent real-estate experts including BNP Real Estate, JLL, CBRE, Cushman, CFE, MKG, REAG and HVS.

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 flows method.

The assets are recognised at their net market value.

- For France, Italy and Germany Offices, the valuations are primarily performed according to two methods:
  - the yield (or income capitalisation) method

    This approach consists of capitalising an annual income, which, in general, is rental income from occupied assets, with the possible impact of a reversion potential, and market rent for vacant assets, taking into account the time needed to find new tenants, any renovation work and other costs.
  - the discounted cash flow (DCF) method

    This method consists of determining the useful value of an asset by discounting the forecast cash flows that it is likely to generate over a given time frame. The discount rate is determined on the basis of the risk-free rate plus a risk premium associated with the asset and defined by comparison with the discount rates applied to cash flows generated by similar assets.
- For Hotels in Europe, the methodology changes according to the type of assets:
  - the rent capitalisation method is used for restaurants and Club Med holiday villages
  - the DCF method is used for hotels (including the revenue forecasts determined by the appraiser) and Sunparks holiday villages

- For German Residential, the fair value determined corresponds to:
  - a block value for assets for which no sales strategy has been developed or which have not been marketed
  - an occupied retail value for assets on which at least one preliminary sale agreement has been made before the reporting date.

  The valuation method used was the discounted cash flow method.

  The resulting values are also compared with the initial yield rate, the monetary values per square metre of comparable transactions and transactions carried out by the Group.

IFRS 13 "Fair Value Measurement" establishes a fair value hierarchy that categorises the inputs used in valuation techniques into three levels:

- level 1: the valuation refers to quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- level 2: the valuation refers to valuation methods using inputs that are observable for the asset or liability, either directly or indirectly, in an active market
- level 3: the valuation refers to valuation methods using inputs that are unobservable in an active market.

The fair value measurement of investment properties requires the use of different valuation methods using unobservable or observable inputs to which some adjustments have been applied. Accordingly, the Group's portfolio is mainly categorised as level 3 according to the IFRS 13 fair value hierarchy.

The appraisals of real estate assets recognised as Investment properties were carried out taking into account the inflationary macroeconomic environment, a source of uncertainty on cost forecasts, and climate risk based on current practices and Covivio's carbon trajectory.

The context of the crisis has created uncertainty about the estimates used for appraisal values. These estimates include assumptions about resumption of activity (reopening of hotels and gradual return of visitors, use of office buildings, etc.) which may not be realised.

Investment properties under development (IAS 40)

Assets under construction are recognised according to the general fair-value principle, except where it is not possible to determine this fair value on a reliable and ongoing basis. In such cases, the asset is carried at cost.

As a result, development programmes and extensions or remodelling of existing assets that are not yet commissioned are recognised at their fair value and are treated as investment properties whenever the administrative and technical fair-value reliability criteria – *i.e.* administrative, technical and commercial criteria – are met.

In accordance with revised IAS 23, the borrowing cost during a period of construction and renovation is included in the cost of the assets. The capitalised amount is determined on the basis of fees paid for specific borrowings and, where applicable, for financing from general borrowings based on the weighted average rate of the particular debt.

Right-of-use (IFRS 16)

In application of IFRS 16, when a movable or immovable asset is held under a lease, the lessee is required to recognise a right-of-use asset and a rental liability, at amortised cost.

Right-of-use assets are included in the items under which the corresponding underlying assets are presented, if they belonged thereto, namely the items Operating properties, Other tangible fixed assets and Investment properties.

The lessee depreciates the right-of-use on a straight-line basis over the term of the lease, except for rights relating to investment properties, which are measured at fair value.

Tangible fixed assets (IAS 16)

Pursuant to the preferred method proposed by IAS 16, operating properties (head Offices and Flex Office business) and managed hotels under the Operating Properties business line (owner-occupied buildings – occupied or operated by Group employees) are carried at historical cost less accumulated depreciation and any potential impairment. They are amortised over their expected useful life according to a component-based approach.

The hotels operated as Operating Properties are depreciated according to their period of use:

Buildings	50 to 60 years
General installations and layout of the buildings	10 to 30 years
Equipment and furniture	3 to 20 years

If the appraisal values of the Operating Properties are less than the net book value, impairment is recognised, as a priority on the value of the fund, then on the value of the tangible fixed assets.

Non-current assets held for sale (IFRS 5)

In accordance with IFRS 5, when Covivio decides to dispose of an asset or group of assets, it classifies them as assets held for sale if:

- the asset or group of assets is available for immediate sale in its current condition, subject only to normal and customary conditions for the sale of such assets
- its or their sale is likely within one year and marketing for the property has been initiated.

For the Covivio group, only assets corresponding to the above criteria or for which a sale commitment has been signed are classified as assets held for sale.

If a sale commitment exists on the account closing date, the price of the commitment net of expenses constitutes the fair value of the asset held for sale.

3.2.5.1.2 Table of changes in fixed assets

(In € thousand)	31/12/2022	Scope change	Increase/ Charges	Disposal/ Reversals of provisions	Change in fair value	Transfers	Change in exchange rate	30/06/2023
Goodwill	**120,102**	**0**	**-1,882[1]**	**0**	**0**	**0**	**0**	**118,220**
Intangible fixed assets	**17,194**	**0**	**3,148**	**-2,001**	**0**	**-5**	**1**	**18,338**
Gross amounts	*37,932*	*-29*	*3,955*	*-2,605*	*0*	*-1,882*	*1*	*37,373*
Depreciation	*-20,738*	*29*	*-807*	*604*	*0*	*1,877*	*-0*	*-19,035*
Tangible assets	**1,580,335**	**0**	**-12,187**	**-240**	**0**	**33,103**	**2,779**	**1,603,790**
Operating properties	1,471,533	0	-22,387	-26	0	33,298	2,779	1,485,197
Gross amounts	*1,900,374*	*0*	*6,648*	*-49*	*0*	*33,287[3]*	*2,847*	*1,943,107*
Depreciation	*-428,841*	*0*	*-29,035*	*23*	*0*	*11*	*-67*	*-457,910*
Other tangible fixed assets	40,332	0	-2,048	-187	0	1,499	0	39,595
Gross amounts	*195,819*	*0*	*3,075*	*-1,026*	*0*	*1,453*	*-0*	*199,321*
Depreciation	*-155,487*	*0*	*-5,123*	*839*	*0*	*46*	*0*	*-159,725*
Fixed assets in progress	68,470	0	12,249[2]	-27	0	-1,694	-0	78,998
Gross amounts	*68,470*	*0*	*12,249*	*-27*	*0*	*-1,694*	*-0*	*78,998*
Depreciation	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Investment properties	**22,964,769**	**0**	**218,677**	**-51,682**	**-1,279,942**	**-108,142**	**34,378**	**21,778,059**
Operating properties	21,391,114	0	83,047	-51,682	-1,159,605	83,969	34,378	20,381,222
Investment properties under development	1,573,655	0	135,630	0	-120,337	-192,111	0	1,396,837
Assets held for sale	**259,400**	**0**	**-876**	**-156,198**	**2,260**	**88,306**	**0**	**192,892**
Assets held for sale	259,400	0	-876	-156,198	2,260	88,306	0	192,892
of which other assets held for sale	*0*	*0*	*0*	*0*	*0*	*7,386[4]*	*0*	*7,386*
TOTAL	**24,941,801**	**0**	**206,881**	**-210,121**	**-1,277,682**	**13,262**	**37,159**	**23,711,299**

(1) The goodwill of hotels run as Operating properties decreased by €2 million following the decrease in appraisal values leading to the impairment of an asset.

(2) Work carried out on France Offices assets (€8.9 million) and on Hotels in Europe assets (€2.2 million). Fixed assets in progress also includes advanced payments paid on asset acquisitions in Italy Offices (€1 million).

(3) Including €32 million for the transfer of the N2 hotel from the "Operating properties" line.

(4) Reclassification of €7 million of other assets at a Hotels in Europe company (see § 3.2.4.4).

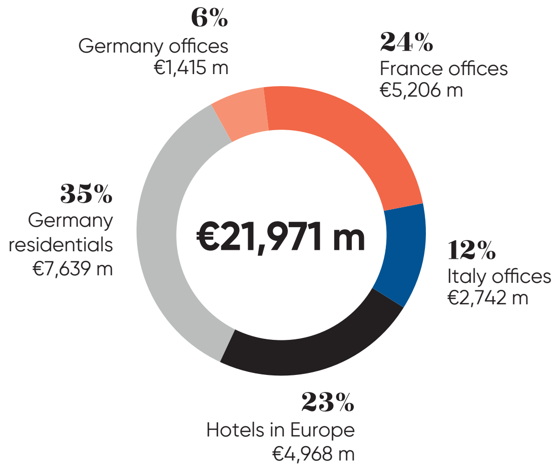
The portfolio of hotels held as Operating Properties totalled €1,111.8 million at 30 June 2023. In accordance with IAS 16, it is recognised under "Tangible fixed assets".

The line "Disbursements related to acquisitions of tangible fixed assets and intangible assets" in the statement of cash flows (-€195.7 million) corresponds mainly to investments excluding the impact of depreciation, amortisation and indexation of leases (-€241.9 million) restated for advances and advanced payments for work on investment properties under development already paid (+€25.3 million), corrected for the change in trade payables on fixed assets (+€5.4 million) and the restatement of step rentals and rent-free periods for (+€17.6 million).

The "Proceeds relating to the disposal of tangible fixed assets and intangible assets" line in the Statement of Cash Flows (+€247.1 million) primarily corresponds to income from disposals as presented in section 3.2.6.3 "Income from asset disposals" (+€206 million), and to the proceeds from the disposal of assets in inventory (+€0.2 million), restated for the change in receivables on asset disposals (+€15.9 million) and down payments on disposals (+€25 million).

3.2.5.1.3 Investment properties and assets held for sale

Consolidated portfolio at 30 June 2023 (in € million)



(In € thousand)	31/12/2022	Scope change	Increase	Disposal	Change in fair value	Transfers	Change in exchange rate	30/06/2023
Investment properties	**22,964,769**	**0**	**218,677**	**-51,682**	**-1,279,942**	**-108,142**	**34,378**	**21,778,059**
Operating properties	21,391,114	0	83,047	-51,682	-1,159,605	83,969	34,378	20,381,222
France Offices	*4,736,349*	*0*	*14,684*	*-27,200*	*-351,193*	*147,301*	*0*	*4,519,941*
Italy Offices	*2,539,462*	*0*	*5,478*	*-24,482*	*-35,641*	*-2,392*	*0*	*2,482,425*
Hotels in Europe	*4,937,208*	*0*	*10,946*	*0*	*-44,003*	*-74,963*	*34,378*	*4,863,567*
German Residential	*8,209,194*	*0*	*49,556*	*0*	*-652,877*	*14,421*	*0*	*7,620,294*
Germany Offices	*968,901*	*0*	*2,383*	*0*	*-75,891*	*-398*	*0*	*894,995*
Investment properties under development(1)	1,573,655	0	135,630	0	-120,337	-192,111	0	1,396,837
France Offices	*787,530*	*0*	*49,492*	*0*	*-38,819*	*-173,535*	*0*	*624,668*
Italy Offices	*210,597*	*0*	*41,100*	*0*	*-4,699*	*0*	*0*	*246,998*
Hotels in Europe	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
German Residential	*22,511*	*0*	*3,620*	*0*	*0*	*-20,534*	*0*	*5,597*
Germany Offices	*553,017*	*0*	*41,418*	*0*	*-76,819*	*1,958*	*0*	*519,574*
Assets held for sale	**259,400**	**0**	**-876**	**-156,198**	**2,260**	**88,306**	**0**	**192,892**
France Offices	*175,856*	*0*	*-876*	*-106,665*	*-1,224*	*-5,466*	*0*	*61,625*
Italy Offices	*28,742*	*0*	*0*	*-21,588*	*880*	*5,000*	*0*	*13,034*
Hotels in Europe	*42,946*	*0*	*0*	*-17,000*	*-40*	*78,552*	*0*	*104,458*
German Residential	*11,554*	*0*	*0*	*-10,855*	*2,644*	*10,220*	*0*	*13,563*
Germany Offices	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other	*302*	*0*	*0*	*-90*	*0*	*0*	*0*	*212*
TOTAL	**23,224,169**	**0**	**217,801**	**-207,880**	**-1,277,682**	**-19,836**	**34,378**	**21,970,951**

(1) The €136 million increase in investment properties under development includes works and the capitalisation of personnel expenses and intermediary fees for €124 million and financial interest for €12 million (note 3.2.5.1.4).

The amounts in the "disposals" column correspond to the appraisal values published on 31 December 2022 or values of preliminary sales agreements signed in 2022.

3.2.5.1.4 Investment properties under development

Investment properties under development relate to construction or refurbishment programmes that fall within the application of IAS 40 (revised).

(In € thousand)	31/12/2022	Acquisitions and works	Capitalised interest	Change in fair value	Transfers and disposals	Change of scope	30/06/2023
France Offices	787,530	44,289	5,203	-38,819	-173,535	0	624,668
Italy Offices	210,597	38,395	2,705	-4,699	0	0	246,998
Germany Offices	553,017	37,584	3,834	-76,819	1,958	0	519,574
German Residential	22,511	3,620	0	0	-20,534	0	5,597
CONSOLIDATED TOTAL	**1,573,655**	**123,888**	**11,742**	**-120,337**	**-192,111**	**0**	**1,396,837**

The "Transfers and disposals" column includes the delivery of four assets for -€433 million (three assets in France Offices and one asset in German Residential) and the transfer of seven assets for +€241 million (mainly in France Offices) feeding the buildings under development pipeline.

3.2.5.1.5 Appraisal parameter

The Group has not identified the best use of an asset as being different from its current use. Consequently, the application of IFRS 13 did not lead to a modification of the assumptions used for the valuation of assets.

In accordance with IFRS 13, the tables below provide details by operating sector of the ranges of unobservable inputs by business segment (level 3) used by the real-estate appraisers:

France, Italy and Germany offices

Grouping of similar assets	Level	Portfolio (in €M)	Yield rate excluding duties (min.-max.)	Yield rate excluding duties (weighted average)	Discounted cash flow rate	Discounted cash flow rate (weighted average)
Paris Centre West	Level 3	866	3.2%-4.3%	3.5%	4.3%-5.3%	4.8%
North Eastern Paris	Level 3	660	4.0%-7.7%	4.5%	5.0%-7.5%	5.8%
Southern Paris	Level 3	269	3.1%-4.8%	4.1%	5.0%-5.3%	5.1%
Western Crescent	Level 3	1,026	3.9%-5.3%	4.5%	4.8%-6.5%	5.7%
Inner rim	Level 3	1,050	4.5%-7.0%	6.1%	5.5%-7.8%	6.2%
Outer rim	Level 3	32	7.3%-10.5%	8.6%	7.3%-10.0%	8.4%
Total Paris Regions		**3,903**	**3.1%-10.5%**		**4.3%-10.0%**	
Major Regional Cities	Level 3	595	4.2%-8.0%	5.3%	5.3%-9.0%	6.2%
Area	Level 3	23	5.5%-5.5%	7.5%	4.5%-5.8%	6.3%
Total Regions		**618**	**4.2%-8.0%**		**0.0%-9.0%**	
Development portfolio		625				
Other assets held for sale		62				
Total France Offices		**5,207**				
Milan	Level 3	1,755	2.4%-11.1%	5.2%	5.1%-7.3%	5.2%
Rome	Level 3	177	3.2%-10.4%	5.6%	6.7%-7.8%	7.2%
Other	Level 3	563	5.1%-11.2%	6.9%	5.7%-8.3%	7.8%
Total in operation		**2,495**				
Development portfolio	Level 3	247			5.6%-6.2%	
Total Italy Offices		**2,742**				
Berlin	Level 3	30	4.4%-4.4%	4.4%	6.8%-6.8%	6.8%
Düsseldorf	Level 3	44	5.3%-5.3%	5.3%	5.5%-5.5%	5.5%
Frankfurt	Level 3	447	4.3%-5.5%	5.1%	5.6%-7.2%	6.2%
Hamburg	Level 3	266	4.7%-6.1%	5.0%	5.5%-5.9%	5.6%
Munich	Level 3	92	1.9%-3.7%	2.9%	5.7%-7.2%	5.8%
Total in operation		**879**	**1.9%-6.1%**	**4.8%**	**5.5%-7.2%**	
Development portfolio	Level 3	520				
Use rights	Level 3	17				
Total German Offices		**1,415**				
TOTAL OFFICES		**9,364**				

Hotels in Europe

Grouping of similar assets	Level	Portfolio (in €M)	Yield rate excluding duties (min.-max.)	Yield rate excluding duties (weighted average)	Discounted cash flow rate	Discounted cash flow rate (weighted average)
Germany	Level 3	662	4.4%-6.3%	5.0%	4.8%-7.2%	6.2%
Belgium	Level 3	219	5.9%-7.9%	7.0%	8.2%-10.2%	9.3%
Spain	Level 3	637	4.1%-7.3%	5.2%	5.9%-9.1%	7.1%
France	Level 3	1,723	4.0%-8.0%	4.9%	5.5%-8.8%	6.6%
Netherlands	Level 3	157	5.0%-6.3%	5.6%	7%-8.3%	7.6%
United Kingdom	Level 3	679	4.3%-6.3%	4.9%	6.3%-8.3%	6.9%
Other	Level 3	596	5.4%-7.2%	5.7%	7.8%-9.0%	8.0%
Hotel Lease properties	**Level 3**	**4,672**	**4.0%-8.0%**	**5.2%**	**4.8%-10.2%**	**7.0%**
Retail	Level 3	49	6.2%-9.9%	7.4%	7.5%-11.9%	9.2%
TOTAL IN INVESTMENT PROPERTIES, EXCLUDING DEVELOPMENT PORTFOLIO AND RIGHT-OF-USE ASSETS		**4,722**				
Use rights	Level 3	239				
Other assets held for sale		7				
TOTAL HOTELS IN EUROPE		**4,968**				

German Residential:

Grouping of similar assets	Level	Portfolio (in €M)	Yield rate excluding duties (min.-max.) Total portfolio *	Yield rate excluding duties (weighted average)	Discounted cash flow rate	Average value (in €/m²)
Duisburg	Level 3	343	3%-5.2%	4.9%	4.5%-6.7%	1,728
Essen	Level 3	828	2.9%-5.2%	4.4%	4.3%-6.7%	2,102
Mülheim	Level 3	225	3.2%-5.3%	5.0%	4.4%-6.6%	1,754
Oberhausen	Level 3	209	3.4%-5.9%	5.5%	4.7%-7.2%	1,514
Datteln	Level 3	161	2.1%-4.5%	5.1%	3.6%-6.0%	1,412
Berlin	Level 3	4,375	2.1%-6.2%	3.7%	4.1%-8.2%	3,227
Düsseldorf	Level 3	212	2.4%-3.9%	4.0%	4.1%-5.7%	3,015
Dresden	Level 3	459	2.6%-4.8%	4.0%	3.8%-6.3%	2,327
Leipzig	Level 3	138	2.4%-4.6%	4.1%	3.9%-6.1%	1,989
Hamburg	Level 3	571	2.1%-4.3%	3.3%	3.8%-6.0%	3,836
Other	Level 3	151	2.9%-4.5%	4.6%	4.4%-5.7%	2,133
TOTAL GERMAN RESIDENTIAL		**7,671**	**2.1%-6.2%**	**4.0%**	**3.6%-8.2%**	**2,641**

(1) Potential yield rates assumed excluding taxes (actual rents/appraisal values excluding taxes).

Impact of changes in the yield rate on changes in the fair value of real estate assets, by operating segment

(In € million)	Yield[2]	Yield rate -50 bps	Yield rate +50 bps
France Offices[1]	4.8%	532.7	-432.2
Italy Offices	5.4%	254.6	-211.5
Hotels in Europe[1]	5.5%	472.2	-393.5
German Residential	3.8%	1,142.9	-879.6
Germany Offices	4.5%	109.8	-87.8
TOTAL[1]	**4.6%**	**2,512.3**	**-2,004.6**

(1) Including assets held by equity affiliates, excl. operating property assets.
(2) Yield on operating portfolio – excl. duties.

- If the yield rate excluding duties drops 50 bps (-0.5 point), the market value excluding taxes of the real-estate assets will increase by €2,512 million.
- If the yield rate excluding duties increases 50 bps (+0.5 point), the market value excluding taxes of the real-estate assets will decrease by -€2,004 million.

3.2.5.2 Financial activities

3.2.5.2.1 Accounting principles

Other financial assets

Other financial assets consist of investment-fund holdings, which cannot be classified as cash or cash equivalents.

These securities are recognised upon acquisition at cost plus transaction costs. They are then recognised at fair value in the income statement on the reporting date.

The fair value is arrived at on the basis of recognised valuation techniques (reference to recent transactions, discounted cash flows, etc.). Some securities that cannot be reliably measured at fair value are recognised at acquisition cost.

Non-consolidated securities are valued at their fair value, and changes in value are recorded either in equity or in the income statement, depending on the option chosen by the Group for each of these securities in accordance with IFRS 9.

Dividends received are recognised when they have been approved by vote.

Loans

At each reporting date, loans are recorded at their amortised cost. Moreover, impairment is recognised and recorded on the income statement when there is an objective indication of impairment as a result of an event occurring after the initial recognition of the asset.

3.2.5.2.2 Table of financial assets

(In € thousand)	31/12/2022	Increase	Decrease	Fair value	Scope change	Transfers	Change in exchange rate	30/06/2023
Ordinary loans[1]	96,825	2,258	-6,558	0	0	14,060	7	106,592
Current accounts	0	0	0	0	0	0	0	0
Total loans	**96,825**	**2,258**	**-6,558**	**0**	**0**	**14,060**	**7**	**106,592**
Advanced payments and deposits on acquisition of securities[2]	957	0	0	0	0	0	0	957
Non-consolidated securities[2]	15,798	7	-25	0	0	-1	-0	15,779
RECEIVABLES ON FINANCIAL ASSETS[2]	**292**	**0**	**-34**	**0**	**0**	**43**	**0**	**301**
NET TOTAL	113,872	2,265	-6,617	0	0	14,102	7	123,629

(1) Ordinary loans include subordinated loans to equity affiliates (€100.1 million) and guarantee deposits (+€6.5 million) and loans to employees. The change in loans for the period mainly concerns Hotels in Europe (+€5 million) and France Offices (-€12 million) of which (+€24 million) was from the reclassification of long-term loans and (-€10 million) related Lenovilla's capital increase by capitalisation of the loan.

(2) Other financial assets break down as follows:

- advanced payments and deposits on acquisitions of securities: these correspond to a deposit to acquire the shares of a company that will hold a B&B Hotel asset in Portugal
- non-consolidated securities in German Residential and Italy Offices
- receivables on financial assets.

3.2.5.3 Investments in associates and joint ventures

3.2.5.3.1 Accounting principles

Investments in equity affiliates and joint ventures are recognised by the equity method. According to this method, the Group's investment in the equity affiliate or the joint venture is initially recognised at cost, increased or reduced by the changes, subsequent to the acquisition, in the share of the net assets of the affiliate.

The goodwill related to an equity affiliate or joint venture is included in the book value of the investment, if it is not impaired.

The share in the earnings for the period is shown in the line item "share in income of equity affiliates".

The financial statements of associates and joint ventures are prepared for the same accounting period as for the parent company, and adjustments are made, where relevant, to adapt the accounting methods to those of the Covivio group.

3.2.5.3.2 Table of investments in associates and joint ventures

(In € thousand)	% ownership	Operating segment	Country	31/12/2022	30/06/2023	Changes	Of which share of net income	Of which distribution and change in scope
Lenovilla (New Velizy)	50.10%	France Offices	France	82,106	73,385	-8,721	-13,313	4,592
Euromarseille (Euromed)	50.00%	France Offices	France	33,877	30,937	-2,940	-2,940	0
Cœur d'Orly (Askia and Belaïa)	50.00%	France Offices	France	38,366	36,144	-2,222	-2,085	-137
Fondo Porta di Romana and others	40.28%	Italy Offices	Italy	35,018	35,497	479	479	0
Iris Holding France	19.90%	Hotels in Europe	Belgium, Germany	20,263	21,117	854	854	0
OPCI IRIS Invest 2010	19.90%	Hotels in Europe	France	32,844	33,240	396	581	-185
OPCI Camp Invest	19.90%	Hotels in Europe	France	24,978	23,735	-1,243	569	-1,812
Dahlia	20.00%	Hotels in Europe	France	21,746	22,089	343	343	-0
OPCI Oteli, Jouron, Kombon	31.15% and 33.33%	Hotels in Europe	France, Belgium	111,860	113,171	1,311	2,208	-897
TOTAL				**401,058**	**389,315**	**-11,743**	**-13,304**	**1,561**

The investments in equity affiliates at 30 June 2023 amounted to €389 million, compared with €401 million as at 31 December 2022, *i.e.* a decrease of €12 million.

The change for the period is mainly due to the result for the period (-€13.3 million), the distribution of dividends (-€8.4 million) and the capital increase of Lenovilla by capitalisation of the intra-group loan (+€10 million).

3.2.5.3.3 Breakdown of shareholdings in the main associates and joint ventures

Indirect ownership	Cœur d'Orly	Group Euromed	SCI Lenovilla (New Velizy)	Fondo Porta di Romana
Covivio	**50.0%**	**50.0%**	**50.09%**	**40.28%**
Non-Group third parties	**50.0%**	**50.0%**	**49.91%**	**59.72%**
Aéroports de Paris	50.0%			
Crédit Agricole Assurances		50.0%	49.91%	
CECIF				55.69%
Prada				4.03%
TOTAL	**100%**	**100%**	**100%**	**100%**

Indirect ownership	Iris Holding France	OPCI Iris Invest 2010	OPCI Campinvest	SCI Dahlia	OPCI Otelli (Phoenix)	Konbon (Phoenix)	Jouron (Phoenix)
Covivio Hotels	**19.9%**	**19.9%**	**19.9%**	**20.0%**	**31.2%**	**33.3%**	**33.3%**
Non-Group third parties	**80.1%**	**80.1%**	**80.1%**	**80.0%**	**68.9%**	**66.7%**	**66.7%**
Sogecap					31.2%	33.3%	33.3%
Caisse de dépôt et consignation					37.7%	33.3%	33.3%
Predica	80.1%	80.1%	68.8%	80.0%			
Pacifica			11.3%				
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

3.2.5.3.4 Key financial information on associates and joint ventures

(In € thousand)	Asset name	Total balance sheet	Total non-current assets	Cash and cash equivalents	Total non-current liabilities excluding financial debt	Total current liabilities excluding financial debt	Financial payables	Rental income	Cost of the net financial debt	Net income consolidated
Cœur d'Orly (Askia and Belaïa)	Cœur d'Orly	169,704	149,057	9,622	1,747	10,330	85,340	4,344	-466	-4,170
Lenovilla (New Velizy)	New Velizy and extension	283,288	263,766	13,740	0	1,499	135,286	6,743	-784	-26,577
Euromarseille (Euromed)	Euromed Center	124,260	114,230	6,043	609	3,536	58,240	3,079	-106	-5,880
Iris Holding France	Hotels AccorHotels	242,937	209,719	29,670	23,959	2,841	109,862	6,705	-1,448	4,293
OPCI IRIS Invest 2010	Hotels AccorHotels	279,207	247,586	26,081	0	5,086	107,087	8,569	-1,104	2,921
OPCI Camp Invest	Campanile Hotels	183,498	136,521	20,162	0	2,614	61,613	5,925	-581	2,857
Dahlia	Hotels AccorHotels	187,490	172,466	10,818	0	1,534	75,511	4,584	-1,161	1,714
OPCI Oteli, Jouron, Kombon	Hotels AccorHotels	542,841	511,597	27,412	21,976	5,763	160,081	14,640	-1,683	7,116

3.2.5.4 Deferred taxes at closing

(In € thousand)	Balance sheet at 31 December 2022	Increases			Decreases				Balance sheet at 30/06/2023
		Net income for the period	Shareholder's equity		Net income for the period	Difference in rates	Shareholder's equity	Change in exchange rate	
DTA									
Losses carried forward	94,801	330		1,477	-5,691	211		114	91,242
Fair value of properties	48,629	6,037		383	-7,758	-937			46,354
Derivative instruments	166	1,799							1,965
Temporary differences	13,666	719		1,607	-2,334	-6	-407	4	13,248
	157,261								**152,809**
DTA/DTL offset	-70,883								-62,758
TOTAL DTA	**86,378**	**8,885**	**0**	**3,466**	**-15,783**	**-732**	**-407**	**118**	**90,051**

(In € thousand)	Balance sheet at 31 December 2022	Augmentations			Decreases				Balance sheet at 30/06/2023
		Net income for the period	Shareholder's equity	Other changes and transfers	Net income for the period	Difference in rates	Shareholder's equity	Change in exchange rate	
DTL									
Fair value of properties	1,338,229	4,617		1,017	-140,869	-3,871	-2	915	1,200,035
Derivative instruments	33,719			-42	-1,795	-147	-237		31,498
Temporary differences	18,970	873		2,491	-3,993			8	18,349
	1,390,919								**1,249,883**
DTA/DTL offset	-70,883								-62,758
TOTAL DTL	**1,320,034**	**5,490**	**0**	**3,466**	**-146,657**	**-4,018**	**-239**	**923**	**1,187,124**
NET TOTAL	**-1,233,657**	**3,395**	**0**	**0**	**130,874**	**3 286**	**-168**	**-804**	**-1,097,072**
		Impact on the income statement:			**137,554**				**Negative net balance = liabilities**

At 30 June 2023, the consolidated deferred tax position showed a deferred tax asset of €90 million (*versus* €86 million as at 31 December 2022) and a deferred tax liability of €1,187 million (*versus* €1,320 million as at 31 December 2022).

The primary contributors to the net balance of deferred tax liabilities are:

- German Residential: €846 million
- hotels in Europe: €246 million
- offices Germany: €58 million
- offices Italy: €36 million.

The decrease in net deferred tax liabilities (-€137 million) is mainly due to the impact of unrealised taxes relating to the decline in appraisal values, particularly in Germany (-€125 million), and to decreases in the value of derivatives in Germany (-€3.4 million).

The impact on net income is detailed in paragraph 3.2.6.9.2.

In accordance with IAS 12, deferred tax assets and liabilities are offset for each tax entity when they involve taxes paid to the same tax authority.

3.2.5.5 Short-term loans and receivables

(In € thousand)	31/12/2022	Change of scope	Increase	Decrease	Transfers	30/06/2023
Short-term loan	41,371	0	26,349	-17,138	-24,062	26,520
NET TOTAL	**41,371**	**0**	**26,349**	**-17,138**	**-24,062**	**26,520**

The balance at 30 June 2023 includes €26 million of accrued interest on derivatives.

3.2.5.6 Inventories and work-in-progress

3.2.5.6.1 Accounting principles related to inventories

Inventories are composed of two classification types: property trading (mainly in Italy, purchase/sale) and real-estate development (housing units and offices). They are assessed at cost.

Inventories are intended to be sold during the normal course of business. They are recorded at acquisition price and, as applicable, are depreciated in relation to the sale value (independent appraisal value).

3.2.5.6.2 Inventories and work-in-progress

(In € thousand)	30/06/2023 net	31/12/2022 net	Change
Real-estate company trading properties	**16,815**	**15,619**	**1,196**
Miscellaneous inventories (raw materials, goods)	**2,474**	**2,423**	**50**
France Offices	55,785	50,991	4,794
Italy Offices	0	0	0
German Residential	199,170	194,999	4,171
Germany Offices	0	0	0
Real estate trading properties	**254,955**	**245,990**	**8,965**
TOTAL INVENTORIES AND WORK-IN PROGRESS	**274,244**	**264,032**	**10,211**

The balance sheet item "Inventories and work-in-progress" groups together inventories from trading activities in Italy Offices (€17 million), and assets dedicated to the real-estate development business for €255 million.

In France, real-estate development inventories consist exclusively of projects to transform office buildings or land reserves into residential units. When a development margin can be generated (depending on the percentage of completion and marketing) the stock decreases accordingly. The increase (+€5 million) is linked to works (+€6.3 million) and disposals during the period (-€1.5 million).

The increase in inventories in German Residential (+€4.1 million) is linked to work on development assets (+€12.1 million), the disposal of development assets (-€3.6 million) and reclassification of several projects as investment properties (-€4.4 million).

3.2.5.7 Trade receivables

3.2.5.7.1 Accounting principles related to trade receivables and receivables from hotels under operation

The trade receivables are mainly comprised of receivables from simple lease transactions and receivables of hotels under operation. These items are measured at amortised cost. In the event that the recoverable value is lower than the net book value, the Group may be required to account for an impairment charge through profit or loss.

The usual impairment rules have been tightened in the context of the Covid-19 crisis. For unpaid bills relating to this crisis, impairments were recorded depending on the size of the tenant, its activity and the lease negotiations in progress.

Receivables from operating lease transactions

For operating-lease receivables, a provision for impairment is made at the first non-payment. The impairment rates applied by Covivio group are as follows:

- no impairment provision is recorded for existing or vacated tenants whose receivables are less than three months overdue
- 50% of the total amount of receivables for existing tenants whose receivables are between three and six months overdue
- 100% of the total amount of receivables for existing tenants whose receivables are more than six months overdue
- 100% of the total amount of receivables for vacated tenants whose receivables are more than three months overdue.

The receivables and theoretical impairments arising from the rules above are reviewed on a case-by-case basis in order to factor in any specific situations.

Receivables of hotels under operation

Receivables of hotels under operation are impaired according to payment deadlines.

The receivables and theoretical impairments arising from the rules above are reviewed on a case-by-case basis in order to factor in any specific situations.

3.2.5.7.2 Table of trade receivables

(In € thousand)	30/06/2023	31/12/2022	Change
Expenses to be reinvoiced to tenants	289,401	259,780	29,622
Rent-free periods	8,574	10,207	-1,633
Trade receivables	199,219	111,980	87,239
TOTAL TRADE RECEIVABLES	**497,195**	**381,967**	**115,228**
Impairment of receivables	-35,287	-37,253	1,966
NET TOTAL TRADE RECEIVABLES	**461,908**	**344,714**	**117,194**

The increase in gross receivables (+€115 million) is mainly due to the change in trade receivables (+€87.2 million) in connection with deferred and unpaid rents, the seasonality of the hotel business and the reissuing of expenses (+€29.6 million) including the +€12.9 million impact of IFRIC 21 full-year re-invoicing of property tax.

Impairment of trade receivables decreased by €2 million.

The line "Change in working capital requirements on continuing operations" in the Statement of cash flows consists of:

(In € thousand)	30/06/2023	31/12/2022	30/06/2022
Impact of changes in inventories and work in progress	-14,559	-3,346	7,831
Impact of changes in trade & other receivables	-115,824	49,184	-115,769
Impact of changes in trade & other payables	138,433	-128,780	69,201
CHANGE IN WORKING CAPITAL REQUIREMENTS ON CONTINUING OPERATIONS (INCLUDING EMPLOYEE BENEFITS LIABILITIES)	**8,050**	**-82,942**	**-38,737**

3.2.5.8 Other receivables

(In € thousand)	30/06/2023	31/12/2022	Change
Government receivables	83,003	76,052	6,951
Other receivables	31,664	49,276	-17,612
Security deposits received (short-term)	12,647	29,198	-16,551
Current accounts	1,348	5,611	-4,263
TOTAL	**128,662**	**160,137**	**-31,475**

- €83 million in government receivables comprise mainly VAT receivables.

3.2.5.9 Cash and cash equivalents

3.2.5.9.1 Accounting principles applicable to cash and cash equivalents

Cash and cash equivalents include cash, short-term deposits and money-market funds. These are short-term, highly liquid assets that are easily convertible into a known cash amount, and for which the risk of a change in value is negligible.

3.2.5.9.2 Table of cash and cash equivalents

(In € thousand)	30/06/2023	31/12/2022
Cash and cash equivalents	55,661	19,430
Cash at bank	418,925	442,111
TOTAL	**474,586**	**461,541**

At 30 June 2023, the cash equivalents consist mainly of Level 1 standard money-market collective investment vehicles (SICAV) and Level 2 term deposits in accordance with IFRS 13.

- Level 1 of the portfolio corresponds to instruments whose price is listed on an active market for an identical instrument.
- Level 2 corresponds to instruments whose fair value is determined using data other than the prices mentioned for Level 1 and observable directly or indirectly (*i.e.* price-related data).

3.2.5.10 Shareholders' equity

3.2.5.10.1 Accounting principles related to shareholders' equity

If the Group buys back its own equity instruments (treasury shares), these are deducted from shareholders' equity. No profit or loss is recognised in the income statement when Group equity capital instruments are purchased, sold, issued or cancelled.

3.2.5.10.2 Change in shareholders' equity

The statement of changes in shareholders' equity and movements in the share capital are presented in note 3.1.4.

The Covivio equity consisted of 101,006,389 shares issued and fully paid up each with a par value of €3.00, totalling €303 million at 30 June 2023. Covivio holds 922,825 treasury shares.

Changes in the number of shares during the period

Transaction	Shares issued	Treasury shares	Shares outstanding
Number of shares at 31 December 2022	**94,786,096**	**961,069**	**93,825,027**
Capital increase – delivery of free-share plan			
Capital increase – dividend in shares	6,220,293		
Treasury shares – liquidity agreement		37,395	
Treasury shares – employee award		-35,165	
Treasury shares – pending allocation		-40,474	
NUMBER OF SHARES AT 30 JUNE 2023	**101,006,389**	**922,825**	**100,083,564**

The €351.9 million dividend was paid €279.1 million as a scrip dividend and €72.8 million in cash, taken from 2022 net income, premiums and retained earnings.

Reserves correspond to parent company retained earnings and reserves, together with reserves from consolidation.

The line Other mainly includes movements in treasury shares for the period (-€1.8 million).

The change in non-controlling interests (-€373 million) is mainly due to total comprehensive income for the period (-€210 million) and the capital increases by Covivio Alexanderplatz (+€15 million) and the N2 hotel (+€2 million), movements partly offset by distributions for the period (-€179 million).

The line "Amounts received from shareholders during capital increases paid by non-controlling interests" of the cash flow statement (€16.7 million) corresponds mainly to the amounts received during the capital increases of Covivio Alexanderplatz (+15 million) and the hotel N2 (+€2 million).

3.2.5.11 Statement of debt

3.2.5.11.1 Accounting principles applicable to debt

Financial liabilities include borrowings and other interest-bearing debt.

At initial recognition, financial liabilities are measured at fair value, minus the transaction costs directly attributable to the issue of the liability. They are then recognised at amortised cost based on the effective interest rate. The effective rate includes the nominal rate and actuarial amortisation of issue expenses and issue and redemption premiums.

Financial liabilities of less than one year are posted under "Current financial liabilities".

The Group companies hold real estate and equipment assets through leases (construction leases and long-term leases, premises, company vehicles, car parks). At the lease commencement date, the tenant measures the rental liability as the present value of rents owing not yet paid, using the implied interest rate for the lease, if this rate can be easily determined, or otherwise using the incremental borrowing rate. This debt is amortised as the contracts expire and gives rise to the recognition of a financial expense.

Rental liabilities are shown on the long-term or short-term rental liabilities line in the balance sheet and financial expenses in the Interest costs for rental liabilities line item.

Derivatives and hedging instruments

The Covivio group uses derivatives to hedge its floating-rate debt against interest-rate risk (hedging of future cash flows).

Derivative financial instruments are recorded on the balance sheet at fair value. The fair value is calculated using valuation techniques that use mathematical calculations based on recognised financial theories and parameters that incorporate the prices of market-traded instruments. This valuation is carried out by an external service provider.

Certain financial instruments in Italy Offices are eligible for hedge accounting within the meaning of IFRS 9.

In this case, changes in the fair value of the effective portion of the hedge are recognised net of tax in shareholders' equity until the hedged transaction occurs. The ineffective portion is recorded in the income statement.

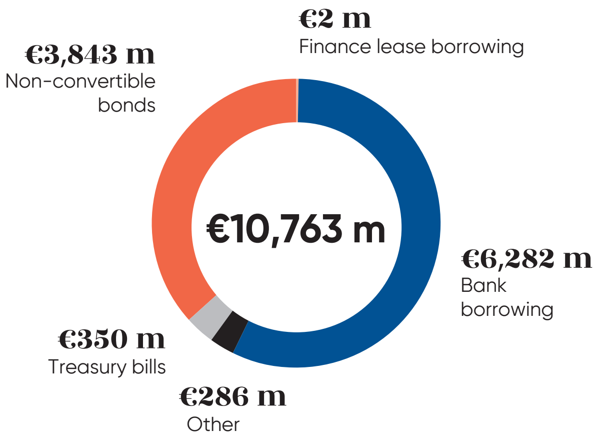
All derivative instruments in the other segments are therefore recognised at their fair value, and changes are reflected in the income statement.

3.2.5.11.2 Table of debts and net financial debt

(In € thousand)	31/12/2022	Increase	Decrease	Change of scope	Change in exchange rate	Other changes	30/06/2023
Bank borrowings	5,961,309	584,942	-279,379	0	15,595	2	6,282,468
Finance lease borrowing	228	0	-228	0	0	0	0
Other borrowings	280,657	4,901	-9	0	0	-1	285,548
Commercial papers	743,000	0	-393,000	0	0	0	350,000
Securitised loans	2,104	0	0	0	0	0	2,104
Non-convertible bonds	3,944,001	99,000	-200,000	0	0	0	3,843,001
Subtotal Interest-bearing loans	**10,931,299**	**688,843**	**-872,616**	**0**	**15,595**	**1**	**10,763,121**
Accrued interest	55,679	61,741	-59,558	-0	-0	-1	57,861
Deferral of loan expenses	-54,226	6,602	-26,522	0	78	0	-74,069
Creditor banks	34,916	0	0	0	0	116,653	151,569
TOTAL LT AND ST LOANS	**10,967,667**	**757,186**	**-958,696**	**0**	**15,672**	**116,653**	**10,898,482**
of which Long-term	**9,734,862**						**9,716,291**
of which Short-term	**1,232,805**						**1,182,191**
Valuation of financial instruments	-512,876	0	0	-1	0	-4,614	-517,491
TOTAL DERIVATIVES	**-512,876**	**0**	**0**	**-1**	**0**	**-4,614**	**-517,491**
of which Assets	**-813,276**						**-779,590**
of which Liabilities	**300,400**						**262,099**
TOTAL BORROWINGS AND DERIVATIVES	**10,454,792**	**757,186**	**-958,696**	**-1**	**15,672**	**112,039**	**10,380,991**

New financing taken out during the fiscal year is presented in 3.2.2.2 "Liquidity risk" and in 3.2.5.11.3 "Bank borrowings".

Debt by type at 30 June 2023 (in € million)



Net financial debt at 30 June 2023 (in € thousand)

		30/06/2023	31/12/2022	30/06/2022
Gross cash (a)		474,586	461,541	1,035,660
Bank overdrafts and current bank borrowings (b)		-151,569	-34,916	-54,265
Net cash and cash equivalents (c) = (a)-(b)		**323,017**	**426,625**	**981,395**
Of which available net cash and cash equivalents		***323,005***	***425,364***	***979,845***
Of which unavailable net cash and cash equivalents		***12***	***1,261***	***1,550***
Total short-term interest-bearing loans	*3.2.5.11.2*	*10,763,121*	*10,931,299*	*11,777,103*
Accrued interest	*3.2.5.11.2*	*57,861*	*55,679*	*39,047*
Gross debt (d)		**10,820,982**	**10,986,978**	**11,816,150**
Amortisation of financing costs (e)		-74,069	-54,226	-56,491
NET DEBT (D)-(C)+(E)		**10,423,896**	**10,506,126**	**10,778,264**

The line "Proceeds related to new borrowings" of the statement of cash flows +€664 million) mainly corresponds to:

- increases in interest-bearing loans (+€689 million) restated for the impact of net investments abroad and rental liabilities
- less amortisation of new loan issue costs (-€26 million).

The "Loan repayments" line of the statement of cash flows (-€878 million) mainly corresponds to the decrease in interest-bearing loans (-€873 million) restated for the impact of net investments abroad.

3.2.5.11.3 Bank borrowings

The table below outlines the characteristics of the borrowings taken out by Covivio group and the amount of the associated guarantees (principal amount over €100 million):

(In € thousand)	Outstanding debt (> or < €100 M)	Debt	Appraisal value at 30/06/2023[1]	Outstanding debt at 30/06/2023	Date of signature	Initial nominal amount	Maturity
France Offices		€280 M – CB 21 Tower		249,300	29/07/2015	280,000	29/07/2025
		€300 M – Orange		300,000	18/02/2016	300,000	30/06/2028
		€165 M – DS Campus		161,288	25/02/2021	165,000	23/02/2029
		€130 M – DS Extension		117,571	08/07/2021	130,000	08/07/2029
		€115 M – Silex2		115,000	12/07/2022	115,000	12/07/2030
	> €100 M		**2,203,990**	**943,159**			
	< €100 M		**71,780**	**33,000**			
		Total France Offices	**2,275,770**	**976,159**			
Italy Offices		€804 M – Central		328,117	15/09/2016	754,000	14/09/2024
	> €100 M	**Total Italy Offices**	**1,000,734**	**328,117**			

(In € thousand)	Outstanding debt (> or < €100 M)	Debt	Appraisal value at 30/06/2023[1]	Outstanding debt at 30/06/2023	Date of signature	Initial nominal amount	Maturity
France Offices		€280 M – CB 21 Tower		249,300	29/07/2015	280,000	29/07/2025
		€300 M – Orange		300,000	18/02/2016	300,000	30/06/2028
		€165 M – DS Campus		161,288	25/02/2021	165,000	23/02/2029
		€130 M – DS Extension		117,571	08/07/2021	130,000	08/07/2029
		€115 M – Silex2		115,000	12/07/2022	115,000	12/07/2030
	> €100 M		**2,203,990**	**943,159**			
	< €100 M		**71,780**	**33,000**			
		Total France Offices	**2,275,770**	**976,159**			
Italy Offices		€804 M – Central		328,117	15/09/2016	754,000	14/09/2024
	> €100 M	Total Italy Offices	1,000,734	328,117			
		Quadriga		139,790	16/06/2015	197,983	31/03/2026
		Lego		140,549	24/06/2016	195,003	30/09/2024
		Refinancing KG2		100,985	26/01/2017	140,000	29/01/2027
		Refinancing Indigo, Prime		247,813	09/07/2019	260,000	30/09/2029
		Refinancing KG1		135,771	20/09/2019	125,000	30/09/2029
		Refinancing KG4		235,380	30/03/2020	248,130	29/03/2030
		Refinancing KG Residential		123,500	20/11/2020	130,000	15/10/2030
		Refinancing Arielle/Dresden/Maria		145,280	21/05/2021	149,004	15/05/2031
		Amadeus refinancing		144,591	27/07/2022	145,500	15/07/2032
	> €100 M		**4,526,512**	**1,721,811**			
	< €100 M		**2,841,322**	**1,189,404**			
		Total German Residential	**7,367,834**	**2,911,215**			
Germany Offices	**> €100 M**	Godewind-Frankfurt Airport Center	218,300	130,000	17/12/2019	130,000	30/12/2025
	< €100 M		857,600	327,500			
		Total German Offices	**1,075,900**	**457,500**			
TOTAL COLLATERAL			**15,080,009**	**6,050,370**			
France Offices		Commercial papers		350,000			
		€500 M – Green Bond		500,000	20/05/2016	500,000	20/05/2026
		€500 M – Green Bond		595,000	21/06/2017	500,000	21/06/2027
		€500 M – Green Bond		599,000	17/09/2019	500,000	17/09/2031
		€500 M – Green Bond		500,000	23/06/2020	500,000	23/06/2030
		€100 M – Green PP		100,000	20/01/2021	100,000	20/01/2033
		Italy Offices reallocation		-408,189			
	> €100 M			**2,235,811**			
		Total France Offices	**3,314,984**	**2,235,811**			
Italy Offices		€300 M – Green Bond		300,000	17/10/2017	300,000	17/10/2024
		€300 M – Green Bond		300,000	20/02/2018	300,000	20/02/2028
		Italy Offices reallocation		408,189			
	> €100 M		**1,873,500**	**1,008,189**			
	< €100 M			**2,104**			
		Total Italy Offices	**1,873,500**	**1,010,293**			
Hotels in Europe		€350 M – Edinburgh		350,000	24/09/2018	350,000	24/09/2025
		€599 M – Green Bond		599,000	27/07/2021	599,000	27/07/2029
	> €100 M			**949,000**			
	< €100 M			**232,143**			
		Total Hotels Europe	**2,763,468**	**1,181,143**			
German Residential	**< €100 M**	**Total German Residential**	**302,828**				
Germany Offices	**< €100 M**	**Total German Offices**	322,374				
Other	**< €100 M**	**France Residential**	212	0			
		Car parks	**4**	**0**			
		Total Other	**216**	**0**			
TOTAL UNENCUMBERED			**8,577,370**	**4,427,247**			

(In € thousand)	Outstanding debt (> or < €100 M)	Debt	Appraisal value at 30/06/2023[1]	Outstanding debt at 30/06/2023	Date of signature	Initial nominal amount	Maturity
		Other liabilities		285,504			
TOTAL			23,657,379	10,763,121			

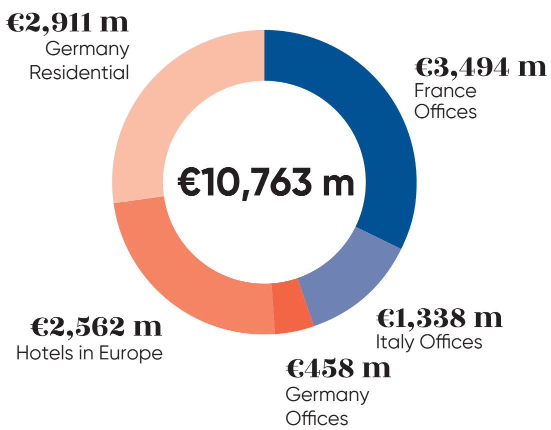
(1) The portfolio includes the fair value of assets operated directly by the company (head office, Flex Office) but does not include real-estate inventories (trading, development) and the share of fair value of assets consolidated under the equity method.

The borrowings are valued after their initial recognition at cost, amortised based on the effective interest rate.

Breakdown of borrowings at their nominal value according to the time left to maturity and by interest-rate type:

(In € thousand)	Outstanding at 30/06/2023	Maturity less than 1 year	Outstanding at 30/06/2024	Maturity from 2 to 5 years	Outstanding at 30/06/2028 (more than 5 years)
Fixed-rate financial liabilities	**5,962,150**	**329,206**	**5,632,944**	**3,251,251**	**2,381,693**
France Offices – Bank borrowings	148,141	1,004	147,137	54,016	93,121
France Offices – Other	281,826	0	281,826	272,501	9,325
Germany Offices – Bank borrowings	457,500	271,500	186,000	186,000	0
Hotels in Europe – Bank borrowings	116,499	36,610	79,889	79,889	0
Hotels in Europe – Other	3,683	0	3,683	3,683	0
German Residential – Bank borrowings	1,109,359	17,986	1,091,373	610,154	481,220
German Residential – Other	38	2	36	9	27
Total borrowings and convertible bonds	**2,117,046**	**327,102**	**1,789,944**	**1,206,251**	**583,693**
France Offices – Bonds	1,885,811	0	1,885,811	686,811	1,199,000
France Offices – Commercial paper	0	0	0	0	0
Italy Offices – Bonds	1,008,189	0	1,008,189	1,008,189	0
Italy Offices – Securitisation	2,104	2,104	0	0	0
Hotels in Europe – Bonds	949,000	0	949,000	350,000	599,000
Total debts represented by securities	**3,845,104**	**2,104**	**3,843,000**	**2,045,000**	**1,798,000**
Floating-rate financial liabilities	**4,800,971**	**654,531**	**4,146,440**	**2,554,033**	**1,592,407**
France Offices – Bank borrowings	828,018	3,446	824,572	532,084	292,488
Italy Offices – Bank borrowings	328,117	7,416	320,701	320,701	0
Germany Offices – Other	0	0	0	0	0
Hotels in Europe – Bank borrowings	1,493,022	132,869	1,360,154	1,070,905	289,248
German Residential – Bank borrowings	1,801,813	160,800	1,641,013	630,342	1,010,671
Total borrowings and convertible bonds	**4,450,971**	**304,531**	**4,146,440**	**2,554,033**	**1,592,407**
France Offices – Commercial paper	350,000	350,000	0	0	0
Total debts represented by securities	**350,000**	**350,000**	**0**	**0**	**0**
TOTAL	**10,763,121**	**983,737**	**9,779,384**	**5,805,284**	**3,974,100**

Debt by operating segment at 30 June 2023 (in € million)



3.2.5.11.4 Derivative instruments

Derivative instruments consist mainly of rate hedging instruments put in place as part of the Group's interest rate hedging policy.

Fair value of net derivative instruments:

(In € thousand)	31/12/2022 net	Change in scope and reclassification of liabilities held for sale	Premiums – Restructuring balances	Impact on P&L	Impact on shareholders' equity	30/06/2023 net
France Offices	147,413		44,515	-28,232		163,697
Italy Offices	15,850			-237	-2,093	13,520
Germany Offices	11,885		1,070	1,102		14,057
Hotels in Europe	177,367			7,839	-9,409	175,797
German Residential	160,360			-9,940		150,420
TOTAL	**512,876**		**45,585**	**-29,468**	**-11,502**	**517,491**
			Of which		**Cash instruments – Liabilities**	**-262,099**
					Cash instruments – Assets	**779,590**

The total impact of the value adjustments of derivatives on the income statement was -€29 million. In accordance with IFRS 13, the fair values include the counterparty default risk (-€17.6 million).

The impact on shareholders' equity of -€2.1 million on Italy Offices includes a deferred tax liability of -€0.2 million.

The impact on equity of -€9 million on the Hotels in Europe line corresponds to the change during the period in the exchange rate of Cross Currency Swaps used to hedge the net investments in the United Kingdom (Net Investment Hedge).

The "Unrealised gains and losses relating to changes in fair value" line item in the Statement of Cash Flows (+€1,307 million), which makes it possible to calculate cash flows from operating activities, mainly incorporates the impact on net income of changes in the value of cash instruments (+€29 million), and changes in the value of the portfolio (+€1,278 million).

Breakdown of hedging instruments by maturity of notional values

(In € thousand)	At 30/06/2023	At less than one year	From 1 to 5 years	At more than 5 years
Fixed hedge				
Fixed rate payer swap	5,319,782	-160,001	1,445,404	4,034,379
Fixed rate receiver swap	2,468,344	75,000	1,883,344	510,000
TOTAL SWAP	**2,851,438**	**-235,001**	**-437,940**	**3,524,379**
Optional hedge				
Fixed borrower swaption sale	350,000	0	0	350,000
Cap purchase	273,786	94,444	179,342	0
Floor purchase	128,000	100,000	28,000	0
Floor sale	33,000	0	33,000	0

Hedge balance as at 30 June 2023:

(In € thousand)	Fixed rate	Floating rate
Borrowings and financial debt (including creditor banks)	5,962,150	4,952,540
NET FINANCIAL LIABILITIES BEFORE HEDGING	**5,962,150**	**4,952,540**
Fixed hedge – Swaps		-2,851,438
Optional hedge – Caps		-273,786
Total hedges		**-3,125,224**
NET FINANCIAL LIABILITIES AFTER HEDGING	**5,962,150**	**1,827,316**

3.2.5.11.5 Rental liabilities

The balance of rental liabilities as at 30 June 2023 stood at €311 million, compared to €307 million at 31 December 2022, an increase of €4 million. This change is mainly due to the indexation of leases (+€7.5 million), the foreign exchange impact (+€4.7 million) and the reclassification as liabilities held for sale (-€5.6 million) of the rental liabilities of a company in Spain.

At 30 June 2023, the interest expense relating to these rental liabilities was €7.8 million.

Breakdown of rental liabilities by maturity

(In € thousand)	At 30/06/2023	At less than one year	From 1 to 5 years	From 5 to 25 years	At more than 25 years
Lease liabilities on the balance sheet	310,507	9,201	21,485	54,829	224,991
Rental liabilities in liabilities held for sale	5,649	111	396	3,875	1,268
RENTAL LIABILITIES	**316,156**	**9,312**	**21,881**	**58,704**	**226,259**

3.2.5.11.6 Bank covenants

Excluding debts raised without recourse to the Group's real estate 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 in Group Share for Covivio and for Covivio Hotels.

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

The most restrictive consolidated LTV covenants amounted to 60% for Covivio and Covivio Hotels at 30 June 2023.

The most restrictive consolidated ICR covenants amounted to 200% for Covivio and Covivio Hotels at 30 June 2023.

Concerning Covivio, corporate credit facilities usually include an asset-secured debt covenant (100% scope), the cap on which is set at 25% and which measures the ratio of secured debt (or debt with guarantees of any kind) to asset value.

Covivio group's banking covenants were fully complied with at 30 June 2023, as they stood at 44% for Group Share LTV, 611% for Group Share ICR, and 5.2% for the asset-secured debt ratio.

No financing has an accelerated payment clause contingent on Covivio or Covivio Hotels' rating, which is currently BBB+, stable outlook (Standard & Poor's rating).

Consolidated LTV	Company	Scope	Covenant	Ratio
€300 M (2016) – Orange	Covivio.	France Offices	≤ 60%	in compliance
€279 M (2017) – Roca	Covivio Hotels	Hotels in Europe	< 60%	in compliance
£400 M (2018) – Rocky	Covivio Hotels	Hotels in Europe	≤ 60%	in compliance
€130 M (2019) – REF I	Covivio Hotels	Hotels in Europe	≤ 60%	in compliance

Consolidated ICR	Company	Scope	Covenant	Ratio
€300 M (2016) – Orange	Covivio.	France Offices	≥ 200%	in compliance
€279 M (2017) – Roca	Covivio Hotels	Hotels in Europe	> 200%	in compliance
£400 M (2018) – Rocky	Covivio Hotels	Hotels in Europe	≥ 200%	in compliance
€130 M (2019)	Covivio Hotels	Hotels in Europe	> 200%	in compliance

Also, most of the covenants on mortgage financing are specific to the scopes financed. The main purpose of these covenants, normally LTV Scope and sometimes ICR or DSCR Scope, is to frame the use of financing lines by correlating it with the value of the underlying assets provided as collateral or the level of debt service coverage of net rental income.

3.2.5.12 Provisions for contingencies and expenses

3.2.5.12.1 Accounting principles related to provisions for risks and charges

Retirement commitments

The retirement commitments are recognised in accordance with revised IAS 19. Provisions are recorded on the balance sheet for the liabilities arising from defined benefits pension schemes for existing staff at the reporting date. They are calculated according to the projected credit units method based on valuations made at each reporting date. The past service cost corresponds to the benefits granted, either when the company adopts a new defined-benefits scheme, or when it changes the level of benefits of an existing scheme. When new benefits are granted upon adoption of a new scheme or change in an existing scheme, the past service cost is immediately recognised in the income statement.

Conversely, when the adoption of a new scheme or change in an existing scheme gives rise to the vesting of benefits after its implementation date, the past service costs are recognised as an expense on a straight-line basis over the average remaining period until the benefits become fully vested. Actuarial gains and losses result from the effects of changes in actuarial assumptions and experience adjustments (differences between actuarial assumptions and what has actually occurred). The change in these actuarial gains and losses is recognised in "Other items" of comprehensive income.

The expense recognised in operating income includes the cost of the services rendered during the year, amortisation of past service costs and the effects of any reduction or liquidation of the scheme; the cost of discounting is recognised in net financial income. The valuations are made taking into account the Collective Agreements applicable in each country and in keeping with the various local regulations. For each employee, the retirement age is the social security eligibility age.

3.2.5.12.2 Table of provisions

(In € thousand)	31/12/2022	Charges	Reversal of provision – Used	Reversal of provision – Unused	30/06/2023
Other provisions for litigation	4,572	318	-50	-93	4,747
Provisions for taxes	8,284	29		-7,735	578
Other provisions	4,911	15	-198		4,728
Provisions sub-total – current liabilities	**17,767**	**362**	**-248**	**-7,828**	**10,053**
Provisions for retirement benefit	36,854	1,680	-822		37,712
Provisions for long-service awards	1,221	75			1,296
Provisions sub-total – non-current liabilities	**38,075**	**1,755**	**-822**		**39,008**
TOTAL PROVISIONS	**55,842**	**2,117**	**-1,070**	**-7,828**	**49,061**

The provisions for litigation break down as €3.8 million for France Offices, €0.7 million for Hotels in Europe and €0.2 million for Italy Offices.

Provisions for taxes relate to €0.4 million at Hotels in Europe and €0.2 million at Germany Offices. In line with the expiry period for risks, the €7.7 million provision for tax risks at Operating properties was reversed in full.

The provision for retirement indemnities totalled €38 million at 30 June 2023 (including €34 million for German Residential). The pension reform of IAS 19 commitments is not material to the financial statements.

The main actuarial assumptions used to estimate the commitments in France were as follows:

- rate of pay increase: managers 4%, non-managers 3%
- discount rate: 3.35% (TEC 10 n +50 bps).

The main actuarial assumptions used to estimate the commitments in Germany were as follows:

Assumptions used in calculating provisions for retirement benefit obligations in Germany	German Residential 30/06/2023	German Residential 31/12/2022	Germany Offices 30/06/2023	Germany Offices 31/12/2022
Discount rate	3.90%	3.90%	3.35%	3.35%
Annual wage growth	2.50%	2.50%	2.00%	2.00%
Rate of social security charges	1%/2%	1%/2%		
IMPACT OF PROVISIONS FOR RETIREMENT BENEFITS ON THE INCOME STATEMENT (in €M)				
Cost of services rendered during the year	-160	-576	0	0
Financial cost	-649	-529	0	-5
Effects of plan reductions/settlements	0	0	0	0
TOTAL IMPACT ON THE INCOME STATEMENT	**-809**	**-1,105**	**0**	**-5**

3.2.5.13 Other short-term liabilities

(In € thousand)	30/06/2023	31/12/2022	Change
Social debt	44,635	37,555	7,081
Tax payables	73,413	41,239	32,174
Exit tax < 1 year	0	0	0
Current accounts – liabilities	3,237	1,137	2,100
Dividends to be paid	420	26	394
Other liabilities	75,075	37,507	37,568
TOTAL	**196,780**	**117,464**	**79,317**

3.2.5.14 Recognition of financial assets and liabilities

Categories according to IFRS 9	Item concerned in the statement of financial position (in €M)	30/06/2023 net	Amount appearing in the valued statement of financial position: At amortised cost	At fair value through equity	At fair value through the income statement	Fair value
Financial assets	Non-current financial assets	16,736	957	11,109	4,670	16,736
Loans and receivables	Non-current financial assets	106,893	106,893			106,893
	TOTAL NON-CURRENT FINANCIAL ASSETS	**123,629**	**107,850**			**123,629**
Loans and receivables	Trade receivables[1]	453,334	453,334			453,334
Assets at fair value	Derivatives at fair value[2]	779,590		-2,330	781,920	779,590
Assets at fair value through profit or loss	Cash and cash equivalents	55,661			55,661	55,661
TOTAL FINANCIAL ASSETS		**1,412,214**	**561,184**	**8,779**	**842,251**	**1,412,214**
Liabilities at amortised cost	Financial payables	10,763,121	10,763,121			10,087,645 [3]
Liabilities at fair value through profit or loss	Financial instruments	262,099			262,099	262,099
Liabilities at amortised cost	Guarantee Deposits (Long-term and Short-term)	33,793	33,793			33,793
Liabilities at amortised cost	Trade payables[4]	290,130	290,130			290,130
TOTAL FINANCIAL LIABILITIES		**11,349,143**	**11,087,044**	**0**	**262,099**	**10,673,666**

(1) Excluding deductible for €8,574 thousand.
(2) In note 3.2.5.11.4 "Derivative instruments", the impact on equity of hedging instruments for the Italy Offices includes -€237 thousand in deferred taxes.
(3) The difference between the net book value and fair value of fixed-rate debt (valued at the risk-free rate, excluding credit spreads) is €675,476 thousand. The impact of the credit spread would be -€15,698 thousand.
(4) €217.2 million in trade payables and €72.9 million in fixed asset trade payables.

Breakdown of financial assets and liabilities at fair value:

The table below presents the financial instruments at fair value broken down by level:

- level 1: financial instruments listed in an active market
- level 2: financial instruments whose fair value is evaluated through comparisons with observable market transactions on similar instruments or based on an evaluation method whose variables include only observable market data
- level 3: financial instruments whose fair value is determined entirely or partly by using an evaluation method using an estimate that is not based on market transaction prices on similar instruments.

(In € thousand)	Level 1	Level 2	Level 3	Total
Non-current financial assets at fair value through shareholders' equity			11,109	11,109
Non-current financial assets at fair value through the income statement			4,670	4,670
Derivatives at fair value through shareholders' equity		-2,330		-2,330
Derivatives at fair value through the income statement		781,920		781,920
Cash equivalents through the income statement		55,661		55,661
TOTAL FINANCIAL ASSETS	**0**	**835,251**	**15,779**	**851,030**
Derivatives at fair value through the income statement		262,099		262,099
TOTAL FINANCIAL LIABILITIES	**0**	**262,099**	**0**	**262,099**

3.2.6 Notes related to the statement of net income

3.2.6.1 Accounting principles

Rental income

According to the presentation of the income statement, rental income is treated as revenues. Revenues from hotels under management and Flex Office, car park receipts, property development and services are now shown in specific lines of the statement of net income, after net rental income.

As a general rule, the invoicing is quarterly except for the German Residential activity where the invoicing is monthly. The rental income of investment properties is recognised on a straight-line basis over the term of the ongoing leases. Any benefits granted to tenants (rent-free periods, step rental leases) are amortised on a straight-line basis over the duration of the lease agreement, in compliance with IFRS 16, and offset against investment properties.

Share-based payments (IFRS 2)

The application of IFRS 2 has resulted in the recognition of an expense for benefits granted to employees as share-based payments. This expense is recorded in income for the year under overheads.

Free shares are valued by Covivio at the date of their award according to a binomial valuation model. This model takes into account the features of the plan (price and exercise period), market data upon award (risk-free rate, share price, volatility and expected dividends) and assumptions of beneficiary behaviour. The benefits thus granted are recognised as expenses over the vesting period, and offset by an increase in the consolidated reserves.

3.2.6.2 Operating income

3.2.6.2.1 Rental income

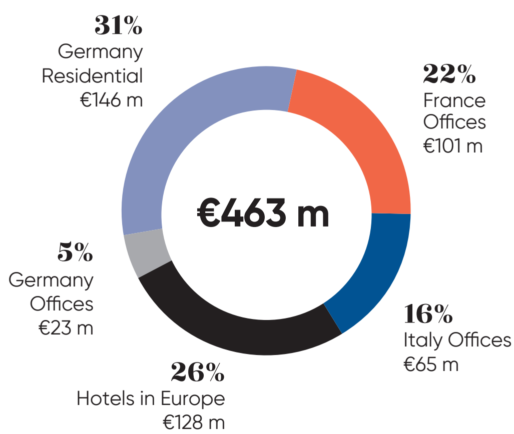
(In € thousand)	30/06/2023	30/06/2022	Change (in €M)	Change (in %)
France Offices	101,105	100,517	588	0.6%
Italy Offices	65,305	71,620	-6,315	-8.8%
Germany Offices	23,395	21,863	1,532	7.0%
Total Offices rental income	**189,805**	**194,000**	**-4,195**	**-2.2%**
Hotels in Europe	127,726	111,928	15,798	14.1%
German Residential	145,613	138,391	7,222	5.2%
Other (including French Residential)	0	9	-9	-100.0%
TOTAL RENTAL INCOME	**463,144**	**444,328**	**18,816**	**4.2%**

The rental income consists of rental and similar income (*e.g.* occupancy fees and entry rights) invoiced for investment properties during the period. Rent exemptions, step rental schemes and entry rights are spread out over the fixed term of the lease.

The changes in rents by asset-type break down as follows:

- stable rental income from France Offices (+€0.6 million, +0.6%), mainly due to the delivery of the development portfolio in 2022 and 2023 (+€9.4 million), the indexation of rents (+4.2 million) and asset management gains (+€2.9 million) offset by asset disposals (-€10.8 million) and the impact of vacancies (-€5.2 million), fuelling the development pipeline
- a decrease in rents for Italy Offices (-6.3 million, -8.8%), mainly due to disposals (-€11.2 million) partially offset by indexation of rents (+€3.9 million)
- an increase in rents for Germany Offices (+€1.5 million, +7%), mainly due to indexation.
- an increase in rents from Hotels in Europe (+€15.8 million, +14.1%), mainly due to the increase in AccorInvest variable rents (+€7 million), the effect of indexation of rents and other items (+€6.1 million) and rents in the United Kingdom (+€3 million) as well as the delivery of assets under development (+€2.3 million) which offsets the effect of disposals (-€2.9 million)
- an increase in rents in German Residential (+€7.2 million, +5.2%) mainly related to the indexation of rents (+€5.2 million) and acquisitions (+€1 million).

Rental income in 2023 by operating segment (in € million)



3.2.6.2.2 Real estate expenses

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)	Change (in %)
Rental income	463,144	444,328	18,816	4.2%
Rebillable expenses	-97,813	-88,889	-8,923	10.0%
Income from rebilling of expenses	97,813	88,889	8,923	10.0%
Unrecovered property operating costs	-20,432	-25,110	4,678	-18.6%
Expenses on properties	-14,849	-13,933	-917	6.6%
Net losses on unrecoverable receivables	-1,635	9,674	-11,309	n.a.
NET RENTAL INCOME	**426,227**	**414,959**	**11,268**	**2.7%**
RATE FOR PROPERTY EXPENSES	**-8.0%**	**-6.6%**		

- Unrecovered rental costs: These expenses correspond to charges on vacant premises. Unrecovered rental expenses are presented net of re-invoicing to the income statement.

  In accordance with IFRS 15, income from re-invoicing of rental expenses is presented separately above when the company acts as principal.
- Expenses on properties: these consist of rental expenses that are borne by the owner, expenses related to works and expenses related to property management.
- Net losses on unrecoverable receivables: These consist of losses on unrecoverable receivables and net provisions on doubtful receivables. 2022 was impacted by a reversal of impairments on doubtful receivables of +€10.5 million in Hotels in Europe, following the payment of unpaid rents in 2020 and 2021 by the tenant. Excluding net losses on unrecoverable receivables, the rate of property charges improved by 1 point to 7.6%.

3.2.6.2.3 EBITDA from Hotel Operating and Flex Office and Net Income from other activities

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)	Change (in %)
Revenues from Hotel Operating activity and Flex Office	149,428	99,688	49,740	49.9%
Operating expenses of Hotel Operating activity and Flex Office	-109,815	-74,919	-34,896	46.6%
EBITDA FROM HOTEL OPERATING ACTIVITY AND FLEX OFFICE	**39,613**	**24,769**	**14,844**	**59.9%**
Net income from Development	2,246	14,139	-11,893	-84.1%
Income from other activities	2,410	1,956	454	23.2%
Expenses of other activities	-1,528	-3,428	1,900	-55.4%
INCOME FROM OTHER ACTIVITIES	**3,128**	**12,667**	**-9,539**	**-75.3%**
TOTAL INCOME FROM OTHER ACTIVITIES	**42,741**	**37,436**	**5,305**	**14.2%**

- EBITDA from Hotel Operating activity and Flex Office consists of the EBITDA of the hotels under operation (+€31.9 million at 30 June 2023 *versus* +€19.2 million at 30 June 2022) and the income from Flex Office (+€7.7 million as at 30 June 2023 *versus* +€5.5 million as at 30 June 2022).

The +€12.7 million increase in EBITDA at hotels under management reflects the continued growth of the business, and the addition of three hotels in the United Kingdom generating +€1.3 million.

Flex Office's results increased by +€2.1 million, of which +€0.9 million for Wellio France and +€1.2 million for Wellio Italy, notably due to the opening of new sites.

- Net income from other activities includes income from the car parks business (€0.9 million) and property development in Germany (€0.6 million), Italy (€0.6 million) and France (€1 million). The decline in property development compared to last year is due to the slowdown in residential activity in Germany in the first half of 2023.

3.2.6.2.4 Net operating costs

These consist of head office expenses and operating costs net of revenues from management and administration activities.

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)	Change (in %)
Management and administration income	9,930	7,199	2,731	37.9%
Business expenses	-2,646	-2,384	-263	11.0%
Overheads	-63,195	-59,058	-4,138	7.0%
TOTAL NET OPERATING COSTS	**-55,912**	**-54,243**	**-1,669**	**3.1%**

Overheads include personnel expenses, which are specifically analysed in note 3.2.7.1.1.

3.2.6.2.5 Depreciation of operating assets and net change in provisions and other

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)
Depreciation of operating assets	-34,787	-30,090	-4,698
Net change in provision and other	15,716	7,901	7,815

Depreciation and amortisation of operating assets amounted to -€34.8 million at 30 June 2023, compared with -€30.1 million at 30 June 2022. This increase of €4.7 million is mainly due to the effect of the acquisitions of funds for five hotels in the second half of 2022.

The change in the Net change in provisions and other item is mainly due to the +€7.7 million reversal of the provision for taxes on the operating properties Hotels scope in Germany.

This item includes the rebilling of long-term leases conferring in rem rights to tenants (€6.5 million as at 30 June 2023 *versus* €6.6 million as at 30 June 2022) when the rental expense is restated. Indeed, in order not to distort the real-estate expense ratio and following the cancellation of the rental expense in accordance with IFRS 16, the income from rebilling tenants is presented as a net change in provisions and others.

The €30 million "Net depreciation, amortisation and provisions" line item of the cash flow statement mainly includes €34.8 million in depreciation and amortisation of operating assets, as well as the reversal of the provision for taxes on the operating properties Hotels scope in Germany (-€7.7 million).

3.2.6.3 Income from asset disposals

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)	Change (in %)
Proceeds from asset disposals[1]	206,276	317,899	-111,623	-35.1%
Disposal values of assets sold[2]	-209,941	-317,289	107,348	-33.8%
INCOME FROM ASSET DISPOSALS	**-3,665**	**610**	**-4,275**	

(1) Sale price net of disposal costs.

(2) Corresponds to the appraisal values published at 31 December 2022.

Income from asset disposals by business segment is shown in note 3.2.8.9.

3.2.6.4 Change in the fair value of buildings

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)
France Offices	-391,236	52,809	-444,045
Italy Offices	-39,460	29,193	-68,653
Hotels in Europe	-44,043	143,488	-187,531
German Residential	-650,233	432,849	-1,083,082
Germany Offices	-152,710	-11,763	-140,947
TOTAL CHANGE IN FAIR VALUE OF PROPERTIES	**-1,277,682**	**646,576**	**-1,924,258**

The -€1,278 million fall in the fair value of properties reflects valuation decreases of -€650.2 million in the German Residential portfolio (mainly Berlin assets), -€44 million in the entire Hotels in Europe portfolio, and -€583.4 million in offices in Europe, of which -€391.2 million related to France Offices. This was due to the increase in capitalisation and discount rates after the rise in interest rates, which was only partly offset by the increase in prime rents and indexation.

3.2.6.5 Net income from disposals of securities

Net income from disposals of securities is made up of an adjustment of the sale price of car parks (sold in 2022) for -€0.3 million.

3.2.6.6 Net income from changes in scope

They mainly record the acquisition costs of consolidated equity investments, which, in accordance with IFRS 3 "Business Combinations", must be recognised as expenses for the fiscal year.

The line "Impact of changes in the scope of consolidation related to investing activities" (§ 39 of IAS 7) of +€0.6 million corresponds to the adjustment following the final price received from the car park companies sold at the beginning of 2022, for -€0.3 million by the France Offices business and +€0.9 million at Italy Offices.

3.2.6.7 Cost of the net financial debt

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)	Change (in %)
Interest income on cash transactions	2,243	5,788	-3,545	-61.2%
Interest expense on financing operations	-121,056	-56,846	-64,210	113.0%
Regular amortisations of loan issue costs	-6,332	-6,160	-172	2.8%
Net expenses on hedges	39,409	-13,276	52,684	-396.8%
COST OF NET DEBT	**-85,736**	**-70,493**	**-15,243**	**21.6%**
AVERAGE ANNUAL RATE OF DEBT	**1.46%**	**1.14%**		

The deterioration in the cost of net financial debt of -€15.2 million is mainly due to:

- the increase in interest expenses on bank loans (-€66.6 million) following the increase in average rates, partially offset by interest earned on hedges (+€52.7 million), due to the general rise in interest rates: 10-year interest rates in the euro zone increased by +86 basis points from 2.14% at the end of June 2c022 to 3.00% at the end of June 2023
- a decrease in penalties and fixed-rate debt repurchase costs for +€1.1 million
- the decrease in capitalised financial expenses for -€5.1 million.

3.2.6.8 Net financial income

(In € thousand)	30/06/2023	30/06/2022	Change (in €M)	Change (in %)
Cost of the net financial debt	***-85,736***	***-70,493***	***-15,243***	***21.6%***
Interest cost for rental liabilities	***-7,831***	***-7,573***	***-257***	***3.4%***
Valuation of financial instruments	-29,229	399,650	-428,879	
Changes in the fair value of financial instruments	***-29,229***	***399,650***	***-428,879***	
Foreign exchange gains and losses	366	-1,094	1,460	
Discounting and foreign exchange gains or losses	***366***	***-1,094***	***1,460***	
Exceptional amortisation of loan issue costs	-272	-685	413	
Other	-79	1,787	-1,866	
Exceptional amortisation of loan issue costs	***-351***	***1,102***	***-1,453***	
TOTAL FINANCIAL INCOME	**-122,780**	**321,592**	**-444,372**	**N/A**

The change in interest rates compared to last year impacted the fair value of financial instruments by -€29.2 million. Thus, at 30 June 2022, financial income amounted to net income of +€321.6 million *versus* a net expense of -€122.8 million at 30 June 2023.

The line "Cost of net financial debt and interest expenses on rental liabilities" of the TFT of €86.9 million corresponds to the cost of net financial debt for -€85.7 million restated for the amortisation of loan issue expenses for +€6.3 million, interest expense on rental liabilities for -€7.8 million and foreign exchange gains and losses for +€0.3 million.

3.2.6.9 Current and deferred tax liabilities

3.2.6.9.1 Accounting principles related to current and deferred tax liabilities

SIIC tax regime (French companies)

Opting for the SIIC tax regime involves the immediate liability for an exit tax at the reduced rate of 19% on unrealised capital gains relating to assets and securities of entities not subject to corporation tax. The exit tax is payable over four years, in four instalments, starting with the year the option is taken up. In return, the company is exempted from income tax on the SIIC business and is subject to distribution obligations.

(1) Exemption of SIIC revenues

The revenues of the SIIC are exempt from taxes concerning:

- income from the leasing of buildings
- capital gains realised on asset disposals, investments in companies having opted for the tax treatment or companies not subject to corporation tax in the same business, as well as the rights under a lease contract and real-estate rights under certain conditions
- dividends of SIIC subsidiaries.

(2) Distribution obligations

The distribution obligations associated with exemption profits are the following:

- 95% of the earnings derived from asset leasing
- 70% of the capital gains from disposals of assets and shares in subsidiaries having opted for the tax treatment or subsidiaries not subject to corporation tax with a SIIC corporate purpose for two years
- 100% of dividends from subsidiaries that have opted for the tax treatment.

The Exit Tax liability is discounted on the basis of the initial payment schedule determined from the first day the relevant entities adopted SIIC status.

The liability initially recognised is discounted and an interest charge is applied at each closing, allowing the liability to reflect the net discounted value as at the closing date. The discount rate used is based on the yield curve, given the deferred payment.

As at 30 June 2023, there are no exit tax liabilities on the balance sheet.

Ordinary law regime and deferred taxes

Deferred taxes result from temporary differences in taxation or deduction and are calculated using the liability method, and on all temporary differences in the company financial statements, or resulting from consolidation adjustments. The valuation of the deferred tax assets and liabilities must reflect the tax consequences that would result from the method by which the company seeks to recover or settle the book value of its assets and liabilities at the end of the financial year. Deferred taxes are applicable to Covivio group entities that are not eligible for the SIIC tax regime.

A deferred tax asset is recognised in the case of deferrable tax losses in the likely event that the entity in question, not eligible for the SIIC regime, will have taxable future profits against which the tax losses may be offset.

In the case where a French company intends to opt directly or indirectly for SIIC tax treatment in the near future, an exception under the ordinary law regime is applied by anticipating the application of the reduced rate (exit tax) in the valuation of deferred taxes.

SIIQ tax regime (Italian companies)

Following Beni Stabili's merger with Covivio, the tax arrangements for Covivio's permanent establishment in Italy changed after it left the SIIQ tax regime. It is now subject to the 20% tax on real-estate companies.

In Italy, following the adoption of the law on the revaluation of properties, the Group opted in 2021 for the tax revaluation of certain Italian assets.

During the first half of 2022, the tax authorities clarified the calculation rules by limiting the amount of the tax revaluation to the market value when this is lower than the tax value. In this context, the Group had to recalculate the amount of the tax revaluation and the "substitutive tax" of 3%.

SOCIMI tax regime (Spanish companies)

The Spanish companies held by Covivio Hotels opted for the SOCIMI tax regime, effective on 1 January 2017. Opting for SOCIMI does not trigger an exit tax upon making the option. However, the capital gains on the period outside of the SOCIMI regime during which assets were held are taxable when disposing of said assets.

The rental income from the leasing of assets and proceeds from disposals of assets held under the SOCIMI regime are tax exempt, provided 80% of rental profits and 50% of asset disposal profits are distributed. These capital gains are determined by allocating the taxable gains to the period outside the SOCIMI regime in a linear basis, over the total holding period.

3.2.6.9.2 Taxes and theoretical tax rate by geographical area

(In € thousand)	Taxes payable	Deferred taxes	Total	Deferred tax rate
France	-252	307	55	25.83% (1)
Italy	-2,482	1,628	-854	20.00% (2)
Germany	-9,686	128,092	118,406	15.83% (3)
Belgium	-929	0	-929	25.00% (4)
Luxembourg	-455	7,825	7,370	24.94%
United Kingdom	-1,333	-799	-2,132	25.00% (5)
Netherlands	-686	363	-323	25.80% (6)
Portugal	-239	-650	-889	22.50% (7)
Spain	0	-39	-39	25.00%
Ireland	-164	89	-75	33.00% (8)
Poland	-71	55	-17	9.00% (9)
Hungary	-64	584	520	9.00%
Czech Republic	-217	99	-119	19.00%
TOTAL	**-16,579**	**137,554**	**120,976**	

(-) corresponds to a tax expense; (+) corresponds to tax income

(1) In France, the tax rate for the 2023 fiscal year is 25.83%.
(2) Since the merger with Covivio and its exit from the SIIQ regime, Covivio in Italy has been subject to a 20% tax rate.
(3) In Germany, the tax rate on property goodwill is 15.83%; however, for companies in the hotel operations activity, tax rates vary between 30.18% and 32.28%.
(4) In Belgium, the tax rate for the 2023 fiscal year is 25%.
(5) In the United Kingdom, the tax rate applied from 1 April 2023 is 25%.
(6) In the Netherlands, the rate for the 2023 financial year is 25.8%.
(7) In Portugal, the tax rate used for the 2023 fiscal year is 21%, plus a regional tax rate of 1.5%.
(8) In Ireland, the tax rate for the 2023 financial year is 12.5% for operating activities, 25% for holding companies and 33% for gains on disposals.
(9) In Poland, the tax rate applied for the 2023 fiscal year is 9% for companies with revenue of less than €2 million per year, and 19% above that.

Taxes payable on disposals amounted to -€1 million in German Residential. Taxes payable in Italy Offices mainly relate to the national corporate income tax "IRES" (-€2.4 million).

Impact of deferred taxes on income

(In € thousand)	30/06/2023	30/06/2022	Change
France Offices	-303	0	-303
Italy Offices	2,145	-21,654	23,799
Germany Offices	21,122	-861	21,983
Hotels in Europe	2,029	-13,666	15,696
German Residential	112,551	-98,071	210,622
Other	10	23	-13
TOTAL	**137,554**	**-134,229**	**271,784**

- In Italy Offices, the change mainly reflects the deferred tax expense for the first half of 2022, of which -€14.8 million relates to the clarification of the rules for calculating the 3% substitutive tax for the tax revaluation of certain real estate assets (note 3.2.6.9.1).
- The deferred tax expense of Hotels in Europe is mainly related to the increase in asset values in Germany and the United Kingdom.
- The deferred tax expense of German Residential mainly relates to an increase in the value of assets.

3.2.7 Other information

3.2.7.1 Personnel remuneration and benefits

3.2.7.1.1 Staff costs

At 30 June 2023, personnel expenses amounted to €92 million (compared with €74.8 million at 30 June 2023), breaking down as follows:

(In € thousand)	30/06/2023	30/06/2022
EBITDA from Hotel Operating activity and Flex Office	-37,152	-23,415
Overheads	-42,430	-37,559
Income from asset disposals	-1,790	-1,360
TOTAL Personnel expenses in the statement of net income	**-81,372**	**-62,334**
Development and promotion projects	-10,628	-12,481
TOTAL Capitalised personnel expenses	**-10,628**	**-12,481**
TOTAL PERSONNEL EXPENSES	**-92,000**	**-74,815**

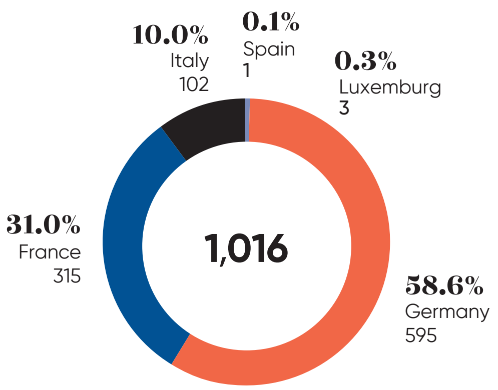
The EBITDA item for hotels under management and Flex Office includes personnel expenses, which increased by €13.7 million following the continued recovery of activity.

In the Overheads item, staff costs are €42.2 million .at 30 June 2023. It includes share based payments for €3.9 million and a related social charge expense for €0.4 million. The rise in overheads costs of a €4.9 million compared with half year 2022 in mainly due to an income of €1.8 million booked last year on free shares plans related to resignation of managers.

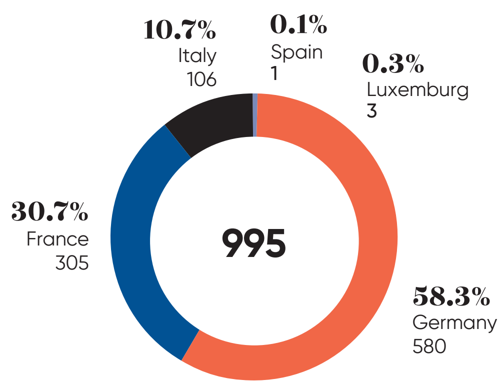
Headcount

At 30 June 2023, the headcount of fully consolidated companies, excluding companies in the Operating Properties business line, was 995 compared with 1,016 at 31 December 2022.

Headcount by country in number of employees



Headcount in 2022



Headcount in 2023

The average headcount in the first half-year of 2023 was 993 people.

For the period, the companies in the Operating Properties business line had an average headcount of 1,325 people *versus* 1,321 as at 31 December 2022.

Following the takeover of two hotels in Belgium in the second half of 2022, the average headcount varied by 217 people between 30 June 2023 and 30 June 2022.

3.2.7.1.2 Description of share-based payments

Covivio awarded free shares in the first half of 2023. The following assumptions were made for the free shares:

Plan of 21 February 2023	Corporate officers – with performance condition plan 1	Corporate officers – with performance condition plan 2	Corporate officers – with performance condition plan 3	Corporate officers and/or employees – without performance condition plan 4
Date awarded	21/02/2023	21/02/2023	21/02/2023	21/02/2023
Number of shares awarded	16,393	10,929	27,321	7,729
Share price on the date awarded	€62.00	€62.00	€62.00	€62.00
Exercise period for rights	3 years	3 years	3 years	3 years
Cost of forfeiture of dividends	-€10.84	-€10.84	-€10.84	-€10.84
Actuarial value of the share net of dividends not collected during the vesting period	€51.16	€51.16	€51.16	€51.16
Revenue-related discount:				
In number of shares	2,646	1,764	4,411	1,248
As percentage of share price on the date awarded	16%	16%	16%	16%
Value of the benefit per share	€16.65	€14.44	€32.92	€41.15

During the first half of 2023, the total number of free shares allocated was 62,372. As stated elsewhere, the corresponding expense is recognised in income over the entire vesting period.

Following the final allocation of the February 2020 plan, the expense calculated for previous years was revised downwards following the departure of employees for -€0.8 million (income).

The expense on free shares recognised at 30 June 2023 was €3.9 million (compared to €6.8 million at 31 December 2022). The associated URSSAF contribution was estimated at -€0.4 million (expense). In addition, the URSSAF expenses paid in 2023 for the shares vested from the 2020 plan were reclassified as free share expenses in the amount of €0.3 million. These expenses are presented in the income statement on the "Overheads" line.

The cost of the free shares includes the impact of the 2020 plan for €1.2 million, the 2021 plan for €1.5 million, the 2022 plan for €0.9 million and the 2023 plan for €0.3 million.

3.2.7.2 Earnings per share and diluted earnings per share

Earnings per share (IAS 33)

Basic earnings per share are calculated by dividing the income attributable to holders of ordinary Covivio shares (the numerator) by the average weighted number of ordinary shares outstanding (the denominator) over the period.

To calculate the diluted earnings per share, the average number of shares outstanding is adjusted to take into account the conversion of all potentially dilutive ordinary shares, in particular free shares being vested.

The impact of the dilution is only taken into account if it is dilutive.

The dilutive effect is calculated using the treasury stock method. The number calculated using this method is added to the average number of shares outstanding and becomes the denominator. To calculate the diluted earnings, the income attributable to the holders of ordinary Covivio shares is adjusted by:

- all dividends or other items under potentially dilutive ordinary shares that were deducted to arrive at the income attributable to the holders of ordinary shares
- interest recognised during the fiscal year to the potentially dilutive ordinary shares
- any change in the income and expenses resulting from the conversion of the dilutive potential ordinary shares.

	Net income	Net income from continuing operations
Group Share (in €M)	**-689,711**	**-689,711**
Average number of undiluted shares	**94,838,980**	**94,838,980**
Total dilution impact	**573,974**	**573,974**
Number of free shares[1]	*573,974*	*573,974*
Average number of diluted shares	**95,412,954**	**95,412,954**
UNDILUTED EARNINGS PER SHARE (IN €)	**-7.27**	**-7.27**
Impact of dilution – free shares (in €)	**0.04**	**0.07**
DILUTED EARNINGS PER SHARE (IN €)	**-7.23**	**-7.23**

(1) The number of shares being vested is broken down according to the following plans:

2020 plan	*112,135*
2021 plan	*257,989*
2022 plan	*141,478*
2023 plan	*62,372*
Total	***573,974***

3.2.7.3 Related-party transactions

The information mentioned below concerns the main related parties, namely equity affiliates.

Details of related-party transactions (in € thousand)

Partner	Type of partner	Operating income	Net financial income	Balance sheet	Comments
Cœur d'Orly	Equity affiliates	220	0	7,688	Monitoring of projects and investments, Loans, Asset and property fees
Euromed	Equity affiliates	124	0	24,096	Loans, Asset and property fees
Lenovilla	Equity affiliates	193	0	9,937	Loans, Asset and property fees

3.2.8 Segment reporting

3.2.8.1 Accounting principles relating to operating segments – IFRS 8

The Covivio group holds a wide range of real-estate assets to collect rental income and benefit from appreciation in the assets held. Segment reporting is organised by asset type.

The operating segments are as follows:

- France Offices: office real-estate assets located in France
- Italy Offices: office real-estate and retail assets located in Italy
- Germany Offices: office real-estate assets located in Germany held by the Covivio group *via* its subsidiary Covivio Office Holding
- Hotels in Europe: commercial buildings largely in the hotel segment and Hotel Operating properties held by Covivio Hotels
- German Residential: real estate housing assets in Germany held by the Covivio group through its subsidiary Covivio Immobilien SE.

These segments are reported on and analysed regularly by Group management in order to make decisions on what resources to allocate to the segment and to evaluate their performance.

Following the sale of three car park management companies and the transfer of all assets of FDL (France Residential) in 2022, the Other segment includes non-material activities.

3.2.8.2 Intangible fixed assets

31/12/2022 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Intangible assets and goodwill	13,814	2,308	120,404	427	40	303	137,297
NET	**13,814**	**2,308**	**120,404**	**427**	**40**	**303**	**137,297**

30/06/2023 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Intangible assets and goodwill	12,333	4,852	118,447	647	22	257	136,558
NET	**12,333**	**4,852**	**118,447**	**647**	**22**	**257**	**136,558**

3.2.8.3 Tangible assets

31/12/2022 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Operating properties	202,770	123,266	1,096,619	41,091	4,395	3,392	1,471,533
Other fixed assets	8,078	3,023	17,530	11,413	224	64	40,332
Fixed assets in progress	32,676	30,522	5,272	0	0	0	68,470
NET	**243,524**	**156,811**	**1,119,421**	**52,504**	**4,619**	**3,456**	**1,580,335**

30/06/2023 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Operating properties	231,555	118,332	1,084,313	43,733	4,004	3,260	1,485,197
Other fixed assets	9,321	2,810	16,066	11,063	280	55	39,595
Fixed assets in progress	40,160	31,425	7,413	0	0	0	78,998
NET	**281,036**	**152,567**	**1,107,792**	**54,796**	**4,284**	**3,315**	**1,603,790**

In France Offices, the change in tangible fixed assets (+€38 million) corresponds mainly to the €32 million transfer of the N2 hotel in the Operating properties business and work carried out on the future L'Atelier head office in Paris for €7.7 million.

3.2.8.4 Investment properties/Assets held for sale

31/12/2022 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Investment properties	4,736,349	2,539,462	4,937,208	8,209,194	968,901	0	21,391,114
Assets held for sale	175,856	28,742	42,946	11,554	0	302	259,400
Investment properties under development	787,530	210,597	0	22,511	553,017	0	1,573,655
TOTAL	**5,699,735**	**2,778,801**	**4,980,154**	**8,243,259**	**1,521,918**	**0**	**23,224,169**

30/06/2023 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Investment properties	4,519,941	2,482,425	4,863,567	7,620,294	894,995	0	20,381,222
Assets held for sale	61,625	13,034	104,458	13,563	0	212	192,892
Investment properties under development	624,668	246,998	0	5,597	519,574	0	1,396,837
TOTAL	**5,206,234**	**2,742,457**	**4,968,025**	**7,639,454**	**1,414,569**	**212**	**21,970,951**

The change of -€1,253 million is mainly due to the impact of the negative change in fair value (-€1,278 million), disposals for the period (-€207.9 million) offset by the works and capitalisation of personnel expenses, intermediaries' fees and financial interest (+€217.8 million), *i.e.* § 3.2.5.1.3.

3.2.8.5 Financial fixed assets

31/12/2022 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Loans	30,281	0	66,531	8	0	5	96,825
Other financial assets	652	4,564	1,157	8,132	0	2,250	16,755
Receivables on financial assets	0	9	-0	243	40	0	292
Sub-total non-current financial assets	**30,933**	**4,573**	**67,688**	**8,383**	**40**	**2,255**	**113,872**
Investments in equity affiliates	154,349	35,018	211,691	0	0	0	401,058
TOTAL FINANCIAL ASSETS	**185,282**	**39,591**	**279,379**	**8,383**	**40**	**2,255**	**514,930**

30/06/2023 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Loans	42,634	0	63,934	8	0	16	106,592
Other financial assets	652	4,458	1,157	10,469	0	0	16,736
Receivables on financial assets	0	18	-0	243	40	0	301
Sub-total non-current financial assets	43,286	4,476	65,091	10,720	40	16	123,629
Investments in equity affiliates	140,466	35,497	213,352	0	0	0	389,315
TOTAL FINANCIAL ASSETS	**183,752**	**39,973**	**278,443**	**10,720**	**40**	**16**	**512,944**

3.2.8.6 Contribution to shareholders' equity

31/12/2022 (In € thousand)	Offices France and Italy	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Shareholders' equity Group Share before elimination of securities	*7,187,076*	*1,567,281*	*4,103,391*	*656,788*	*9,001*	*13,523,538*
Elimination of securities	*0*	*-1,314,157*	*-2,046,831*	*-678,759*	*-40,781*	*-4,080,528*
Shareholders' equity Group Share	**7,187,076**	**253,124**	**2,056,560**	**-21,971**	**-31,780**	**9,443,010**
Minority interests	662,858	2,187,332	1,681,545	116,763	0	4,648,499
SHAREHOLDERS' EQUITY	**7,849,934**	**2,440,456**	**3,738,105**	**94,793**	**-31,780**	**14,091,509**

30/06/2023 (In € thousand)	Offices France and Italy	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Shareholders' equity Group Share before elimination of securities	6,883,863	1,517,771	3,795,126	562,521	7,280	12,766,562
Elimination of securities	0	-1,314,157	-2,046,831	-678,759	-40,781	-4,080,528
Shareholders' equity Group Share	6,883,863	203,614	1,748,295	-116,238	-33,501	8,686,034
Minority interests	568,447	2,123,131	1,471,712	112,172	0	4,275,462
SHAREHOLDERS' EQUITY	**7,452,311**	**2,326,744**	**3,220,007**	**-4,066**	**-33,501**	**12,961,495**

3.2.8.7 Financial liabilities

31/12/2022 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Total long-term interest-bearing loans	3,074,583	1,273,138	2,208,194	2,709,189	469,758	0	9,734,862
Total short-term interest-bearing loans	755,675	17,422	294,515	131,437	33,756	0	1,232,805
TOTAL LT AND ST LOANS	**3,830,258**	**1,290,560**	**2,502,709**	**2,840,626**	**503,514**	**0**	**10,967,667**

30/06/2023 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Total long-term interest-bearing loans	3,097,173	1,325,986	2,384,687	2,722,687	185,758	0	9,716,291
Total short-term interest-bearing loans	481,619	16,269	230,251	182,269	271,506	277	1,182,191
TOTAL LT AND ST LOANS	**3,578,792**	**1,342,255**	**2,614,938**	**2,904,956**	**457,264**	**277**	**10,898,482**

At 30 June 2023, part of the uncollateralised bank debt for France Offices was reallocated to Italy Offices (+€408 million).

3.2.8.8 Derivative instruments

31/12/2022 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Financial instruments – Assets	346,785	15,850	277,455	160,360	12,826	0	813,276
Financial instruments – Liabilities	199,372	0	100,087	0	941	0	300,400
NET FINANCIAL INSTRUMENTS	**-147,413**	**-15,850**	**-177,367**	**-160,360**	**-11,885**	**0**	**-512,876**

30/06/2023 (In € thousand)	France Offices	Italy Offices	Hotels in Europe	German Residential	Germany Offices	Other (including France Residential)	Total
Financial instruments – Assets	320,935	13,520	279,841	150,645	14,650	0	779,590
Financial instruments – Liabilities	157,238	0	104,043	225	593	0	262,099
NET FINANCIAL INSTRUMENTS	**-163,697**	**-13,520**	**-175,797**	**-150,420**	**-14,057**	**0**	**-517,491**

3.2.8.9 Income statement by operating segment

In accordance with IFRS 12, § B11, inter-segment transactions, in particular management fees, are indicated separately in this presentation.

2022 (In € thousand)	France Offices	Italy Offices	Germany Offices	Hotels in Europe	German Residential	Other (France Residential)	Intercos Inter-sector	30/06/2022
Rental income	100,546	71,620	21,931	111,928	138,418	9	-124	444,328
Unrecovered property operating costs	-9,927	-7,979	-4,001	-1,660	-1,527	-257	241	-25,110
Expenses on properties	-3,548	-2,360	-600	-1,539	-9,668	-211	3,993	-13,933
Net losses on unrecoverable receivables	-696	-56	620	10,392	-607	21	0	9,674
Net rental income	**86,375**	**61,225**	**17,950**	**119,121**	**126,616**	**-438**	**4,110**	**414,959**
EBITDA from Hotel Operating activity & Flex Office	**3,838**	**1,556**	**0**	**19,418**	**0**	**0**	**-43**	**24,769**
Income from other activities	**1,454**	**242**	**25**	**21**	**10,406**	**519**	**0**	**12,667**
Management and administration income	7,546	499	1,130	8,642	2,824	4,533	-17,975	7,199
Business expenses	-678	-172	-280	-7,006	-568	-15	6,336	-2,384
Overheads	-16,449	-7,134	-2,603	-9,116	-24,478	-5,989	6,711	-59,058
Net operating costs	**-9,581**	**-6,807**	**-1,753**	**-7,480**	**-22,222**	**-1,471**	**-4,928**	**-54,243**
Depreciation of operating assets	-5,164	-1,986	-446	-19,940	-2,046	-508	0	-30,090
Net change in provision and other	79	266	-79	6,597	-16	818	236	7,901
Operating income	**77,001**	**54,496**	**15,697**	**117,737**	**112,738**	**-1,080**	**-625**	**375,964**
Net income from inventory properties	**0**	**-1,625**	**0**	**0**	**163**	**0**	**0**	**-1,462**
Income from asset disposals	**-406**	**23**	**-9**	**-684**	**870**	**191**	**625**	**610**
Income from value adjustments	**52,809**	**29,193**	**-11,763**	**143,488**	**432,849**	**0**	**0**	**646,576**
Income from disposal of securities	**24,530**	**0**	**0**	**0**	**-1**	**0**	**0**	**24,529**
Net income from changes in scope	**-307**	**-121**	**6**	**-44**	**0**	**0**	**0**	**-466**
Operating result	**153,627**	**81,966**	**3,931**	**260,496**	**546,619**	**-889**	**0**	**1,045,750**
Cost of the net financial debt	-11,785	-9,364	-3,221	-25,099	-21,354	330	0	-70,493
The interest cost for rental liabilities	-26	-10	-237	-7,266	-3	-31	0	-7,573
Value adjustment on derivatives:	139,184	946	6,873	138,305	114,342	0	0	399,650
Discounting and foreign exchange gains or losses	0	0	0	-1,094	0	0	0	-1,094
Exceptional amortisation of loan issue costs	0	1,408	0	-225	-81	0	0	1,102
Share of income from companies accounted for under the equity method	17,515	2	0	13,677	0	0	0	31,193
Net income before tax	**298,515**	**74,948**	**7,346**	**378,794**	**639,523**	**-590**	**0**	**1,398,536**
Deferred taxes	0	-21,654	-861	-13,666	-98,071	23	0	-134,229
Corporate taxes	-266	1,544	-268	-2,613	-6,284	-61	0	-7,948
Net income for the period	**298,249**	**54,838**	**6,217**	**362,514**	**535,168**	**-628**	**0**	**1,256,358**
Net income from non-controlling interests	31,939	25,490	2,870	210,261	190,122	0	0	460,683
NET INCOME FOR THE PERIOD – GROUP SHARE	**266,309**	**29,348**	**3,348**	**152,253**	**345,046**	**-628**	**0**	**795,675**

2023 (In € thousand)	France Offices	Italy Offices	Germany Offices	Hotels in Europe	German Residential	Other (France Residential)	Intercos Inter-sector	30/06/2023
Rental income	101,141	65,305	23,514	128,627	145,702	0	-1,145	463,144
Unrecovered property operating costs	-9,890	-5,469	-2,028	-1,485	-1,568	-209	217	-20,432
Expenses on properties	-3,819	-2,220	-729	-2,103	-10,036	-179	4,237	-14,849
Net losses on unrecoverable receivables	1,437	-393	-387	-716	-1,576	0	0	-1,635
Net rental income	**88,869**	**57,223**	**20,370**	**124,322**	**132,522**	**-388**	**3,309**	**426,227**
EBITDA from Hotel Operating activity & Flex Office	**5,004**	**2,763**	**0**	**31,930**	**0**	**0**	**-84**	**39,613**
Income from other activities	**2,476**	**-1,009**	**43**	**47**	**1,054**	**517**	**0**	**3,128**
Management and administration income	7,452	219	1,613	8,528	4,020	4,644	-16,546	9,930
Business expenses	-965	-154	-182	-6,404	-701	-4	5,764	-2,646
Overheads	-16,402	-7,550	-2,859	-11,122	-26,764	-6,001	7,503	-63,195
Net operating costs	**-9,915**	**-7,485**	**-1,428**	**-8,998**	**-23,445**	**-1,361**	**-3,279**	**-55,912**
Depreciation of operating assets	-6,258	-2,346	-435	-23,429	-1,674	-645	0	-34,787
Net change in provision and other	-253	185	480	14,231	172	847	54	15,716
Operating income	**79,923**	**49,331**	**19,030**	**138,102**	**108,629**	**-1,030**	**0**	**393,985**
Net income from inventory properties	**34**	**52**	**0**	**-8**	**-45**	**0**	**0**	**33**
Income from asset disposals	**-685**	**-47**	**-5**	**-269**	**-2,659**	**0**	**0**	**-3,665**
Income from value adjustments	**-391,236**	**-39,460**	**-152,710**	**-44,043**	**-650,233**	**0**	**0**	**-1,277,682**
Income from disposal of securities	**-288**	**0**	**0**	**0**	**0**	**0**	**0**	**-288**
Net income from changes in scope	**0**	**0**	**0**	**-1,884**	**0**	**0**	**0**	**-1,884**
Operating result	**-312,252**	**9,876**	**-133,685**	**91,898**	**-544,308**	**-1,030**	**0**	**-889,501**
Cost of the net financial debt	-19,810	-7,104	-1,718	-30,628	-26,674	198	0	-85,736
The interest cost for rental liabilities	-12	-6	-263	-7,517	0	-33	0	-7,831
Value adjustment on derivatives:	-28,232	0	1,102	7,839	-9,938	0	0	-29,229
Discounting and foreign exchange gains or losses	-1	0	0	367	0	0	0	366
Exceptional amortisation of loan issue costs	-210	-84	0	-57	0	0	0	-351
Share of income from companies accounted for under the equity method	-18,338	479	0	4,555	0	0	0	-13,304
Net income before tax	**-378,854**	**3,161**	**-134,564**	**66,458**	**-580,920**	**-865**	**0**	**-1,025,583**
Deferred taxes	-303	2,145	21,122	2,029	112,551	10	0	137,554
Corporate taxes	0	-2,329	-269	-6,133	-7,579	-269	0	-16,579
Net income for the period	**-379,157**	**2,977**	**-113,711**	**62,355**	**-475,948**	**-1,124**	**0**	**-904,608**
Net income from non-controlling interests	-70,828	8,137	-19,442	35,146	-167,910	0	0	-214,897
NET INCOME FOR THE PERIOD – GROUP SHARE	**-308,329**	**-5,160**	**-94,269**	**27,209**	**-308,038**	**-1,124**	**0**	**-689,711**

3.2.9 Subsequent events

In July 2023, Covivio signed new commitments and real estate development contracts for €255 million and new firm offers for €18 million.

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Statutory auditor's report

Statutory auditors' review report on the half-yearly financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period from 1 January to 30 June 2023

To the Shareholders,

In compliance with the assignment entrusted to us by your general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Covivio, for the period from January 1, 2023 to June 30, 2023,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance that the accounts, taken as a whole, are free from material misstatement, obtained in the context of a limited review, is a moderate level of assurance, lower than that obtained in the context of an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 28, 2023

The Statutory Auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
Claire Gueydan-O'Quin	Anne Herbein

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Certification of the preparer

Certification of the preparer

I certify that, to my knowledge, the abridged accounts for this past semi-annual period have been prepared in accordance with the applicable accounting standards and give a faithful image of the assets, of the financial position and of the results of the company as well as of all of the companies included in the consolidation, and that the attached semi-annual business report presents a faithful picture of the important events occurring during the first six months of the financial year, of their impact on the accounts, of the major transactions between related parties, as well as a description of the main risks and main uncertainties for the remaining six months of the financial year.

03 August 2023,

Christophe Kullmann
Chief Executive Officer
Person in charge of the Financial Information

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Glossary

Net asset value per share (NRV/share), NTA and NDV per share

NRV per share (NTA and NDV per share) is 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"

Rental income

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

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

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

Portfolio

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

Projects

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

Yields/return

The portfolio returns are calculated according to the following formula:

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

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

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

EPRA Earnings

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

- Calculation:

(+) Net Rental Income

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

(+) Income from other activities

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

(-) Depreciation of operating assets

(-) Net change in provisions and other

(-) Cost of the net financial debt

(-) Interest charges linked to finance lease liability

(-) Net change in financial provisions

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

(-) Corporate taxes

(=) EPRA Earnings

Surface

SHON: Gross surface

SUB: Gross used surface

Debt interest rate

- **Average cost:**

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

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

Occupancy rate

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

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

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 €/m^2 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, *i.e.*:
  - 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.

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