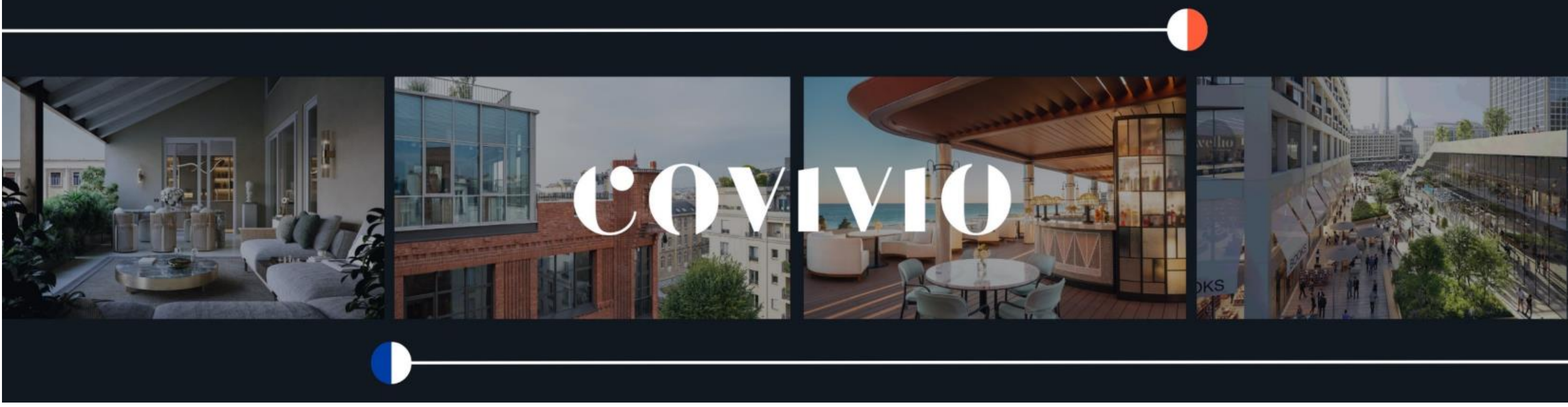



Paris, 15 February 2024, 6.30 p.m.

# 2023 annual results
# Ahead of targets and continued growth in recurring earnings

"*In a real estate market impacted by rising interest rates, Covivio has adapted quickly, notably through €720 million in new disposal agreements. Meanwhile, recurring net income rose, driven by asset management transactions and a +6.4% increase in like-for-like revenues. In 2024, we will maintain our financial discipline while pursuing growth in recurring results."*
Christophe Kullmann, Covivio Chief Executive Officer

**Strong operational performances**

- Hotels: negotiations with AccorInvest for a value-creating swap to consolidate OpCos and PropCos
- Offices: almost 131,000 m² let or renewed and occupancy increased to 94.5%
- Residential: accelerating rental reversion of +21% (+31% in Berlin)
- Occupancy rate (96.7%) and average firm lease duration (7 years) maintained at high levels

**+6.4% growth in like-for-like revenues**

- Consolidated revenues of €1 billion (€648 million Group share), +2.4% on a reported basis and +6.4% like-for-like
- Offices: like-for-like rental growth of +5.2%
- Germany Residential: acceleration in like-for-like rental growth to +3.9% (vs. +3.1% in 2022)
- Hotels: like-for-like growth of +12.7% (+9% on fixed rents and +19% on variable revenues)

**A quality and stronger balance sheet**

- Ahead of disposal target: €720 million in new disposal agreements in 2023
- Net debt reduced by almost €700 million
- Liquidity doubled to €2.4 billion, covering debt expiries until Q1 2026
- LTV kept under control at 40.8%, despite a -10% decline in like-for-like values

**Recurring net income up +1% in 2023 despite deleveraging**

- Recurring net income (adjusted EPRA Earnings) up +1% at €435 million (€4.47 per share) vs. first guidance of €410 million
- EPRA NTA (net tangible assets) down by -21% year-on-year to €84.1 per share, impacted by property values

**ESG strategy: new progress in indicators, customer satisfaction and ratings**

- 95.3% of our portfolio is certified, with 67% of the office portfolio certified HQE/BREEAM Very Good or above
- Increase in the proportion of debt linked to ESG objectives to 57% from 38% at end-2022
- Strategy acclaimed by our clients and praised by agencies, with our CDP rating upgraded to "A" in February 2024

**2024 outlook**

- Maintain financial discipline: €580 million disposal target and proposed dividend of €3.30 per share for 2023, with option for payment in shares
- Unlocking of growth potential through indexation, reversion and asset management transactions (including the expected finalisation of the asset swap with AccorInvest in the second half)
- 2024 recurring net income (adjusted EPRA Earnings) guidance of around €440 million, slightly up while pursuing deleveraging
- Target to return to a 2024 full cash dividend with a payout ratio above 80%

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

## Main operational and financial KPIs

| **P&L**, In € million, Group share | **2022** | **2023** | **Change** | **Change** Like-for-like |
|---|---|---|---|---|
| Occupancy rate (%) | 96.6% | **96.7%** | +0.1pt | |
| Revenue | 633.0 | **648.0** | +2.4% | **+6.4%** |
| Current operating income | 499.5 | **506.8** | +1.5% | |
| Recurring net result (*) | 430.2 | **435.4** | +1.2% | |
| Recurring net result (*) per share (€) | 4.58 | **4.47** | -2.4% | |
| Accounting net result | 620.7 | **- 1,418.8** | n.a. | |

| **Balance sheet,** In € million, Group share | **2022** | **2023** | **Change** | **Change** Like-for-like |
|---|---|---|---|---|
| Asset value | 17,395 | **15,080** | -13.3% | **-10.2%** |
| Net debt | 7,581 | **6,925** | -8.7% | |
| Net available liquidity | 1,185 | **2,406** | x2 | |
| LTV including duties (%) | 39.5% | **40.8%** | +1.3pt | |
| ICR (x) | 6.9x | **6.4x** | -0.5x | |
| Net debt/EBITDA | 14.5x | **12.8x** | -1.7x | |
| EPRA NTA | 10,044 | **8,470** | -15.7% | |
| EPRA NTA per share (€) | 106.4 | **84.1** | -21.0% | |

| **ESG** | **2022** | **2023** | **Change** |
|---|---|---|---|
| Assets with certification | 93.0% | **95.3%** | +2 pts |
| of which offices 'Very good' or above | 63.1% | **67.2%** | +4 pts |
| Debt linked with ESG KPIs | 38.0% | **57.0%** | +19 pts |

* Adjusted EPRA Earnings

## Covivio: a diversified and continuously improving portfolio

**Covivio holds assets worth €23.1 billion (Group share €15.1 billion) in Europe,** which it manages in accordance with **three strategic pillars:**

1. **Central locations in European capitals and the main business and leisure hubs,** notably Paris, Berlin and Milan. As a result, 94% of its assets are located in central locations[1], while 99% are within a five-minute walk of public transport.

2. **An innovative, scalable hospitality approach** inspired by hotel expertise to support the transformation of cities and meet changing user expectations. This is reflected in a strengthened operator approach, a bold service policy and customer relationship, alongside a strong flexible offer.

3. **Sustainable development,** where Covivio acts as an operator committed to climate transition to create a positive and lasting impact on cities. This objective is illustrated by a bold carbon trajectory (40% reduction in emissions between 2010 and 2030) that has been praised by the main rating agencies.

The portfolio breaks down as follows: 52% (down 3 percentage points year on year) offices in France, Italy and Germany, of which 69% in city centres and 25% in the Major Business Hubs; 31% (up 1 pp) residential property, mainly in Berlin and large cities in North Rhine-Westphalia; and 17% (up 2 pp) hotels in major European tourist destinations (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.), leased to or managed by leading operators, including Accor, IHG, Marriott, B&B, NH Hotel Group, etc.

[1] *Offices: city centres of large European cities (Paris, Berlin, Milan, etc) and main business districts; Hotels: top European tourist destinations; Residential: Berlin, Dresden, Leipzig, Hamburg and large cities in North Rhine-Westphalia*

## Strong operational performances

### Hotels: major new operations in a buoyant hotel market

Hotel performances remained highly dynamic in 2023. On average in Europe, RevPAR was +16% higher than in 2019 (and +18% higher than in 2022), driven by a +23% increase in average daily rates (ADR), while occupancy improved (up 5.1 pp vs 2022; down 3.6 pp vs 2019). Covivio's main geographies outperformed, with RevPAR growth of +32% in Italy, +22% in France, +20% in the United Kingdom and +18% in Spain.

In this context, Covivio continued its asset and brand management strategy to optimise its profitability and guarantee a hotel offer increasingly aligned with user expectations.

In November 2023, the Group **entered into exclusive negotiations with AccorInvest with a view to consolidating their hotel properties and business assets.** Through its subsidiary Covivio Hotels,[2] Covivio owns 54 hotels that are let to AccorInvest under long-term variable rent leases based on revenues. AccorInvest owns the business assets of these hotels and has signed long-term management contracts with the Accor Group. The consolidation would take the form of an exchange of business assets currently held by AccorInvest for hotel properties owned by Covivio. Following this transaction, Covivio would own 24 hotel operating properties and AccorInvest would own 10.

The agreed value of the properties transferred to AccorInvest is approximately €92 million[3] (5% yield) and the agreed value of the business assets acquired by Covivio is approximately €114 million[4] (12% yield). The transaction, which will be accretive for Covivio from the first year (€9 million in additional revenues for a cash outflow of €22 million, Group share), will also enable the performance of these hotels to be optimised over time. Highly profitable Capex programmes (returns above +20%) are therefore expected, offering the prospect of earnings growth and value creation.

Asset management momentum also continued in other parts of the portfolio:

- In the fixed-rent portfolio, Covivio signed new 15-year leases with Melia on 3 hotels in Spain (Barcelona, Valencia and Malaga) with an increase in fixed rents of around +30% and a return on investment (€15 million at 100%, €6 million Group share) of around 9%. In the second half, a 9-year lease extension was also signed with NH Hotel Group for a hotel in Madrid, with a +15% increase in rent;

- Capex programmes totalling almost €70 million at 100% (€30 million Group share) have been launched for properties owned by the Group, with a target return of over 15%. During the year, work was carried out at the Westin Grand Berlin to renovate the communal areas (lobby, bar, restaurant, meeting rooms) and at two hotels in Bruges to renovate rooms and communal areas, create management synergies and improve energy performances.

### Offices: strong letting momentum and greater centrality

In a polarised rental market where demand is concentrated on the most central buildings offering the best environmental and service performance (80% of demand in Milan is on Grade A buildings), Covivio is reaping the rewards of its upscale positioning. **Nearly 131,000 m² of new lettings and renewals** were signed in 2023, including 40,700 m² in the fourth quarter alone. **The occupancy rate,** which had fallen to 92.2% at the end of March 2023 following two property deliveries and the departure of a tenant, has since recovered strongly, gaining +230 bps to reach **94.5% at the end of the year (+10 bps vs. 2022).**

**These successes are illustrated by the acceleration in the letting of recently delivered buildings.** This is the case for So Pop in Paris/Saint-Ouen, with 11,600 m² let, bringing the occupancy rate from 36% at end 2022 to 71% today. Leases for 11,700 m² have also been signed for Maslö in Levallois-Perret, which is now 87% let (vs. 28% end-2022). Covivio has also let 7,700 m² in the Urban Garden building in Issy-les-Moulineaux, which was vacated in Q1 2023 and is already 70% re-let. In Châtillon, 2,450 m² have been let in the IRO building, bringing the occupancy

[2] *43.9% held and controlled by Covivio*
[3] *Excluding transfer taxes, Covivio Group share; €210 million Covivio Hotels Group share*
[4] *Including transfer taxes, Covivio Group share; €260 million Covivio Hotels Group share*

rate to 64% (vs 57% at end 2022), while 5,800 m² have been let in the CB21 tower in La Défense, which is now fully let (vs 93% at end 2022). In Germany, 9,200 m² have been let in Zeughaus building in Hamburg, now let at 96% (vs 82% end-2022).

**Meanwhile, Covivio has continued to take advantage of high rental reversion potential on its city centre properties,** at +12% on average in 2023, including in Lyon (+14% in Silex[2] for 2,300 m²) and Milan (+23% for a total of 4,800 m² in the Via Messina and Via Amedei buildings).

**Rental momentum is buoyant in France and Italy (84% of the office portfolio). In Germany, first letting successes were recorded in 2023:** the 16,488 m² of new lettings and 47,426 m² of lease renewals helped to increase the occupancy rate by +1.3 percentage points and capture positive rental reversion of +5%. However, the occupancy rate, currently 86.4%, remains impacted by the economic recession and 18% non-core asset segment. In order to accelerate performances improvement, a new asset management team has been appointed, led by Alexei Dal Pastro, CEO Italy of Covivio, now also in charge of German offices. Building on the success of the portfolio repositioning in Italy, Alexei Dal Pastro will bring his in-depth product knowledge and proven management experience.

**Finally, Covivio continues to refocus and extract value from its assets.** Two former call centers vacated by Orange are to be redeveloped, with total capex of €135 million for an average marginal return of 6.5%: Grands Boulevards (7,500 m², delivery 2027) and Monceau (11,200 m², delivery 2025). Both projects are located in the Paris CBD, where there is a shortage of quality office space, with a vacancy rate of 2.7% at end 2023 and prime rents of €1,070/m², up +7% year on year.

## Germany Residential: rising portfolio quality and value extraction amid ongoing housing shortage

The imbalance between supply and demand for residential property widened further in 2023. The population has risen again to over 84 million, while new construction and building permits continued to fall, well short of the government's target of 400,000 new homes a year. Berlin, for example, is experiencing an acute housing shortage and market rents rose sharply again over the previous year, up 6% for existing flats (to €12.9 per m²) and 9% for new flats (to €19.4 per m²).

Against this backdrop, Covivio continued to carry out asset management transactions during the year:

- Capturing rental reversion: the re-letting of around 3,300 leases resulted in positive rental reversion averaging 21% in 2023, and 31% in Berlin;

- Continuing to invest in modernisation programmes to improve the quality of the portfolio and reduce energy consumption. €78 million (Group share €50 million) was invested in 2023, with a return of between 5% and 10%;

- Adding value. Covivio delivered over 227 new housing units (at a cost of €66 million; Group share €44 million) on lands adjoining its buildings or through rooftop extensions. Located in Berlin, these projects have an average rental yield of 5.0% and an average selling price 23% above appraisal values (average sale price €5,100 per m²). The Group also continued its unit sales programme, with almost 128 units sold for €53 million (Group share €35 million) at an average price of €5,200 per m², 46% above appraisal values.

## A quality and stronger balance sheet

### Ahead of disposal program: €720 million in new disposal agreements signed in 2023

In a sluggish investment market, Covivio signed disposal commitments totalling €900 million at 100% (Group share €720 million), at an average of 7.5% below end-2022 appraisal values and an average yield of 4.2%. Covivio is thus ahead of its €1.5Bn disposal program by end-2024, communicated in December 2022, with roughly €920M (61%) already secured.

Most disposals (77%; Group share €551 million) were office assets, with the aim of rebalancing the portfolio and crystallising value. Covivio notably sold the Anjou building for a yield of 3.5%. An office complex on the outskirts of Montpellier was sold for €78 million, representing a yield of 6.6%. Covivio has also signed a preliminary sale agreement on a vacated non-core office building in Charenton, for €49 million.

In Germany Residential, the quality of the portfolio enabled us to secure €80 million (€120 million at 100%) in disposal agreements, mainly in Berlin, at an average margin of 16% above appraisal values: €35 million (€53 million at 100%) in unit sales (46% above appraisal values) and €44 million (€67 million at 100%) for four properties sold as a block (in line with 2022 appraisal values).

In hotels, €65 million (€152 million at 100%) of disposals were signed, mainly involving non-core assets: 10 budget and mid-range hotels in France and 2 business hotels in Spain, +2% above end-2022 appraisal values.

Finally, Covivio streamlined its non-core portfolio by signing preliminary sale agreements for €24 million (€54 million at 100%) of retail assets.

### Liquidity doubled, covering debt payments until Q1 2026

In 2023, Covivio secured more than €1.9 billion in financing or refinancing (Group share €1.7 billion), 86% of which was ESG-related, with an average maturity of 7 years. With its diversified debt, Covivio was active on both banking and bond markets.

It secured €735 million in ESG-compliant corporate credit facilities with an average maturity of over 6 years, plus €495 million in mortgage financing. On the bond market, besides increasing two existing issuances by €99 million each, Covivio issued in November 2023 a €500 million green bond maturing in 2032, at a spread of 168 bps. The issue was largely swapped into floating rates, to take advantage of the Group's robust hedging position, and has contributed towards extending the Group's debt maturity.

**As a result of our deleveraging and financing) efforts, the Group's net available cash doubled over the year to €2.4 billion at the end of 2023.** This liquidity will be complemented by nearly €300 million (Group share) under preliminary sale agreements to be received in the coming months.

### Solid debt indicators

Covivio's sound balance sheet is reflected in a BBB+ rating and stable outlook from S&P. Disposals during the year helped reduce net debt by almost €700 million year on year to €6.9 billion. This deleveraging enabled to contain the loan-to-value ratio (LTV) at 40.8%, despite the decline in appraisal values. The net debt to EBITDA ratio fell sharply to 12.8x (vs 14.5x at end-2022), while the interest coverage ratio (ICR) remained high at 6.4x.

Debt has an average maturity of 4.9 years (vs 4.8 years at end-2022) and is largely protected against rising interest rates: hedging ratio of 92% and average hedging instrument maturity of 5.9 years. As such, despite the spike in market interest rates, the average interest rate of Covivio's debt remained under control at 1.50%, vs 1.24% at end-2022.

## Revenues up +6.4% on a like-for-like basis

| 2023, €m | Revenues 2022 Group share | Revenues 2023 100% | Revenues 2023 Group share | % change Current scope Group share | Like-for-like change Group share | Occupancy rate % | Firm lease duration in years |
|---|---|---|---|---|---|---|---|
| **Offices** | **330.9** | **385.1** | **320.3** | **-3.2%** | **+5.2%** | **94.5%** | **5.4** |
| **Germany Residential** | **176.6** | **286.0** | **185.1** | **+4.8%** | **+3.9%** | **99.1%** | **n.a.** |
| **Hotels** | **123.7** | **333.4** | **139.9** | **+13.1%** | **+12.7%** | **100.0%** | **12.2** |
| Non-strategic | 1.9 | 6.3 | 2.8 | +49.4% | -16.6% | 100.0% | 7.4 |
| **TOTAL** | **633.0** | **1,010.8** | **648.0** | **+2.4%** | **+6.4%** | **96.7%** | **7.0** |

In 2023, **rental income increased to €1,011 million (€648 million Group share), up +2% year on year on a reported basis:** the decline in office income due to disposals was more than offset by the acceleration in indexation, the recovery of the hotel business and solid growth in Germany Residential. **On a like-for-like basis, revenues grew by +6.4%,** driven by indexation (3.5 pp), higher rents on re-lettings and lease renewals (0.6 pp) and variable hotel revenues (2.3 pp).

**In offices,** rental income fell -3.2% following asset disposals in 2022 and 2023, but was **up +5.2% on a like-for-like basis,** boosted by indexation and dynamic letting activity in all geographies: +4.0% in France, +6.4% in Italy and +6.5% in Germany.

**Hotel** revenues continued to benefit from strong business in 2023, with like-for-like growth of +12.7%. This performance is based mainly on the continued rebound of variable revenue (43% of the hotel portfolio) comprising variable rents with AccorInvest (+19%, driven by the solid performance of the Paris assets) and revenue from operating properties (+19% as well, marked by strong growth in France and gradual recovery in Germany). On assets under fixed leases (57% of the hotel portfolio), like-for-like rents also increased by 9%, driven by indexation (+3.1%), asset management operations (+5.7%).

**In Germany Residential, like-for-like rental growth accelerated to +3.9% in 2023** (vs +3.1% in 2022), across all geographies: Hamburg (+4.4%), Berlin (+4.0%), North Rhine-Westphalia (+3.9%), and Dresden and Leipzig (+2.9%). This increase is attributable to indexation (1.7 pp), home modernization programmes (1.3 pp) and re-lettings with a high reversion rate (1 pp). The occupancy rate remains at 99.1%, reflecting the quality and attractiveness of the portfolio, which is located mainly in city centres.

**The average portfolio occupancy rate remains high at 96.7% (vs. 96.6% end-2022), in line with the 10-year average, while the average firm lease duration is almost 7 years.**

## Asset values were down -10% year on year in a slowing market

Faced with the new interest rate environment, the property investment market slowed across most asset classes in 2023, with transactions mainly being carried out by equity investors and end users. According to CBRE figures, volumes across all asset classes were down 47% at €163 billion in Europe in 2023. The sharp rise in capitalisation rates has materialised as 2023 progressed, allowing the property risk premium to return close to its 20-year average (170 bp). In the Paris CBD, the prime office yield is 100 bp higher than a year ago at 4.25%, while the risk premium over the 10-year OAT French government bond is close to 155 bp.

**Against this backdrop, Covivio's asset values contracted by 10.2% on a like-for-like basis.** At the end of 2023, the portfolio was valued at €23.1 billion at 100% (Group share €15.1 billion).

| (In € million, excluding transfer taxes) | 2022 values Group share | 2022 values at 100% | 2023 values Group share | Like-for-like change 12 months | Yield 2022 | Yield 2023 | % of portfolio |
|---|---|---|---|---|---|---|---|
| **Offices** | **9,508** | **9,446** | **7,847** | **-11.7%** | **4.8%** | **5.5%** | **52%** |
| **German Residential** | **5,238** | **7,212** | **4,672** | **-10.8%** | **3.5%** | **4.1%** | **31%** |
| **Hotels** | **2,622** | **6,376** | **2,535** | **-3.9%** | **5.0%** | **5.9%** | **17%** |
| **Strategic Total** | **17,368** | **23,035** | **15,054** | **-10.2%** | **4.4%** | **5.1%** | **100%** |
| Non-strategic | 27 | 54 | 26 | -3.1% | 6.3% | n.a | 0% |
| **Total** | **17,395** | **23,089** | **15,080** | **-10.2%** | **4.4%** | **5.1%** | **100%** |

**Office property values fell by -11.7% on a like-for-like basis,** with wide variations depending on asset centrality. City centre assets, which represent 69% of the portfolio, fell by 8% and now yield 4.8%. Assets located in the heart of the major business hubs fell by 18% and now yield 6.5%. Finally, the non-core category (6% of office assets), located on city outskirts and directly affected by structural changes in working patterns, recorded the largest fall in value (-21%).

**Germany Residential sales were down -10.8%** on a like-for-like basis, with a decelerated decline in values in the second half (-7.3% in the first half and -3.7% in the second). The average value of residential assets is €2,461 per m², with €3,052 per m² in Berlin and €1,826 per m² in North Rhine-Westphalia, and the average yield has risen 60 bp year on year to 4.1%. Assets are valued at their block value. 48% of the portfolio, worth €2.2 billion, is already co-owned, particularly in Berlin (68%; €1.8 billion), where the unit sale value is 52% above the block value.

**In hotels, the portfolio declined by -3.9% year on year on a like-for-like basis,** with a solid operating performance largely offsetting the rise in yields (+50 bps year on year). Operating properties outperformed slightly, down -3.7% year-on-year, compared with -4.0% for lease assets. The portfolio has an average yield of 5.9%, with a high risk premium (+300 bps over OAT).

**At the end of 2023, the average yield on Covivio's assets was 5.1%, up 70 bps on the previous year.**

## Recurring net income growth while accelerating deleveraging

### Recurring net income of €435 million, up 1% year on year

Despite the disposal programme and the increase in the average cost of debt, the strong operating performance and lower operating costs enabled recurring net income (adjusted EPRA Earnings) to increase by 1.2% year on year to €435.4 million (-2.5% to €4.47 per share due to the increase in the average number of shares). This result is 6% above the initial guidance (€410 million) and 4% higher than the revised guidance (€420 million).

Covivio's net income totalled -€1.4 billion, impacted by the decline in values.

### EPRA NTA was €84.1 per share, down 21% year on year

Adjustments to asset values are reflected in the change in net tangible asset value (EPRA NTA), which was down 21% year on year at €84.1 per share (or €8,470 million). Net disposal Value (EPRA NDV) was down 23% at €83.4 per share (or €8,401 million). Lastly, EPRA NRV (net reinstatement value) was €9,327 million and €92.6 per share.

## ESG: new progress in indicators, customer satisfaction and ratings

### Steady growth to 95.3% certified assets

Covivio has continued to increase the certification rate of its portfolio: the proportion of assets with HQE, BREEAM, LEED or equivalent certification, in operation and/or under construction, now stands at 95.3% (up +2pp vs 2022).

In addition, the proportion of office buildings with the highest levels of certification (Very Good and above) stands at 67% (up 4 percentage points vs. 2022).

This strategy of environmental enhancement on the entire portfolio is actively contributing to the achievement of the Group's ESG objectives, in particular its commitment to reduce its greenhouse gas emissions by 40% between 2010 and 2030 (covering Scopes 1, 2 and 3, all activities in Europe and the entire life cycle of the assets: materials, construction, refurbishment and operation).

### Further improvement in customer ratings

Keen to uphold its customer culture and continuously improve its offers, Covivio regularly conducts independent satisfaction surveys. The 2023 results are again very positive. In offices, the Kingsley Survey of 270 end users in France, Germany and Italy revealed an overall satisfaction rating of 3.9/5 (vs a benchmark of 3.6) and a property management satisfaction rating of 4/5 (vs a benchmark of 3.5).

For the sixth year running, Covivio has been awarded a Very Good rating for residential property in Germany by Focus Money magazine, following its Fairest Landlord 2024 study. The Group was one of only four companies to achieve a Very Good rating in all six categories of the study.

In hotels, the average booking.com location grade of our hotels increased by 0.1pt over the year to 8.9/10.

### Agency rating upgrades

In early February 2024, Covivio was once again recognised by the Carbon Disclosure Project (CDP) for its leadership in climate change transparency and performance, achieving an “A” rating, the highest possible. Covivio is one of a select group of companies (1.6%) to have been awarded an “A” rating out of more than 20,000 companies assessed.

In 2023, Covivio also received higher scores from GRESB, which evaluates the ESG policies, action plans and performance of over 1,500 companies operating in the construction and real estate sectors worldwide. Covivio gained 2 points, achieving a score of 90/100 in the Operating Assets category, supported notably by a maximum score of 100% in the Management section and 97/100 in the Development section. The Group has thus retained its 5-star status.

## 2024 outlook

In a challenging 2023 real estate market, Covivio is ahead of targets. Balance sheet has been strengthened and strong operational performance has enabled a slight growth in net recurring result, proving the relevance of the Group's positioning and strategy. In 2024, in a backdrop of expected interest rates decline in Europe and rebuilt risk premium, Covivio is preparing for the rebound. Thus, the Group sets two main targets for 2024: maintain financial discipline and pursue growth in net recurring result.

### Maintain financial discipline

**Proposed dividend of €3.30 per share, with the option of payment in shares**

In this context, Covivio will propose to the Annual General Meeting on 17 April 2024 to pay a dividend of €3.30 per share (vs. €3.75 in 2023), with the option of payment in shares. Most of the institutional shareholders on Covivio's Board of Directors (representing 43% of the capital) have already agreed to opt for the dividend payment in shares. These decisions will enable to keep between €185 million and €375 million.

**Disposal target of €580 million by 2024**

Covivio aims to dispose of €1.5 billion in assets between December 2022 and the end of 2024.

At the end of 2023, €920 million in disposal agreements had been signed, thanks to the diversity and quality of our portfolio, which allows us to target a broad spectrum of potential investors: institutional investors, end users, private individuals and hotel operators.

In 2024, Covivio now aims to finalise its disposal plan, with a target of €580 million, of which €250 million under advanced negotiations.

## A largely refocused portfolio to capture growth opportunities

Since 2020, Covivio has completed €2.1 billion of disposals, 80% of them in offices, and invested €1.4 billion, mainly through Capex on its assets. This qualitative rotation process has enabled to refocus the portfolio and adapt to changes in the rental market:

- **The portfolio has started to rebalance,** with the proportion of offices moving from 60% at the end of 2020 to 52% at the end of 2023.

- **69% of offices are located in city centres, up from 59% at the end of 2020.** The remainder now consists mainly of core assets in major business hubs, 93% let with a 6.1 years firm lease maturity. With the rental market becoming increasingly polarised, Covivio's upscale positioning (centrality, high environmental performance, strong service offering) is paying off, as demonstrated by activity in 2023.

- **Germany Residential now accounts for 31% of the portfolio and benefits from exposure to the locations most sought after by tenants.** The supply/demand imbalance keeps on increasing. In Berlin in particular, where the housing shortage is most acute, a further update of the market indices (*Mietspiegel* rent index) is expected in Q2 2024 and should help to bolster letting momentum. Covivio can also rely on rents 20% to 25% below regulated rents. Moreover, the average property value of €3,052 per m² in Berlin still reflects a significant reserve of value, as 68% of the assets are divided into co-ownerships and the average selling price in the market is €4,700 per m².

- **The strengthening of the hotel portfolio, which represents 17% of the portfolio, has been accompanied by a refocusing on the best locations**. Meanwhile, the sector has once again demonstrated its ability to outperform inflation (average annual RevPAR growth of 3.4% from 2009 to 2023, compared with average inflation of 2.2%). The outlook is favourable, with annual growth in overnight stays in hotels expected to average 5% between 2023 and 2030 in Europe,[5] underpinned by the more pronounced return of international customers. Business is expected to be buoyant again in 2024, driven notably by major events (2024 Olympic Games in Paris, Euro Football Championship in Germany). 2024 will also see the completion of the asset swap with AccorInvest, which will boost profitability.

## Guidance of growing 2024 recurring net income

Thanks to this qualitative repositioning, Covivio has a bright letting outlook, which should help to offset the impact of deleveraging on earnings, as it did in 2023. Covivio is therefore targeting **a continued growth in recurring net income** (adjusted EPRA Earnings)**, to around €440 million in 2024**.

The Group also aims to return to a full cash dividend for 2024, with a payout ratio above 80%.

[5] *Source: Oxford Economics*

**AGENDA**

| | |
|---|---|
| ► General Meeting: | **17 April 2024** |
| ► Ex-dividend date : | **19 April 2024** |
| ► Q1 2024 Activity: | **23 April 2024** |
| ► Subscription period for dividend in shares: | **from 23 April to 7 May 2024** |
| ► Dividend payment: | **27 May 2024** |
| ► H1 2024 results: | **22 July 2024** |

## CONTACTS


**Press Relations**

Géraldine Lemoine
Tél : + 33 (0)1 58 97 51 00
geraldine.lemoine@covivio.fr

Louise-Marie Guinet
Tél : + 33 (0)1 43 26 73 56
covivio@wellcom.fr

**Investor Relations**

Vladimir Minot
Tél : + 33 (0)1 58 97 51 94
vladimir.minot@covivio.fr


## ABOUT COVIVIO

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

A benchmark in the European real estate market with €23.1 bn in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.
Build sustainable relationships and well-being, is the Covivio's Purpose who expresses its role as a responsible real estate operator to all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities but also to future generations and the planet. Furthermore, its living, dynamic approach opens up exciting project and career prospects for its teams.

Covivio's shares are listed in the Euronext Paris A compartment (FR0000064578 - COV), are admitted to trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, and in the ESG FTSE4 Good, CAC SBT 1.5°C, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, ISS ESG, Ethibel and Gaïa ethical indices and also holds the following awards and ratings: CDP (A), GRESB (90/100, 5-Star, 100% public disclosure), Vigeo-Eiris (A1+), ISS-ESG (B-) and MSCI (AAA).

**Notations solicited:**

| | |
|---|---|
| Financial part: | BBB+ / Stable outlook by Standard and Poor's |
| Extra-financial part: | A1+ by V.E (part of Moody's ESG Solutions) / 85/100 by S&P |

*Grand Hôtel Palazzo dei Dogi - Venezia*


1. BUSINESS ANALYSIS 12

2. BUSINESS ANALYSIS BY SEGMENT 20
   - A. OFFICES 20
   - B. GERMAN RESIDENTIAL 29
   - C. HOTELS 35

3. FINANCIAL INFORMATION 40

4. FINANCIAL RESOURCES 49

5. EPRA REPORTING 54

6. FINANCIAL INDICATORS 64

7. GLOSSARY 65

# 1. BUSINESS ANALYSIS

## A. REVENUES: €1,011 MILLION AND €648 MILLION GROUP SHARE IN 2023

| | 100% | | | Group share | | | | |
|---|---|---|---|---|---|---|---|---|
| **(€ million)** | **2022** | **2023** | **Change (%)** | **2022** | **2023** | **Change (%)** | **Change (%) LfL [1]** | **% of revenue** |
| **Offices** | **394.3** | **385.1** | **-2.4%** | **330.9** | **320.3** | **-3.2%** | **+5.2%** | **49%** |
| Paris / Levallois / Neuilly | 65.6 | 67.8 | +3.3% | 63.1 | 64.3 | +1.9% | +2.4% | 10% |
| Greater Paris (excl. Paris) | 101.5 | 95.5 | -5.8% | 82.1 | 74.5 | -9.3% | +2.3% | 11% |
| Milan | 68.4 | 68.9 | +0.8% | 68.4 | 69.0 | +0.8% | +6.1% | 11% |
| Telecom Italia | 63.9 | 58.7 | -8.1% | 32.6 | 30.0 | -8.1% | +6.8% | 5% |
| Top 7 German cities | 51.4 | 54.1 | +5.3% | 45.7 | 48.4 | +5.9% | +6.5% | 7% |
| French Major Regional Cities | 29.6 | 29.6 | +0.0% | 25.0 | 23.8 | -4.7% | +15.0% | 4% |
| Other cities (France & Italy) | 14.0 | 10.4 | -25.9% | 14.0 | 10.4 | -25.9% | +5.8% | 2% |
| **Germany Residential** | **272.9** | **286.0** | **+4.8%** | **176.6** | **185.1** | **+4.8%** | **+3.9%** | **29%** |
| Berlin | 140.0 | 147.7 | +5.5% | 92.0 | 96.9 | +5.3% | +4.0% | 15% |
| Dresden & Leipzig | 22.8 | 23.3 | +2.3% | 14.8 | 15.1 | +2.3% | +2.9% | 2% |
| Hamburg | 17.4 | 18.5 | +6.3% | 11.4 | 12.1 | +6.2% | +4.4% | 2% |
| North Rhine-Westphalia | 92.7 | 96.7 | +4.3% | 58.4 | 60.9 | +4.3% | +3.9% | 9% |
| **Hotels** | **296.6** | **333.4** | **+12.4%** | **123.7** | **139.9** | **+13.1%** | **+12.7%** | **22%** |
| **Lease Properties** | **234.7** | **257.7** | **+9.8%** | **97.3** | **107.6** | **+10.5%** | **+11.1%** | **17%** |
| France | 79.9 | 90.9 | +13.7% | 29.8 | 34.6 | +16.1% | +14.7% | 5% |
| Germany | 31.8 | 34.7 | +9.0% | 13.6 | 14.8 | +8.9% | +7.6% | 2% |
| UK | 36.5 | 37.0 | +1.1% | 16.0 | 16.2 | +1.1% | +8.0% | 3% |
| Spain | 34.5 | 38.9 | +12.6% | 15.1 | 17.0 | +12.6% | +12.5% | 3% |
| Belgium | 14.1 | 15.4 | +9.1% | 6.2 | 6.7 | +9.1% | +10.4% | 1% |
| Others | 37.8 | 40.9 | +8.3% | 16.6 | 17.9 | +8.3% | +7.7% | 3% |
| **Operating Properties[2]** | **62.0** | **75.8** | **+22.3%** | **26.4** | **32.3** | **+22.6%** | **+18.6%** | **5%** |
| **Total strategic activities** | **963.8** | **1,004.5** | **+4.2%** | **631.1** | **645.2** | **+2.2%** | **+6.4%** | **100%** |
| Non-strategic | 4.2 | 6.3 | +49.4% | 1.9 | 2.8 | +49.4% | -16.6% | 0% |
| **Total Revenues** | **968.1** | **1,010.8** | **+4.4%** | **633.0** | **648.0** | **+2.4%** | **+6.4%** | **100%** |

1: Like-for-like change on 12 months basis || 2: Operating Properties (EBITDA)

Group share revenues, up +2.4% at current scope, stand at €648.0 million vs. €633.0 million in 2022, due to:

- **The revenues of strategic activities increase by +6.4% on like-for-like basis due to:**
  - Office: +5.2% like-for-like, driven by indexation;
  - Hotels: like-for-like revenue increased by +12.7% due to the strong rebound in variable revenues (EBITDA + variable leases) of +19% and a +8.8% like-for-like growth for fixed lease properties (including UK);
  - German Residential: an accelerated growth of +3.9% like-for-like (vs. +3.1% in 2022).
- **Deliveries of new assets** (+€17 million), in Levallois, Berlin and Paris 1st ring.
- **Asset disposals** (-€28 million), mostly offices in France (-€13 million) and Italy (-€13 million);
- **Vacated assets for redevelopment** (-€14 million), mainly in Paris Centre West, Western Crescent and first Ring.

# B. LEASE EXPIRIES AND OCCUPANCY RATES

## 1. Lease expiries: average firm residual duration of 7.0 years

### Average lease duration by activity

| | By lease end date (1st break) | | By lease end date | |
|---|---|---|---|---|
| **Group share, in Years** | **2022** | **2023** | **2022** | **2023** |
| Offices | 5.4 | 5.4 | 6.1 | 5.9 |
| Hotels | 12.7 | 12.2 | 14.1 | 13.9 |
| Non-strategic | 7.9 | 7.4 | 8.3 | 7.4 |
| **Total** | **7.0** | **7.0** | **7.8** | **7.8** |

### Lease expiries schedule

| (€ million; Group share) | By lease end date (1st break) | % of total | By lease end date | % of total |
|---|---|---|---|---|
| 2024 | 40 | 6% | 14 | 2% |
| 2025 | 66 | 9% | 25 | 4% |
| 2026 | 23 | 3% | 38 | 5% |
| 2027 | 34 | 5% | 13 | 2% |
| 2028 | 36 | 5% | 42 | 6% |
| 2029 | 33 | 5% | 35 | 5% |
| 2030 | 53 | 8% | 42 | 6% |
| 2031 | 22 | 3% | 45 | 7% |
| 2032 | 31 | 4% | 38 | 6% |
| 2033 | 26 | 4% | 54 | 8% |
| Beyond | 107 | 15% | 125 | 18% |
| **Offices and Hotels leases** | **471** | **68%** | **471** | **68%** |
| **German Residential** | **189** | **27%** | **189** | **27%** |
| **Hotel operating properties** | **33** | **5%** | **33** | **5%** |
| **Total** | **693** | **100%** | **693** | **100%** |

In 2024, lease expiries with first break options represent €40 million, of which €25 million are already managed (€5 million of hotels and €20 million of core offices). Only €14.7 million (2.1% of Annualized revenue) are still to be managed in offices, mostly on core assets for which tenant decision is not known yet.

## 2. Occupancy rate: 96.7% secured, +0.1pt vs. 2022

| | Occupancy rate (%) | |
|---|---|---|
| **Group share** | **2022** | **2023** |
| Offices | 94.4% | 94.5% |
| German Residential | 99.2% | 99.1% |
| Hotels | 100.0% | 100.0% |
| **Total strategic activities** | **96.6%** | **96.7%** |
| Non-strategic | 100.0% | 100.0% |
| **Total** | **96.6%** | **96.7%** |

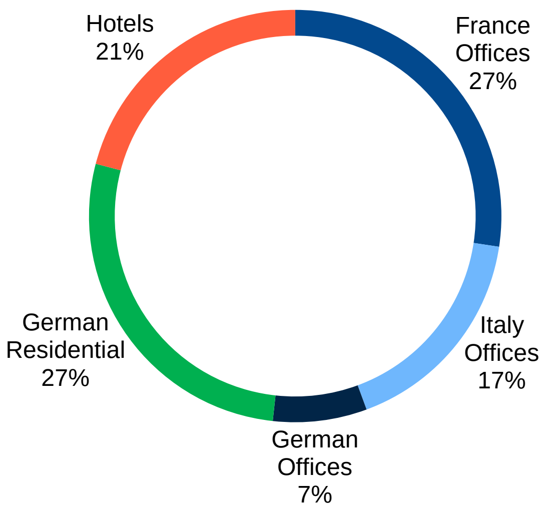
The occupancy rate increased slightly to 96.7% for the whole portfolio. Offices occupancy, temporarily impacted in Q1 2023 by two deliveries and one departure in Greater Paris, rebounded by +230bps since then, to end the year at 94.5% (+10bps yoy).

# C. BREAKDOWN OF ANNUALIZED REVENUES

**By major tenants**

| (€ million, Group share) | Annualised revenues 2023 | % |
|---|---|---|
| AccorInvest | 35 | 5% |
| Telecom Italia | 30 | 4% |
| Orange | 25 | 4% |
| NH | 22 | 3% |
| Suez | 19 | 3% |
| IHG | 19 | 3% |
| B&B | 18 | 3% |
| Dassault Systèmes | 17 | 2% |
| Maire Tecnimont | 16 | 2% |
| Thalès | 13 | 2% |
| LVMH | 9 | 1% |
| Edvance | 9 | 1% |
| Fastweb | 6 | 1% |
| EDF / Enedis | 6 | 1% |
| NTT Data Italia | 5 | 1% |
| Intesa | 5 | 1% |
| Crédit Agricole | 5 | 1% |
| Hotels lease properties | 10 | 2% |
| Other tenants <€5M | 234 | 34% |
| German Residential | 189 | 27% |
| **Total** | **693** | **100%** |

**By activity**



## D. STABLE COST TO REVENUE RATIO

| (€ million, Group share) | Offices | German Residential | Hotels (incl. retail) | Other (Mainly France Resi.) | Total | |
|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | 2023 |
| Rental Income | 315.5 | 189.8 | 110.4 | - | 606.8 | 615.6 |
| Unrec. property oper. costs | -29.2 | -1.5 | -1.3 | - 0.0 | -35.2 | -32.0 |
| Expenses on properties | -8.1 | -14.1 | -0.1 | -0.4 | -21.5 | -22.7 |
| Net losses on unrec. receivable | -0.3 | -1.6 | -0.2 | 0.0 | 0.2 | -2.1 |
| **Net rental income** | **277.9** | **172.6** | **108.7** | **-0.4** | **550.3** | **558.7** |
| **Cost to revenue ratio** | **14.1%** | **9.1%** | **1.5%** | **0.0%** | **9.3%** | **9.2%** |

## E. DISPOSALS: €720M OF NEW AGREEMENTS IN 2023

| (€ million) | | Disposals <2023 closed | Agreements <2023 to close | New agreements 2023 Closed | New agreements 2023 To close | Total 2023 | Margin vs 2022 value | Yield (*) | Total Realised Disposals |
|---|---|---|---|---|---|---|---|---|---|
| | | 1 | | 2 | 3 | = 2 + 3 | | | = 1 + 2 |
| Offices & Conversion to Residential | 100 % | 227 | 35 | 386 | 188 | 574 | -11.1% | 3.8% | **613** |
| | GS [1] | 221 | 35 | 370 | 181 | 551 | -11.5% | 3.7% | **591** |
| Germany Residential | 100 % | 47 | 0 | 104 | 16 | 120 | 15.8% | 2.7% | **151** |
| | GS | 31 | 0 | 69 | 11 | 80 | 15.6% | 2.7% | **100** |
| Hotels | 100 % | 26 | 22 | 68 | 84 | 152 | 2.8% | 7.2% | **94** |
| | GS | 8 | 10 | 29 | 37 | 65 | 2.1% | 6.9% | **37** |
| Non Strategic | 100 % | 0 | - | - | 54 | 54 | 5.3% | 7.6% | **0** |
| | GS | 0 | - | - | 24 | 24 | 5.3% | 7.6% | **0** |
| **Total Group** | **100 %** | **301** | **57** | **557** | **343** | **900** | **-5.1%** | **4.7%** | **858** |
| | **GS** | **260** | **44** | **467** | **253** | $\boxed{\textbf{720}}$ | **-7.5%** | **4.2%** | **727** |

1: GS: Group share

New disposals and agreements totaled €720 million Group share (€900 million at 100%) in 2023. Covivio maintained its strategy of qualitative asset rotation. In details, the disposal agreements include:

Most disposals (77%; €551 million Group share) were office and conversion into residential assets, with the aim of rebalancing the portfolio and crystallising value. Covivio notably sold the Anjou building for a yield of 3.5%. An office complex on the outskirts of Montpellier was sold for €78 million, representing a yield of 6.6%. Covivio has also signed a preliminary sale agreement on a vacated non-core office building in Charenton,for €49 million.

In Germany Residential, the quality of the portfolio enabled us to secure €80 million (€120 million at 100%) in disposal agreements, mainly in Berlin, at 16% average margin above appraisal values: €35 million (€53 million at 100%) in unit sales (46% above appraisal values) and €44 million (€67 million at 100%) for four properties sold as a block (in line with 2022 appraisal values).

In hotels, €65 million (€152 million at 100%) of disposals were signed, mainly involving non-core assets: 10 budget hotels in France and 2 business hotels in Spain, +2% above end-2022 appraisal values.

Finally, Covivio streamlined its non-core portfolio by signing preliminary sale agreements for €24 million (€54 million at 100%) of retail assets.

## F. INVESTMENTS: €340M GROUP SHARE REALIZED IN 2023

€340 million Group share (€412 million at 100%) of capex were realized in 2023 (vs €452 million Group share in 2022), to improve the quality of our portfolio and create value:

- Capex in the **development pipeline** totaled €222 million Group share (€239 million at 100%),

- €118 million Group share (€174 million at 100%) relate to **works on the operating portfolio** of which €76 million in German residential of which 2/3 modernization, generating revenues.

## G. DEVELOPMENT PROJECTS:

### 1. Deliveries: 68,550m² of offices delivered in 2023

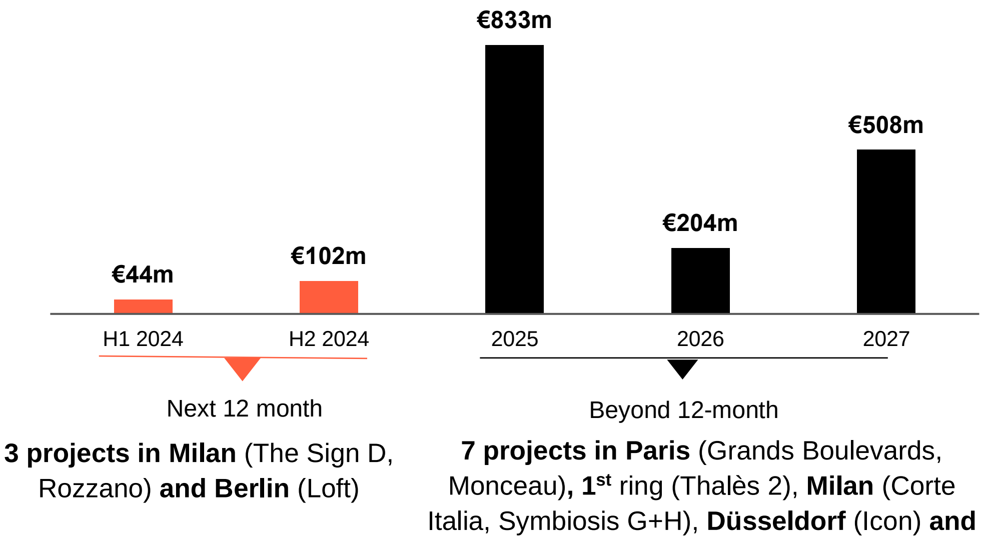
Five offices projects were delivered in 2023 in the Greater Paris and in Berlin:

- Maslo in Levallois (€216 million total cost & 20,800 m²), 87% let vs 28% at end-2022;
- DS Campus Extension in Vélizy-Villacoublay (€67 million cost Group Share & 27,500 m²), 100% let to Dassault Systèmes;
- L'Atelier in Paris (€102 million total cost & 5,850 m²), operated by Wellio;
- Beagle in Berlin (€16 million total cost & 5,100 m²), 100% let;
- Xylo in Fontenay-sous-Bois (€33 million total cost & 9,300 m²), 0% let.

### 2. Committed Office Pipeline: €1.7 bn Group share, 53% pre-let

Covivio has a €1.7bn Group share pipeline of office buildings in France, Germany, and Italy, the bulk of it (85%) in the city centers of Paris, Milan and Berlin, where demand for prime assets is high. This pipeline is highly pre-let (53%) and will participate to the continued improvement of the portfolio quality towards centrality & grade A buildings.

- Two projects were committed in 2023: Grands Boulevards and Monceau, both in Paris CBD, for €135 million of capex and a yield on capex of 6.5% (total yield on cost of 4.5%).
- The pipeline at end-December 2023 is composed of 10 projects (costs in Group share):




Capex still to be spent on the committed development pipeline reaches on average €170 million per year by 2027.

| Committed projects | Location | Project type | Surface (m²) [1] | Delivery year | Pre-leased (%) | Total Budget [2] (M€, 100%) | Total Budget [2] (M€, GS) | Target Yield [3] |
|---|---|---|---|---|---|---|---|---|
| Monceau | Paris | Regeneration | 11,200 m² | 2025 | 0% | 249 | 249 | 4.4% |
| Thalès 2 | Meudon | Construction | 38,000 m² | 2026 | 100% | 204 | 204 | 7.8% |
| Grands Boulevards | Paris | Regeneration | 7,500 m² | 2027 | 0% | 153 | 153 | 4.5% |
| **To be delivered in 2025 and beyond** | | | **56,700 m²** | | **47%** | **606** | **606** | **5.6%** |
| **Total France committed pipeline** | | | **56,700 m²** | | **47%** | **606** | **606** | **5.6%** |
| The Sign D | Milan | Construction | 13,200 m² | 2024 | 92% | 76 | 76 | 6.1% |
| Rozzano - Strada 8 | Milan | Regeneration | 25,700 m² | 2024 | 47% | 44 | 44 | 7.9% |
| **To be delivered in 2024** | | | **38,900 m²** | | **72%** | **120** | **120** | **6.7%** |
| Corte Italia | Milan | Regeneration | 12,100 m² | 2025 | 100% | 125 | 125 | 5.9% |
| Symbiosis G+H | Milan | Construction | 38,000 m² | 2025 | 100% | 198 | 198 | 6.4% |
| **To be delivered in 2025 and beyond** | | | **50,100 m²** | | **100%** | **323** | **323** | **6.2%** |
| **Total Italy committed pipeline** | | | **89,000 m²** | | **92%** | **443** | **443** | **6.3%** |
| Loft (65% share) | Berlin | Regeneration | 7,600 m² | 2024 | 0% | 40 | 26 | 5.4% |
| **To be delivered in 2024** | | | **7,600 m²** | | **0%** | **40** | **26** | **5.4%** |
| Icon (94% share) | Düsseldorf | Regeneration | 55,700 m² | 2025 | 55% | 277 | 261 | 5.0% |
| Alexanderplatz (55% share) | Berlin | Construction | 60,000 m² | 2027 | 0% | 646 | 355 | 4.4% |
| **To be delivered in 2025 and beyond** | | | **115,700 m²** | | **25%** | **889** | **923** | **4.6%** |
| **Total Germany committed pipeline** | | | **123,300 m²** | | **24%** | **963** | **642** | **4.7%** |
| **Total committed pipeline** | | | **269,000 m²** | | **53%** | **2,011** | **1,691** | **5.4%** |

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

## 3. Build-to-sell pipeline

| Committed projects | Units | Total Budget [1] (€m, 100%) | Total Budget [1] (€m, Group share) | Pre-sold (%) |
|---|---|---|---|---|
| Berlin (1 project) | 92 | | | |
| Bordeaux Lac | 203 | | | |
| Antony | 68 | | | |
| Saint-Germain-en-Laye | 24 | | | |
| **To be sold in 2024** | **387** | **102** | **92** | **73%** |
| Berlin (2 projects) | 117 | | | |
| Fontenay-sous-Bois | 249 | | | |
| Bordeaux Lac | 102 | | | |
| Bobigny | 158 | | | |
| **To be sold in 2025 & beyond** | **626** | **209** | **133** | **54%** |
| **Total Residential BTS** | **1,013** | **311** | **225** | **62%** |

[1] Including land and financial costs

- Seven projects were delivered in 2023, for a total budget of €74 million (€86 million at 100%), with a 9% margin.
- At the end of 2023, the German pipeline is composed of 3 projects located in Berlin, where housing shortage is the highest in Germany, totaling 209 residential units and a total cost of €73 million Group share.
- The current French pipeline is composed of 6 projects located mainly in the Greater Paris and Bordeaux, representing 804 residential units, a total cost of €152 million Group Share. 91% of the projects are already pre-sold.
- The total margin of the committed pipeline reaches 9%.

## 4. Managed Pipeline

In the long-term, Covivio also owns more than 322,000 m² of landbanks that could welcome new development projects:

- in Paris, Greater Paris and Major French Cities (209,000 m²) mainly for turnkey developments;
- in Milan with Symbiosis (23,000 m²) and Porta Romana (76,000 m²);
- and approximately 14,000 m² in Germany, mostly in Berlin.

# H. PORTFOLIO

## Portfolio value: -10.2% like-for-like change

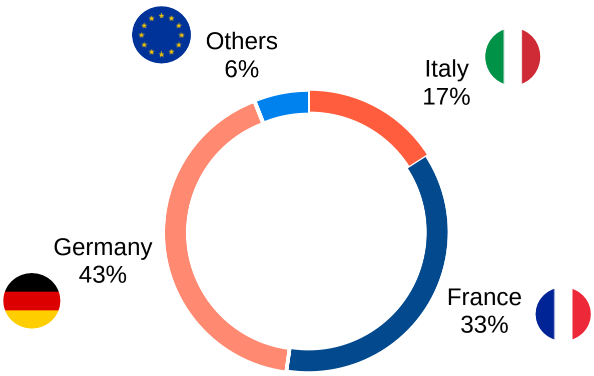
| (€ million, Excluding Duties) | Value 2022 Group Share | Value 2023 100% | Value 2023 Group share | LfL [1] 12 months change | Yield 2022 | Yield 2023 | % of portfolio |
|---|---|---|---|---|---|---|---|
| Offices | 9,508 | 9,446 | 7,847 | -11.7% | 4.8% | 5.5% | 52% |
| Residential Germany | 5,238 | 7,212 | 4,672 | -10.8% | 3.5% | 4.1% | 31% |
| Hotels | 2,622 | 6,376 | 2,535 | -3.9% | 5.0% | 5.9% | 17% |
| Non-strategic | 27 | 54 | 26 | -3.1% | 6.3% | n.a | 0% |
| **Total** | **17,395** | **23,089** | **15,080** | **-10.2%** | **4.4%** | **5.1%** | **100%** |

[1] LfL: Like-for-Like

The portfolio decreased by -10.2% like-for-like (-€1 771 million) to reach €15.1 billion Group share (€23.1 billion in 100%) mostly due to:

- **Overall in offices**, asset values were down -11.7% on a like-for-like basis, with substantial disparities between the relative resilience of city centre assets (69% of the portfolio), down -8.1%, and the more pronounced fall of -20.9% in the non-core category (6% of the office portfolio);
- **Germany Residential** recorded a -10.8% decrease **on a like-for-like basis**, across all geographies and an average yield up from 3.5% to 4.1% (+49bps like-for-like increase in capitalization rates); Assets are valued at their block value. 48% of the portfolio, worth €2.2 billion, is already co-owned, particularly in Berlin (68%; €1.8 billion), where the unit sale value is 52% above the block value.
- **In Hotels,** portfolio showed better resilience (-3.9%), with an average yield increasing from 5% to 5.9%, mostly driven by the indexation (+45bps) and the increase in capitalization rates (+20bps like-for-like), offset by good operating performance.

**Geographical breakdown of the portfolio in 2023**




## I. LIST OF MAIN ASSETS

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

| Top 10 Assets | Location | Tenants | Surface (m²) | Covivio share |
|---|---|---|---|---|
| Garibaldi Complex | Milan | Multi let | 44,700 | 100% |
| CB21 Tower | La Défense | Multi let | 68,100 | 75% |
| Jean Goujon | Paris 8th | LVMH | 8,600 | 100% |
| Dassault Campus | Vélizy | Dassault Systèmes | 97,000 | 50% |
| Icon | Düsseldorf | Multi let | 55,700 | 94% |
| Mäslo | Levallois Perret | Multi let | 20,800 | 100% |
| Zeughaus | Hamburg | Multi let | 43,700 | 94% |
| Velizy Thalès | Vélizy | Thalès | 88,274 | 100% |
| Frankfurt Airport Center | Frankfurt | Multi let | 48,100 | 90% |
| Art & Co | Paris 12th | Multi let | 13,500 | 100% |

# 2. BUSINESS ANALYSIS BY SEGMENT

## A. OFFICES: 52% OF COVIVIO'S PORTFOLIO

Covivio has implemented a strategy based on **centrality**, **hospitality**, and **sustainability**. This global strategy is particularly reflected in its office portfolio, characterized by high levels of centrality and accessibility, A-quality and top-level services offer. This strategy is bearing fruits, as illustrated by the increase in occupancy rate in 2023, +10bps to 94.5%.

Covivio owns offices in France (27% of Covivio's portfolio), Italy (17%), and Germany (8%) totalling **€9.4 billion (€7.8 billion Group share**) at end-December 2023.

Covivio's portfolio is split as follows:

- **Core assets in city centers** **(69% of Covivio's office portfolio, +4pts vs. 2022** and +10pts vs. 2020): located in city centers of main European cities *(Paris/Levallois/Neuilly, Milan, Berlin, Düsseldorf, Hamburg, and French major regional cities*), with **high occupancy (97%)** and **long WALB** (5.2 years).
- **Core assets in major business hubs** **(25%, -2pts vs. 2022):** includes assets with **value resiliency** and **liquidity**, in well-connected business hubs *(Greater Paris, Periphery of German cities)*, with **high occupancy** (93%) and **long WALB** (6.1 years), mostly let to long-term partners such as Telecom Italia, Thalès and Dassault Systèmes.
- **Non-Core assets** (**6%, -2pts vs. 2022)**: gathers secondary offices assets outside city centers in Germany, Italy, Greater Paris, for which the occupancy rate (82%) and the WALB (3.5 years) are lower, with a **disposal** or **conversion into residential** strategy.

### 1. European office market: confirmed polarization, slowdown in investments[1]

### 1.1. French offices: continued rise of prime rents

Take-up in Greater Paris office market reached **1 932 100 m²** in 2023, down **-17%** year-on-year:

- **Paris Centre West** continued to outperform, with take-up declining by **-12%** year-on-year to **573,700m²**
- **Paris inner city** counted for **46%** of the total take-up in Greater Paris (vs. 40% on average over the last 5 years).

The **immediate offer** increased by **+10.2%** YoY to **4.8 million m²** and the vacancy rate now stands at **8.4%**, up by +70bps year-on-year, but with strong disparities:

- In **Paris CBD,** vacancies decreased by 10bps to **2.7%.**
- In **the first ring**, the vacancy rate remains at high levels, increasing by 290bps to **15.4%**

Prime rents in Paris continued to increase, reaching an all-time high of **€1,070/m²/year** (+7% vs. 2022), while remaining stable in other areas. Incentives in Greater Paris increased slightly to **25.4%,** up +80bps YoY, with strong disparities across sub-markets:

- Slight increase in **Paris CBD,** +20bps at **15.9%**
- Higher increase in La Défense, +200bps at **35.9%**

[1] *Sources: CBRE, Cushman & Wakefield, Savills, BNP Real Estate*

**Office investments in Greater Paris totaled €4.7 billion over 2023, down –56% YoY**. Prime yields increased over the year, +100bps in Paris CBD to **4.25%.**

## 1.2. Milan offices: still a dynamic letting market

The Milan office market recorded a total take-up of **412 000 m²** (**-15%** year-on-year but still +8% above 5-year average) after a record year in 2022. Demand remained focused on **buildings** in prime locations, offering **good level of services**, as demonstrated by the level of **grade A/A**+ properties, which now count for **80%** of the total take-up in Milan.

The average vacancy rate in Milan decreased by -50bps YoY, to **+11.1%** at end-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 **5.9%,** a slight increase of +40bps over one year, and decreased by 1pt to **3.4%** in the semi-centre
- In the **periphery**, the vacancy rate increased by 80bps to **17.5%.**

The intense demand for high-quality spaces, combined with the scarcity of grade A assets, contributed to the stabilisation of prime rents in Milan at **€700/m²/year**.

With a total amount of **€1.1 billion invested** (**-78%** YoY), **€0.73 billion for Milan (**-79.9% YoY), the **Italian office investment market** was limited in 2023. Prime yields now stand at **4.25%** in Milan CBD (+50bps YoY) and **4.75%** in Milan Centre (+50bps YoY).

## 1.3. Germany offices: -26% in take-up, but prime rents up +6% yoy

**Take-up** in Germany top six markets in 2023 decreased by 26% year-on-year to **2,233,600 m²,** impacted by economic slowdown and working from home impact**.**

**Vacancy rates** reached **5.6%** on average, up +80 bps YoY. **Berlin** (4.4%) and **Hamburg** (3.9%) recorded the lowest vacancy rates, followed by **Munich** at 5.5%, while in Frankfurt and Dusseldorf vacancy levels remained higher, respectively at 9.7% and 8.2%.

**Prime rents** grew on average by +**7.4%** across 2023, with varying performances: **Strong growth** in Düsseldorf (+19%), while Munich (+9%) and Berlin (+4%) also experienced decent growth. In Hamburg, prime rents **stabilized** in 2023, while Frankfurt suffered negative growth (-6%).

**Investment volume in German Offices** declined by -79% YoY in 2023 to €4.6 billion. Prime yields now stand at **4.4%** on average for the top 6 cities in Germany, up +100bps YoY.

## 2. Accounted revenues: +5.2% on a Like-for-Like basis

| | 100% | | | Group share | | | |
|---|---|---|---|---|---|---|---|
| (€ million) | 2022 | 2023 | Change (%) | 2022 | 2023 | Change (%) | Change (%) LfL [1] |
| **Offices** | **394.3** | **385.1** | **- 2.4%** | **330.9** | **320.3** | **- 3.2%** | **+5.2%** |
| **France** | **202.1** | **197.9** | **- 2.1%** | **175.6** | **167.6** | **- 4.6%** | **+4.0%** |
| Paris / Neuilly / Levallois | 65.6 | 67.8 | + 3.3% | 63.1 | 64.3 | + 1.9% | +2.4% |
| Western Crescent and La Defense | 48.1 | 41.4 | - 14.1% | 42.0 | 34.4 | - 18.2% | -6.6% |
| First ring | 53.3 | 54.2 | + 1.6% | 40.1 | 40.1 | + 0.1% | +8.2% |
| Major Regional Cities | 29.6 | 29.6 | + 0.0% | 25.0 | 23.8 | - 4.7% | +15.0% |
| Others France | 5.4 | 5.0 | - 7.4% | 5.4 | 5.0 | - 7.4% | +2.9% |
| **Italy** | **140.8** | **133.0** | **- 5.6%** | **109.5** | **104.2** | **- 4.8%** | **+6.4%** |
| Milan | 68.4 | 68.9 | + 0.8% | 68.4 | 69.0 | + 0.8% | +6.1% |
| Telecom Italia portfolio (51% ownership) | 63.9 | 58.7 | - 8.1% | 32.6 | 30.0 | - 8.1% | +6.8% |
| Others Italy | 8.6 | 5.3 | - 37.7% | 8.6 | 5.3 | - 37.7% | +8.0% |
| **Germany** | **51.4** | **54.1** | **+ 5.3%** | **45.7** | **48.4** | **+ 5.9%** | **+6.5%** |
| Berlin | 7.8 | 8.0 | + 2.4% | 5.5 | 5.7 | + 4.4% | +0.5% |
| Frankfurt | 20.5 | 21.3 | + 4.3% | 18.8 | 19.6 | + 4.4% | +7.8% |
| Düsseldorf | 8.9 | 10.0 | + 12.1% | 8.4 | 9.4 | + 12.2% | +11.3% |
| Other (Hamburg & Munich) | 14.3 | 14.9 | + 4.2% | 13.1 | 13.6 | + 4.2% | +4.1% |

1 LfL: Like-for-Like

Compared to last year, rental income decreased by -€10.6 million, mainly due to:

- **Like-for-Like rental growth** (+€14.7 million) of **+5.2%**, mostly driven by the impact of strong indexation:
- **Disposals** (-€26.4 million) realized in 2022 (-€14.9 million) and in 2023 (-€11.5 million),
- **Positive contribution from office pipeline** (+€1.7 million), the impact of vacated assets to be redeveloped (-€13.9 million), being offset by deliveries of new assets (+€15.6 million), shared between 2022 deliveries (So Pop, Streambuilding, Goujon) and 2023 deliveries (Maslö, DS Campus, Beagle).

## 3. Annualized revenue

| (€ million) | Surface (m²) | Number of assets | 100% 2022 | 100% 2023 | Group share 2022 | Group share 2023 | Change (%) | % of rental income |
|---|---|---|---|---|---|---|---|---|
| **Offices** | **2,069,251** | **189** | **461.4** | **448.7** | **378.8** | **358.4** | **- 5.4%** | **100%** |
| **France** | **978,119** | **93** | **261.0** | **244.8** | **214.2** | **189.7** | **-11%** | **53%** |
| Paris / Neuilly / Levallois | 265,350 | 23 | 86.2 | 85.7 | 80.9 | 79.6 | - 2% | 22% |
| Western Crescent and La Defense | 99,834 | 6 | 47.9 | 39.6 | 40.6 | 30.9 | - 24% | 9% |
| First ring | 368,486 | 19 | 80.3 | 83.1 | 55.0 | 52.4 | - 5% | 15% |
| Major Regional Cities | 195,517 | 29 | 41.0 | 32.3 | 32.2 | 22.7 | - 29% | 6% |
| Others France | 48,932 | 16 | 5.5 | 4.1 | 5.5 | 4.1 | - 25% | 1% |
| **Italy** | **726,488** | **77** | **144.6** | **147.0** | **116.5** | **117.7** | **1%** | **33%** |
| Milan | 226,957 | 28 | 79.3 | 81.8 | 79.3 | 81.8 | 3% | 23% |
| Telecom Italia portfolio (51% ownership) | 457,081 | 47 | 57.4 | 59.6 | 29.2 | 30.4 | 4% | 8% |
| Others Italy | 42,450 | 2 | 7.9 | 5.6 | 7.9 | 5.6 | -30% | 2% |
| **Germany** | **364,644** | **19** | **55.9** | **56.9** | **48.2** | **51.0** | **6%** | **14%** |
| Berlin | 58,119 | 7 | 8.3 | 8.3 | 5.2 | 6.1 | 17% | 2% |
| Frankfurt | 118,649 | 4 | 22.6 | 23.0 | 20.3 | 21.2 | 4% | 6% |
| Düsseldorf | 68,786 | 2 | 9.6 | 10.1 | 9.1 | 9.5 | 5% | 3% |
| Other (Hamburg & Munich) | 119,090 | 6 | 15.4 | 15.5 | 13.6 | 14.2 | 4% | 4% |

The decrease is mainly explained by the following variations:

- The decrease in France (-11%) is driven by the release of premises in Western Crescent and disposals in Major Regional Cities.
- The increase in Italy is mostly explained by the stability of the portfolio with an increased occupancy rate (98.7%) and a significant WALB (6.3 years).
- The increase in Germany (+6%) is mostly explained by the Offices portfolio in Berlin and the delivery of Beagle in Berlin.

## 4. Indexation

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

- For current leases in France, 93% of rental income is indexed to ILAT; 5% to ICC ; The balance is indexed to ILC or the IRL.
- In Italy, 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.
- Rents are indexed on the German consumer price index for 42% of leases, 10% have a fixed uplift and 32% have an indexation clause (if CPI goes above an annual increase between 5% and 10%). The remainder (16%) is not indexed and mainly let to public administration.

## 5. Busy rental activity: 130,860 m² renewed or let during 2023

| (€ million - FY 2023) | Surface (m²) | Annualized Top up rents Group Share (€m) | Annualised rents (100%, €/m²) |
|---|---|---|---|
| Vacated | 112,804 | 31 | 284 |
| Lettings | 79,933 | 23 | 332 |
| Renewals | 50,927 | 10 | 218 |

**2023 was a dynamic year for letting activity. 130,860 m²** have been signed **or renewed** in 2023, with the main lettings shown below:

- **79,933 m² have been let or pre-let** in 2023, of which:
  - 11,658 m² on Levallois Maslö, now 87% let,
  - 11,613 m² on Paris Saint-Ouen So Pop, now 71% let.
  - 7,738 m² on Atlantis in Issy-les-Moulineaux, vacated early 2023 and already 70% relet,
  - 7,164 m² on Paris Cap18,
  - 4,242 m² relet in La Défense-CB21, now 100% let,
  - 1,439 m² on Boulogne Grenier, now 100% let,
  - 4,560 m² of pre-lettings on the development portfolio (Rozzano),
  - 9,190 m² on Zeughaus in Hamburg, now 96% let,
  - 4,054 m² on FAC in Frankfurt
- **50,927 m² have been renewed**, of which 47,426 m² in Germany, mainly:
  - 11,575 m² on FAC in Frankfurt,
  - 7,901 m² on CCC in Frankfurt,
  - 6,711 m² on Zeughaus in Hamburg,
  - 4,432 m² on ABC in Düsseldorf.
- **112,804 m² were vacated**, mostly in France (93,267 m²) and Germany (14,309 m²)
  - 28 317 m² for redevelopment (€9.4 million of top up rents, Group share), 24% for new offices, 76% to be converted into residential,
  - 45,572 m² on assets to be relet, of which 19 409 m² have already been relet,
  - 38 915 m² on assets under disposal agreement.

## 6. Lease expiries and occupancy rate

### 6.1. Lease expiries: firm residual lease term of 5.4 years

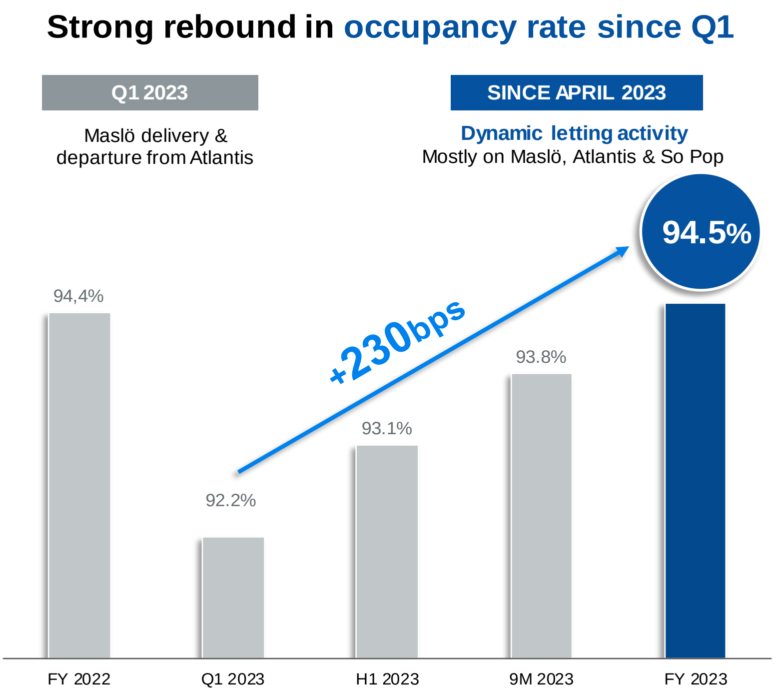
| (€ million Group share) | By lease end date (1st break) | % of total | By lease end date | % of total |
|---|---|---|---|---|
| 2024 | 34.7 | 9.7% | 12.8 | 3.6% |
| 2025 | 63.0 | 17.6% | 22.4 | 6.3% |
| 2026 | 20.8 | 5.8% | 37.8 | 10.5% |
| 2027 | 32.8 | 9.2% | 12.1 | 3.4% |
| 2028 | 35.7 | 10.0% | 42.3 | 11.8% |
| 2029 | 18.6 | 5.2% | 22.4 | 6.2% |
| 2030 | 44.3 | 12.4% | 33.1 | 9.2% |
| 2031 | 19.5 | 5.4% | 40.6 | 11.3% |
| 2032 | 26.9 | 7.5% | 34.4 | 9.6% |
| 2033 | 21.4 | 6.0% | 47.7 | 13.3% |
| Beyond | 40.7 | 11.3% | 52.7 | 14.7% |
| **Total** | **358.4** | **100%** | **358.4** | **100%** |

In 2024, €34.7 million of leases will expire, of which €20 million already managed. €14.7 million are still to be managed (2.1% of Covivio annualized revenues), mostly on core assets for which tenant decision is not known yet.

## 6.2. Occupancy rate: 94.5% at end 2023

| (%) | 2022 | 2023 |
|---|---|---|
| **Offices** | **94.4%** | **94.5%** |
| **France** | **94.4%** | **94.1%** |
| Paris / Neuilly / Levallois | 94.8% | 95.8% |
| Western Crescent and La Defense | 94.6% | 95.8% |
| First ring | 92.0% | 89.9% |
| Major Regional Cities | 98.6% | 97.9% |
| Others France | 88.0% | 84.0% |
| **Italy** | **98.4%** | **98.7%** |
| Milan | 98.0% | 98.3% |
| Telecom Italia portfolio (QP 51%) | 100.0% | 100.0% |
| Others Italy | 96.3% | 97.3% |
| **Germany** | **85.1%** | **86.4%** |
| Berlin | 87.4% | 85.0% |
| Frankfurt | 88.8% | 90.3% |
| Düsseldorf | 93.5% | 93.8% |
| Other (Hamburg & Munich) | 78.3% | 81.4% |

- In France, the occupancy rate decreased by -30bps to 94.1%, compared to 94.4% at end-2022, mostly due to one vacated asset (Atlantis, already 70% relet) and one delivery in Q1 2023 (Maslö, now 87% let).
- In Italy, the occupancy rate level increased by +30bps to 98.7%, compared to 98.4% at end-2022, due to new lettings.
- In Germany, the occupancy rate increased by +130 bps to 86.4% vs. end-2022. This is mainly linked to lettings, especially on Zeughaus in Hamburg and on CCC in Frankfurt.



## 7. Portfolio values

### 7.1. Change in portfolio values: -17.5% on offices

| (€ million - incl. Duties - Group share) | Value 2022 | Invest. | Disp. | Change in value | Reclass. Inventories | Value 2023 |
|---|---|---|---|---|---|---|
| Assets in operation | 7,913 | 81 | -529 | -878 | 36 | 6,623 |
| Assets under development | 1,595 | 184 | -187 | -160 | -208 | 1,224 |
| **Total Offices** | **9,508** | **265** | **-716** | **-1,038** | **-172** | **7,847** |

The portfolio value decreased by - €1,661 million since year-end-2022 (-17.5%), mainly driven by:

- - €1,038 million from **Like-for-Like** value drop (-11.7%), due to cap rate extension and repricing on assets needing repositioning,
- + €265 million invested in **development projects** and **upgrading works** on assets in operation;
- - €716 million from **disposals**.

### 7.2. Change on a like-for-like basis: -11.7%

| (€ million, Excluding Duties) | Value 2022 100% | Value 2022 Group share | Value 2023 100% | Value 2023 Group share | LfL (%) change [1] | Yield [2] 2022 | Yield [2] 2023 | % of total |
|---|---|---|---|---|---|---|---|---|
| Offices | 11,328 | 9,508 | 9,446 | 7,847 | -11.7% | 4.8% | 5.5% | 100% |
| **France** | **6,615** | **5,547** | **5,010** | **4,117** | **-14.5%** | **4.7%** | **5.5%** | **52%** |
| Paris / Neuilly / Levallois | 3,069 | 2,837 | 2,476 | 2,293 | -11.5% | 3.8% | 4.5% | 29% |
| Western Crescent and La Defense | 940 | 796 | 604 | 496 | -23.5% | 5.8% | 7.2% | 6% |
| First ring | 1,622 | 1,146 | 1,283 | 864 | -17.9% | 5.4% | 6.3% | 11% |
| Major Regional Cities | 918 | 700 | 601 | 417 | -12.3% | 4.8% | 6.0% | 5% |
| Others France | 67 | 67 | 46 | 46 | -4.7% | 8.2% | 9.3% | 1% |
| **Italy** | **3,014** | **2,520** | **2,963** | **2,491** | **-3.2%** | **5.2%** | **5.6%** | **32%** |
| Milan | 1,915 | 1,915 | 1,932 | 1,932 | -2.5% | 4.9% | 5.3% | 25% |
| Telecom Italia portfolio (51% ownership) | 1,007 | 513 | 963 | 491 | -2.4% | 5.7% | 6.2% | 6% |
| Others Italy | 92 | 92 | 68 | 68 | -21.6% | 8.6% | 9.2% | 1% |
| **Germany** | **1,699** | **1,441** | **1,473** | **1,239** | **-17.1%** | **4.1%** | **5.2%** | **16%** |
| Berlin | 509 | 335 | 467 | 306 | -18.4% | 3.9% | 4.6% | 4% |
| Frankfurt | 483 | 445 | 411 | 378 | -15.3% | 4.5% | 5.7% | 5% |
| Düsseldorf | 303 | 285 | 251 | 237 | -20.1% | 4.7% | 5.8% | 3% |
| Other (Hamburg & Munich) | 405 | 376 | 344 | 319 | -15.7% | 3.6% | 4.9% | 4% |

[1] LfL : Like-for-Like on a 12 months basis || [2] Yield excluding assets under development

The -11.7% change in Like-for-Like value is mostly driven by the increase in capitalization rates, across all geographical areas and more specifically for peripheral assets.

- Overall, the -11.7% value decline is mostly linked to the market environment. There were strong disparities between assets in the city centers (the major part of our portfolio, 69%), down -8.1% year-on-year, Major Business Hubs down -18% and non-core assets down -20.9%.

The average yield increased by +75bps to 5.5%.

## 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 17$^{th}$ (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).

## B. GERMAN RESIDENTIAL: 31% 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 ~41,100 units in Berlin, Hamburg, Dresden, Leipzig, and North Rhine-Westphalia, representing €7.2 billion (€4.7 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 56% at year-end 2023. Covivio's portfolio in Berlin is of high quality, with 68% of buildings built before 1950 and 68% of the surface already divided into condominiums.

### 1. Supply/demand imbalance increased again in 2023, supporting rents

- In Germany, the demand for housing continued to rise since the start of the year, in a context of increasing number of inhabitants while building completions, around 270 000 units in 2023, remain far from the Government target (> 400 000 units / year).

- This shortage continues to support rents in Germany and especially in Berlin. Average rents of new buildings in Berlin increased by +9% to €19.4/m² in 2023, while for existing buildings rents increased by +6% to € 12.9/m² according to Riwis/Bulwiengesa.

- German residential investment market (for multi-family buildings above 30 units) was down -38% in 2023 versus the prior year, to €7.5 billion. The private market was also impacted, as shown by private real estate loans recorded by the Bundesbank, decreasing -37% year-on-year to €161 billion.

- Average prices slightly decreased yoy, by -4% for existing buildings, to €4,750/m², still well above the current valuation of Covivio's residential portfolio (€3,052/m² in Berlin). The average square meter price for new buildings also decreased, by –2.8% to €7,000/m².

In 2023, Covivio's activities were marked by:

- Accelerated rental growth: +3.9% on a like-for-life basis (vs. +3.1% in 2022); and
- -10.8% value decline on a like-for-like basis, due to the increase in interest rates.

## 2. Accounted rental income: +3.9% like-for-like

| (In € million) | Rental income 2022 100% | Rental income 2022 Group share | Rental income 2023 100% | Rental income 2023 Group share | Change (%) Group share | Change (%) LfL [1] Group share | % of rental income |
|---|---|---|---|---|---|---|---|
| Berlin | 140.0 | 92.0 | 147.7 | 96.9 | + 5.5% | +4.0% | 52% |
| Dresden & Leipzig | 22.8 | 14.8 | 23.3 | 15.1 | + 2.3% | +2.9% | 8% |
| Hamburg | 17.4 | 11.4 | 18.5 | 12.1 | + 6.2% | +4.4% | 7% |
| North Rhine-Westphalia | 92.7 | 58.4 | 96.7 | 60.9 | + 4.3% | +3.9% | 33% |
| Essen | 34.2 | 21.3 | 35.7 | 22.2 | + 4.4% | +4.0% | 12% |
| Duisburg | 16.1 | 10.0 | 16.6 | 10.3 | + 2.8% | +4.1% | 6% |
| Mulheim | 10.6 | 6.7 | 11.2 | 7.1 | + 6.0% | +3.2% | 4% |
| Oberhausen | 9.7 | 6.3 | 10.1 | 6.6 | + 4.2% | +3.9% | 4% |
| Other | 22.1 | 14.2 | 23.1 | 14.8 | + 4.6% | +3.9% | 8% |
| **Total** | **272.9** | **176.6** | **286.0** | **185.1** | **+ 4.8%** | **+3.9%** | **100%** |
| of which Residential | 235.0 | 151.7 | 245.1 | 158.2 | + 4.3% | +3.2% | 85% |
| of which Other com. [2] | 37.8 | 24.8 | 41.1 | 26.9 | + 8.5% | +8.7% | 15% |

1 LfL: Like-for-Like || 2 Other commercial: Ground-floor retail, car parks, etc

Rental income amounted to €185.1 million Group share in 2023, up +4.8% (+€8.5million) thanks to:

- In Berlin, like-for-like rental growth is +4.0% (+€ 3.6 million), driven by the indexation (+2.0 pts) and relettings (+1.4 pts) with high uplift (+31% in 2023).
- Outside Berlin, like-for-like rental growth was strong in all areas (+3.8% on average, +€3.2 million) due to the reletting impact (including modernizations) and the indexation.

## 3. Annualized rents: € 189.4 million Group share

| (In € million) | Surface (m²) | Number of units | Annualised rents 2022 Group share | Annualised rents 2023 100% | Annualised rents 2023 Group share | Change (%) Group share | Average rent per month | % of rental income |
|---|---|---|---|---|---|---|---|---|
| Berlin | 1,308,503 | 17,852 | 95.5 | 150.3 | 98.5 | + 3.2% | 9.6 €/m² | 52% |
| Dresden & Leipzig | 266,623 | 4,354 | 15.0 | 23.9 | 15.5 | + 2.9% | 7.5 €/m² | 8% |
| Hamburg | 148,988 | 2,415 | 12.0 | 19.4 | 12.7 | + 5.9% | 10.8 €/m² | 7% |
| NRW [2] | 1,103,280 | 16,482 | 60.3 | 99.5 | 62.7 | + 4.1% | 7.5 €/m² | 33% |
| Essen | 393,973 | 5,757 | 22.2 | 36.6 | 22.7 | + 2.5% | 7.7 €/m² | 12% |
| Duisburg | 198,572 | 3,033 | 10.1 | 17.0 | 10.6 | + 4.1% | 7.1 €/m² | 6% |
| Mulheim | 130,315 | 2,180 | 6.8 | 11.7 | 7.4 | + 7.5% | 7.5 €/m² | 4% |
| Oberhausen | 124,840 | 1,830 | 6.6 | 10.4 | 6.8 | + 4.2% | 7.0 €/m² | 4% |
| Others | 255,580 | 3,682 | 14.5 | 23.8 | 15.2 | + 4.8% | 7.8 €/m² | 8% |
| **Total** | **2,827,395** | **41,103** | **182.8** | **293.0** | **189.4** | **+ 3.6%** | **8.6 €/m²** | **100%** |
| o/w Residential | 2,591,915 | 39,550 | 156.2 | 251.6 | 162.3 | + 3.9% | 8.1 €/m² | 86% |
| o/w Other com. [1] | 235,480 | 1,553 | 26.4 | 41.4 | 27.1 | + 2.8% | 14.7 €/m² | 14% |

[1] Other commercial: Ground-floor retail, car parks, etc || 2 North Rhine-Westphalia

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

Rental income (€8.6/m²/month on average) offers solid growth potential through reversion vs. our achieved reletting rents in all our markets including Berlin (25%-30%) Hamburg (20%-25%), Dresden and Leipzig (10%-15%) and in North Rhine-Westphalia (20%-25%).

## 4. Indexation

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

### 4.1. Rents for re-leased properties:

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

As an exception to the unrestricted rent setting principle, cities like Berlin, Hamburg, Cologne, Düsseldorf, Dresden and Leipzig 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 excl. Maintenance), the rent may be increased freely.
- If the rent received from the previous tenant is higher than the +10% limit, then the previous rent will be the limit in the case of re-letting.

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

### 4.2. For current leases:

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

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

### 4.3. For current leases with work carried out:

If works have been carried out, rents may be increased by up to 8% of the cost of work excl. maintenance, 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 rent increase takes effect 3 months after the declaration of rent increase.
- The rent may not be increased by more than €3/m² for work to modernise the property within a six-year period (€2/m² if the initial rent is below €7/m²).

## 5. Occupancy rate: a high level of 99.1%

| (%) | 2022 | 2023 |
|---|---|---|
| Berlin | 98.6% | 98.6% |
| Dresden & Leipzig | 99.6% | 99.8% |
| Hamburg | 99.9% | 100.0% |
| 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 reflects the Group's very high portfolio quality and low rental risk.

## 6. Portfolio values: €7.2 billion (€4.7 billion Group share)

### 6.1. Change in portfolio value: -10.8%

| (In € million, Group share, Excluding Duties) | Value 2022 | Invest. | Disposals | Change in value | Other | Value 2023 |
|---|---|---|---|---|---|---|
| Berlin | 2,985 | 51 | -33 | -340 | 11 | 2,674 |
| Dresden & Leipzig | 430 | 6 | - | -57 | - | 379 |
| Hamburg | 401 | 9 | - | -57 | -2 | 350 |
| North Rhine-Westphalia | 1,422 | 31 | -0 | -185 | 0 | 1,269 |
| **Total** | **5,238** | **97** | **-33** | **-639** | **9** | **4,672** |

In 2023, the portfolio's value decreased by -10.8% to €4.7 billion Group share, driven by the like-for-like decrease in value of €640 million.

### 6.2. Change on a like-for-like basis: -10.8%

| (In € million, Excluding Duties) | Value 2022 100% | Value 2022 Group Share | Surface (m²) 100% | Value 2023 100% | Value 2023 in €/m² | Value 2023 Group share | LfL [1] change | Yield 2022 | Yield 2023 | % of total value |
|---|---|---|---|---|---|---|---|---|---|---|
| Berlin | 4,550 | 2,985 | 1,299,186 | 4,078 | 3,139 | 2,674 | -10.2% | 3.1% | 3.7% | 57% |
| Dresden & Leipzig | 663 | 430 | 266,623 | 584 | 2,190 | 379 | -11.9% | 3.5% | 4.1% | 8% |
| Hamburg | 613 | 401 | 148,988 | 536 | 3,595 | 350 | -12.7% | 3.0% | 3.6% | 8% |
| NRW [3] | 2,258 | 1,422 | 1,103,280 | 2,014 | 1,826 | 1,269 | -11.2% | 4.2% | 4.9% | 27% |
| Essen | 889 | 552 | 393,973 | 782 | 1,985 | 485 | -12.1% | 4.0% | 4.7% | 10% |
| Duisburg | 362 | 225 | 198,572 | 328 | 1,650 | 203 | -9.5% | 4.5% | 5.2% | 4% |
| Mulheim | 245 | 154 | 130,315 | 223 | 1,712 | 140 | -12.4% | 4.5% | 5.2% | 3% |
| Oberhausen | 201 | 132 | 124,840 | 182 | 1,460 | 119 | -9.4% | 5.0% | 5.7% | 3% |
| Others | 561 | 360 | 255,580 | 499 | 1,954 | 320 | -11.0% | 4.1% | 4.8% | 7% |
| **Total** | **8,084** | **5,238** | **2,818,077** | **7,212** | **2,559** | **4,672** | **-10.8%** | **3.5%** | **4.1%** | **100%** |
| o/w Residential | 7,162 | 4,634 | 2,583,082 | 6,356 | 2,461 | 4,113 | -11.3% | 3.4% | 4.0% | 88% |
| o/w Other com. [2] | 923 | 604 | 234,996 | 855 | 3,640 | 559 | -7.3% | 4.4% | 5.0% | 12% |

1 LfL: Like for Like || 2 Other commercial: Ground-floor retail, car parks, etc || 3 NRW: North Rhine-Westphalia

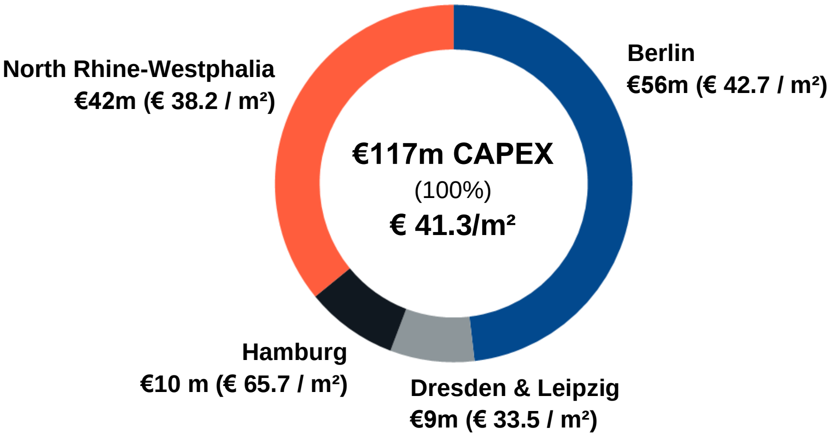
The average value of residential assets is €2,559 per m², with €3,052 per m² in Berlin and €1,826 per m² in North Rhine-Westphalia, and the average yield has risen 60 bp year on year to 4.1%. Assets are valued at their block value. 48% of the portfolio is already co-owned, particularly in Berlin (68%), where the unit sale value is 52% above the block value.

In 2023, values decreased -10.8% on a like-for-like basis versus end-2022, reflecting the increase in interest rates. The average yield of the portfolio is up +60bps to 4.1%.

## 7. Maintenance and modernization CAPEX

In 2023, CAPEX totalled €117 million (€41.3 /m²; €76 million in Group share) and OPEX came to €21 million (€7.3 /m²; €13 million in Group share).

On average, modernization projects, which totalled €78 million in 2023 (€50 million in Group share), have an immediate yield close to 5%, going up to 10% post relettings.



# C. HOTELS: 17% OF COVIVIO'S PORTFOLIO

Covivio Hotels, a 43.9%-owned subsidiary of Covivio as of 31 December 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 €6.4 billion (€2.5 billion in Group share), focused on major European cities and let or operated by major hotel operators such as Accor, B&B, Mariott, 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. Hotel performances at historically high levels

In 2023, hotel performances proved to be exceptional despite an uncertain macroeconomic environment marked by inflation, rising interest rates, and geopolitical tensions.

| | Increasing REVPAR in 2023 in Europe… | | …Driven by strong average prices… | | …And improving occupancy rates | |
|---|---|---|---|---|---|---|
| | vs. 2022 | vs. 2019 | vs. 2022 | vs. 2019 | vs. 2022 | vs. 2019 |
| | +16% | **+20%** | +8% | **+23%** | +5.5pt | **-1.8pt** |
| | +28% | **+32%** | +15% | **+35%** | +7.4pt | **-1.8pt** |
| | +14% | **+22%** | +10% | **+26%** | +2.5pt | **-2.2pt** |
| | +18% | **+16%** | +10% | **+23%** | +5.1pt | **-3.6pt** |
| | +18% | **+18%** | +10% | **+22%** | +5.1pt | **-2.3pt** |
| | +21% | **+6%** | +8% | **+16%** | +7.5pt | **-6.3pt** |

*Sources: MKG, STR.*

- Covivio Hotels' key European markets have significantly surpassed their 2019 performances, with RevPAR in Europe at +16%, ranging from +6% for Germany to +32% for Italy.
- The Pricing Power of the hotel activity became more obvious in 2023. Average daily rates beat 2019 levels by +23% on average in Europe in 2023, with nice performances among our main exposures: +35% in Italy, +25% in France, +23% UK and +16% in Germany.
- The French market, the world's leading tourist destination, records a RevPAR increase of +22%.
- Tourist attendance in the European Union has returned to a level close to pre-pandemic times. The outlook for 2024 is very promising in Europe, especially in France, with numerous events such as the Olympic Games or the or the European Football Championship in Germany.
- On the investment side, the transaction volumes in hotels recorded in Europe in Q3 YTD 2023 reached €9.4 billion, stable vs. 2022, showing better resilience than other asset classes in 2023. Spain and France continued to attract the lion's share of investments.

Assets partially owned by Covivio Hotels include mostly:
- 91 B&B assets in France, including 89 held at 50.2% and 2 held at 31.2%
- 25 AccorInvest assets in France (23 assets) and Belgium (2 assets), between 31.2% and 33.3% owned.

## 2. Accounted revenues: +12.7% on a like-for-like basis

| (In € million) | Rental income 2022 100% | Rental income 2022 Group share | Rental income 2023 100% | Rental income 2023 Group share | Change (%) Group share | Change (%) LfL [1] Group share |
|---|---|---|---|---|---|---|
| Lease properties - Variable | 49.4 | 21.7 | 56.4 | 24.7 | + 14.2% | +18.9% |
| Lease properties - Fixed | 185.3 | 75.7 | 201.3 | 82.8 | + 9.5% | +8.8% |
| Operating properties – EBITDA | 62.0 | 26.4 | 75.8 | 32.3 | + 22.6% | +18.6% |
| **Total revenues Hotels** | **296.6** | **123.7** | **333.4** | **139.9** | **+ 13.1%** | **+12.7%** |

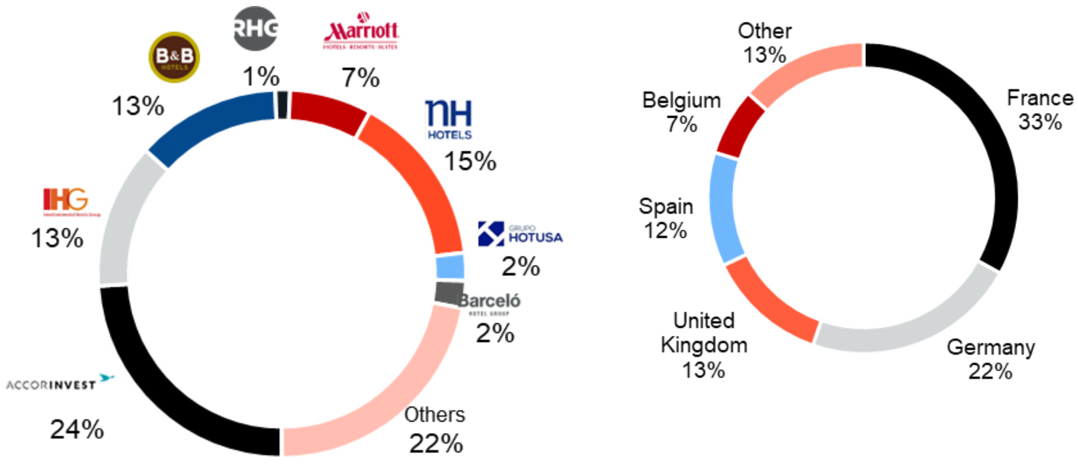
[1] LfL: Like-for-Like 12 months

Hotel revenues increased by +12.7% like-for-like (+€16.2million Group share) compared to 2022, due to:

- **Lease properties:**
  - **AccorInvest variable leases portfolio** (17% of hotels revenues and 20% of the hotel portfolio), which is indexed on hotel turnover, increased by +18.9% like-for-like compared to 2022, driven by intense touristic activity. These midscale and economy hotels are located in France and Belgium;
  - **Fixed leases** (60% of hotel revenues and 57% of the hotel portfolio): mostly through positive indexation (+€2.3 million) and asset management (+€4 million).
- **Operating properties** (23% of the hotel revenues and 23% of the hotel portfolio): mainly located in Germany and in the north of France. The increase from €26.4 million to €32.3 million (Germany +€0.8 million & France +€1.3 million) was driven by the recovery of the market dynamic.

## 3. Annualized revenue

**Breakdown by operators and by country** (based on 2023 revenues), totalling €144.9 million in Group share:




Revenues are split using the following breakdown: fixed (60%), variable (17%) and EBITDA on management contracts (23%).

## 4. Indexation

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

## 5. Lease expiries: 12.2 years hotels residual lease term

| (In € million, Group share) | By lease end date (1st break) | % of total | By lease end date | % of total |
|---|---|---|---|---|
| 2024 | 5.0 | 4% | 0.8 | 1% |
| 2025 | 2.7 | 2% | 2.5 | 2% |
| 2026 | 2.7 | 2% | 0.0 | 0% |
| 2027 | 1.0 | 1% | 1.0 | 1% |
| 2028 | 0.0 | 0% | 0.0 | 0% |
| 2029 | 14.3 | 13% | 12.4 | 11% |
| 2030 | 8.7 | 8% | 8.7 | 8% |
| 2031 | 2.2 | 2% | 4.1 | 4% |
| 2032 | 3.8 | 3% | 3.8 | 3% |
| 2033 | 4.9 | 4% | 6.3 | 6% |
| Beyond | 66.3 | 59% | 72.0 | 64% |
| **Total Hotels in lease** | **111.6** | **100%** | **111.6** | **100%** |

## 6. Portfolio values: -3.9% like-for-like

### 6.1. Change in portfolio values

| (In € million, Group share, Excluding Duties) | Value 2022 | Invest. | Disposals | Change in value | Other (currency) | Value 2023 |
|---|---|---|---|---|---|---|
| Hotels - Lease properties | 2,019 | 5 | -9 | -80 | 13 | 1,948 |
| Hotels - Operating properties | 603 | 4 | - | -22 | 1 | 586 |
| **Total Hotels** | **2,622** | **10** | **-9** | **-102** | **14** | **2,534** |

At end-2023, the portfolio amounted to €2.5 billion Group share, down by €87 million compared to year-end 2022, essentially explained by the negative like-for-like change in value (€102 million).

### 6.2. Change on a like-for-like basis: -3.9%

| (In € million, Excluding Duties) | Value 2022 100% | Value 2022 Group Share | Value 2023 100% | Value 2023 Group share | LfL [1] change | Yield 2022 | Yield 2023 | % of total value |
|---|---|---|---|---|---|---|---|---|
| France | 2,209 | 726 | 2,117 | 701 | -3.6% | 4.7% | 5.6% | 28% |
| Paris | 853 | 314 | 833 | 309 | | | | 12% |
| Greater Paris (excl. Paris) | 500 | 137 | 461 | 127 | | | | 5% |
| Major regional cities | 525 | 169 | 511 | 164 | | | | 6% |
| Other cities | 332 | 107 | 312 | 101 | | | | 4% |
| Germany | 666 | 288 | 619 | 267 | -7.1% | 4.8% | 5.6% | 11% |
| Frankfurt | 76 | 32 | 70 | 30 | | | | 1% |
| Munich | 51 | 22 | 45 | 20 | | | | 1% |
| Berlin | 73 | 32 | 70 | 30 | | | | 1% |
| Other cities | 467 | 202 | 434 | 188 | | | | 7% |
| Belgium | 262 | 103 | 244 | 96 | -6.8% | 6.0% | 7.2% | 4% |
| Brussels | 101 | 36 | 96 | 34 | | | | 1% |
| Other cities | 160 | 67 | 148 | 61 | | | | 2% |
| Spain | 646 | 284 | 636 | 279 | +0.3% | 5.3% | 6.2% | 11% |
| Madrid | 289 | 127 | 282 | 124 | | | | 5% |
| Barcelona | 216 | 95 | 222 | 97 | | | | 4% |
| Other cities | 142 | 62 | 132 | 58 | | | | 2% |
| UK | 665 | 292 | 662 | 290 | -4.4% | 4.5% | 5.6% | 11% |
| Italy | 277 | 121 | 266 | 117 | -4.8% | 5.0% | 5.5% | 5% |
| Other countries | 467 | 205 | 451 | 198 | -4.1% | 5.1% | 5.7% | 8% |
| **Total Lease properties** | **5,193** | **2,019** | **4,996** | **1,948** | **-4.0%** | **4.9%** | **5.8%** | **77%** |
| France | 300 | 132 | 311 | 136 | +2.4% | 5.8% | 6.5% | 5% |
| Lille | 109 | 48 | 103 | 45 | | | | 2% |
| Other cities | 191 | 84 | 208 | 91 | | | | 4% |
| Germany | 875 | 364 | 842 | 350 | -4.5% | 4.8% | 6.1% | 14% |
| Berlin | 621 | 258 | 592 | 246 | | | | 10% |
| Dresden & Leipzig | 199 | 83 | 193 | 80 | | | | 3% |
| Other cities | 55 | 23 | 57 | 24 | | | | 1% |
| Other countries | 245 | 107 | 228 | 100 | -8.4% | 5.8% | 6.8% | 4% |
| **Total Operating properties** | **1,420** | **603** | **1,380** | **587** | **-3.7%** | **5.2%** | **6.2%** | **23%** |
| **Total Hotels** | **6,613** | **2,622** | **6,376** | **2,535** | **-3.9%** | **5.0%** | **5.9%** | **100%** |

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

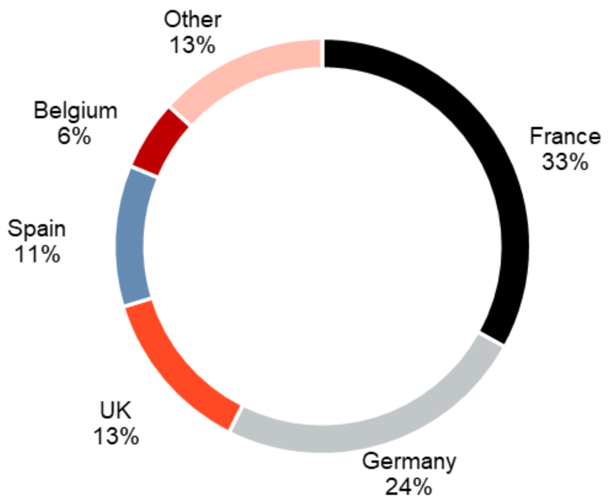
At the end of December 2023, Covivio held a unique hotel portfolio of €2.5 billion group share (€6.4 billion at 100%) in Europe. This strategic portfolio is characterised by:

- **High-quality locations**: average Booking.com location grade of 8.9/10 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 (67% economic/midscale and 33% upscale).
- **Major hotel operators** with long-term leases: 16 hotel operators with an average lease duration of 12.2 years.

The portfolio value decreased by -3.9**% Like-for-Like**, a mix of:

- **Lease properties (-4.0%):** This decline, primarily attributed to the rise in cap rates, was counterbalanced by a positive income effect resulting from the improved hotel performance and rent indexation;
- **Operating portfolio (-3.7%):** The value of German hotel fell by 4.5% in 2023, reflecting market performance and a rise in interest rates. Good performance for the French portfolio with a value increase of +2.4% thanks to one asset in the south of the France which was renovated and to the rebound of market performance.

**Portfolio breakdown by value and geography**




**89% in major European destinations**

# 3. FINANCIAL INFORMATION AND COMMENTS

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

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

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

## CONSOLIDATED ACCOUNTS

### 3.1. Scope of consolidation

On 31 December 2023, Covivio's scope of consolidation includes companies located in France and several European countries. The main equity interests fully consolidated but not wholly owned companies are as follows:

| Subsidiaries | 31 Dec. 2022 | 31 Dec. 2023 |
|---|---|---|
| Covivio Hotels | 43.9% | 43.9% |
| Covivio Immobilien | 61.7% | 61.7% |
| 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% |

### 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 15 February 2024.

## 3.3. Simplified income statement - Group share

| (In € million, Group share) | 2022 | 2023 | var. | % |
|---|---|---|---|---|
| Net rental income | 550.3 | 558.7 | +8.4 | 2% |
| EBITDA from hotel operating activity & flex-office | 38.9 | 47.9 | +9.0 | +23% |
| Income from other activities (incl. Property dev.) | 22.9 | 17.8 | -5.1 | -22% |
| **Net revenue** | **612.1** | **624.4** | **+12.3** | **+2%** |
| Net operating costs | -83.3 | -84.6 | -1.3 | +2% |
| Amortisations of operating assets | -35.9 | -44.4 | -8.5 | +24% |
| Net change in provisions and other | 6.6 | 11.4 | +4.8 | +72% |
| **Current operating income** | **499.5** | **506.8** | **+7.3** | **+1%** |
| Net income from inventory properties | -2.3 | -0.1 | +2.2 | n.a. |
| Income from value adjustments | -119.5 | -1,751.8 | -1,632.4 | n.a. |
| Income from asset disposals | -6.8 | -34.3 | -27.5 | +408% |
| Income from disposal of securities | 24.9 | -1.0 | -25.8 | n.a. |
| Income from changes in scope & other | -0.4 | -2.0 | -1.6 | +370% |
| **Operating income** | **395.4** | **-1,282.4** | **-1,677.8** | **n.a.** |
| Income from non-consolidated companies | 0.0 | 0.0 | +0.0 | n.a. |
| Cost of net financial debt | -87.2 | -97.4 | -10.2 | +12% |
| Interest charges linked to financial lease liability | -7.2 | -7.3 | -0.1 | +1% |
| Value adjustment on derivatives | 371.9 | -132.4 | -504.3 | n.a. |
| Discounting of liabilities-receivables & Result of chge | -0.3 | 0.2 | +0.4 | n.a. |
| Early amortisation of borrowings' cost | -0.9 | -1.5 | -0.6 | n.a. |
| Share in earnings of affiliates | 40.1 | -33.2 | -73.3 | n.a. |
| **Income before tax** | **711.8** | **-1,554.1** | **-2,265.9** | **n.a.** |
| Deferred tax | -75.2 | 156.6 | +231.8 | n.a. |
| Corporate income tax | -15.8 | -21.2 | -5.4 | +34% |
| **Net income for the period** | **620.7** | **-1,418.8** | **-2,039.5** | **n.a.** |

### €624.4 million net revenue (+2%)

Net revenue in Group share increased especially thanks to both dynamic rental activity in all business lines and strong operating activity in hotels, despite impact of disposals in offices.

| (In € million, Group share) | 2022 | 2023 | var. | % |
|---|---|---|---|---|
| France Offices | 156.7 | 150.1 | -6.5 | -4% |
| Italy Offices (incl. retail) | 91.2 | 89.8 | -1.4 | -2% |
| German Offices | 31.9 | 37.5 | +5.6 | +18% |
| Offices | 279.7 | 277.4 | -2.3 | -1% |
| German Residential | 167.5 | 172.6 | +5.1 | +3% |
| Hotels (incl. Retail) | 102.5 | 108.7 | +6.2 | +6% |
| **Total Net rental income** | **550.3** | **558.7** | **+8.4** | **+2%** |
| EBITDA from hotel operating activity & flex-office | 38.9 | 47.9 | +9.0 | +23% |
| Income from other activities | 22.9 | 17.8 | -5.1 | -22% |
| **Net revenue** | **612.1** | **624.4** | **+12.3** | **+2%** |

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

Italy Offices: decrease mainly due to the sale of assets, partially offset by the 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, modernisation works and positive reversion.

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

- **EBITDA from the hotel operating activity and flex-office:** increase in revenues of the hotel property activity following the acquisition of 3 funds in UK and 2 funds in Belgium in the 4th quarter of 2022.The flex-office activity increased slightly thanks to the ramp-up of this activity and the opening of new spaces in Milan with full year effect in 2023.

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

- **Net operating costs:** a strong cost control compensates the decrease in external fees revenues.

- **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 €8.4 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.

- **Change in the fair value of assets:**
  The income statement recognises changes in the fair value (-€1,751.8 million) of assets based on appraisals carried out on the portfolio. This line item does not include the change in fair value of assets recognised at amortised cost under IFRS but is taken into account in the EPRA NAV calculation (hotel operating properties, flex-office assets and other own occupied buildings). For more details on changes in the portfolio by activity, see section 1 of this document.

- **Income from asset disposals & disposal of securities:**
  Income from asset disposals contributed €-34.3 million during the year.

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

- **Interest charges linked to finance lease liability:**
  The Group rents some land under long term leasehold. According to IFRS 16, such rental costs are stated as interest charges. This is stable compared with FY 2022 and refers to the hotel activity for an amount equal to -€6.7 million.

- **Value adjustment on derivatives:**
  The fair value of financial instruments (hedging instruments) is slightly impacted by an average -68 bps decrease in the 10Y swap. The P&L impact is an expense of -€132.4 million.

## Share of income of equity affiliates

| Group Share | % interest | Contribution to earnings (€million) | Value | Change in equity value (%) |
|---|---|---|---|---|
| OPCI Covivio Hotels | 8.7% | 0.1 | 42.1 | -4% |
| Lénovilla (New Vélizy) | 50.1% | -21.0 | 61.7 | -24.8% |
| Euromed | 50.0% | -5.3 | 28.6 | -15.6% |
| Cœur d'Orly | 50.0% | -7.3 | 28.4 | -26.0% |
| Phoenix (Hotels) | 14.6% | -1.0 | 47.7 | -2.9% |
| Zabarella 2023 Srl | 64.7% | -0.3 | 13.6 | +0.0% |
| Fondo Porta di Romana | 32.0% | 1.5 | 38.0 | +8.4% |
| **Total** | | **-33.2** | **260.0** | **-7.9%** |

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

- OPCI Covivio Hotels: three hotel portfolios, B&B (18 hotels), Campanile (19 hotels) and AccorHotels (35 hotels) 80%-owned by Crédit Agricole Assurances.
- Lenovilla: the New Vélizy campus (47,000 m²), let to Thalès and co-owned with Crédit Agricole Assurances.
- Euromed in Marseille: one office building (Calypso) and a hotel (Golden Tulip) in partnership with Crédit Agricole Assurances.
- Coeur d'Orly in Greater Paris: two buildings in the Orly airport business district in partnership with ADP.
- Phoenix hotel portfolio: 32% stake held by Covivio Hotels (43.9% subsidiary of Covivio) in a portfolio of 25 Accor Invest hotels in France & Belgium and 2 B&B in France.
- Fondo Porta di Romana in Milan is a joint venture between Covivio (32.0%), Coima (64.7%) and Prada (3.3%) to participate to the acquisition of a plot of land in South Milan (future Olympic game village).

## 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, and Portugal).
- French subsidiaries with a taxable activity.

The corporate income tax amounted to -€21.2 million, including taxes on sales (-€8.0 million).

## Adjusted EPRA Earnings at €435.4 million

| (In € million, Group share) | Net income Group share | Restatement | Adjusted EPRA E. 2023 | Adjusted EPRA E. 2022 |
|---|---|---|---|---|
| **Net rental income** | **558.7** | **0.0** | **558.7** | **550.3** |
| EBITDA from the hotel operating activity & flex-office | 47.9 | 0.0 | 47.9 | 38.9 |
| Income from other activities (incl. Property dev.) | 17.8 | 0.0 | 17.8 | 22.9 |
| **Net revenue** | **624.4** | **0.0** | **624.4** | **612.1** |
| Management and administration revenues | 25.4 | 0.0 | 25.4 | 27.6 |
| Operating costs | -110.0 | 0.0 | -110.0 | -111.0 |
| Amortisations of operating assets | -44.4 | 29.6 | -14.8 | -14.5 |
| Net change in provisions and other | 11.4 | -6.4 | 5.0 | 3.3 |
| **Operating income** | **506.8** | **23.2** | **530.0** | **517.5** |
| Net income from inventory properties | -0.1 | 0.1 | 0.0 | 0.0 |
| Income from value adjustments | -1,751.8 | 1,751.8 | 0.0 | 0.0 |
| Income from asset disposals | -34.3 | 34.3 | 0.0 | 0.0 |
| Income from disposal of securities | -1.0 | 1.0 | 0.0 | 0.0 |
| Income from changes in scope & other | -2.0 | 2.0 | 0.0 | 0.0 |
| **Operating result** | **-1,282.4** | **1,812.4** | **530.0** | **517.5** |
| Cost of net financial debt | -97.4 | 0.0 | -97.4 | -86.3 |
| Interest charges linked to finance lease liability | -7.3 | 4.6 | -2.7 | -2.6 |
| Value adjustment on derivatives | -132.4 | 132.4 | 0.0 | 0.0 |
| Discounting of liab.-receiv. & Foreign Exchge. Result | 0.2 | 0.0 | 0.2 | -0.3 |
| Early amortisation of borrowings' costs | -1.5 | 1.1 | -0.4 | -0.3 |
| Share in earnings of affiliates | -33.2 | 52.2 | 19.0 | 15.8 |
| **Pre-tax net income** | **-1,554.1** | **2,002.8** | **448.6** | **443.9** |
| Deferred tax | 156.6 | -156.6 | 0.0 | 0.0 |
| Corporate income tax | -21.2 | 8.0 | -13.2 | -13.7 |
| **Net income for the period** | **-1,418.8** | **1,854.2** | **435.4** | **430.2** |
| Average number of shares | | | 97,487,850 | 93,955,927 |
| **Net income per share** | | | **4.47** | **4.58** |

- The restatement of the amortisation of operating assets (+€29.6 million) offsets the real estate amortisation of the flex-office and hotel operating activities.
- The restatement of the net change in provisions (-€6.4 million) consists of the ground lease expenses linked to the UK leasehold for €3.3 million and the reversal of a null and void provision for a €3.2 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, €4.6 million was cancelled and replaced by the lease expenses paid (see the amount of -€3.3 million under the line item “Net change in provisions and other”).
- The restatement of the share in earnings of affiliates allows for the EPRA earnings contribution to be displayed.
- The restatement of the corporate income tax (+€8.0 million) is linked to the tax on disposals.

## Adjusted EPRA Earnings by activity

| (In € million, Group share) | Offices | Germany Residential | Hotels in lease [1] | Hotel operating properties | Corporate or non-attrib. sector | 2023 |
|---|---|---|---|---|---|---|
| Net rental income | 277.9 | 172.6 | 107.5 | 1.2 | -0.4 | 558.7 |
| EBITDA from Hotel oper. activity & flex-Office | 15.8 | 0.0 | 0.0 | 32.1 | 0.0 | 47.9 |
| Income from other activities (incl. Property dev.) | 14.4 | 2.6 | 0.0 | 0.0 | 0.8 | 17.8 |
| **Net revenue** | **308.1** | **175.2** | **107.5** | **33.3** | **0.4** | **624.4** |
| Net operating costs | -48.1 | -30.6 | -3.2 | -1.1 | -1.5 | -84.6 |
| Amortisation of operating assets | -9.3 | -2.1 | -0.1 | -2.1 | -1.2 | -14.8 |
| Net change in provisions and other | 4.9 | -0.5 | -0.8 | -0.6 | 1.9 | 5.0 |
| **Operating result** | **255.6** | **141.9** | **103.4** | **29.5** | **-0.4** | **530.0** |
| Cost of net financial debt | -40.0 | -31.4 | -19.9 | -6.5 | 0.5 | -97.4 |
| Other financial charges | -1.0 | 0.0 | -0.9 | -1.1 | -0.1 | -3.0 |
| Share in earnings of affiliates | 13.5 | 0.0 | 5.5 | 0.0 | 0.0 | 19.0 |
| Corporate income tax | -6.1 | -1.5 | -3.7 | -1.5 | -0.5 | -13.2 |
| **Adjusted EPRA Earnings** | **221.9** | **109.0** | **84.3** | **20.5** | **-0.4** | **435.4** |
| Development margin | -3.2 | -2.5 | 0.0 | 0.0 | 0.0 | -5.7 |
| **EPRA Earnings** | **218.8** | **106.5** | **84.3** | **20.5** | **-0.4** | **429.7** |

## EPRA Earnings of affiliates

| (In € million, Group share) | Offices | Hotels (in lease) | 2023 |
|---|---|---|---|
| Net rental income | 13.4 | 7.7 | 21.1 |
| Net operating costs | -0.5 | -0.6 | -1.1 |
| Amortisation of operating properties | 1.3 | 0.4 | 1.7 |
| **Operating result** | **14.2** | **7.5** | **21.7** |
| Cost of net financial debt | -0.7 | -1.8 | -2.5 |
| Share in earnings of affiliates | 0.0 | -0.2 | -0.2 |
| **Share in EPRA Earnings of affiliates** | **13.5** | **5.5** | **19.0** |

## 3.4. Simplified consolidated income statement (at 100%)

| (In € million, 100%) | 2022 | 2023 | var. | % |
|---|---|---|---|---|
| Net rental income | 842.3 | 863.5 | +21.1 | 3% |
| EBITDA from hotel operating activity & flex-office | 74.9 | 91.3 | +16.4 | +22% |
| Income from other activities (incl. Property dev.) | 20.3 | 8.5 | -11.8 | -58% |
| **Net revenue** | **937.6** | **963.3** | **+25.7** | **+3%** |
| Net operating costs | -121.2 | -119.4 | +1.8 | -2% |
| Amortisation of operating assets | -58.9 | -73.6 | -14.7 | +25% |
| Net change in provisions and other | 12.6 | 25.0 | +12.4 | +99% |
| **Current operating income** | **770.0** | **795.3** | **+25.3** | **+3%** |
| Net income from inventory properties | -2.4 | -0.1 | +2.2 | n.a. |
| Income from asset disposals | -0.5 | -37.9 | -37.4 | n.a. |
| Income from value adjustments | 18.2 | -2,437.3 | -2,455.5 | n.a. |
| Income from disposal of securities | 24.9 | -0.9 | -25.8 | n.a. |
| Income from changes in scope | -0.4 | -4.2 | -3.8 | n.a. |
| **Operating income** | **809.8** | **-1,685.2** | **-2,494.9** | **n.a.** |
| Cost of net financial debt | -139.7 | -165.6 | -25.9 | +19% |
| Interest charge related to finance lease liability | -15.8 | -15.9 | -0.1 | +1% |
| Value adjustment on derivatives | 582.6 | -207.7 | -790.3 | n.a. |
| Discounting of liabilities and receivables | -0.6 | 0.4 | +0.9 | n.a. |
| Early amortisation of borrowings' costs | -1.5 | -1.8 | -0.3 | n.a. |
| Share in earnings of affiliates | 51.0 | -34.4 | -85.4 | n.a. |
| **Income before tax** | **1,285.8** | **-2,110.1** | **-3,396.0** | **n.a.** |
| Deferred tax | -109.8 | 241.0 | +350.8 | n.a. |
| Corporate income tax | -28.1 | -33.7 | -5.6 | +20% |
| **Net income for the period** | **1,147.9** | **-1,902.9** | **-3,050.8** | **n.a.** |
| Non-controlling interests | 527.2 | -484.1 | -1,011.3 | n.a. |
| **Net income for the period - Group share** | **620.7** | **-1,418.8** | **-2,039.5** | **n.a.** |

The -€3,050.8 million decrease in net income for the period compared with FY 2022 is related to the value decreases of properties (-€2,437.3 million compared with a +€18.2 million in FY 2022) and derivatives (€-207.7 million compared with a +€582.6 in FY 2022), partly offset by the change in deferred taxes mainly related to the effects described above (+€350.8 million) and strong operating performances. As a result, these effects are also presents in non-controlling interests and in net income Group share.

| (In € million, 100%) | 2022 | 2023 | var. | % |
|---|---|---|---|---|
| France Offices | 182.3 | 179.5 | -2.9 | -2% |
| Italy Offices (incl. Retail) | 119.9 | 116.3 | -3.6 | -3% |
| German Offices | 34.2 | 40.1 | +5.9 | +17% |
| Offices | 336.4 | 335.9 | -0.6 | -0% |
| German Residential | 259.1 | 267.4 | +8.3 | +3% |
| Hotels (incl. Retail) | 246.2 | 260.2 | +14.1 | +6% |
| Other (mainly France Residential) | 0.6 | 0.0 | -0.6 | -100% |
| **Total Net rental income** | **842.3** | **863.5** | **+21.1** | **+3%** |
| EBITDA from the hotel operating activity & flex-office | 74.9 | 91.3 | +16.4 | +22% |
| Income from other activities | 20.3 | 8.5 | -11.8 | -58% |
| **Net revenue** | **937.6** | **963.3** | **+25.7** | **+3%** |

## 3.5. Simplified consolidated balance sheet (Group share)

| (In € million, Group share) Assets | 31 Dec.22 | 31 Dec.23 | Liabilities | 31 Dec.22 | 31 Dec.23 |
|---|---|---|---|---|---|
| Investment properties | 14,343 | 12,596 | | | |
| Investment properties under dev. | 1,371 | 1,007 | | | |
| Other fixed assets | 985 | 993 | | | |
| Equity affiliates | 282 | 260 | | | |
| Financial assets | 233 | 251 | | | |
| Deferred tax assets | 78 | 57 | | | |
| Financial instruments | 562 | 366 | **Shareholders' equity** | **9,443** | **7,957** |
| Assets held for sale | 228 | 227 | Borrowings | 7,924 | 7,703 |
| Cash | 343 | 778 | Financial instruments | 244 | 142 |
| Inventory (Trading & Constr. activities) | 190 | 257 | Deferred tax liabilities | 835 | 650 |
| Other | 500 | 420 | Other liabilities | 670 | 760 |
| **Total** | **19,116** | **17,211** | **Total** | **19,116** | **17,211** |

### 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) | 31 Dec. 22 | 31 Dec. 23 | var. |
|---|---|---|---|
| France Offices | 5,164 | 3,932 | -1,232 |
| Italy Offices (incl. Retail) | 2,445 | 2,403 | -42 |
| German Offices | 1,335 | 1,145 | -190 |
| Offices | 8,943 | 7,479 | -1,464 |
| German Residential | 5,374 | 4,811 | -563 |
| Hotels (incl. Retail) | 2,606 | 2,530 | -76 |
| Car parks (and other) | 4 | 3 | -1 |
| **Total Fixed Assets** | **16,927** | **14,823** | **-2,104** |

The decrease in **Offices** (-€1.464 million) was mainly due to the disposals (-€587 million), the change in fair value (-€1,020 million) and reclassification to inventories for new build to sell projects (-€122 million) partly offset by +€220 million of Acquisition and CAPEX.

The decrease in **German Residential** (-€563 million) was mainly due to the change in fair value (-€653 million), CAPEX and acquisitions (+€97million), partly offset by disposals for the year (-€31 million).

The decrease in the **Hotels portfolio** (-€76 million) was mainly driven by the decrease in fair value (-€78 million), Amortization of operating properties and other tangible assets (-€20.3 million), Acquisition and Capex (+€19 million), right of use (+€5 million), offset by disposals (-€9 million) and foreign currency exchange gain (+€10 million).

**Assets held for sale (included in the total fixed assets above), €227.3 million at year end 2023**

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

- 50.7% of offices in France : €115 million.
- 31.2% of hotels in Europe : €71 million.
- 15.9% of offices in Italy : €36 million.
- 2.2% of residential in Germany : €5 million.

**Total Group shareholders' equity**

Shareholders' equity decreased from €9,443 million at the end of 2022 to €7,957 million at year end 2023, i.e. -€1,486 million, mainly due to:

- Income for the period: -€1,418.8 million.
- The dividend distribution: -€351.9 million, partially offset by option for payment in shares (+€279.1 million).

**Net deferred tax liabilities**

Deferred tax liabilities represent €650 million in liabilities at the end of year versus €835 million in 2022, Deferred tax assets represent €57 million in assets at the end of year versus €78 million in 2022. This €164 million decrease is mainly due to the drop in appraisal values in Germany (-€116.2 million), the drop in fair values of derivatives (-€8 million) and the entry in the UK REIT regime in the Hotel activity (€-14 million).

## 3.6. Simplified consolidated balance sheet (at 100%)

| (In € million, 100%)<br>Assets | 31 Dec.22 | 31 Dec.23 | Liabilities | 31 Dec.22 | 31 Dec.23 |
|---|---|---|---|---|---|
| Investment properties | 21,391 | 19,046 | | | |
| Investment properties under dev. | 1,574 | 1,140 | | | |
| Other fixed assets | 1,718 | 1,730 | | | |
| Equity affiliates | 401 | 375 | | | |
| Financial assets | 114 | 118 | Shareholders' equity | 9,443 | 7,957 |
| Deferred tax assets | 86 | 72 | Non-controlling interests | 4,648 | 4,006 |
| Financial instruments | 813 | 522 | **Shareholders' equity** | **14,092** | **11,963** |
| Assets held for sale | 259 | 327 | Borrowings | 10,968 | 10,707 |
| Cash | 462 | 901 | Financial instruments | 300 | 185 |
| Inventory (Trading & Constr. activities) | 264 | 308 | Deferred tax liabilities | 1,320 | 1,054 |
| Other | 579 | 488 | Other liabilities | 981 | 1,117 |
| **Total** | **27,661** | **25,026** | **Total** | **27,661** | **25,026** |

# 4. FINANCIAL RESOURCES

## Summary of the financial activity

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

Covivio's Loan-to-Value (LTV) ratio was 40.8% (LTV policy < 40%), thanks to active portfolio rotation and despite value adjustments. Average cost of debt slightly increases to 1.50% (+26 bps vs end-2022), thanks to a highly hedged debt, and maturity of debt increased to 4.9 years (vs. 4.8 years in 2022).

The net available liquidity position doubled to €2.4 billion on a Group share basis at end-December 2023, including €1.6 billion of undrawn credit lines and €0.9 billion of cash minor by €0.1 billion of Commercial Paper. This strong liquidity position enables to cover debt expiries until Q1 2026.

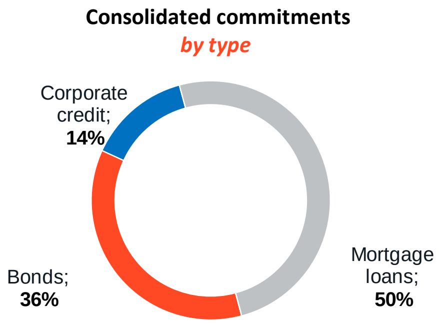
## 4.1. Main debt characteristics

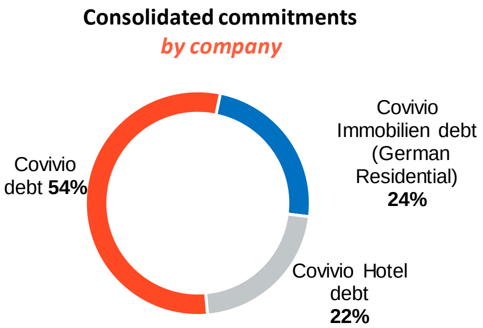
| Group share | 31 Dec. 2022 | 31 Dec. 2023 |
|---|---|---|
| Net debt, Group share (€ million) | 7,581 | 6,925 |
| Average annual rate of debt | 1.24% | 1.50% |
| Average maturity of debt (in years) | 4.8 | 4.9 |
| Debt active average hedging rate | 81.5% | 92.3% |
| Average maturity of hedging (in years) | 6.3 | 5.9 |
| LTV including duties | 39.5% | 40.8% |
| ICR | 6.9x | 6.4x |
| Net debt / EBITDA | 14.5x | 12.8x |

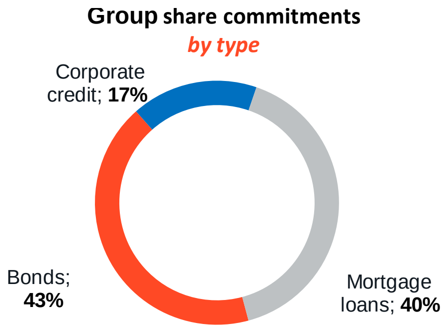
## 4.2. Debt by type

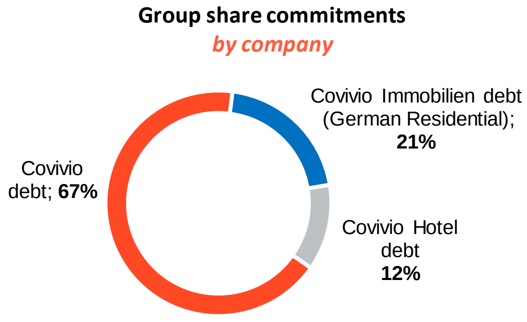
Covivio's net debt stands at €6.9 billion in Group share at end-December 2023 (€9.8 billion on a consolidated basis), down by -€0.7 billion compared to end-2022.

As regards commitments attributable to the Group, the share of corporate debt (bonds and loans) grows up to 60% on a Group share basis, at end-December 2023. Additionally, Covivio had €0.1 billion in commercial paper outstanding at 31 December 2023.





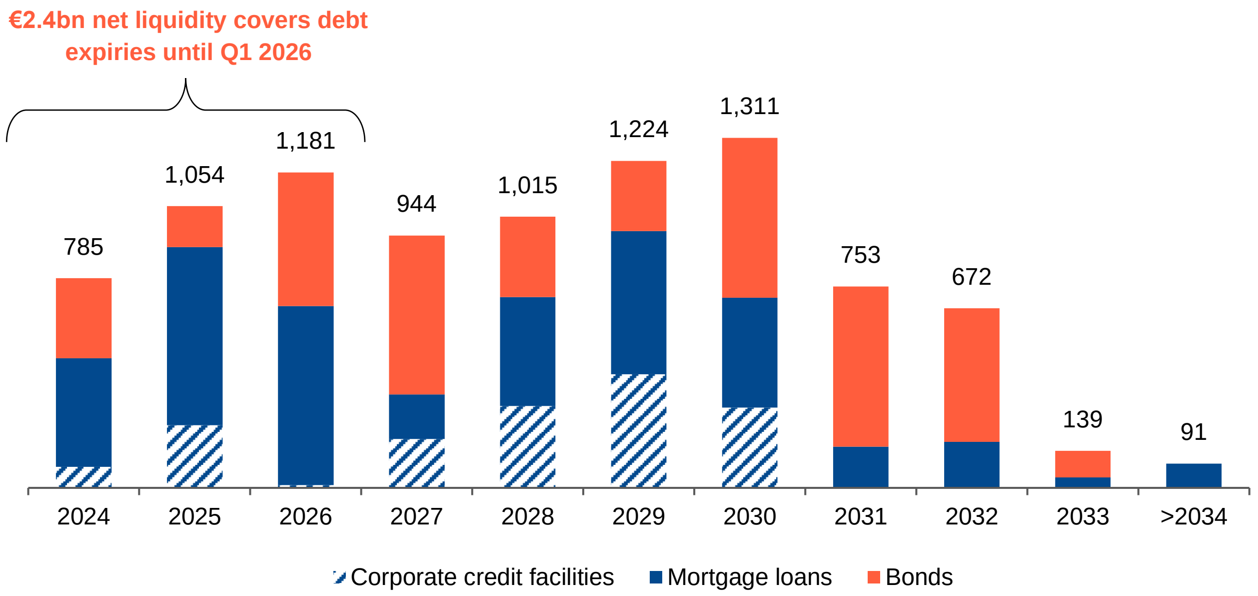

## 4.3. Debt maturity

The average maturity of Covivio's debt stands at 4.9 years at end-December 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 (to be reimbursed) and a mortgage debt of €150 million Group share linked to the Telecom Italia portfolio.

In **2024 and 2025 debt expiries**, approximately 17% of maturities (€313 million) relate to undrawn credit lines, mostly in France and Germany. 25% (€454 million) relate to bonds, and 58% (€1.1 billion) is comprised of bank mortgages that are well diversified in terms of asset class and geography: 26% in Germany offices, 30% in Germany residential, 11% in hotels, 16% in Italy offices and 17% in France offices. No single item of debt maturing before end-2025 exceeds €350 million.

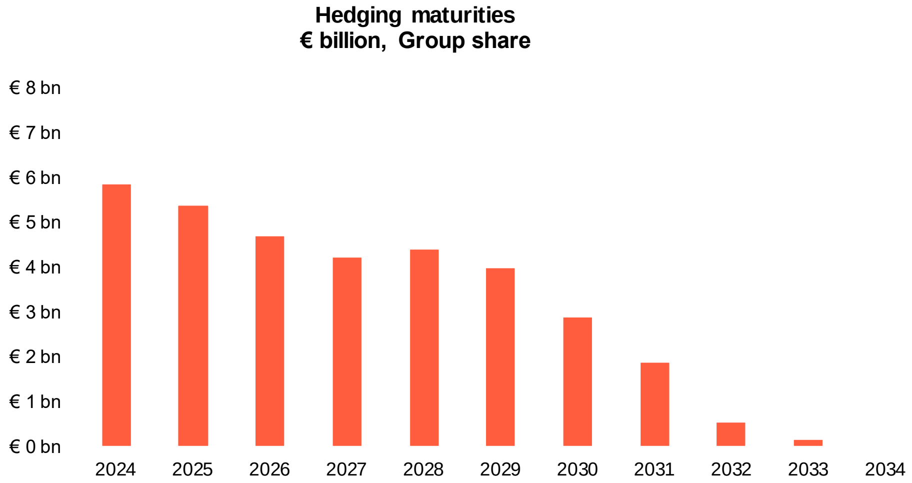
**Debt maturity by type (in € million, Group Share)**



## 4.4. Hedging profile

In 2023, debt was hedged at 92% on average, and 88% 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 5.9 years Group share.




## 4.5. Average interest rate on debt and sensitivity

The average interest rate on Covivio's debt increased by 26 bps to 1.50% in Group share.

### Financial structure

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

- The most restrictive consolidated LTV covenants amounted, at 31 December 2023, to 60% for Covivio and Covivio Hotels.
- The most restrictive ICR consolidated covenants applicable to the REITs, at 31 December 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 LTV or ICR consolidated financial covenants.

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

| Ratio | Covenant | 31 Dec. 2023 |
|---|---|---|
| LTV | 60.0% | 43.8%[1] |
| ICR | 2.00 | 6.41 |
| Secured debt ratio | 25.0% | 4.1% |

[1] Excluding duties and sales agreements

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

## Detail of Loan-to-Value calculation (LTV)

| (In € million Group share) | 31 Dec. 2022 | 31 Dec. 2023 |
|---|---|---|
| Net book debt | 7,581 | 6,925 |
| Receivables linked to associates (full consolidated) | -169 | -187 |
| Receivables on disposals | -16 | 15 |
| Preliminary sale agreements | -228 | -224 |
| Purchase debt | 54 | 33 |
| **Net debt** | **7,222** | **6,562** |
| Appraised value of real estate assets (incl. duties) | 18,151 | 15,948 |
| Preliminary sale agreements | -228 | -224 |
| Financial assets | 15 | 15 |
| Receivables linked to associates (equity method) | 86 | 68 |
| Share of equity affiliates | 282 | 260 |
| **Value of assets** | **18,306** | **16,067** |
| **LTV Excluding Duties** | **41.5%** | **43.0%** |
| **LTV Including Duties** | **39.5%** | **40.8%** |

## 4.6. Reconciliation with consolidated accounts

### Net debt

| (In € million) | Consolidated accounts | Minority interests | Group share |
|---|---|---|---|
| Bank debt | 10,707 | -3,005 | 7,703 |
| Cash and cash equivalents | 901 | -123 | 778 |
| **Net debt** | **9,807** | **-2,882** | **6,925** |

### 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 & dev. properties | 20,186 | 1,067 | 1,904 | -13 | -260 | -7,912 | 14,972 |
| Assets held for sale | 327 | | | -122 | | -96 | 109 |
| **Total portfolio** | **20,513** | **1,067** | **1,904** | **-135** | **-260** | **-8,008** | **15,080** |

| | |
|---|---|
| (+) Duties | 807 |
| **(=) Portfolio group share including duties** | **15,887** |
| (-) portfolio of companies consolidated under the equity method | -412 |
| (+) Fair value of trading activities | -257 |
| (+) Other operating properties | 730 |
| **Portfolio for LTV calculation** | **15,948** |

## Interest Coverage Ratio

| (In € million) | Consolidated accounts | Minority interests | Group share |
|---|---|---|---|
| EBITDA (net rents (-) operating expenses (+) results of other activities) | 858 | 307 | 551 |
| Cost of debt | 151 | 65 | 86 |
| **ICR** | | | **6.41** |

# 5. EPRA REPORTING

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

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

## 5.1. Change in net rental income (Group share)

| € million | 2022 | Acquis. | Disposals | Development [1] | Indexation, AM & occupancy | Others | 2023 |
|---|---|---|---|---|---|---|---|
| France Offices | **157** | 0 | -12 | 1 | 5 | 0 | **151** |
| Italy Offices (incl. retail) | **91** | 0 | -11 | 1 | 6 | 3 | **90** |
| German Offices | **32** | 0 | 0 | 0 | 3 | 3 | **38** |
| Offices | **280** | 0 | -23 | 2 | 13 | 7 | **278** |
| German Residential | **167** | 1 | -1 | 0 | 4 | 1 | **173** |
| Hotels [2] | **103** | 0 | -2 | 1 | 10 | -3 | **109** |
| Other (France Residential) | **1** | 0 | 0 | 0 | 0 | -1 | **0** |
| **Total** | **550** | **1** | **-26** | **3** | **27** | **4** | **559** |

[1] Deliveries & vacating for redevelopment || [2] Including Retail but excluding EBITDA from operating properties

The revenues LFL growth (including EBITDA from Hotels) is +6.4% in 2023.

| € million | 2023 |
|---|---|
| Total from the table of changes in Net rental Income (GS) | 559 |
| Adjustments | 0 |
| **Total net rental income (Financial data § 3.3)** | **559** |
| Minority interests | 305 |
| **Total net rental income (Financial data § 3.4)** | **863** |

## 5.2. Investment assets – Information on leases

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

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

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

| (€ million, Group share) | Gross rental income (€m) | Net rental income (€m) | Annualised rents (€m) | Surface (m²) | Average rent (€/m²) | Vacancy rate (%) | ERV of spot vacant space (€m) | ERV of the whole portfolio (€m) | EPRA vacancy rate (%) |
|---|---|---|---|---|---|---|---|---|---|
| France Offices | 168 | 151 | 190 | 978,119 | 250 | 5.9% | 22 | 215 | 10.1% |
| Italy Offices (incl. retail) | 104 | 90 | 118 | 726,488 | 202 | 1.3% | 2 | 122 | 1.4% |
| German Offices | 44 | 38 | 51 | 364,644 | 156 | 13.6% | 8 | 55 | 15.2% |
| Offices | 315 | 278 | 358 | 2,069,251 | 217 | 5.5% | 32 | 393 | 8.1% |
| German Residential | 190 | 173 | 189 | 2,827,395 | 104 | 0.9% | 2 | 188 | 0.9% |
| Hotels in Europe (2) | 110 | 109 | 112 | n.c | n.c | - | - | 112 | - |
| **Total (1)** | **616** | **559** | **660** | **4,896,646** | **151** | **3.3%** | **34** | **693** | **4.8%** |

(1) Including French residential and others || (2) incl. Retail & excl. EBITDA from operating properties

The vacancy rate (3.3%) is including secured areas for which lease will start soon, while the EPRA vacancy rate (4.8%) is spot, at 31 December 2023.

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

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

## 5.3. Investment assets - Asset values

| (€ million, Group share) | Market value | Change in fair value over the year | Duties | EPRA NIY |
|---|---|---|---|---|
| France Offices | 4,117 | - 699 | 193 | 4.3% |
| Italy Offices (incl. Retail) | 2,491 | - 83 | 84 | 4.4% |
| German Offices | 1,239 | - 238 | 67 | 3.6% |
| Offices | 7,847 | - 1,020 | 345 | 4.2% |
| German Residential | 4,672 | - 653 | 335 | 3.5% |
| Hotels (incl. Retail) | 2,557 | - 78 | 94 | 5.5% |
| Other (France Resi. and car parks) | 4 | - | - | n.a. |
| **Total 2023** | **15,080** | **- 1,752** | **773** | **4.2%** |

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

The EPRA net initial yield is the ratio of:

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

**Reconciliation with financial data**

| € million | 2023 |
|---|---|
| **Total portfolio value (Group share, market value)** | **15,080** |
| Fair value of the operating properties | - 1,084 |
| Fair value of companies under equity method | - 412 |
| Other assets held for sale | 3 |
| Right of use on investment assets | 122 |
| Fair value of car parks facilities | - 3 |
| Tangible fixed assets | 125 |
| **Investment assets Group share [1] (Financial data§ 3.5)** | **13,831** |
| Minority interests | 6,682 |
| **Investment assets 100% [1] (Financial data§ 3.5)** | **20,513** |

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

**Reconciliation with IFRS**

| € million | 2023 |
|---|---|
| Change in fair value over the year (Group share) | - 1,752 |
| Others | - |
| **Income from fair value adjustments Group share (Financial data § 3.3)** | **- 1,752** |
| Minority interests | - 685 |
| **Income from fair value adjustments 100% (Financial data § 3.3)** | **- 2,437** |

## 5.4. Assets under development

| | Own. type | % ownership (Group share) | Fair value 2023 | Capitalised fin. expenses over the year | Total cost [1] (€m, Group share) | % progress | Delivery date | Surface at 100% (m²) | Pre-letting | Yield [2](%) |
|---|---|---|---|---|---|---|---|---|---|---|
| Meudon Atlas | FC [3] | 100% | | 0 | 204 | 6% | 2026 | 38,000 m² | 100% | 7.8% |
| Paris Grands Boulevards | FC | 100% | | 1 | 153 | 10% | 2027 | 7,500 m² | 0% | 4.5% |
| Paris Monceau | FC | 100% | | 2 | 249 | 11% | 2025 | 11,200 m² | 0% | 4.4% |
| **Total France Offices** | | | **266** | **3** | **606** | **9%** | | **56,700 m²** | **47%** | **5.6%** |
| The Sign D | FC | 100% | | 1 | 76 | 47% | 2024 | 13,200 m² | 92% | 6.1% |
| Corte Italia | FC | 100% | | 2 | 125 | 39% | 2025 | 25,700 m² | 100% | 5.9% |
| Rozzano - Strada 8 | FC | 100% | | 1 | 44 | 73% | 2024 | 12,100 m² | 47% | 7.9% |
| Symbiosis G+H | FC | 100% | | 2 | 198 | 34% | 2025 | 38,000 m² | 100% | 6.4% |
| **Total Italy Offices** | | | **262** | **5** | **443** | **41%** | | **89,000 m²** | **92%** | **6.3%** |
| Düsseldorf Icon | FC | 94% | | 2 | 261 | 13% | 2025 | 55,700 m² | 55% | 5.0% |
| Berlin Alexanderplatz | FC | 55% | | 3 | 355 | 31% | 2027 | 60,000 m² | 0% | 4.4% |
| **Total German Offices** | | | **326** | **5** | **616** | **24%** | | **115,700 m²** | **25%** | **4.6%** |
| **Total** | | | **854** | **13** | **1,665** | **23%** | | **261,400 m²** | **54%** | **5.4%** |

1 Total cost including land and financial cost || 2 Yield on total cost ||3 FC: Full consolidation

## Reconciliation with total committed pipeline

| (€M, Group share) | Capitalised fin. expenses over the year | Total cost incl. fin. cost (Group share) |
|---|---|---|
| **Projects fully consolidated** | **13** | **1,665** |
| Others (Loft) | 0 | 26 |
| **Total Offices Committed pipeline** | **13** | **1,691** |
| German Residential | 1 | 73 |
| French Residential | 0 | 152 |
| **Total Committed pipeline** | **14** | **2,028** |

The total cost of committed projects is €1,691 million (cf 1.G. Development projects).

## Reconciliation with financial data

| | 2023 |
|---|---|
| Total fair value of assets under development | 854 |
| Project under technical review and non-committed projects | 154 |
| **Assets under development (Financial data § 3.5)** | **1,007** |

## 5.5 Information on leases

| | | | Lease expiration by date of 1st exit option Annualised rental income of leases expiring | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Firm residual lease term (years) | Residual lease term (years) | N+1 | N+2 | N+3 to 5 | Beyond | Total (€m) | Section |
| France Offices | 5.0 | 5.6 | 10% | 22% | 25% | 43% | 190 | |
| Italy Offices (incl. retail) | 6.3 | 6.9 | 3% | 11% | 25% | 61% | 118 | |
| Germany Offices | 4.2 | 4.6 | 23% | 19% | 25% | 33% | 51 | |
| Offices | 5.4 | 5.9 | 10% | 18% | 25% | 48% | 358 | 2A |
| Hotels (incl. retail) | 12.2 | 13.9 | 4% | 2% | 3% | 90% | 112 | 2C |
| Others [2] | n.a | n.a | n.a | n.a | n.a | n.a | 223 | |
| **Total [1]** | **7.0** | **7.8** | **6%** | **9%** | **13%** | **71%** | **693** | |

1. Percentage of lease expiries on total revenues || 2: (German Residential, Hotels Ebitda, others)

In 2024, 5.7% of total leases are expiring: 3.6% have no intention to vacate the property and 0.4% are going to be redeveloped. That leads the unsecured part to 1.7%, for which tenant decision is not yet known.

## 5.6 EPRA Net Initial Yield

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

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

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

- EPRA net initial yield is the ratio of:

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

| **(€ million, Group share)** Excluding French Residential and car parks | **Total 2022** | **France Offices** | **Italy Offices** (incl. Retail) | **German Offices** | **German Residential** | **Hotels** (incl. Retail) | **Total 2023** |
|---|---|---|---|---|---|---|---|
| Investment, disposable and operating properties | 17,394 | 4,117 | 2,491 | 1,239 | 4,672 | 2,557 | 15,076 |
| Restatement of assets under development | - 1,371 | - 329 | - 299 | - 353 | - 25 | - | - 1,007 |
| Restatement of undeveloped land and other assets under development | - 333 | - 161 | - 108 | - 12 | - 0 | - 14 | - 295 |
| Duties | 918 | 193 | 84 | 67 | 335 | 94 | 773 |
| **Value of assets including duties (1)** | **16,608** | **3,820** | **2,168** | **941** | **4,981** | **2,637** | **14,547** |
| Gross annualised IFRS revenues | 653 | 182 | 110 | 40 | 189 | 148 | 668 |
| Irrecoverable property charge | - 63 | - 17 | - 15 | - 5 | - 16 | - 1 | - 54 |
| **Annualised net revenues (2)** | **590** | **164** | **95** | **34** | **174** | **146** | **614** |
| Rent charges upon expiration of rent free periods or other reductions in rental rates | 34 | 17 | 8 | 6 | - | 0 | 32 |
| **Annualised topped-up net revenues (3)** | **624** | **182** | **103** | **40** | **174** | **146** | **645** |
| **EPRA Net Initial Yield (2)/(1)** | **3.6%** | **4.3%** | **4.4%** | **3.6%** | **3.5%** | **5.5%** | **4.2%** |
| **EPRA "Topped-up" Net Initial Yield (3)/(1)** | **3.8%** | **4.8%** | **4.8%** | **4.3%** | **3.5%** | **5.6%** | **4.4%** |
| Transition from EPRA topped-up NIY to Covivio yield | | | | | | | |
| Impact of adjustments of EPRA rents | 0.4% | 0.5% | 0.7% | 0.4% | 0.3% | 0.1% | 0.4% |
| Impact of restatement of duties | 0.2% | 0.3% | 0.2% | 0.4% | 0.3% | 0.2% | 0.3% |
| **Covivio reported yield rate** | **4.4%** | **5.5%** | **5.6%** | **5.2%** | **4.1%** | **5.8%** | **5.1%** |

## 5.7. EPRA cost ratio

| (€million, Group share) | 2022 | 2023 |
|---|---|---|
| Unrecovered Rental Cost | - 35.2 | - 32.0 |
| Expenses on properties | - 21.5 | - 22.7 |
| Net losses on unrecoverable receivables | 0.2 | - 2.1 |
| Other expenses | - 6.0 | - 5.7 |
| Overhead | - 105.1 | - 103.9 |
| Amortisation, impairment, and net provisions | 3.1 | 4.5 |
| Income covering overheads | 28.1 | 25.3 |
| Cost of other activities and fair value | - 6.3 | - 5.5 |
| Property expenses | - 0.4 | - 1.1 |
| **EPRA costs (including vacancy costs) (A)** | **- 143.0** | **- 143.2** |
| Vacancy cost | 21.5 | 21.5 |
| **EPRA costs (excluding vacancy costs) (B)** | **- 121.5** | **- 121.8** |
| Gross rental income less property expenses | 607.2 | 616.7 |
| EBITDA from hotel operating properties & coworking, income from other activities | 100.3 | 88.9 |
| **Gross rental income (C)** | **707.5** | **705.6** |
| **EPRA costs ratio (including vacancy costs) (A/C)** | **-20.2%** | **-20.3%** |
| **EPRA costs ratio (excluding vacancy costs) (B/C)** | **-17.2%** | **-17.3%** |

## 5.8. Adjusted EPRA Earnings: growing to €435.4 million

| (€million) | 2022 | 2023 |
|---|---|---|
| **Net income Group share (Financial data §3.3)** | **620.7** | **- 1,418.8** |
| Change in asset values | 119.5 | 1,751.8 |
| Income from disposal | - 15.8 | 35.4 |
| Acquisition costs for shares of consolidated companies | 0.4 | 2.0 |
| Changes in the value of financial instruments | - 371.9 | 132.4 |
| Interest charges related to finance lease liabilities (leasehold > 100 years) | 4.6 | 4.6 |
| Rental costs (leasehold > 100 years) | - 3.3 | - 3.3 |
| Deferred tax liabilities | 75.2 | - 156.6 |
| Taxes on disposals | 2.1 | 8.0 |
| Adjustment to amortisation and provisions | 21.4 | 26.4 |
| Adjustments from early repayments of financial instruments | 1.6 | 1.1 |
| EPRA Earnings adjustments for associates | - 24.3 | 52.2 |
| **Adjusted EPRA Earnings (B)** | **430.2** | **435.4** |
| **Adjusted EPRA Earnings in €/share (B)/(C)** | **4.58** | **4.47** |
| Promotion margin | - 15.3 | - 5.7 |
| **EPRA Earnings (A)** | **414.9** | **429.7** |
| **EPRA Earnings in €/share (A)/(C)** | **4.42** | **4.41** |
| Average number of shares (C) | 93,955,927 | 97,487,850 |

## 5.9. EPRA NRV, EPRA NTA and EPRA NDV

| | 2022 | 2023 | Var. | Var. (%) |
|---|---|---|---|---|
| EPRA NRV (€ m) | 11,040 | 9,327 | - 1,712 | -15.5% |
| EPRA NRV / share (€) | 117.0 | 92.6 | - 24.4 | -20.9% |
| EPRA NTA (€ m) | 10,044 | 8,470 | - 1,573 | -15.7% |
| EPRA NTA / share (€) | 106.4 | 84.1 | - 22.3 | -21.0% |
| EPRA NDV (€ m) | 10,172 | 8,401 | - 1,771 | -17.4% |
| EPRA NDV / share (€) | 107.8 | 83.4 | - 24.4 | -22.6% |
| Number of shares | 94,385,959 | 100,658,623 | 6,272,664 | 6.6% |

### Reconciliation between shareholder's equity and EPRA NAV

| | 2022 (€ m) | € per share | 2023 (€ m) | € per share |
|---|---|---|---|---|
| **Shareholders' equity** | **9,443** | **100.0** | **7,957** | **79.0** |
| Fair value assessment of operating properties | 227 | | 175 | |
| Duties | 918 | | 807 | |
| Financial instruments | - 334 | | - 235 | |
| Deferred tax liabilities | 786 | | 623 | |
| **EPRA NRV** | **11,040** | **117.0** | **9,327** | **92.6** |
| Restatement of value Excluding Duties on some assets | - 884 | | - 773 | |
| Goodwill and intangible assets | - 68 | | - 68 | |
| Deferred tax liabilities | - 44 | | - 16 | |
| **EPRA NTA** | **10,044** | **106.4** | **8,470** | **84.1** |
| Optimization of duties | - 34 | | - 34 | |
| Intangible assets | 17 | | 18 | |
| Fixed-rate debts | 553 | | 318 | |
| Financial instruments | 334 | | 235 | |
| Deferred tax liabilities | - 742 | | - 607 | |
| **EPRA NDV** | **10,172** | **107.8** | **8,401** | **83.4** |

(1) Excluding credit spread impact of €+7M

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 31 December 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.

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

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

**Fair value assessment of operating properties:**

In accordance with IFRS, operating properties are valued at historical cost. To take into account the appraisal value, a €175 million value adjustment was recognised in EPRA NRV, NDV, NTA related to:

- co-working and operating hotel properties for €141 million
- own-occupied buildings for €31 million
- car parks for €3 million

**Fair value adjustment for fixed-rate debts**

The Group has taken out fixed-rate loans (secured bond and private placement). In accordance with EPRA principles, EPRA NDV was adjusted for the fair value of fixed-rate debt. The impact is +€318 million at 31 December 2023.

**Recalculation of the base cost excluding duties of certain assets**

When a company, rather than the asset that it holds, can be sold, transfer duties are re-calculated based on the company's net asset values (NAV). The difference between these re-calculated duties and the transfer duties already deducted from the value had an impact of €33.7 million at 31 December 2023.

**Deferred tax liabilities**

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

For this purpose, the Group uses the following method:

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

## 5.10 CAPEX by type

| € million | 2022 | | 2023 | |
|---|---|---|---|---|
| | 100% | Group share | 100% | Group share |
| Acquisitions [1] | 58 | 35 | - | - |
| Developments | 239 | 155 | 196 | 156 |
| Investment Properties | 241 | 161 | 223 | 153 |
| Capitalized expenses on development portfolio [2] (except under equity method) | 38 | 30 | 34 | 32 |
| **Total** | **577** | **381** | **453** | **341** |

[1] Acquisitions including duties

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

The €156 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 assets delivered over the year until delivery date).

The €153 million group share of CAPEX on Investment Properties is mainly composed of:

- €33 million on offices including tenant improvement, green capex to enhance the value on strategic offices;
- €9 million of modernisation Capex on hotels, with the aim to improve the quality of assets and benefit from increased revenues and performance,
- €76 million of modernization & maintenance Capex on German Residential of which 2/3 modernization, generating revenues.

## 5.11. EPRA LTV

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

| EPRA LTV<br>31 Dec. 2023<br>(€ million, Group share) | Group € M as reported | Proportionate Consolidation<br>Share of Joint Ventures | Share of Material Associates | Non-controlling Interests | Combined |
|---|---|---|---|---|---|
| **Include:** | | | | | |
| Borrowings from Financial Institutions | 5,720 | 182 | | -2,316 | 3,586 |
| Commercial paper | 260 | | | -120 | 140 |
| Hybrids (including Convertibles, preference shares, debt, options, perpetuals) | - | | | | - |
| Bond Loans | 4,444 | | | -533 | 3,911 |
| Foreign Currency Derivatives (futures, swaps, options and forwards) | | | | | 0 |
| Net Payables | 42 | | | -42 | 0 |
| Owner-occupied property (debt) | | | | | 0 |
| Current accounts (Equity characteristic) | | | | | 0 |
| **Exclude:** | | | | | 0 |
| Cash and cash equivalents | 901 | 31 | | -138 | 794 |
| **Net Debt (a)** | **9,565** | **151** | | **-2,873** | **6,843** |
| **Include:** | | | | | |
| Owner-occupied property | 1,976 | 10 | | - 834 | 1,152 |
| Investment properties at fair value | 18,786 | 461 | | - 6,542 | 12,705 |
| Properties held for sale | 314 | - | | - 90 | 224 |
| Properties under development | 1,140 | - | | - 133 | 1,007 |
| Intangibles | - | - | | - | - |
| Net Receivables | - | 4 | | 36 | 40 |
| Financial assets | 373 | - | | - 149 | 224 |
| **Total Property Value (b)** | **22,589** | **475** | **0** | **- 7,712** | **15,352** |
| Real Estate Transfer Taxes | 1,163 | | | - 356 | 807 |
| **Total Property Value (incl. RETTs) (c)** | **23,752** | **475** | **0** | **-8,067** | **16,159** |
| **LTV (a/b)** | **42.3%** | | | | **44.6%** |
| **LTV (incl. RETTs) (a/c) (optional)** | **40.3%** | | | | **42.3%** |

Including preliminary agreements still to be cashed in, EPRA LTV (excluding transfer taxes) would go down to 43.8%.

| **EPRA LTV** | **44.6%** |
|---|---|
| Duties | -2.2% |
| Preliminary Agreements | -0.8% |
| Other effects (including conso. restatements) | -0.7% |
| **LTV including duties** | **40.8%** |

## 5.12. EPRA performance indicator reference table

| **EPRA information** | **Section** | **in %** | **Amount in €** | **Amount in €/share** |
|---|---|---|---|---|
| EPRA Earnings | 5.8 | - | €429.7 m | €4.41 /share |
| Adjusted EPRA Earnings | 5.8 | - | €435.4 m | €4.47 /share |
| EPRA NRV | 5.9 | - | €9,327 m | €92.6 /share |
| EPRA NTA | 5.9 | - | €8,470 m | €84.1 /share |
| EPRA NDV | 5.9 | - | €8,401 m | €83.4 /share |
| EPRA net initial yield | 5.6 | 4.2% | - | - |
| EPRA topped-up net initial yield | 5.6 | 4.4% | - | - |
| EPRA vacancy rate at year-end | 5.2 | 4.8% | - | - |
| EPRA costs ratio (including vacancy costs) | 5.7 | -20.3% | - | - |
| EPRA costs ratio (excluding vacancy costs) | 5.7 | -17.3% | - | - |
| EPRA LTV | 5.11 | 44.6% | | |
| EPRA indicators of main subsidiaries | 6 | - | - | - |

# 6. FINANCIAL INDICATORS OF THE MAIN ACTIVITIES

| | Covivio Hotels | | | Covivio Immobilien | | |
|---|---|---|---|---|---|---|
| | **31 Dec. 22** | **31 Dec. 23** | **Change (%)** | **31 Dec. 22** | **31 Dec. 23** | **Change (%)** |
| **EPRA Earnings (M€)** | **220.9** | **238.8** | **+8.1%** | **166.3** | **152.6** | **-8.2%** |
| EPRA NRV | 4,105 | 3,915 | -4.6% | 5,733 | 4,756 | -17.1% |
| EPRA NTA | 3,722 | 3,550 | -4.6% | 5,199 | 4,262 | -18.0% |
| EPRA NDV | 3,763 | 3,512 | -6.7% | 4,574 | 3,682 | -19.5% |
| % of capital held by Covivio | 43.9% | 43.9% | - | 61.7% | 61.7% | - |
| LTV including duties | 35.0% | 34.4% | -0.6 pts | 31.7% | 35.2% | +3.5 pts |
| ICR | 6.0x | 5.4x | - .6x | 7.3x | 4.5x | - 2.8x |

# 7. GLOSSARY

## Net asset value per share: NRV, NTA and NDV

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

## Operating assets

Properties leased or available for rent and actively marketed.

## Rental activity

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

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

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

## Cost of development projects

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

## Definition of the acronyms and abbreviations used:

MRC: Major regional cities, i.e. Lyon, Bordeaux, Lille, Aix-Marseille, Montpellier, Nantes and Toulouse

ED: Excluding Duties

ID: Including Duties

IDF: Paris region (Île-de-France)

ILAT: French office rental index

CCI: Construction Cost Index

CPI: Consumer Price Index

RRI: Rental Reference Index

PACA: Provence-Alpes-Côte-d’Azur

LFL: Like-for-Like

GS: Group share

CBD: Central Business District

Rtn: Yield

Chg: Change

MRV: Market Rental Value

## Firm residual term of leases

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

## Green Assets

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

## Unpaid rent (%)

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

## Loan To Value (LTV)

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

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

## Rental income

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

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

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

## Portfolio

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

## Projects

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

## Yields/return

The portfolio returns are calculated according to the following formula:

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

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

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

## EPRA Earnings

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

Calculation:

(+) Net Rental Income

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

(+) Income from other activities

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

(-) Depreciation of operating assets

(-) Net change in provisions and other

(-) Cost of the net financial debt

(-) Interest charges linked to finance lease liability

(-) Net change in financial provisions

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

(-) Corporate taxes

**(=) EPRA Earnings**

## Surface

SHON: Gross surface

SUB: Gross used surface

## Debt interest rate

Average cost:

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

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

## Occupancy rate

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

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

This indicator is calculated solely for properties on which asset management work has been done and therefore does not include assets available under pre-leasing agreements. Occupancy rate are calculated using annualized data solely on the strategic activities portfolio. Future leases secured on vacant spaces are accounted for as occupied.

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

## Like-for-like change in rent

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

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

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

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

Restatement done:

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

## Like-for-like change in value

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

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

Restatement done:

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