



Paris, le 15 février 2024, 18h30

## Résultats annuels 2023

### Objectifs dépassés et croissance continue du résultat récurrent

« Dans un environnement immobilier impacté par la hausse des taux, Covivio s'est rapidement adapté, notamment via 720 M€ de nouveaux accords de cessions. En parallèle, le travail d'asset management et la hausse des revenus de +6,4% à périmètre constant ont permis au résultat récurrent de s'inscrire en croissance. Nous maintiendrons en 2024 notre discipline financière, tout en poursuivant la croissance de notre résultat récurrent. »

Christophe Kullmann, Directeur Général de Covivio

#### Très bonnes performances opérationnelles

- ▶ **Hôtels** : négociations avec AccorInvest pour un remembrement des murs et fonds de commerce, créateur de valeur
- ▶ **Bureaux** : près de 131 000 m<sup>2</sup> commercialisés et augmentation du taux d'occupation à 94,5%
- ▶ **Résidentiel** : accélération de la réversion locative, à +21%, dont +31% à Berlin
- ▶ Maintien à des niveaux élevés du **taux d'occupation (96,7%)** et de la **durée moyenne ferme des baux (7 années)**

#### Croissance de +6,4% des revenus à périmètre constant

- ▶ **1 Md€ de revenus consolidés et 648 M€ part du Groupe**, soit +2,4% à périmètre courant et +6,4% à périmètre constant
- ▶ **Bureaux** : hausse des loyers à périmètre constant de +5,2%
- ▶ **Résidentiel allemand** : accélération de la hausse des loyers à périmètre constant, à +3,9% (vs +3,1% en 2022)
- ▶ **Hôtels** : +12,7% à périmètre constant, dont +9% sur les loyers fixes et +19% sur les revenus variables

#### Un bilan de qualité et renforcé

- ▶ **En avance sur l'objectif de cessions** : 720 M€ de nouveaux accords en 2023
- ▶ **Réduction de la dette nette de près de 700 M€**
- ▶ **Doublement de la liquidité à 2,4 Md€**, couvrant les échéances de dette jusqu'au 1<sup>er</sup> trimestre 2026
- ▶ **Maintien d'un ratio de levier (LTV) maîtrisé**, à 40,8%, malgré la baisse des valeurs de -10% à périmètre constant

#### Résultat net récurrent en croissance de +1% en 2023, malgré le désendettement

- ▶ **Résultat net récurrent (EPRA Earnings ajusté)** en hausse de +1%, à 435 M€ (4,47€/action) vs objectif initial de 410 M€
- ▶ **Actif net réévalué (EPRA NTA)** impacté par les baisses de valeurs : -21% sur un an, à 84,1€/action

#### Stratégie ESG : nouvelle progression des indicateurs, de la satisfaction clients et des notations

- ▶ **95,3% du patrimoine doté d'une certification**, dont 67% de bureaux certifiés HQE/BREEAM Very Good ou au-dessus
- ▶ **Hausse de la part de la dette liée à des objectifs ESG**, à 57% vs 38% à fin 2022
- ▶ **Une stratégie plébiscitée par nos clients et saluée par les agences**, avec une note CDP relevée à A en février 2024

#### Perspectives 2024

- ▶ **Maintien de la discipline financière** : 580 M€ d'objectif de cessions et proposition d'un dividende de 3,30€/action au titre de 2023, avec option de paiement en actions
- ▶ **Extraction du potentiel de croissance**, par l'indexation, la réversion et le travail d'asset management (dont la finalisation attendue au 2<sup>nd</sup> semestre de l'échange d'actifs avec AccorInvest)
- ▶ **Objectif de résultat net récurrent (EPRA Earnings ajusté) 2024 de l'ordre de 440 M€, en légère croissance** tout en poursuivant le désendettement
- ▶ **Objectif de retour à un dividende uniquement en numéraire au titre de 2024** avec un taux de distribution supérieur à 80%.

## Principaux indicateurs opérationnels et financiers

Compte de résultat, En M€, Part du Groupe	2022	2023	Variation	Variation à périmètre constant
Taux d'occupation (%)	96,6%	96,7%	+0,1pt	
Revenus	633,0	648,0	+2,4%	+6,4%
Résultat opérationnel courant	499,5	506,8	+1,5%	
Résultat net récurrent (*)	430,2	435,4	+1,2%	
Résultat net récurrent (*) par action (€)	4,58	4,47	-2,4%	
Résultat net comptable	620,7	- 1 418,8	n.a.	
<b>Bilan,</b> En M€, Part du Groupe	<b>2022</b>	<b>2023</b>	<b>Variation</b>	<b>Variation à périmètre constant</b>
Patrimoine	17 395	15 080	-13,3%	-10,2%
Dette nette	7 581	6 925	-8,7%	
Liquidité nette disponible	1 185	2 406	x2	
LTV droits inclus (%)	39,5%	40,8%	+1,3pt	
ICR (x)	6,9x	6,4x	-0,5x	
Dette nette / EBITDA	14,5x	12,8x	-1,7x	
EPRA NTA	10 044	8 470	-15,7%	
EPRA NTA par action (€)	106,4	84,1	-21,0%	
<b>ESG</b>	<b>2022</b>	<b>2023</b>	<b>Variation</b>	
Actifs bénéficiant d'une certification	93,0%	95,3%	+2 pts	
dont Bureaux <i>Very Good</i> ou supérieur	63,1%	67,2%	+4 pts	
Dette associée à des critères ESG	38,0%	57,0%	+19 pts	

\*EPRA *Earnings* Ajusté

## Covivio : un patrimoine diversifié et en amélioration continue

Covivio détient un patrimoine de 23,1 Md€ (15,1 Md€ PdG) d'actifs en Europe, géré selon trois piliers stratégiques :

1. **La localisation au cœur des capitales européennes, ainsi que des principaux quartiers d'affaires et de loisirs**, en particulier Paris, Berlin et Milan. Ainsi, 94% des actifs se situent dans des localisations centrales<sup>1</sup> et 99% à moins de 5 minutes à pied d'un transport en commun.
2. **Une approche *hospitality* innovante et évolutive**, inspirée du savoir-faire en hôtellerie, pour accompagner la mutation des villes et l'évolution des attentes des utilisateurs. Cela se traduit notamment par une logique d'opérateur intensifiée, une politique servicielle et une relation client ambitieuses, adossées à une offre flexible forte.
3. **Le développement durable**, Covivio étant un opérateur engagé dans la transition climatique, pour un impact positif et durable sur la ville. Cet objectif s'illustre par une trajectoire carbone ambitieuse (baisse des émissions de 40% de 2010 à 2030) et est salué par les principales agences de notation.

Le patrimoine est composé à 52% (-3pts sur 1 an) de bureaux en France, Italie et Allemagne, dont 69% en centre-ville et 25% dans les principaux centres d'affaires ; 31% (+1pt) de logements principalement à Berlin et les grandes villes de la Rhénanie-du-Nord Westphalie ; et 17% (+2pts) d'hôtels situés dans les grandes villes touristiques européennes (Paris, Berlin, Rome, Madrid, Barcelone, Londres, etc.), loués ou gérés par les opérateurs leaders : Accor, IHG, Marriott, B&B, NH Hotels, etc.

<sup>1</sup> Bureaux : centre des grandes métropoles européennes (Paris, Berlin, Milan, etc) et des principaux quartiers d'affaires ; Hôtels : grandes destinations touristiques européennes ; Logements : Berlin, Dresde, Leipzig, Hambourg et grandes villes de la Rhénanie du Nord Westphalie

## Très bonnes performances opérationnelles

### Hôtels : nouvelles opérations majeures dans un marché hôtelier porteur

Les performances en hôtellerie sont restées très dynamiques en 2023. En moyenne en Europe, les RevPAR ressortent ainsi en hausse de +16% par rapport à 2019 (et de +18% vs 2022), grâce à des prix moyens en hausse de +23%, tandis que le taux d'occupation s'améliore (+5,1 pts vs 2022 et -3,6 pts vs 2019). Les principales expositions géographiques de Covivio ont surperformé, avec des croissances de RevPAR de +32% en Italie, +22% en France, +20% au Royaume-Uni et +18% en Espagne.

Dans ce contexte, Covivio a poursuivi sa stratégie d'*asset* et de *brand management* en vue d'optimiser sa rentabilité et de garantir une offre hôtelière toujours plus adaptée aux attentes des utilisateurs.

En novembre 2023, le Groupe est **entré en négociations exclusives avec AccorInvest, en vue de rassembler la propriété de murs et fonds de commerce**. Covivio, via sa filiale Covivio Hotels<sup>2</sup>, est propriétaire de 54 hôtels loués à AccorInvest en loyer variable sur chiffre d'affaires, dans le cadre de baux à long terme. AccorInvest est propriétaire des fonds de commerce de ces hôtels, et a signé des contrats de gestion long terme avec le Groupe Accor. L'opération de remembrement prendrait la forme d'un échange de fonds de commerce, actuellement détenus par AccorInvest, contre des murs d'hôtels appartenant à Covivio. A l'issue de l'opération, 24 hôtels seraient désormais détenus en murs et fonds par Covivio et 10 par AccorInvest.

La valeur convenue des murs cédés à AccorInvest représente environ 92 M€<sup>3</sup> (au rendement de 5%) et la valeur convenue des fonds de commerce rachetés par Covivio environ 114 M€<sup>4</sup> (au rendement de 12%). Cette opération, relative pour Covivio dès la première année (9 M€ de revenus supplémentaires pour une sortie de cash de 22 M€ en part du Groupe), permettrait en outre de pouvoir optimiser à terme les performances de ces hôtels. Ainsi, des programmes de capex à forte rentabilité (>20%) sont attendus, offrant une perspective de croissance des résultats et de création de valeur.

La dynamique d'*asset management* s'est également poursuivie sur les autres parties du patrimoine :

- Sur le portefeuille en loyers fixes, Covivio a signé avec Melia de nouveaux baux de 15 ans sur 3 hôtels en Espagne, à Barcelone, Valence et Malaga, avec une hausse des loyers fixes d'environ 30% et un rendement sur investissement (15 M€ à 100%, 6 M€ part du Groupe) de l'ordre de 9%. Au second semestre, une extension du bail de 9 ans a également été conclue avec NH Hotel sur un hôtel à Madrid, accompagné d'une hausse du loyer de +15% ;
- Sur le patrimoine détenu en murs et fonds, des programmes de capex pour un total de près de 70 M€ à 100% (30 M€ part du Groupe) ont été lancés, avec un objectif de rentabilité supérieure à 15%. Sur l'exercice, des travaux sont notamment en cours sur le Westin Grand Berlin, en vue de rénover les espaces communs (lobby, bar, restaurant, salles de réunion) et sur deux hôtels à Bruges, pour y rénover les chambres et espaces communs, créer des synergies de gestion et améliorer les performances énergétiques.

### Bureaux : activité locative soutenue et renforcement de la centralité

Dans un marché locatif polarisé, où la demande se concentre sur les immeubles les plus centraux et offrant les meilleures performances environnementales et servicielles (80% de la demande à Milan se concentre sur des immeubles *grade A*), Covivio tire les fruits de son positionnement haut de gamme. **Près de 131 000 m<sup>2</sup> de nouvelles commercialisations et renouvellements** ont été signés en 2023, dont 40 700 m<sup>2</sup> sur le seul 4<sup>ème</sup> trimestre. **Le taux d'occupation**, qui avait reculé à 92,2% fin mars 2023 suite à deux livraisons d'actifs et un départ de locataire, s'inscrit depuis en net rebond, de +230 pb, pour atteindre **94,5% en fin d'exercice** (soit +10 pb vs 2022).

**Ces succès locatifs s'illustrent par l'accélération de la commercialisation des immeubles récemment livrés.** C'est le cas de So Pop à Paris/Saint-Ouen, avec 11 600 m<sup>2</sup> commercialisés, permettant de faire passer le taux

<sup>2</sup> Détenue à 43,9% et contrôlée par Covivio

<sup>3</sup> Hors droits, part du Groupe Covivio / 210 M€ en part du Groupe Covivio Hotels

<sup>4</sup> Droits inclus, part du Groupe Covivio / 260 M€ en part du Groupe Covivio Hotels

d'occupation de 36% fin 2022 à 71% actuellement. 11 700 m<sup>2</sup> ont aussi été signés dans Maslö à Levallois-Perret, désormais occupé à 87% (vs 28% fin 2022). Covivio a également loué 7 700 m<sup>2</sup> dans l'immeuble Urban Garden à Issy-les-Moulineaux, libéré au 1<sup>er</sup> trimestre 2023 et déjà reloué à hauteur de 70%. A Châtillon, 2 450 m<sup>2</sup> ont été loués sur l'immeuble IRO, portant le taux d'occupation à 64% (vs 57% fin 2022), tandis que 5 800 m<sup>2</sup> ont été commercialisés ou renouvelés sur la tour CB21 à La Défense, désormais louée à 100% (vs 93% fin 2022). En Allemagne, l'immeuble Zeughaus à Hambourg a quant à lui vu son taux d'occupation augmenter de +14 pts sur un an, à 96%, suite à la relocation de 9 200 m<sup>2</sup>.

**En parallèle, Covivio a continué de capter le potentiel de réversion élevé des loyers sur son patrimoine de centre-ville, de +12% en moyenne en 2023**, comme à Lyon (+14% dans Silex<sup>2</sup> sur 2 300 m<sup>2</sup>) ou Milan (+23%, pour 4 800 m<sup>2</sup> au total, sur les immeubles via Messina et via Amedei).

**La dynamique locative est porteuse en France et en Italie (84% du patrimoine bureaux). En Allemagne, de premiers succès locatifs ont été enregistrés en 2023** : les 16 488 m<sup>2</sup> de nouvelles commercialisations et 47 426 m<sup>2</sup> de renouvellements ont permis d'augmenter de 1,3 pt le taux d'occupation et de capter une réversion locative de +5%. Pour autant, le taux d'occupation, actuellement de 86,4%, reste impacté par la récession économique et par 18% d'actifs *non core*. Afin d'accélérer l'amélioration des performances, une nouvelle équipe d'*asset management* a été constituée, sous l'impulsion d'Alexei Dal Pastro, CEO Italie de Covivio, qui devient également responsable de l'activité bureaux en Allemagne. Fort du succès du repositionnement du patrimoine en Italie, Alexei Dal Pastro apportera sa connaissance fine du produit et son expérience managériale éprouvée.

**Enfin, Covivio poursuit le travail de recentrage et d'extraction de la valeur de son patrimoine.** Deux anciennes centrales téléphoniques libérés par Orange feront l'objet d'un redéveloppement pour 135 M€ de capex et un rendement marginal moyen de 6,5% : Grands Boulevards (7 500 m<sup>2</sup>, livraison 2027) et Monceau (11 200 m<sup>2</sup>, livraison 2025). Ces deux projets sont situés à Paris QCA, qui affiche une pénurie d'offre de qualité, avec un taux de vacance de 2,7% fin 2023 et des loyers *prime* en hausse de +7% sur un an, à 1 070€/m<sup>2</sup>.

#### Résidentiel allemand : hausse de la qualité du patrimoine et extraction de valeur dans un contexte de pénurie

Le déséquilibre entre offre et demande de logements s'est encore renforcé en 2023. La population a connu une nouvelle hausse, à plus de 84 millions d'habitants, tandis que les nouvelles constructions et les attributions de permis de construire, se sont encore contractées, bien loin de l'objectif gouvernemental de 400 000 nouveaux logements par an. Ainsi, à Berlin, la pénurie de logements est maximale et les loyers de marché progressent de nouveau significativement sur un an, de +6% pour les logements existants (à 12,9€/m<sup>2</sup>) et +9% pour les logements neufs (à 19,4€/m<sup>2</sup>).

Dans ce contexte, Covivio a poursuivi son travail d'*asset management* sur l'exercice :

- En captant la réversion locative : le travail de relocation sur près de 3 300 baux a permis d'afficher une réversion locative moyenne de +21% en 2023, dont +31% à Berlin.
- En poursuivant les programmes de capex de modernisation, venant améliorer la qualité du patrimoine et réduire sa consommation énergétique. 78 M€ (50 M€ part du groupe) ont été investis en 2023 avec une rentabilité entre 5 et 10%.
- Via le travail de valorisation du patrimoine : Covivio a livré 227 nouveaux logements (coût de revient de 66 M€ et 44 M€ part du Groupe) sur des terrains attenants à ses immeubles ou via des élévations de toitures. Situées à Berlin, ces opérations affichent un rendement locatif moyen de 5,0% et une marge sur les logements cédés de +23% en moyenne (prix de vente moyen de 5 100 €/m<sup>2</sup>). Le Groupe a également poursuivi son programme de ventes à l'unité, avec près de 128 logements cédés pour 53 M€ (35 M€ en part du Groupe) à 5 200€/m<sup>2</sup> en moyenne, soit une marge sur la valeur d'expertise de +46%.

## Un bilan de qualité et renforcé

### En avance sur le plan de cessions : 720 M€ de nouveaux accords signés en 2023

Dans un marché de l'investissement ralenti, Covivio a signé pour 900 M€ à 100% et 720 M€ part du Groupe d'engagements de cessions, avec une marge moyenne de -7,5% sur les valeurs d'expertise de fin 2022 et un taux de rendement moyen de 4,2%. Le Groupe est ainsi en avance dans la réalisation de son plan de cessions (communiqué en décembre 2022) de 1,5 Md€ d'ici fin 2024, avec près de 920 M€, soit 61% du plan d'ores et déjà sécurisés.

La majeure partie des cessions (77% et 551 M€ part du groupe) concernent des actifs de bureaux, dans une logique de rééquilibrage du patrimoine et de cristallisation de la valeur. Covivio a notamment cédé l'immeuble Anjou, à Paris, pour un rendement de 3,5%. Un ensemble de bureaux en périphérie de Montpellier a été cédé pour 78 M€ et un rendement de 6,6%. Covivio a également signé une promesse de vente sur un immeuble de bureaux non *core* vacant situé à Charenton, pour un montant de 49 M€.

En résidentiel allemand, la qualité du patrimoine a permis de sécuriser 80 M€ (120 M€ à 100%) d'accords de cessions, essentiellement à Berlin, avec une marge moyenne de +16% : 35 M€ (53 M€ à 100%) de ventes à l'unité (marge de +46%) et 44 M€ (67 M€ à 100%) pour 4 immeubles vendus en bloc, en ligne avec les valeurs d'expertise.

En hôtellerie, 65 M€ (152 M€ à 100%) de cessions ont été signées, principalement sur des actifs non *core* : 10 hôtels économiques et moyennes gammes en France et 2 hôtels en Espagne, orientés clientèle d'affaires, en prime de +2% sur les valeurs de fin 2022.

Enfin, Covivio a apuré sa poche non stratégique en signant 24 M€ (54 M€ à 100%) de promesses de vente sur des actifs de commerce.

### Doublement de la liquidité, couvrant les échéances de dettes jusqu'au 1<sup>er</sup> trimestre 2026

En 2023, Covivio a sécurisé plus de 1,9 Md€ de financements ou refinancements (1,7 Md€ en part du Groupe), 86% étant associés à des critères ESG, pour une maturité moyenne de 7 ans. Bénéficiant d'une dette diversifiée, Covivio a été actif tant sur le marché bancaire qu'obligataire.

735 M€ de crédits *corporate* associés à des critères ESG ont été sécurisés, sur une durée moyenne de plus de 6 ans, auxquels s'ajoutent 495 M€ de financements hypothécaires. Sur le marché obligataire, outre deux extensions de souches existantes pour 99 M€ chacune, Covivio a émis en novembre 2023 pour 500 M€ d'emprunts obligataires verts à maturité 2032, sur la base d'une marge de 168 pb. L'émission a été largement variabilisée afin de tirer parti de la très bonne situation de couverture du Groupe et contribue à l'allongement de la maturité de la dette.

**Le travail de désendettement et de financement a ainsi permis de doubler la liquidité nette disponible du Groupe sur un an, à 2,4 Md€ fin 2023.** A cette liquidité viendront s'ajouter près de 300 M€ (part du Groupe) de promesses de ventes restant à encaisser dans les prochains mois.

### Des indicateurs de dette solides

Noté BBB+, perspective stable, par S&P, Covivio affiche un bilan solide. Les cessions de l'exercice ont contribué à la baisse de la dette nette de près de 700 M€ sur un an, à 6,9 Md€. Ce désendettement, malgré la baisse des valeurs d'expertise, a permis de contenir la hausse du ratio d'endettement (LTV), à 40,8%. Le ratio Dette nette / EBITDA s'inscrit pour sa part en nette diminution, à 12,8x (vs 14,5x fin 2022), et le ratio de couverture des intérêts (ICR) se maintient à un niveau élevé de 6,4x.

La dette dispose d'une maturité moyenne de 4,9 ans (vs 4,8 ans fin 2022) et est largement protégée contre la hausse des taux d'intérêt : taux de couverture de 92% pour une maturité moyenne des instruments de couverture de 5,9 ans. Ainsi, malgré la vive remontée des taux d'intérêt de marché, le taux moyen de la dette de Covivio est resté contenu, à 1,50% vs 1,24% fin 2022.

## Revenus en hausse de +6,4% à périmètre constant

2023, million €	Revenus 2022 Part du Groupe	Revenus 2023 100%	Revenus 2023 Part du Groupe	% variation à périmètre courant Part du Groupe	% variation à périmètre constant Part du Groupe	Taux d'occupation %	Durée ferme des baux en années
<b>Bureaux</b>	<b>330,9</b>	<b>385,1</b>	<b>320,3</b>	<b>-3,2%</b>	<b>+5,2%</b>	<b>94,5%</b>	<b>5,4</b>
<b>Résidentiel Allemagne</b>	<b>176,6</b>	<b>286,0</b>	<b>185,1</b>	<b>+4,8%</b>	<b>+3,9%</b>	<b>99,1%</b>	<b>n.a.</b>
<b>Hôtels</b>	<b>123,7</b>	<b>333,4</b>	<b>139,9</b>	<b>+13,1%</b>	<b>+12,7%</b>	<b>100,0%</b>	<b>12,2</b>
Non stratégique	1,9	6,3	2,8	+49,4%	-16,6%	100,0%	7,4
<b>TOTAL</b>	<b>633,0</b>	<b>1 010,8</b>	<b>648,0</b>	<b>+2,4%</b>	<b>+6,4%</b>	<b>96,7%</b>	<b>7,0</b>

En 2023, les revenus locatifs s'établissent à 1 011 M€ et 648 M€ en part du Groupe, en progression de +2% sur un an à périmètre courant. La baisse des revenus bureaux, liée aux cessions, est plus que compensée par l'accélération de l'indexation, le rebond en hôtellerie et la solide croissance en résidentiel allemand. **A périmètre constant, les revenus affichent une progression de +6,4%**, portée par l'indexation (3,5 pts), la hausse des loyers lors des relocations et renouvellements (0,6 pt) et les revenus variables en hôtellerie (+2,3 pts).

**En bureaux**, les loyers diminuent de -3,2% suite aux cessions d'actifs réalisées en 2022 et 2023, mais **progressent de +5,2% à périmètre constant**, portés par l'indexation et la dynamique locative, constatée sur toutes les géographies : +4,0% en France, +6,4% en Italie et +6,5% en Allemagne.

**En hôtellerie**, les revenus ont continué à bénéficier de la forte croissance de l'activité en 2023, avec une hausse de +12,7% à périmètre constant. Cette performance repose en premier lieu sur le rebond continu des revenus variables (43% du patrimoine hôtelier), tant par les loyers variables avec AccorInvest (+19%, portés par la solide performance des actifs parisiens), que le résultat des hôtels détenus en murs et fonds (+19% également, avec une forte croissance en France et un rebond progressif en Allemagne). Les loyers progressent aussi sur les actifs en bail fixe (57% du patrimoine hôtelier), de +9% à périmètre constant, soutenus par l'indexation (+3,1%), les opérations d'asset management (+5,7%).

**En résidentiel allemand, la croissance des loyers à périmètre constant accélère, à +3,9% en 2023** (vs +3,1% en 2022), et ce sur l'ensemble des géographies : Hambourg (+4,4%), Berlin (+4,0%), Rhénanie du Nord Westphalie (+3,9%) et Dresde et Leipzig (+2,9%). Cette hausse provient de l'indexation (pour 1,7 pt), des programmes de travaux d'amélioration des logements (pour 1,3 pt), et des relocations avec réversion élevée (pour 1 point). Le taux d'occupation se maintient à 99,1%, traduisant la qualité et l'attractivité du patrimoine, situé principalement dans les centres-villes.

**Le taux d'occupation moyen du patrimoine se maintient à un niveau élevé de 96,7% (vs 96,6% fin 2022), en ligne avec la moyenne des dix dernières années, tandis que la durée moyenne ferme des baux atteint près de 7 ans.**

## Ajustement des valeurs du patrimoine de -10% sur l'année, dans un marché ralenti

Face au nouvel environnement de taux, le marché de l'investissement en immobilier a été ralenti en 2023, et ce sur la plupart des classes d'actifs, les principales transactions ayant été réalisées par les investisseurs en fonds propres et utilisateurs finaux. D'après les chiffres de CBRE, toutes classes d'actifs confondues, les volumes se sont inscrits en retrait de -47% en Europe en 2023, à 163 Md€. La forte remontée des taux de capitalisation s'est matérialisée au fur et à mesure de l'année 2023 permettant de reconstituer une prime de risque immobilière, qui se rapproche de sa moyenne des 20 dernières années (170pb). A Paris QCA, le rendement prime en bureaux s'inscrit ainsi en hausse de +100pb sur un an, à 4,25% et la prime de risque par rapport à l'OAT 10 ans ressort à près de 155pb.

Dans ce contexte, les valeurs des actifs de Covivio se sont contractées de -10,2% à périmètre constant. A fin 2023, le patrimoine s'élève à 23,1 Md€ à 100% et 15,1 Md€ part du Groupe.

(m€, Hors Droits)	Valeurs 2022	Valeurs 2023	Valeurs 2023	Variation à	Rendement	Rendement	% du portefeuille
	part du Groupe	2023 100%	part du Groupe	périmètre constant 12 mois	2022	2023	
Bureaux	9 508	9 446	7 847	-11,7%	4,8%	5,5%	52%
Résidentiel allemand	5 238	7 212	4 672	-10,8%	3,5%	4,1%	31%
Hôtels	2 622	6 376	2 535	-3,9%	5,0%	5,9%	17%
<b>Total Stratégique</b>	<b>17 368</b>	<b>23 035</b>	<b>15 054</b>	<b>-10,2%</b>	<b>4,4%</b>	<b>5,1%</b>	<b>100%</b>
Non stratégique	27	54	26	-3,1%	6,3%	n,a	0%
<b>Total</b>	<b>17 395</b>	<b>23 089</b>	<b>15 080</b>	<b>-10,2%</b>	<b>4,4%</b>	<b>5,1%</b>	<b>100%</b>

En bureaux, les valeurs reculent de -11,7% à périmètre constant, affichant de fortes disparités en fonction de la centralité des actifs. Les actifs de centre-ville, qui constituent 69% du patrimoine, reculent de -8% et affichent dorénavant un rendement de 4,8%. Les actifs situés dans le cœur des principaux pôles d'affaires baissent de -18%, pour un rendement de 6,5%. Enfin, les baisses de valeurs les plus prononcées, de -21%, sont attribuables à la catégorie non *core* (6% du patrimoine bureaux), située en périphérie et directement impactée par les changements structurels des modes de travail.

Le résidentiel allemand affiche un recul de -10,8% à périmètre constant, la baisse des valeurs au second semestre ayant décéléré (-7,3% sur le 1<sup>er</sup> semestre et -3,7% au 2<sup>nd</sup>). La valeur moyenne du patrimoine résidentiel s'établit à 2 461 €/m<sup>2</sup>, dont 3 052 €/m<sup>2</sup> à Berlin et 1 826 €/m<sup>2</sup> en Rhénanie-du-Nord Westphalie, et le rendement moyen remonte de +60pb sur un an, à 4,1%. Le patrimoine est valorisé en valeur bloc. Pour autant, 48% du patrimoine, soit 2,2 Md€, est d'ores et déjà mis en copropriété, en particulier à Berlin (68% / 1,8 Md€), où l'écart entre valeur bloc et prix de vente au détail atteint +52%.

En hôtels, le patrimoine recule de -3,9% à périmètre constant sur l'année, les solides performances opérationnelles ayant en grande partie compensé l'impact de la hausse des taux (+50pb sur un an). Les hôtels en murs et fonds ont légèrement surperformé, baissant de -3,7%, contre -4,0% pour les actifs en bail. Le patrimoine affiche un rendement moyen de 5,9%, offrant une prime de risque élevée (+300pb par rapport à l'OAT).

Fin 2023, le rendement moyen du patrimoine de Covivio ressort ainsi à 5,1%, en hausse de +70 pb sur un an.

## Croissance du résultat net récurrent dans un contexte de désendettement

Résultat net récurrent de 435 M€, en hausse annuelle de +1%

En dépit du programme de cessions et de la remontée du coût moyen de la dette, les fortes performances opérationnelles et la baisse des coûts de fonctionnement ont permis au résultat net récurrent (*EPRA Earnings* ajusté) de s'inscrire en progression de +1,2% sur un an, à 435,4 M€ (-2,5% à 4,47€ par action, en raison de l'augmentation du nombre moyen d'actions). Ce résultat est supérieur de +6% à la *guidance* annoncée en début d'exercice (410 M€) et de +4% à celle révisée en milieu d'année (420 M€).

Le résultat net de Covivio ressort quant à lui à -1,4 Md€, impacté par les baisses de valeurs.

Actif net réévalué EPRA NTA de 84,1€/action, en baisse de -21% sur un an

Les ajustements des valeurs d'actifs se reflètent dans l'évolution de l'actif net réévalué de continuation (ANR EPRA NTA), en retrait de -21% sur un an, à 84,1€/action (et 8 470 M€). L'ANR de liquidation (EPRA NDV) recule quant à lui de -23% à 83,4€/action (et 8 401 M€). Enfin, l'ANR de reconstitution (EPRA NRV) ressort à 9 327 M€ et 92,6€ par action.

## ESG : nouvelle progression des indicateurs, de la satisfaction clients et des notations

### Un patrimoine certifié en constante progression, désormais à 95,3%

Covivio a poursuivi l'augmentation du taux de certification de son patrimoine : la part bénéficiant d'une certification HQE, BREEAM, LEED ou équivalent, en opération et/ou en construction, atteint désormais 95,3% (+2 points vs 2022).

En outre, la part des immeubles de bureaux bénéficiant des meilleurs niveaux de certification (*Very Good* et au-delà) s'établit à 67%, en hausse de +4 pts par rapport à 2022.

Cette stratégie d'amélioration environnementale de l'intégralité du portefeuille contribue activement à l'atteinte des ambitions ESG du Groupe, notamment celui de réduire de -40% ses émissions de gaz à effet de serre entre 2010 et 2030 (sur l'ensemble des scopes 1, 2 et 3 et la totalité du cycle de vie des actifs : matériaux, construction, restructuration et exploitation).

### Nouvelle amélioration des notations des clients

Soucieux d'entretenir sa culture-clients et d'améliorer en continu ses offres, Covivio mène régulièrement des études indépendantes de satisfaction. Les résultats en 2023 sont de nouveau très positifs. En bureaux, l'enquête réalisée avec l'institut KingsleySurvey auprès de 270 utilisateurs finaux en France, en Allemagne et en Italie, a révélé une satisfaction globale de 3,9/5 (vs *benchmark* à 3,6) et une satisfaction du *property management* de 4/5 (vs *benchmark* à 3,5).

Sur les logements en Allemagne et pour la 6<sup>e</sup> année consécutive, Covivio s'est vu octroyer la note « *Very Good* » (meilleure note possible) par la revue Focus Money, à l'issue de l'étude « *Fairest landlord 2024* ». Le Groupe fait ainsi partie des quatre entreprises à avoir obtenu la note « *Very Good* » dans les six catégories de l'étude.

En hôtellerie, la note *booking.com* moyenne de localisation de nos hôtels progresse de 0,1 pt sur un an, à 8,9/10.

### Progression des notations par les agences

Début février 2024, Covivio a de nouveau été reconnu par le CDP (*Carbon Disclosure Project*) pour son leadership en matière de transparence et de performance sur le changement climatique, avec l'obtention de la note « A », la meilleure note possible. Covivio fait ainsi partie du cercle restreint (1,6%) des entreprises ayant obtenu la note « A », parmi plus de 20 000 entreprises évaluées.

Au cours de l'année 2023, Covivio a également reçu des notes en amélioration par le GRESB, qui évalue la politique, les plans d'actions et les performances ESG de plus de 1 500 entreprises du secteur du bâtiment et de l'immobilier dans le monde. Covivio gagnait ainsi 2 points, obtenant la note de 90/100 sur le volet « Patrimoine en exploitation », soutenue notamment par une note maximale de 100% sur le volet « Management » et de 97/100 sur le volet « Développement ». Le Groupe conserve ainsi son statut d'excellence « 5-star ».

## Perspectives 2024

Dans un marché immobilier mis à l'épreuve en 2023, Covivio a dépassé ses objectifs. Le bilan a été renforcé et les solides performances opérationnelles ont permis au résultat récurrent de s'inscrire en légère croissance, validant le positionnement et la stratégie du groupe. En 2024, dans un contexte de baisse attendue des taux d'intérêt en Europe et de reconstitution de la prime de risque, Covivio se prépare à la reprise. Dans ce contexte, le groupe se fixe deux ambitions centrales pour cet exercice : maintenir la discipline financière et poursuivre la croissance de son résultat net récurrent.



## Maintien de la discipline financière

### Proposition d'un dividende de 3,30€ par action, avec option de paiement en actions

Dans ce contexte, il sera proposé au vote de l'Assemblée Générale du 17 avril 2024 la distribution d'un dividende de 3,30€ par action (contre 3,75€ en 2023), accompagné d'une option de paiement du dividende en actions. La plupart des actionnaires institutionnels présents au Conseil d'administration (43% du capital) se sont d'ores et déjà engagés à opter pour le paiement du dividende en actions. Ces décisions permettront au groupe de conserver entre 185 M€ et 375 M€.

### Objectif de 580 M€ de cessions en 2024

Covivio s'est donné pour objectif de céder 1,5 Md€ d'actifs entre décembre 2022 et fin 2024 et finit l'année 2023 en avance sur son plan de ventes. A fin 2023, 920 M€ d'accords de cessions, ont d'ores et déjà été signés (dont 720 M€ sur l'année 2023), grâce à la diversité et la qualité du patrimoine, permettant d'adresser un large spectre d'investisseurs potentiels : institutionnels, utilisateurs finaux, particuliers, opérateurs hôteliers.

En 2024, Covivio entend finaliser son plan de cessions avec un objectif de 580 M€, dont 250 M€ sont en négociations avancées.

## Un patrimoine fortement recentré offrant des opportunités de croissance

Depuis 2020, Covivio a réalisé pour 2,1 Md€ de ventes, à 80% en bureaux, et investi 1,4 Md€, essentiellement via des capex sur ses actifs. Ce travail de rotation qualitative a permis un fort recentrage du patrimoine et une adaptation aux mutations des marchés locatifs :

- **Le patrimoine s'équilibre progressivement**, la part de bureaux passant de 60% fin 2020 à 52% fin 2023.
- **69% des bureaux sont situés en centre-ville, contre 59% fin 2020**, et le solde est principalement composé d'actifs *core* dans des quartiers d'affaires établis, loués à 93% pour 6,1 années fermes en moyenne. Face à la polarisation croissante du marché locatif, le positionnement haut de gamme de Covivio (centralité, haute performance environnementale, offre servicielle ambitieuse) porte ses fruits, comme l'atteste l'activité 2023.
- **Le résidentiel allemand représente 31% du patrimoine et bénéficie d'une exposition aux localisations les plus recherchées.** Le déséquilibre entre l'offre et la demande de logements ne cesse de s'accroître. A Berlin en particulier, une nouvelle actualisation des indices de marché (Mietspiegel) au T2 2024 devrait contribuer au renforcement de la dynamique locative. Covivio peut aussi s'appuyer sur des loyers de 20% à 25% inférieurs aux loyers régulés. En outre, la valeur du patrimoine reste très éloignée des prix de vente au détail alors que 68% des actifs sont déjà divisés en copropriété (valeurs de 3 052 €/m<sup>2</sup> à Berlin vs prix de vente moyen sur le marché de 4 700€).
- **Le renforcement en hôtellerie, qui représente 17% du patrimoine, s'est accompagné d'un recentrage sur les meilleures localisations.** En parallèle, le secteur a de nouveau prouvé sa capacité à dépasser l'inflation (croissance annuelle moyen des RevPAR<sup>5</sup> de +3,4% de 2009 à 2023, contre une inflation moyenne de +2,2%). Les perspectives sont favorables, avec une croissance moyenne des nuitées hôtelières attendue à +5%/an d'ici à 2030 en Europe<sup>6</sup>. L'activité 2024 sera aussi portée par des événements majeurs (Jeux Olympiques 2024 à Paris, Euro de football en Allemagne). Covivio entend également profiter des opérations d'asset management en cours, en particulier la concrétisation de l'échange d'actifs avec AccorInvest.

## Objectif de résultat net récurrent 2024 en croissance

Grâce à ce repositionnement qualitatif, Covivio affiche des perspectives locatives solides qui, comme en 2023, devraient permettre de compenser l'impact du désendettement sur les résultats. Covivio se fixe ainsi pour objectif la **poursuite de la croissance de son résultat net récurrent (EPRA Earnings ajusté) en 2024, attendu autour de 440 M€**. Le Groupe vise également un retour à un paiement du dividende uniquement en numéraire au titre de 2024, avec un taux de distribution supérieur à 80%.

<sup>5</sup> Revenus Par Chambre

<sup>6</sup> Source : Oxford Economics

## AGENDA

- ▶ Assemblée Générale : **17 avril 2024**
- ▶ Détachement du dividende : **19 avril 2024**
- ▶ Activité du 1<sup>er</sup> trimestre 2024 : **23 avril 2024**
- ▶ Période de souscription pour le dividende en actions : **du 23 avril au 7 mai 2024**
- ▶ Paiement du dividende : **27 mai 2024**
- ▶ Résultats du 1<sup>er</sup> semestre 2024 : **22 juillet 2024**

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## A PROPOS DE COVIVIO

Fort de son histoire partenariale, de ses expertises immobilières et de sa culture européenne, Covivio invente l'expérience utilisateur d'aujourd'hui et dessine la ville de demain.

Acteur immobilier de préférence à l'échelle européenne, Covivio se rapproche des utilisateurs finaux, capte leurs aspirations, conjugue travailler, voyager, habiter, et co-invente des espaces vivants.

Opérateur européen de référence avec 23,1 Md€ de patrimoine Covivio accompagne les entreprises, les marques hôtelières et les territoires dans leurs enjeux d'attractivité, de transformation et de performance responsable.

Construire du bien-être et des liens durables, telle est ainsi la Raison d'être de Covivio qui exprime son rôle en tant qu'opérateur immobilier responsable auprès de l'ensemble de ses parties prenantes : clients, actionnaires et partenaires financiers, équipes internes, collectivités, générations futures. Par ailleurs, son approche vivante de l'immobilier ouvre à ses équipes des perspectives de projets et de parcours passionnants.

Le titre Covivio est coté sur le compartiment A d'Euronext Paris (FR0000064578 - COV), admis au SRD et rentre dans la composition des indices MSCI, SBF120, Euronext IEIF « SIIC France », CAC Mid100, dans les indices de référence des foncières européennes « EPRA » et « GPR 250 », ainsi que dans les indices ESG FTSE4 Good, CAC SBT 1.5°C, DJSI World et Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 et France 20), Euronext® CDP Environment France EW, Stoxx ESG, Ethibel et Gaïa et bénéficie des reconnaissances et notations EPRA BPRs Gold Awards (rapport financier et développement durable), CDP (A), GRESB (90/100, 5-Star, 100% public disclosure), Vigeo-Eiris (A1+), ISS-ESG (B-) et MSCI (AAA).

### Notations sollicitées :

Volet financier : BBB+ / perspective Stable par S&P

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



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# 1. BUSINESS ANALYSIS

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

(€ million)	100%			Group share				
	2022	2023	Change (%)	2022	2023	Change (%)	Change (%) LfL <sup>1</sup>	% of revenue
<b>Offices</b>	<b>394.3</b>	<b>385.1</b>	<b>-2.4%</b>	<b>330.9</b>	<b>320.3</b>	<b>-3.2%</b>	<b>+5.2%</b>	<b>49%</b>
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%
<b>Germany Residential</b>	<b>272.9</b>	<b>286.0</b>	<b>+4.8%</b>	<b>176.6</b>	<b>185.1</b>	<b>+4.8%</b>	<b>+3.9%</b>	<b>29%</b>
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%
<b>Hotels</b>	<b>296.6</b>	<b>333.4</b>	<b>+12.4%</b>	<b>123.7</b>	<b>139.9</b>	<b>+13.1%</b>	<b>+12.7%</b>	<b>22%</b>
<b>Lease Properties</b>	<b>234.7</b>	<b>257.7</b>	<b>+9.8%</b>	<b>97.3</b>	<b>107.6</b>	<b>+10.5%</b>	<b>+11.1%</b>	<b>17%</b>
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%
<b>Operating Properties<sup>2</sup></b>	<b>62.0</b>	<b>75.8</b>	<b>+22.3%</b>	<b>26.4</b>	<b>32.3</b>	<b>+22.6%</b>	<b>+18.6%</b>	<b>5%</b>
<b>Total strategic activities</b>	<b>963.8</b>	<b>1,004.5</b>	<b>+4.2%</b>	<b>631.1</b>	<b>645.2</b>	<b>+2.2%</b>	<b>+6.4%</b>	<b>100%</b>
Non-strategic	4.2	6.3	+49.4%	1.9	2.8	+49.4%	-16.6%	0%
<b>Total Revenues</b>	<b>968.1</b>	<b>1,010.8</b>	<b>+4.4%</b>	<b>633.0</b>	<b>648.0</b>	<b>+2.4%</b>	<b>+6.4%</b>	<b>100%</b>

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 1<sup>st</sup> 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

Group share, in Years	By lease end date (1st break)		By lease end date	
	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
<b>Total</b>	<b>7.0</b>	<b>7.0</b>	<b>7.8</b>	<b>7.8</b>

#### 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%
<b>Offices and Hotels leases</b>	<b>471</b>	<b>68%</b>	<b>471</b>	<b>68%</b>
<b>German Residential</b>	<b>189</b>	<b>27%</b>	<b>189</b>	<b>27%</b>
<b>Hotel operating properties</b>	<b>33</b>	<b>5%</b>	<b>33</b>	<b>5%</b>
<b>Total</b>	<b>693</b>	<b>100%</b>	<b>693</b>	<b>100%</b>

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

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

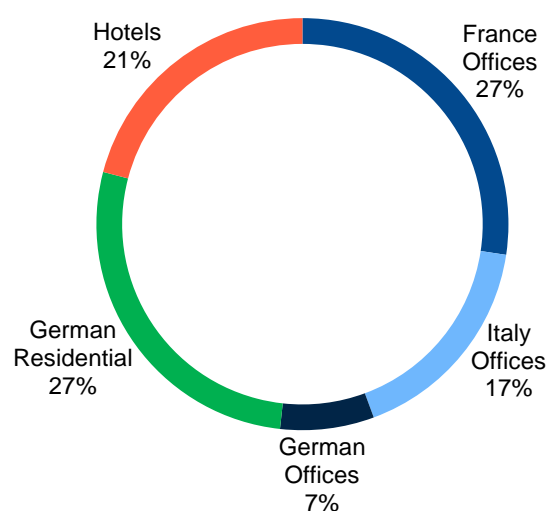
The occupancy rate increased slightly to 96.7% for the whole portfolio. Offices occupancy, temporarily impacted in Q1 2023 by two deliveries and one departure in Greater Paris, rebounded by +230bps since then, to end the year at 94.5% (+10bps yoy).

## 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%
<b>Total</b>	<b>693</b>	<b>100%</b>

### By activity



## D. STABLE COST TO REVENUE RATIO

(€ million, Group share)	Offices	German Residential	Hotels (incl. retail)	Other (Mainly France Resi.)	Total	
					2022	2023
					<b>2023</b>	
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
<b>Net rental income</b>	<b>277.9</b>	<b>172.6</b>	<b>108.7</b>	<b>-0.4</b>	<b>550.3</b>	<b>558.7</b>
<b>Cost to revenue ratio</b>	<b>14.1%</b>	<b>9.1%</b>	<b>1.5%</b>	<b>0.0%</b>	<b>9.3%</b>	<b>9.2%</b>

## 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 <sup>1</sup>	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
<b>Total Group</b>	<b>100 %</b>	<b>301</b>	<b>57</b>	<b>557</b>	<b>343</b>	<b>900</b>	<b>-5.1%</b>	<b>4.7%</b>	<b>858</b>
	<b>GS</b>	<b>260</b>	<b>44</b>	<b>467</b>	<b>253</b>	<b>720</b>	<b>-7.5%</b>	<b>4.2%</b>	<b>727</b>

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: 68,550m<sup>2</sup> of offices delivered in 2023

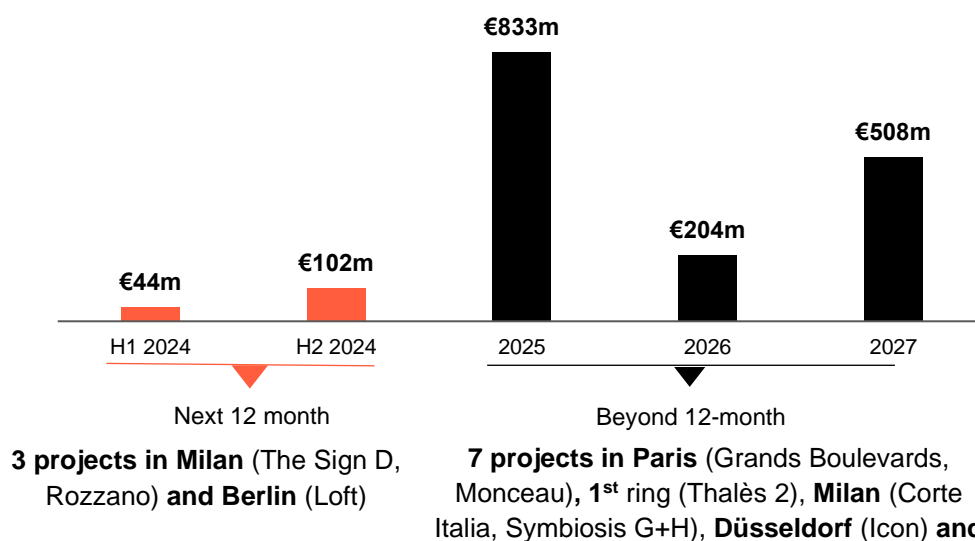
Five offices projects were delivered in 2023 in the Greater Paris and in Berlin:

- ▶ **Maslo** in Levallois (€216 million total cost & 20,800 m<sup>2</sup>), 87% let vs 28% at end-2022;
- ▶ **DS Campus Extension** in Vélizy-Villacoublay (€67 million cost Group Share & 27,500 m<sup>2</sup>), 100% let to Dassault Systèmes;
- ▶ **L'Atelier** in Paris (€102 million total cost & 5,850 m<sup>2</sup>), operated by Wellio;
- ▶ **Beagle** in Berlin (€16 million total cost & 5,100 m<sup>2</sup>), 100% let;
- ▶ **Xylo** in Fontenay-sous-Bois (€33 million total cost & 9,300 m<sup>2</sup>), 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 (m <sup>2</sup> ) <sup>1</sup>	Delivery year	Pre-leased (%)	Total Budget <sup>2</sup> (M€, 100%)	Total Budget <sup>2</sup> (M€, GS)	Target Yield <sup>3</sup>
Monceau	Paris	Regeneration	11,200 m <sup>2</sup>	2025	0%	249	249	4.4%
Thalès 2	Meudon	Construction	38,000 m <sup>2</sup>	2026	100%	204	204	7.8%
Grands Boulevards	Paris	Regeneration	7,500 m <sup>2</sup>	2027	0%	153	153	4.5%
<b>To be delivered in 2025 and beyond</b>			<b>56,700 m<sup>2</sup></b>		<b>47%</b>	<b>606</b>	<b>606</b>	<b>5.6%</b>
<b>Total France committed pipeline</b>			<b>56,700 m<sup>2</sup></b>		<b>47%</b>	<b>606</b>	<b>606</b>	<b>5.6%</b>
The Sign D	Milan	Construction	13,200 m <sup>2</sup>	2024	92%	76	76	6.1%
Rozzano - Strada 8	Milan	Regeneration	25,700 m <sup>2</sup>	2024	47%	44	44	7.9%
<b>To be delivered in 2024</b>			<b>38,900 m<sup>2</sup></b>		<b>72%</b>	<b>120</b>	<b>120</b>	<b>6.7%</b>
Corte Italia	Milan	Regeneration	12,100 m <sup>2</sup>	2025	100%	125	125	5.9%
Symbiosis G+H	Milan	Construction	38,000 m <sup>2</sup>	2025	100%	198	198	6.4%
<b>To be delivered in 2025 and beyond</b>			<b>50,100 m<sup>2</sup></b>		<b>100%</b>	<b>323</b>	<b>323</b>	<b>6.2%</b>
<b>Total Italy committed pipeline</b>			<b>89,000 m<sup>2</sup></b>		<b>92%</b>	<b>443</b>	<b>443</b>	<b>6.3%</b>
Loft (65% share)	Berlin	Regeneration	7,600 m <sup>2</sup>	2024	0%	40	26	5.4%
<b>To be delivered in 2024</b>			<b>7,600 m<sup>2</sup></b>		<b>0%</b>	<b>40</b>	<b>26</b>	<b>5.4%</b>
Icon (94% share)	Düsseldorf	Regeneration	55,700 m <sup>2</sup>	2025	55%	277	261	5.0%
Alexanderplatz (55% share)	Berlin	Construction	60,000 m <sup>2</sup>	2027	0%	646	355	4.4%
<b>To be delivered in 2025 and beyond</b>			<b>115,700 m<sup>2</sup></b>		<b>25%</b>	<b>889</b>	<b>923</b>	<b>4.6%</b>
<b>Total Germany committed pipeline</b>			<b>123,300 m<sup>2</sup></b>		<b>24%</b>	<b>963</b>	<b>642</b>	<b>4.7%</b>
<b>Total committed pipeline</b>			<b>269,000 m<sup>2</sup></b>		<b>53%</b>	<b>2,011</b>	<b>1,691</b>	<b>5.4%</b>

<sup>1</sup> Surface at 100%

<sup>2</sup> Including land and financial costs

<sup>3</sup> Yield on total rents

### 3. Build-to-sell pipeline

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

<sup>1</sup> 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 m<sup>2</sup> of landbanks that could welcome new development projects:

- in Paris, Greater Paris and Major French Cities (209,000 m<sup>2</sup>) mainly for turnkey developments;
- in Milan with Symbiosis (23,000 m<sup>2</sup>) and Porta Romana (76,000 m<sup>2</sup>);
- and approximately 14,000 m<sup>2</sup> in Germany, mostly in Berlin.

## H. PORTFOLIO

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

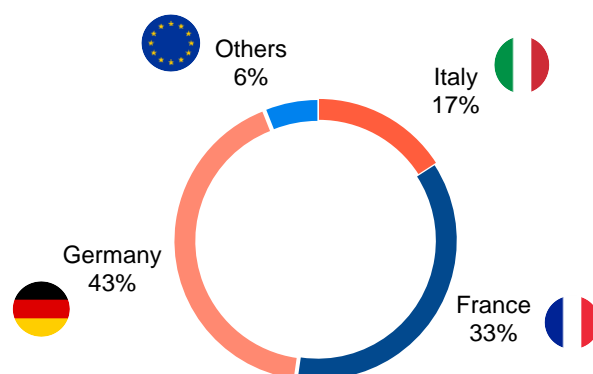
(€ million, Excluding Duties)	Value 2022 Group Share	Value 2023 100%	Value 2023 Group share	LfL <sup>1</sup> 12 months change	Yield 2022	Yield 2023	% of portfolio
Offices	9,508	9,446	7,847	-11.7%	4.8%	5.5%	52%
Residential Germany	5,238	7,212	4,672	-10.8%	3.5%	4.1%	31%
Hotels	2,622	6,376	2,535	-3.9%	5.0%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

<sup>1</sup> 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<sup>1</sup>

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

Take-up in Greater Paris office market reached **1 932 100 m<sup>2</sup>** in 2023, down **-17%** year-on-year:

- ▶ **Paris Centre West** continued to outperform, with take-up declining by **-12%** year-on-year to **573,700m<sup>2</sup>**
- ▶ **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 m<sup>2</sup>** 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/m<sup>2</sup>/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%**

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<sup>1</sup> 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 m<sup>2</sup>** (-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/m<sup>2</sup>/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 m<sup>2</sup>**, 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

(€ million)	100%			Group share			
	2022	2023	Change (%)	2022	2023	Change (%)	Change (%) LfL <sup>1</sup>
<b>Offices</b>	<b>394.3</b>	<b>385.1</b>	<b>- 2.4%</b>	<b>330.9</b>	<b>320.3</b>	<b>- 3.2%</b>	<b>+5.2%</b>
<b>France</b>	<b>202.1</b>	<b>197.9</b>	<b>- 2.1%</b>	<b>175.6</b>	<b>167.6</b>	<b>- 4.6%</b>	<b>+4.0%</b>
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%
<b>Italy</b>	<b>140.8</b>	<b>133.0</b>	<b>- 5.6%</b>	<b>109.5</b>	<b>104.2</b>	<b>- 4.8%</b>	<b>+6.4%</b>
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%
<b>Germany</b>	<b>51.4</b>	<b>54.1</b>	<b>+ 5.3%</b>	<b>45.7</b>	<b>48.4</b>	<b>+ 5.9%</b>	<b>+6.5%</b>
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%

<sup>1</sup> 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 (m <sup>2</sup> )	Number of assets	100%		Group share			
			2022	2023	2022	2023	Change (%)	% of rental income
<b>Offices</b>	<b>2,069,251</b>	<b>189</b>	<b>461.4</b>	<b>448.7</b>	<b>378.8</b>	<b>358.4</b>	<b>- 5.4%</b>	<b>100%</b>
<b>France</b>	<b>978,119</b>	<b>93</b>	<b>261.0</b>	<b>244.8</b>	<b>214.2</b>	<b>189.7</b>	<b>-11%</b>	<b>53%</b>
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%
<b>Italy</b>	<b>726,488</b>	<b>77</b>	<b>144.6</b>	<b>147.0</b>	<b>116.5</b>	<b>117.7</b>	<b>1%</b>	<b>33%</b>
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%
<b>Germany</b>	<b>364,644</b>	<b>19</b>	<b>55.9</b>	<b>56.9</b>	<b>48.2</b>	<b>51.0</b>	<b>6%</b>	<b>14%</b>
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 m<sup>2</sup> renewed or let during 2023

(€ million - FY 2023)	Surface (m <sup>2</sup> )	Annualized Top up rents Group Share (€m)	Annualised rents (100%, €/m <sup>2</sup> )
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 m<sup>2</sup> have been signed or renewed** in 2023, with the main lettings shown below:

- ▶ **79,933 m<sup>2</sup> have been let or pre-let** in 2023, of which:
  - 11,658 m<sup>2</sup> on Levallois Maslö, now 87% let,
  - 11,613 m<sup>2</sup> on Paris Saint-Ouen So Pop, now 71% let.
  - 7,738 m<sup>2</sup> on Atlantis in Issy-les-Moulineaux, vacated early 2023 and already 70% relet,
  - 7,164 m<sup>2</sup> on Paris Cap18,
  - 4,242 m<sup>2</sup> relet in La Défense-CB21, now 100% let,
  - 1,439 m<sup>2</sup> on Boulogne Grenier, now 100% let,
  - 4,560 m<sup>2</sup> of pre-lettings on the development portfolio (Rozzano),
  - 9,190 m<sup>2</sup> on Zeughaus in Hamburg, now 96% let,
  - 4,054 m<sup>2</sup> on FAC in Frankfurt
- ▶ **50,927 m<sup>2</sup> have been renewed**, of which 47,426 m<sup>2</sup> in Germany, mainly:
  - 11,575 m<sup>2</sup> on FAC in Frankfurt,
  - 7,901 m<sup>2</sup> on CCC in Frankfurt,
  - 6,711 m<sup>2</sup> on Zeughaus in Hamburg,
  - 4,432 m<sup>2</sup> on ABC in Düsseldorf.
- ▶ **112,804 m<sup>2</sup> were vacated**, mostly in France (93,267 m<sup>2</sup>) and Germany (14,309 m<sup>2</sup>)
  - 28 317 m<sup>2</sup> for redevelopment (€9.4 million of top up rents, Group share), 24% for new offices, 76% to be converted into residential,
  - 45,572 m<sup>2</sup> on assets to be relet, of which 19 409 m<sup>2</sup> have already been relet,
  - 38 915 m<sup>2</sup> 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%
<b>Total</b>	<b>358.4</b>	<b>100%</b>	<b>358.4</b>	<b>100%</b>

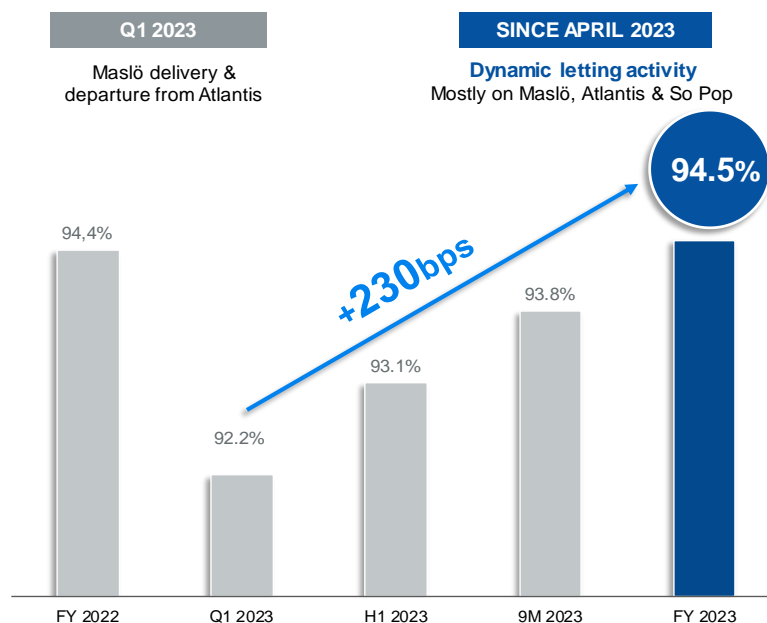
In 2024, €34.7 million of leases will expire, of which €20 million already managed. €14.7 million are still to be managed (2.1% of Covivio annualized revenues), mostly on core assets for which tenant decision is not known yet.

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

(%)	2022	2023
<b>Offices</b>	<b>94.4%</b>	<b>94.5%</b>
<b>France</b>	<b>94.4%</b>	<b>94.1%</b>
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%
<b>Italy</b>	<b>98.4%</b>	<b>98.7%</b>
Milan	98.0%	98.3%
Telecom Italia portfolio (QP 51%)	100.0%	100.0%
Others Italy	96.3%	97.3%
<b>Germany</b>	<b>85.1%</b>	<b>86.4%</b>
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.

### Strong rebound in occupancy rate since Q1



## 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
<b>Total Offices</b>	<b>9,508</b>	<b>265</b>	<b>-716</b>	<b>-1,038</b>	<b>-172</b>	<b>7,847</b>

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 <sup>1</sup>	Yield <sup>2</sup> 2022	Yield <sup>2</sup> 2023	% of total
<b>Offices</b>	<b>11,328</b>	<b>9,508</b>	<b>9,446</b>	<b>7,847</b>	<b>-11.7%</b>	<b>4.8%</b>	<b>5.5%</b>	<b>100%</b>
<b>France</b>	<b>6,615</b>	<b>5,547</b>	<b>5,010</b>	<b>4,117</b>	<b>-14.5%</b>	<b>4.7%</b>	<b>5.5%</b>	<b>52%</b>
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%
<b>Italy</b>	<b>3,014</b>	<b>2,520</b>	<b>2,963</b>	<b>2,491</b>	<b>-3.2%</b>	<b>5.2%</b>	<b>5.6%</b>	<b>32%</b>
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%
<b>Germany</b>	<b>1,699</b>	<b>1,441</b>	<b>1,473</b>	<b>1,239</b>	<b>-17.1%</b>	<b>4.1%</b>	<b>5.2%</b>	<b>16%</b>
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%

<sup>1</sup> LfL : Like-for-Like on a 12 months basis || <sup>2</sup> 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<sup>th</sup> (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/m<sup>2</sup> in 2023, while for existing buildings rents increased by +6% to € 12.9/m<sup>2</sup> 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/m<sup>2</sup>, still well above the current valuation of Covivio's residential portfolio (€3,052/m<sup>2</sup> in Berlin). The average square meter price for new buildings also decreased, by -2.8% to €7,000/m<sup>2</sup>.

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 <sup>1</sup> 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%
<b>Total</b>	<b>272.9</b>	<b>176.6</b>	<b>286.0</b>	<b>185.1</b>	<b>+ 4.8%</b>	<b>+3.9%</b>	<b>100%</b>
of which Residential	235.0	151.7	245.1	158.2	+ 4.3%	+3.2%	85%
of which Other com. <sup>2</sup>	37.8	24.8	41.1	26.9	+ 8.5%	+8.7%	15%

<sup>1</sup> LfL: Like-for-Like || <sup>2</sup> 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 (m <sup>2</sup> )	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 €/m <sup>2</sup>	52%
Dresden & Leipzig	266,623	4,354	15.0	23.9	15.5	+ 2.9%	7.5 €/m <sup>2</sup>	8%
Hamburg	148,988	2,415	12.0	19.4	12.7	+ 5.9%	10.8 €/m <sup>2</sup>	7%
NRW <sup>2</sup>	1,103,280	16,482	60.3	99.5	62.7	+ 4.1%	7.5 €/m <sup>2</sup>	33%
Essen	393,973	5,757	22.2	36.6	22.7	+ 2.5%	7.7 €/m <sup>2</sup>	12%
Duisburg	198,572	3,033	10.1	17.0	10.6	+ 4.1%	7.1 €/m <sup>2</sup>	6%
Mulheim	130,315	2,180	6.8	11.7	7.4	+ 7.5%	7.5 €/m <sup>2</sup>	4%
Oberhausen	124,840	1,830	6.6	10.4	6.8	+ 4.2%	7.0 €/m <sup>2</sup>	4%
Others	255,580	3,682	14.5	23.8	15.2	+ 4.8%	7.8 €/m <sup>2</sup>	8%
<b>Total</b>	<b>2,827,395</b>	<b>41,103</b>	<b>182.8</b>	<b>293.0</b>	<b>189.4</b>	<b>+ 3.6%</b>	<b>8.6 €/m<sup>2</sup></b>	<b>100%</b>
o/w Residential	2,591,915	39,550	156.2	251.6	162.3	+ 3.9%	8.1 €/m <sup>2</sup>	86%
o/w Other com. <sup>1</sup>	235,480	1,553	26.4	41.4	27.1	+ 2.8%	14.7 €/m <sup>2</sup>	14%

<sup>1</sup> Other commercial: Ground-floor retail, car parks, etc || <sup>2</sup> 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/m<sup>2</sup>/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/m<sup>2</sup> for work to modernise the property within a six-year period (€2/m<sup>2</sup> if the initial rent is below €7/m<sup>2</sup>).

### 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%
<b>Total</b>	<b>99.2%</b>	<b>99.1%</b>

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
<b>Total</b>	<b>5,238</b>	<b>97</b>	<b>-33</b>	<b>-639</b>	<b>9</b>	<b>4,672</b>

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 (m <sup>2</sup> ) 100%	Value 2023 100%	Value 2023 in €/m <sup>2</sup>	Value 2023 Group share	LfL <sup>1</sup> 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 <sup>3</sup>	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%
<b>Total</b>	<b>8,084</b>	<b>5,238</b>	<b>2,818,077</b>	<b>7,212</b>	<b>2,559</b>	<b>4,672</b>	<b>-10.8%</b>	<b>3.5%</b>	<b>4.1%</b>	<b>100%</b>
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. <sup>2</sup>	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

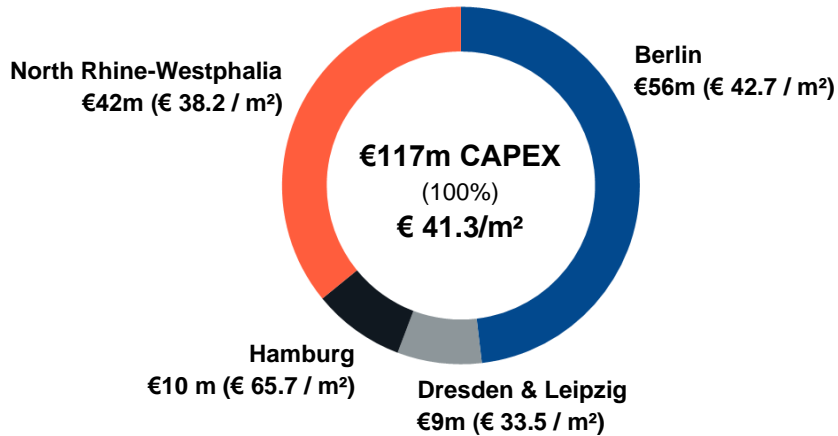
The average value of residential assets is €2,559 per m<sup>2</sup>, with €3,052 per m<sup>2</sup> in Berlin and €1,826 per m<sup>2</sup> in North Rhine-Westphalia, and the average yield has risen 60 bp year on year to 4.1%. Assets are valued at their block value. 48% of the portfolio is already co-owned, 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 /m<sup>2</sup>; €76 million in Group share) and OPEX came to €21 million (€7.3 /m<sup>2</sup>; €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, Marriott, 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 <sup>1</sup> 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%
<b>Total revenues Hotels</b>	<b>296.6</b>	<b>123.7</b>	<b>333.4</b>	<b>139.9</b>	<b>+ 13.1%</b>	<b>+12.7%</b>

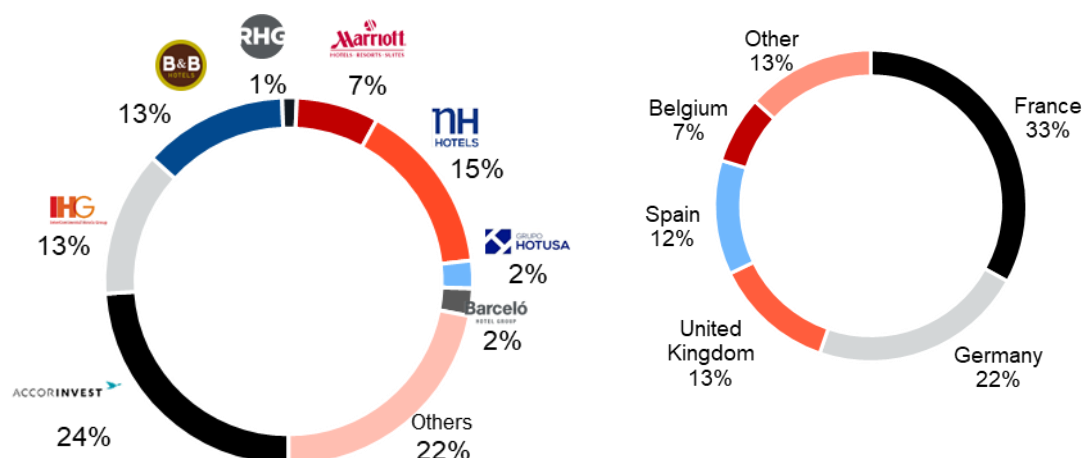
<sup>1</sup> LfL: Like-for-Like 12 months

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%
<b>Total Hotels in lease</b>	<b>111.6</b>	<b>100%</b>	<b>111.6</b>	<b>100%</b>

## 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
<b>Total Hotels</b>	<b>2,622</b>	<b>10</b>	<b>-9</b>	<b>-102</b>	<b>14</b>	<b>2,534</b>

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 <sup>1</sup> 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%
<b>Total Lease properties</b>	<b>5,193</b>	<b>2,019</b>	<b>4,996</b>	<b>1,948</b>	<b>-4.0%</b>	<b>4.9%</b>	<b>5.8%</b>	<b>77%</b>
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%
<b>Total Operating properties</b>	<b>1,420</b>	<b>603</b>	<b>1,380</b>	<b>587</b>	<b>-3.7%</b>	<b>5.2%</b>	<b>6.2%</b>	<b>23%</b>
<b>Total Hotels</b>	<b>6,613</b>	<b>2,622</b>	<b>6,376</b>	<b>2,535</b>	<b>-3.9%</b>	<b>5.0%</b>	<b>5.9%</b>	<b>100%</b>

<sup>1</sup> LfL : Like-for-Like on a 12-months basis

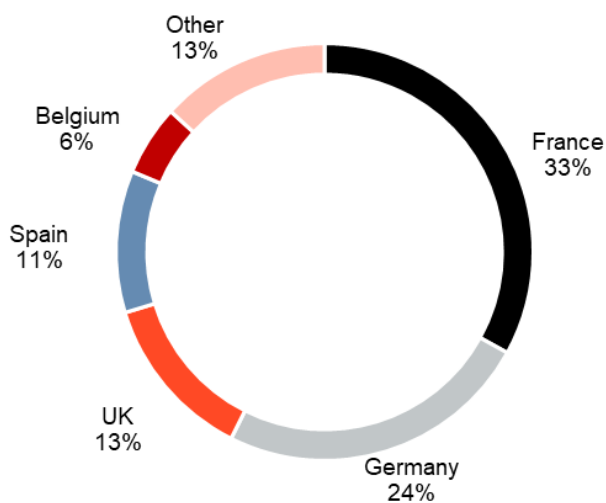
At the end of December 2023, Covivio held a unique hotel portfolio of €2.5 billion group share (€6.4 billion at 100%) in Europe. This strategic portfolio is characterised by:

- ▶ **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 Latécoère (DS Campus)	50.1%	50.1%
SCI Latécoère 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%
<b>Net revenue</b>	<b>612.1</b>	<b>624.4</b>	<b>+12.3</b>	<b>+2%</b>
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%
<b>Current operating income</b>	<b>499.5</b>	<b>506.8</b>	<b>+7.3</b>	<b>+1%</b>
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%
<b>Operating income</b>	<b>395.4</b>	<b>-1,282.4</b>	<b>-1,677.8</b>	<b>n.a.</b>
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.
<b>Income before tax</b>	<b>711.8</b>	<b>-1,554.1</b>	<b>-2,265.9</b>	<b>n.a.</b>
Deferred tax	-75.2	156.6	+231.8	n.a.
Corporate income tax	-15.8	-21.2	-5.4	+34%
<b>Net income for the period</b>	<b>620.7</b>	<b>-1,418.8</b>	<b>-2,039.5</b>	<b>n.a.</b>

► **€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%
<b>Total Net rental income</b>	<b>550.3</b>	<b>558.7</b>	<b>+8.4</b>	<b>+2%</b>
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%
<b>Net revenue</b>	<b>612.1</b>	<b>624.4</b>	<b>+12.3</b>	<b>+2%</b>

**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 4<sup>th</sup> 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%
<b>Total</b>		<b>-33.2</b>	<b>260.0</b>	<b>-7.9%</b>

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 m<sup>2</sup>), 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
<b>Net rental income</b>	<b>558.7</b>	<b>0.0</b>	<b>558.7</b>	<b>550.3</b>
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
<b>Net revenue</b>	<b>624.4</b>	<b>0.0</b>	<b>624.4</b>	<b>612.1</b>
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
<b>Operating income</b>	<b>506.8</b>	<b>23.2</b>	<b>530.0</b>	<b>517.5</b>
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
<b>Operating result</b>	<b>-1,282.4</b>	<b>1,812.4</b>	<b>530.0</b>	<b>517.5</b>
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
<b>Pre-tax net income</b>	<b>-1,554.1</b>	<b>2,002.8</b>	<b>448.6</b>	<b>443.9</b>
Deferred tax	156.6	-156.6	0.0	0.0
Corporate income tax	-21.2	8.0	-13.2	-13.7
<b>Net income for the period</b>	<b>-1,418.8</b>	<b>1,854.2</b>	<b>435.4</b>	<b>430.2</b>
Average number of shares			97,487,850	93,955,927
<b>Net income per share</b>			<b>4.47</b>	<b>4.58</b>

- ▶ 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 <sup>1</sup>	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
<b>Net revenue</b>	<b>308.1</b>	<b>175.2</b>	<b>107.5</b>	<b>33.3</b>	<b>0.4</b>	<b>624.4</b>
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
<b>Operating result</b>	<b>255.6</b>	<b>141.9</b>	<b>103.4</b>	<b>29.5</b>	<b>-0.4</b>	<b>530.0</b>
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
<b>Adjusted EPRA Earnings</b>	<b>221.9</b>	<b>109.0</b>	<b>84.3</b>	<b>20.5</b>	<b>-0.4</b>	<b>435.4</b>
Development margin	-3.2	-2.5	0.0	0.0	0.0	-5.7
<b>EPRA Earnings</b>	<b>218.8</b>	<b>106.5</b>	<b>84.3</b>	<b>20.5</b>	<b>-0.4</b>	<b>429.7</b>

## 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
<b>Operating result</b>	<b>14.2</b>	<b>7.5</b>	<b>21.7</b>
Cost of net financial debt	-0.7	-1.8	-2.5
Share in earnings of affiliates	0.0	-0.2	-0.2
<b>Share in EPRA Earnings of affiliates</b>	<b>13.5</b>	<b>5.5</b>	<b>19.0</b>

**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%
<b>Net revenue</b>	<b>937.6</b>	<b>963.3</b>	<b>+25.7</b>	<b>+3%</b>
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%
<b>Current operating income</b>	<b>770.0</b>	<b>795.3</b>	<b>+25.3</b>	<b>+3%</b>
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.
<b>Operating income</b>	<b>809.8</b>	<b>-1,685.2</b>	<b>-2,494.9</b>	<b>n.a.</b>
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.
<b>Income before tax</b>	<b>1,285.8</b>	<b>-2,110.1</b>	<b>-3,396.0</b>	<b>n.a.</b>
Deferred tax	-109.8	241.0	+350.8	n.a.
Corporate income tax	-28.1	-33.7	-5.6	+20%
<b>Net income for the period</b>	<b>1,147.9</b>	<b>-1,902.9</b>	<b>-3,050.8</b>	<b>n.a.</b>
Non-controlling interests	527.2	-484.1	-1,011.3	n.a.
<b>Net income for the period - Group share</b>	<b>620.7</b>	<b>-1,418.8</b>	<b>-2,039.5</b>	<b>n.a.</b>

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%
<b>Total Net rental income</b>	<b>842.3</b>	<b>863.5</b>	<b>+21.1</b>	<b>+3%</b>
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%
<b>Net revenue</b>	<b>937.6</b>	<b>963.3</b>	<b>+25.7</b>	<b>+3%</b>

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

(In € million, Group share)	31 Dec.22	31 Dec.23	Liabilities	31 Dec.22	31 Dec.23
<b>Assets</b>					
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	<b>Shareholders' equity</b>	<b>9,443</b>	<b>7,957</b>
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
<b>Total</b>	<b>19,116</b>	<b>17,211</b>	<b>Total</b>	<b>19,116</b>	<b>17,211</b>

#### ► 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
<b>Total Fixed Assets</b>	<b>16,927</b>	<b>14,823</b>	<b>-2,104</b>

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%)	31 Dec.22	31 Dec.23	Liabilities	31 Dec.22	31 Dec.23
<b>Assets</b>					
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	<b>Shareholders' equity</b>	<b>14,092</b>	<b>11,963</b>
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
<b>Total</b>	<b>27,661</b>	<b>25,026</b>	<b>Total</b>	<b>27,661</b>	<b>25,026</b>



## 4. FINANCIAL RESOURCES

### Summary of the financial activity

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

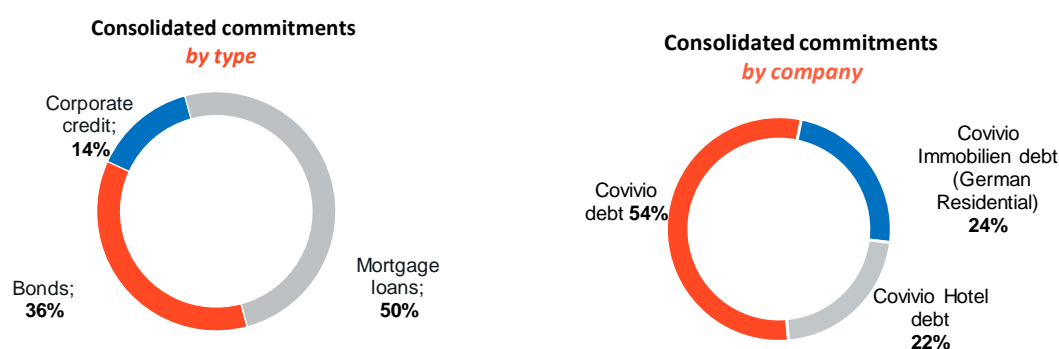
### 4.1. Main debt characteristics

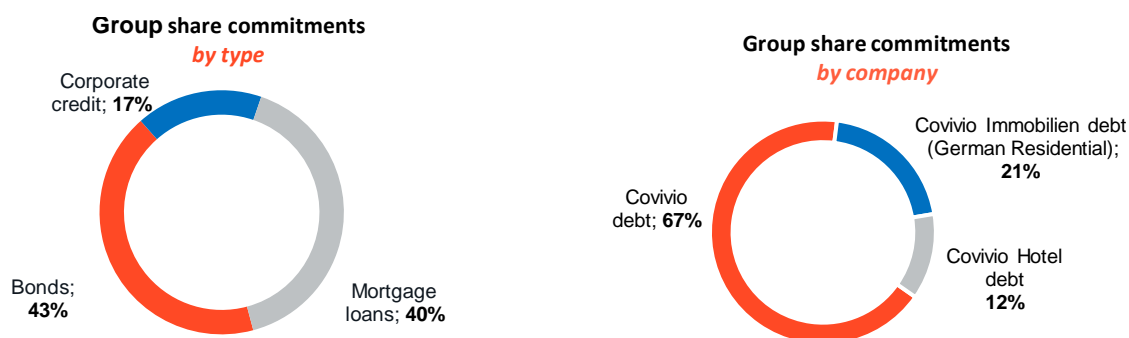
Group share	31 Dec. 2022	31 Dec. 2023
Net debt, Group share (€ million)	7,581	6,925
Average annual rate of debt	1.24%	1.50%
Average maturity of debt (in years)	4.8	4.9
Debt active average hedging rate	81.5%	92.3%
Average maturity of hedging (in years)	6.3	5.9
LTV including duties	39.5%	40.8%
ICR	6.9x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

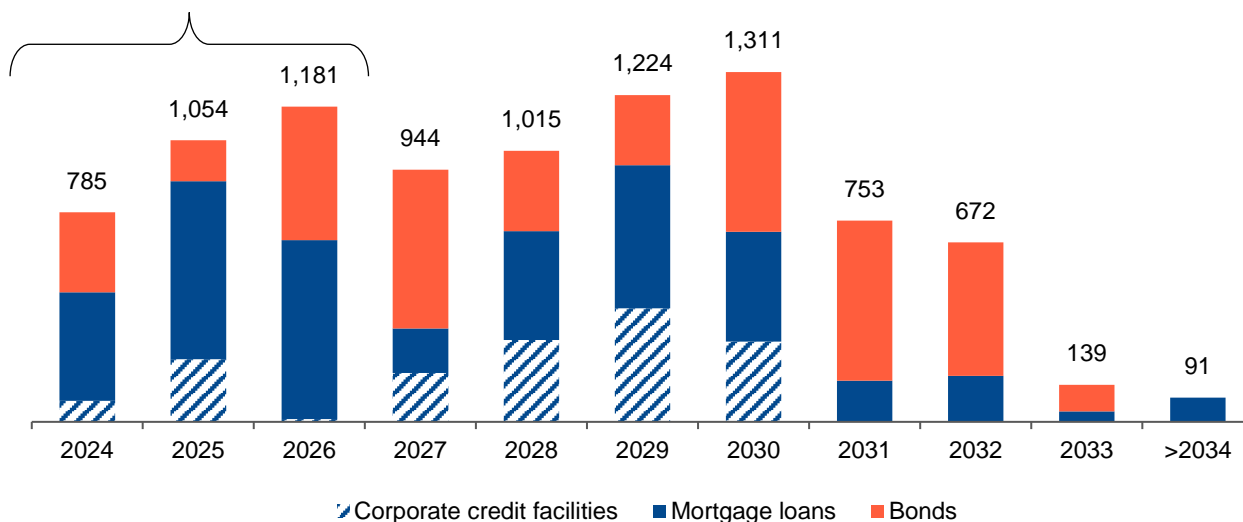
The average maturity of Covivio's debt stands at 4.9 years at end-December 2023. Until 2024, there is no major maturity that has not already been covered or is already under renegotiation.

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)**

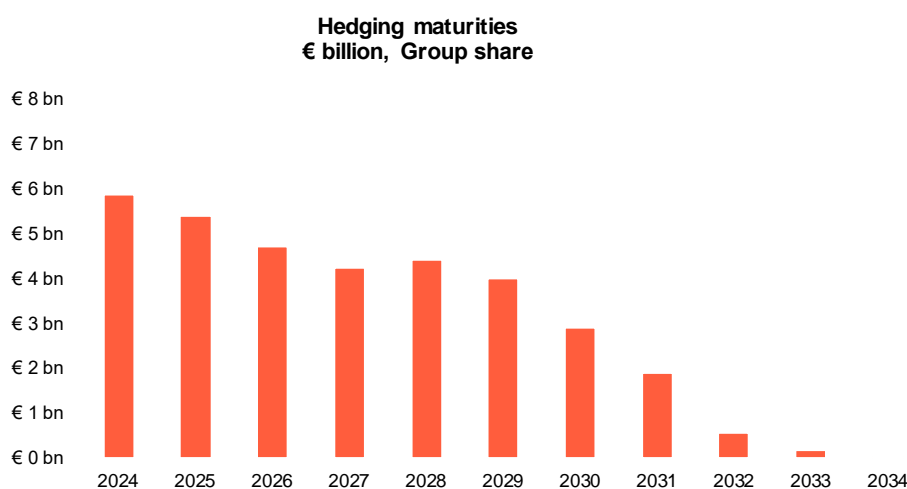
€2.4bn net liquidity covers debt expiries until Q1 2026



#### 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% <sup>1</sup>
ICR	2.00	6.41
Secured debt ratio	25.0%	4.1%

<sup>1</sup> 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 16<sup>th</sup> 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
<b>Net debt</b>	<b>7,222</b>	<b>6,562</b>
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
<b>Value of assets</b>	<b>18,306</b>	<b>16,067</b>
<b>LTV Excluding Duties</b>	<b>41.5%</b>	<b>43.0%</b>
<b>LTV Including Duties</b>	<b>39.5%</b>	<b>40.8%</b>

## 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
<b>Net debt</b>	<b>9,807</b>	<b>-2,882</b>	<b>6,925</b>

### 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
<b>Total portfolio</b>	<b>20,513</b>	<b>1,067</b>	<b>1,904</b>	<b>-135</b>	<b>-260</b>	<b>-8,008</b>	<b>15,080</b>
							(+) Duties
							807
							<b>(=) Portfolio group share including duties</b>
							<b>15,887</b>
							(-) portfolio of companies consolidated under the equity method
							-412
							(+) Fair value of trading activities
							-257
							(+) Other operating properties
							730
							<b>Portfolio for LTV calculation</b>
							<b>15,948</b>

**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
<b>ICR</b>			<b>6.41</b>

## 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 <sup>(1)</sup>	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 <sup>(2)</sup>	103	0	-2	1	10	-3	109
Other (France Residential)	1	0	0	0	0	-1	0
<b>Total</b>	<b>550</b>	<b>1</b>	<b>-26</b>	<b>3</b>	<b>27</b>	<b>4</b>	<b>559</b>

<sup>(1)</sup> Deliveries & vacating for redevelopment || <sup>(2)</sup> 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
<b>Total net rental income (Financial data § 3.3)</b>	<b>559</b>
Minority interests	305
<b>Total net rental income (Financial data § 3.4)</b>	<b>863</b>

### 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 (m <sup>2</sup> )	Average rent (€/m <sup>2</sup> )	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 <sup>(2)</sup>	110	109	112	n.c	n.c	-	-	112	-
<b>Total <sup>(1)</sup></b>	<b>616</b>	<b>559</b>	<b>660</b>	<b>4,896,646</b>	<b>151</b>	<b>3.3%</b>	<b>34</b>	<b>693</b>	<b>4.8%</b>

(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.
<b>Total 2023</b>	<b>15,080</b>	<b>- 1,752</b>	<b>773</b>	<b>4.2%</b>

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:

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

## Reconciliation with financial data

€ million	2023
<b>Total portfolio value (Group share, market value)</b>	<b>15,080</b>
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
<b>Investment assets Group share <sup>1</sup> (Financial data § 3.5)</b>	<b>13,831</b>
Minority interests	6,682
<b>Investment assets 100% <sup>1</sup> (Financial data § 3.5)</b>	<b>20,513</b>

<sup>1</sup> 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	-
<b>Income from fair value adjustments Group share (Financial data § 3.3)</b>	<b>- 1,752</b>
Minority interests	- 685
<b>Income from fair value adjustments 100% (Financial data § 3.3)</b>	<b>- 2,437</b>

## 5.4. Assets under development

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

<sup>1</sup> Total cost including land and financial cost || <sup>2</sup> Yield on total cost || <sup>3</sup> 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
<b>Total Offices Committed pipeline</b>	<b>13</b>	<b>1,691</b>
German Residential	1	73
French Residential	0	152
<b>Total Committed pipeline</b>	<b>14</b>	<b>2,028</b>

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
<b>Assets under development (Financial data § 3.5)</b>	<b>1,007</b>

## 5.5 Information on leases

	Firm residual lease term (years)	Residual lease term (years)	Lease expiration by date of 1st exit option Annualised rental income of leases expiring				Total (€m)	Section
			N+1	N+2	N+3 to 5	Beyond		
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 <sup>2</sup>	n.a	n.a	n.a	n.a	n.a	n.a	223	
<b>Total <sup>1</sup></b>	<b>7.0</b>	<b>7.8</b>	<b>6%</b>	<b>9%</b>	<b>13%</b>	<b>71%</b>	<b>693</b>	

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:

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

- EPRA net initial yield is the ratio of:

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

(€ million, Group share) Excluding French Residential and car parks	Total 2022	France Offices	Italy Offices (incl. Retail)	German Offices	German Residential	Hotels (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
<b>Value of assets including duties (1)</b>	<b>16,608</b>	<b>3,820</b>	<b>2,168</b>	<b>941</b>	<b>4,981</b>	<b>2,637</b>	<b>14,547</b>
Gross annualised IFRS revenues	653	182	110	40	189	148	668
Irrecoverable property charge	- 63	- 17	- 15	- 5	- 16	- 1	- 54
<b>Annualised net revenues (2)</b>	<b>590</b>	<b>164</b>	<b>95</b>	<b>34</b>	<b>174</b>	<b>146</b>	<b>614</b>
Rent charges upon expiration of rent free periods or other reductions in rental rates	34	17	8	6	-	0	32
<b>Annualised topped-up net revenues (3)</b>	<b>624</b>	<b>182</b>	<b>103</b>	<b>40</b>	<b>174</b>	<b>146</b>	<b>645</b>
<b>EPRA Net Initial Yield (2)/(1)</b>	<b>3.6%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>3.6%</b>	<b>3.5%</b>	<b>5.5%</b>	<b>4.2%</b>
<b>EPRA "Topped-up" Net Initial Yield (3)/(1)</b>	<b>3.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.3%</b>	<b>3.5%</b>	<b>5.6%</b>	<b>4.4%</b>
<b>Transition from EPRA topped-up NIY to Covivio yield</b>							
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%
<b>Covivio reported yield rate</b>	<b>4.4%</b>	<b>5.5%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>4.1%</b>	<b>5.8%</b>	<b>5.1%</b>

## 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
<b>EPRA costs (including vacancy costs) (A)</b>	<b>- 143.0</b>	<b>- 143.2</b>
Vacancy cost	21.5	21.5
<b>EPRA costs (excluding vacancy costs) (B)</b>	<b>- 121.5</b>	<b>- 121.8</b>
Gross rental income less property expenses	607.2	616.7
EBITDA from hotel operating properties & coworking, income from other activities	100.3	88.9
<b>Gross rental income (C)</b>	<b>707.5</b>	<b>705.6</b>
<b>EPRA costs ratio (including vacancy costs) (A/C)</b>	<b>-20.2%</b>	<b>-20.3%</b>
<b>EPRA costs ratio (excluding vacancy costs) (B/C)</b>	<b>-17.2%</b>	<b>-17.3%</b>

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

(€million)	2022	2023
<b>Net income Group share (Financial data §3.3)</b>	<b>620.7</b>	<b>- 1,418.8</b>
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
<b>Adjusted EPRA Earnings (B)</b>	<b>430.2</b>	<b>435.4</b>
<b>Adjusted EPRA Earnings in €/share (B)/(C)</b>	<b>4.58</b>	<b>4.47</b>
Promotion margin	- 15.3	- 5.7
<b>EPRA Earnings (A)</b>	<b>414.9</b>	<b>429.7</b>
<b>EPRA Earnings in €/share (A)/(C)</b>	<b>4.42</b>	<b>4.41</b>
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
<b>Shareholders' equity</b>	<b>9,443</b>	<b>100.0</b>	<b>7,957</b>	<b>79.0</b>
Fair value assessment of operating properties	227		175	
Duties	918		807	
Financial instruments	- 334		- 235	
Deferred tax liabilities	786		623	
<b>EPRA NRV</b>	<b>11,040</b>	<b>117.0</b>	<b>9,327</b>	<b>92.6</b>
Restatement of value Excluding Duties on some assets	- 884		- 773	
Goodwill and intangible assets	- 68		- 68	
Deferred tax liabilities	- 44		- 16	
<b>EPRA NTA</b>	<b>10,044</b>	<b>106.4</b>	<b>8,470</b>	<b>84.1</b>
Optimization of duties	- 34		- 34	
Intangible assets	17		18	
Fixed-rate debts	553		318	
Financial instruments	334		235	
Deferred tax liabilities	- 742		- 607	
<b>EPRA NDV</b>	<b>10,172</b>	<b>107.8</b>	<b>8,401</b>	<b>83.4</b>

(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 <sup>1</sup>	58	35	-	-
Developments	239	155	196	156
Investment Properties	241	161	223	153
Capitalized expenses on development portfolio <sup>2</sup> (except under equity method)	38	30	34	32
<b>Total</b>	<b>577</b>	<b>381</b>	<b>453</b>	<b>341</b>

<sup>1</sup> Acquisitions including duties

<sup>2</sup> 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 31 Dec. 2023 (€ million, Group share)	Proportionate Consolidation				Combined
	Group € M as reported	Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	
<b>Include:</b>					
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
<b>Exclude:</b>					0
Cash and cash equivalents	901	31		-138	794
<b>Net Debt (a)</b>	<b>9,565</b>	<b>151</b>		<b>-2,873</b>	<b>6,843</b>
<b>Include:</b>					
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
<b>Total Property Value (b)</b>	<b>22,589</b>	<b>475</b>	<b>0</b>	<b>7,712</b>	<b>15,352</b>
Real Estate Transfer Taxes	1,163			356	807
<b>Total Property Value (incl. RETTs) (c)</b>	<b>23,752</b>	<b>475</b>	<b>0</b>	<b>-8,067</b>	<b>16,159</b>
<b>LTV (a/b)</b>	<b>42.3%</b>				<b>44.6%</b>
<b>LTV (incl. RETTs) (a/c) (optional)</b>	<b>40.3%</b>				<b>42.3%</b>

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

<b>EPRA LTV</b>	<b>44.6%</b>
Duties	-2.2%
Preliminary Agreements	-0.8%
Other effects (including conso. restatements)	-0.7%
<b>LTV including duties</b>	<b>40.8%</b>

## 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 (%)
<b>EPRA Earnings (M€)</b>	<b>220.9</b>	<b>238.8</b>	<b>+8.1%</b>	<b>166.3</b>	<b>152.6</b>	<b>-8.2%</b>
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 - Loss of rental income through vacancies (calculated at MRV)

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 Like-for-Like change is computed based on the rent in €/m<sup>2</sup> 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