







Paris, 15 February 2024

Covivio Hotels 2023 annual results

Strong earnings growth and major asset management deal with AccorInvest

Hotel performances were exceptional in 2023. 2023 average RevPAR was up 16% in Europe, mainly due to higher average room rates (up 23% vs 2019). Covivio Hotels' main European markets significantly exceeded their 2019 levels, with RevPAR growth ranging from 6% in Germany to 32% in Italy. The French market, the world's leading tourist destination, recorded a 22% increase in RevPAR.

	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

Source : MKG

Tourist numbers in the European Union have bounced back close to pre-pandemic levels. The 2024 outlook is very encouraging in Europe, particularly in France, with events including the Olympic Games in France and the European Football Championship in Germany.

Numerous asset management transactions

In Madrid, a 9-year extension lease was signed for the 146-room, 4-star NH Colon Madrid hotel in the city centre. This agreement will result in a rent increase of approximately 15%.

In Amsterdam, a hotel also leased to NH Hotel Group underwent a €10 million works programme in 2023, involving the renovation of rooms and bathrooms, and the refurbishment of technical facilities. Funded by NH Hotel Group, these works are set to boost hotel performance and variable rents under the lease.

In Spain, Covivio Hotels signed new 15-year leases with Melia for three hotels in Barcelona, Valencia and Malaga. Covivio Hotels will fund a €14.8 million works programme to reposition these hotels and improve their energy performance. This asset management transaction will generate an increase of around 30% in fixed rents and a marginal return on investment of around 9%.

The statutory auditors' report on the annual financial information is in the course of preparation.

Covivio Hotels also provides asset management expertise for its portfolio of operating properties. Covivio Hotels has launched repositioning programme for the Novotel Bruges hotel. This €12 million works programme (including technical alterations) will help upscale the hotel and considerably increase the average room rate. The target yield on cost is close to 15%. The programme includes the complete renovation of the 126 bedroom suites and the communal areas, along with the creation of new 12 rooms and a fitness area. The building's carbon footprint will also be significantly improved, mainly through selection of sustainable technical equipment. Once this renovation is completed, the hotel will become a flagship of the Novotel brand in Europe.

Similarly, the former Crowne Plaza hotel at the Lille Europe railway station is undergoing the complete renovation of its 124 rooms and technical elements for a total investment of €7 million. A new franchise agreement has been signed with Hilton, with performance expected to be 60% higher than in 2019.

Covivio Hotels and AccorInvest have entered into exclusive negotiations with a view to consolidating their hotel properties and business assets

Covivio owns 54 hotel properties that are let to AccorInvest under long-term variable-rent leases based on revenues. AccorInvest owns the business assets for these hotels and has signed long-term management contracts with the Accor Group.

The consolidation operation would take the form of an exchange of business assets, currently held by AccorInvest, for hotel properties owned by Covivio Hotels. Following this transaction, Covivio Hotels would own 24 hotel operating properties and AccorInvest would own 10. The agreed value of the properties transferred to AccorInvest is approximately €210 million¹ (5% yield) and the agreed value of the business assets acquired by Covivio Hotels is approximately €260 million² (12% yield). Based on 2023 earnings, the assets transferred to AccorInvest represent annual rental income of €10.6 million, while the business assets acquired by Covivio Hotels generate EBITDA of €31.0 million.

A further step taken for joint-venture hotel real estate

Covivio Hotels is also joint shareholder and asset manager for a further 60 hotels let to AccorInvest and held via two joint ventures, established in 2010 and 2014 respectively: one is 80% held by Crédit Agricole Assurances and 20% by Covivio Hotels, while the other is shared between Caisse des Dépôts, Société Générale Assurances and Covivio Hotels. An exclusive agreement has also been signed with a view to consolidating the property and business assets of 25 of these hotels: 19 business assets acquired by joint ventures and 6 hotel properties sold to AccorInvest. These consolidation transactions for Covivio Hotels and the joint ventures represent a total of €390 million² in hotel properties transferred, identical to the value of the business assets acquired, thus making the transaction cash neutral. Upon completion, Covivio Hotels and its partners will have consolidated ownership of 43 hotels and AccorInvest 16.

Through this transaction, Covivio Hotels intends to increase its capacity to directly influence portfolio performance by repositioning some hotels it has held for almost 20 years in order to leverage their considerable growth potential. The deal would enable Covivio Hotels and its partners to acquire business assets in major tourist areas with considerable potential for value creation through repositioning and management optimisation. Some of these hotels would remain under the Accor brand (under management or franchise agreements), while others may be rebranded.

This accretive strategic move would mark a new step in Covivio Hotels' development in the hotel sector towards a more diversified model (leased assets, operating properties).

¹ Excluding transfer taxes

² Including transfer taxes

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The transaction has been submitted to the Covivio Hotels and AccorInvest Social and Economic Committees for the information and consultation process and is also subject to certain conditions precedent and the completion of the customary due diligence procedures. It is set to be completed during the second half of 2024.

€151 million in new disposal commitments signed

Covivio Hotels signed new disposal commitments amounting to €151 million Group share (€183 million at 100%) during 2023, including 10 economy and mid-scale hotels in France, 2 hotels in Spain and 37 Courtepaille restaurants. These commitments were signed at values in line with end-2022 appraisal values.

Solid resilience of asset values in 2023: down 3.9%

At the end of December 2023, Covivio Hotels held a unique portfolio in Europe, valued at €5,822 million (€6,428 million at 100%). Against a backdrop of a widespread drop in property prices, the value of Covivio Hotels' portfolio has shown resilience, with a like-for-like decline of 3.9% year on year, thanks to the solid operating performance of hotels and the fundamentals of the portfolio and the asset class:

- high-quality locations: Booking.com location average grade of 8.9/10;
- diversified portfolio: in terms of countries (12 countries) and segments (68% economy/midscale and 32% upscale);
- long-term leases with the major hotel operators, based on reasonable effort ratios (approx. 60% on average): 16 operators with an average firm residual lease term of 12.2 years;
- environmental certification rate of 91.2% at the end of 2023.

Group Share (€ millions, excluding duties)	Value 2022	Value 2023	LfL change ¹	2022 ² Yield	2023 ² Yield
Hotel lease properties	4 595	4 434	-4,0%	5,0%	5,8%
Hotel Operating properties	1 375	1 337	-3,7%	5,2%	6,2%
Total Hotels	5 970	5 771	-3,9%	5,0%	5,9%
Non-Stratégic (Retail)	53	51	-3,0%	7,2%	n/a
Total Covivio Hotels	6 022	5 822	-3,9%	5,1%	5,8%

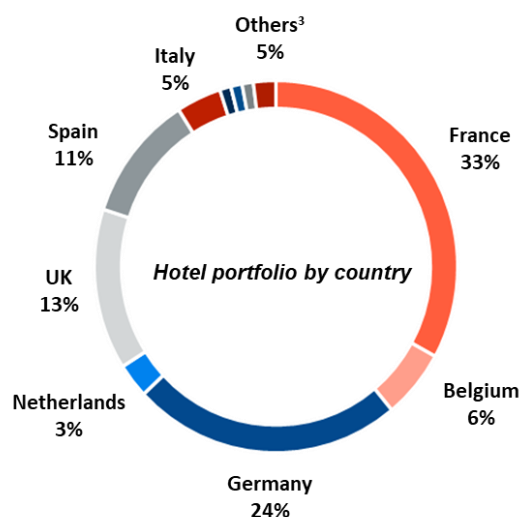
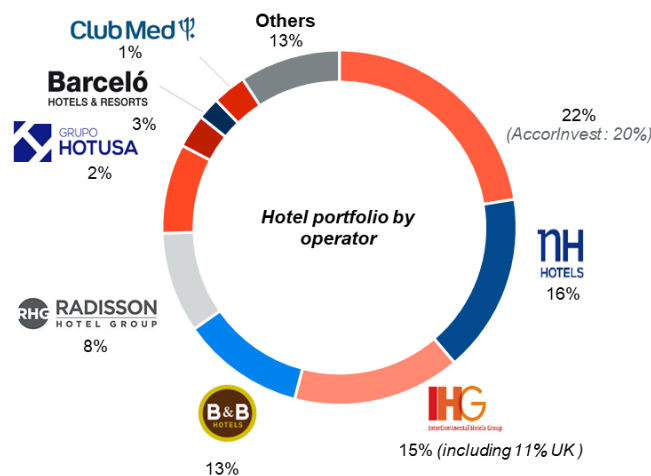
¹ LfL : Like-for-like

² Yield : excluding retail for German hotels

Appraisal values fell 3.2% in the second half, following a 0.8% dip in the first half. The year-on-year increase of around 50 basis points in capitalisation rates had a negative impact on asset values, particularly on leasehold assets in Eastern Europe (down 8.5%) and the United Kingdom (down 4.4%). However, the fall in value was limited thanks to favourable revenue linked to the strong performance of hotels and rent indexation. The average yield on these assets was 5.8%, up 70 basis points on the previous year.

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Hotel portfolio breakdown at 31 December 2023 (Group share)



13% growth in hotel revenues in 2023

€ million	Income	Income	Income	Income	Change Group Share (%)	Change Group Share LFL (%) ^(*)
	2022	2022	2023	2023		
	100%	Group Share	100%	Group Share		
Hotel Lease properties (Variable rents)	49,4	49,4	56,4	56,4	14,2%	18,9%
Hotel Lease properties (Fixed Rents)	185,3	172,5	201,3	188,4	9,2%	8,8%
Hotel Operating properties (EBITDA)	62,0	60,1	74,6	72,5	20,7%	18,6%
Total Hotel Revenues	296,6	282,0	332,3	317,3	12,5%	12,7%
Non-strategic (Retail)	4,2	4,2	6,3	6,3	49,4%	n.a
Total revenues Covivio Hotels	300,9	286,2	338,6	323,6	13,1%	12,7%

(*) On a like for like basis

Thanks to the buoyant hotel market in 2023, hotel revenues increased by 12.7% on a like-for-like basis over the year to €323.6 million (Group share).

³ Others : Hungary, Portugal, Czech Republic, Ireland and Poland.

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- Variable-rent hotel real estate (20% of the portfolio): the portfolio is let mainly to AccorInvest in France and Belgium and consists of economy (Ibis) and midscale (Novotel, Mercure) hotels. **The performance of the French hotel market during the year enabled rents for this portfolio, which are fully indexed to revenues, to increase by 18.9%.**
- Fixed-rent hotels (57% of the portfolio): **8.8% increase in rents on a like-for-like basis**, mainly due to rental indexation (up 6% in France, 4% in Germany and 3% in Spain) and the completion of the Anantara Plaza hotel in Nice at the end of 2022.

The hotel firm residual lease term amounted to 12.2 years at end-December 2023, while the occupancy rate remained at 100% across the portfolio.

Hotel operating properties (23% of the hotel portfolio)

- The Group's own hotel operating properties (23% of assets) also performed well. Located mainly in Germany (particularly Berlin) and France, these hotels posted an 18.6% increase in EBITDA year on year, thanks to higher average prices.

Solid financial structure

Covivio Hotels' net debt fell by €27 million year on year to €2,260 million (Group share), and its leverage ratio (LTV) was a low 34.4%, vs 35% at end-2022. The average maturity of Covivio Hotels' debt is 3.6 years, vs 4.3 years at end-2022. The average interest rate on debt is 2.4%, up 54 basis points as a result of the increase in interest rates. At the end of 2023, Covivio Hotels' debt was 90% hedged ; its interest rate hedging instruments had an average maturity of 5.6 years. The ICR was 5.38x.

The net debt / EBITDA ratio stood at 8.5x at the end of 2023 compared to 9.2x at the end of 2022.

Covivio Hotels had cash (including undrawn credit lines) of €378 million as of 31 December 2023.

Financial results affected by a decline in appraisal values

EPRA NTA stood at €3,550 million, compared with €3,722 million at end-2022. On a per-share basis, it was €24.0, down 4.6% vs 2022.

Taking into account the fair value adjustment of interest rate hedges and fixed-rate debt, EPRA NDV (net disposal value) was €3,512 million, compared with €3,763 million at the end of December 2022, down 6.7% or €23.7 per share.

EPRA Earnings up 8%, driven by revenue growth

EPRA Earnings for 2023 totalled €239 million (vs €221 million in 2022), up 8.1% year on year, as the increase in financial expense was more than offset by the increase in revenues driven by the performance of hotels.

EPRA Earnings per share amounted to €1.61 in 2023, vs €1.49 in 2022 (up 8%).

Net income 2023 in Group Share amount to -€11.6 million, impacted by declines in the value of assets and financial instruments, compared with €478.8 million at the end of 2022.

Dividend

At the 15 April General Meeting, Covivio Hotels will propose a cash dividend of €1.30 per share (€1.25 per share in 2022), putting the payout ratio at 81%.

2024 outlook

The return of tourist numbers to 2019 levels and the major events expected in Europe in 2024 point to a promising year ahead. Covivio Hotels accordingly intends to continue supporting its partners, the major European and international operators, and to take full advantage of the asset management work carried out on its portfolio.



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ABOUT COVIVIO HOTELS

Covivio Hotels specializes in owning business premises in the hotel sector. A listed real estate investment company (SIIC), a real estate partner of the major players in the hotel industry, Covivio Hotels holds assets worth € 6.4 billion (at end 2023).

Covivio Hotels is graded BBB+ / Stable outlook by Standard and Poor's.



ABOUT COVIVIO

Thanks to its partnering history, its real estate expertise and its European culture, Covivio is inventing today's user experience and designing tomorrow's city.

A preferred real estate player at the European level, Covivio is close to its end users, capturing their aspirations, combining work, travel, living, and co-inventing vibrant spaces.

A benchmark in the European real estate market with €23,1bn in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.

Build sustainable relationships and well-being, is the Covivio's Purpose who expresses its role as a responsible real estate operator to all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities but also to future generations and the planet. Furthermore, its living, dynamic approach opens up exciting project and career prospects for its teams.

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Appendix:







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 and hotel operating properties.

The figures presented are expressed at 100% and in Covivio Hotels Group share (GS).

Covivio Hotels owns a high-quality hotel portfolio worth €6.4 billion (€5.8 billion in Group share), focused on major European cities and let or operated by 16 major hotel operators such as Accor, B&B, IHG, NH Hotels, Marriott, 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.

	<u>Increasing</u> REVPAR in 2023 in Europe...		<u>...Driven by</u> strong average prices...		<u>...And improving</u> 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

Source : MKG

- ▶ 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.

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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)	Revenues 2022 100%	Revenues 2022 Group share	Revenues 2023 100%	Revenues 2023 Group share	Change (%) Group share	Change Group share (%) LfL ¹
Hotel Lease properties - Variable	49.4	49.4	56.4	56.4	14.2%	18.9%
Hotel Lease properties - Fixed	148.7	136.0	201.3	188.4	9.2%	8.8%
Operating properties - EBITDA	62.0	60.1	74.6	72.5	20.7%	18.6%
Total revenues Hotels	296.6	282.0	332.3	317.3	12.5%	12.7%

¹ LfL: Like-for-Like

Hotel revenues increased by +12.7% like-for-like compared to 2022 to reach €317 million, due to:

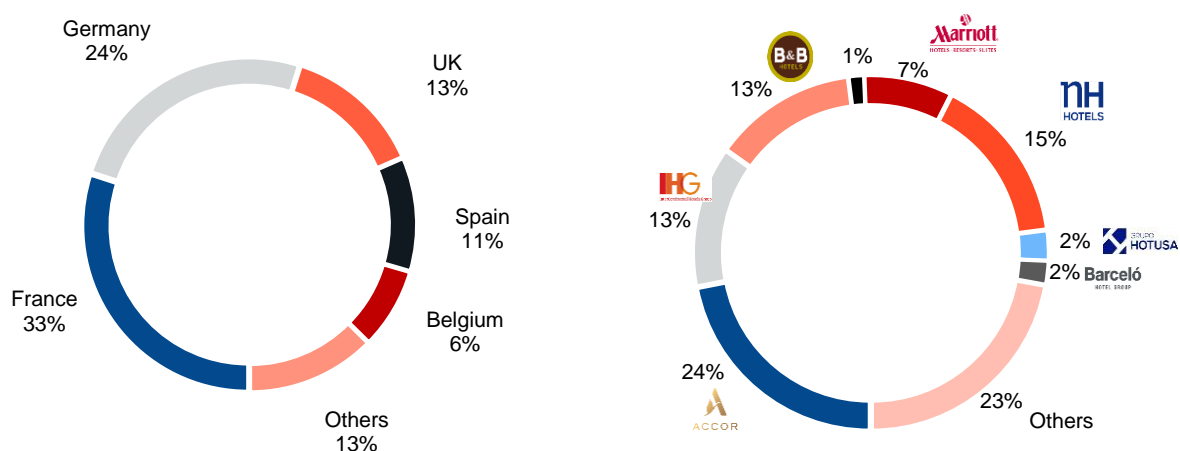
► Lease properties:

- **AccorInvest variable leases portfolio** (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** (57% of the hotel portfolio): mostly through positive indexation (+€2.3 million) and asset management (+€4 million).

- **Operating properties** (23% of the hotel portfolio): mainly located in Germany and in the north of France, these hotels gain +18.6% of EBITDA like-for-like, thanks to the increase of average daily rates.

3. Annualized revenue

Breakdown by operators and by country (based on 2023 revenues) which amount to €330.4 million in Group share.



Revenues are split using the following breakdown: fixed (49%), variable (17%) UK (11%), and EBITDA (23%)

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4. Indexation

Fixed-indexed leases are indexed to benchmark indices (ICC and ILC in France and the 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	11.3	4%	1.9	1%
2025	6.3	2%	5.6	2%
2026	6.0	2%	0.0	0%
2027	2.2	1%	2.2	1%
2028	0.0	0%	0.0	0%
2029	32.7	13%	28.3	11%
2030	19.8	8%	19.8	8%
2031	5.0	2%	9.4	4%
2032	8.8	3%	8.8	3%
2033	11.3	4%	14.4	6%
Beyond	151.1	59%	164.1	64%
Total Hotels in lease	254.5	100%	254.5	100%

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

6.1. Change in portfolio values

(In € million, Excluding Duties, Group share)	Value 2022	Acquis.	Invest.	Disposals	Change in value	Others	Value 2023
Hotels - Lease properties	4 595		12	-20	-183	30	4 334
Hotels - Operating properties	1 375	1	10		-51	2	1 337
Total Hotels	5 970	1	22	-20	-234	32	5 771

At end-2023, the portfolio amounted to €5.8 billion Group share, down by €199 million compared to year-end 2022, essentially explained by the negative like-for-like change in value (€234 million).

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

(In € million, Excluding Duties)	Value 2022 Group share	Value 2023 100%	Value 2023 Group share	Lfl ¹ change	Yield ² 2022	Yield ² 2023	% of total value
France	1 656	2 117	1 597	-3.6%	4.7%	5.6%	28%
Paris	717	833	703				
Greater Paris (excl. Paris)	311	461	290				
Major regional cities	385	511	375				
Other cities	243	312	229				
Germany	649	619	602	-7.1%	4.8%	5.6%	10%
Frankfurt	73	70	67				
Munich	51	45	45				
Berlin	71	70	67				
Other cities	454	434	422				
Belgium	235	244	218	-6.8%	6.0%	7.2%	4%
Brussels	82	96	78				
Other cities	152	148	140				
Spain	646	636	636	+0.3%	5.3%	6.2%	11%
Madrid	289	282	282				
Barcelona	216	222	222				
Other cities	142	132	132				
UK	665	662	662	-4.4%	4.5%	5.6%	11%
Italy	277	266	266	-4.8%	5.0%	5.5%	5%
Other countries	467	451	451	-4.1%	5.1%	5.7%	8%
Total Hotel lease properties	4 595	4 996	4 434	-4.0%	4.9%	5.8%	77%
France	300	311	311	+2.4%	5.8%	6.5%	5%
Lille	109	103	103				
Other cities	191	208	208				
Germany ³	830	842	799	-4.5%	4.8%	6.1%	14%
Berlin	589	592	562				
Dresden & Leipzig	189	193	183				
Other cities	52	57	54				
Other countries	245	228	228	-8.4%	5.8%	6.8%	4%
Total Hotel Operating properties	1 375	1 380	1 337	-3.7%	5.2%	6.2%	23%
Total Hotels	5 970	6 376	5 771	-3.9%	5.0%	5.9%	100%

¹ Lfl :Like-for-like

² Yields 2022 calculated on the basis of 2022 revenues

Yields 2023 calculated on the basis of 2023 revenues

³ Yields excluding retail surface for German hotels

At the end of December 2023, Covivio Hotels held a unique hotel portfolio of €5.771 million group share (€6.376 million at 100%) in Europe. This strategic portfolio is characterised by:

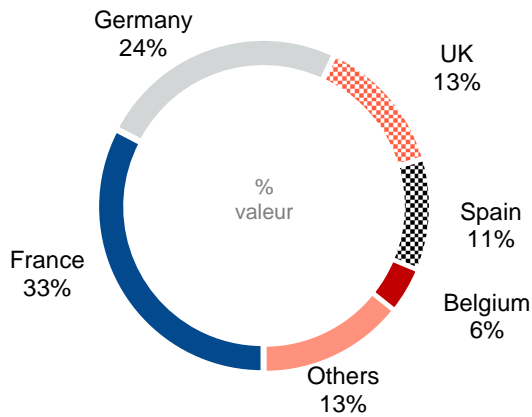
- High-quality locations: average Booking.com location grade of 8.9/10 and 89% in major European city destinations.
- Diversified portfolio: in terms of countries (12 countries, none representing more than 33% of the total portfolio), and segment (68% economic/midscale and 32% upscale).
- Major hotel operators with long-term leases: 16 hotel operators with an average lease duration of 12.2 years.

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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



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- **Bridge table of the portfolio:**

Portfolio (as of 31/12/2023)	5 822 M€
Use rights on investment properties	+ 243 M€
Use rights on operating properties	+ 45 M€
Equity affiliates > 30%	- 156 M€
Non-accrued goodwill of operating property assets	- 184 M€
Real Estate Assets Group Share	5 770 M€
The companies's fully consolidated non-controlling interest	+ 274 M€
100% Real estate assets - IFRS accounts	6 044 M€

- **Bridge table of EPRA indicator:**

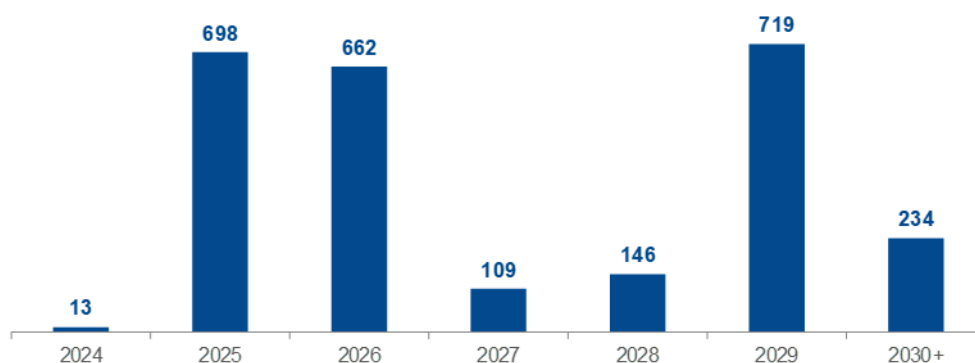
Shareholders' equity Group - IFRS Accounts	3 387 M€
Fair value of operating property assets net of deferred taxes	+ 143 M€
Fair value of financial instruments	+ 259 M€
Deferred tax (including IFRS adjustments)	- 109 M€
Non optimised transfer rights	+ 235 M€
EPRA NRV	3 915 M€
Deferred tax on non-core assets	- 214 M€
Goodwill and intangibles assets	- 115 M€
Non-optimised transfer rights	- 35 M€
EPRA NTA	3 550 M€
Optimisation of the transfer rights	- 45 M€
Intangibles assets	+ 0 M€
Fair value of fixed-rate debt net (excluding credit spread) of def	+ 97 M€
Fair value of financial instruments	+ 109 M€
Deferred taxes	- 200 M€
EPRA NDV	3 512 M€

- **Bridge table of rental income:**

€ million	Rental income 2023	Non-controlling interest	Rental income 2023 Group Share
	IFRS Accounts		Covivio Hotels
Hotels	332 M€	-15 M€	317 M€
Retail premises	6 M€	0 M€	6 M€
Total Rental Income	339 M€	-15 M€	324 M€
Managed hotel EBITDA	75 M€	-2 M€	73 M€

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- **Debt maturity per year (group share engagement)**



- **Detail of Loan-to-Value (LTV) calculation:**

(€ million) – Group Share	31/12/2022	31/12/2023
Net book debt	2 287	2 260
Receivables linked to associates (fully consolidated)	-19	-28
Pledges	-43	-155
Security deposits received	0	-5
Purchase debt	16	7
Net debt Group Share	2 241	2 079
Appraised value of real estate assets (including duties)	6 176	5 939
Pledges	-43	-155
Receivables linked to associates (equity method)	63	53
Share of equity affiliates	212	205
Value of assets	6 408	6 041
LTV Excluding Duties	36,5%	36,0%
LTV Including Duties	35,0%	34,4%

- **Reconciliation with consolidated accounts:**

Net debt

(€ million)	Consolidated financial statements	Minority interests	Group Share
Bank Debt	2 455	94	2 361
Cash and cash equivalents	-109	-8	-101
Net debt	2 346	102	2 260

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Portfolio (including duties)

€ million	Consolidated financial statements	Portfolio of companies under equity method	Fair value of investment properties	Minority interests	
Investment & development properties	4 412	488	1 372	-605	5 667
Assets held for sale	155			0	155
Total portfolio	4 568	488	1 372	-605	5 823
				Duties	235
				Portfolio Group Share Including Duties	6 082
				Portfolio affiliates	-94
				(+ Receivables from equity interests	53
				Portfolio for LTV calculation	6 041

Interest Coverage Ratio (ICR)

€ million	31/12/2022	31/12/2023
EBE (Net rents (-) operating expenses (+) results of other activities)	278	304
Cost of debt	-46	-57
ICR	6,00	5,38

- Bridge table of EPRA Earnings:

€ million	Net income 100% IFRS Accounts	Non- controlling interest	Net Income, Group Share	Restatements	EPRA Earnings
Net Rental Income	257,4	-12,7	244,6	0,0	244,6
Managed hotel income	74,6	-2,1	72,5	0,0	72,5
Operating costs	-19,3	1,0	-18,2	0,0	-18,2
Depreciation of operating assets	-48,2	1,1	-47,1	42,2	-4,9
Net allowances to provisions and other	23,9	0,0	23,3	-14,8	8,6
OPERATING PROFIT	288,4	-13,3	275,1	27,4	302,6
Income from disposals of assets	0,3	-0,0	0,3	-0,3	0,0
Net valuation gains and losses	-197,5	19,5	-178,0	178,0	0,0
Income from disposal of securities	-0,0	0,0	-0,0	0,0	0,0
Income from changes in scope	-3,8	0,0	-3,8	3,8	0,0
OPERATING PROFIT (LOSS)	87,4	6,3	93,7	209,0	302,6
Costs of net financial debt	-62,9	2,9	-60,0	0,0	-60,0
Interest charges on rental liabilities	-15,3	0,0	-15,3	10,5	-4,8
Fair value adjustment on derivatives	-67,0	4,7	-62,3	62,3	0,0
Discounting and exchange result	0,3	0,0	0,3	0,0	0,3
Net change in financial and other provisions	-0,4	0,4	0,0	0,0	0,0
Share in income of equity affiliates	-2,0	0,0	-2,0	14,4	12,4
PRE-TAX NET INCOME (LOSS)	-59,9	13,9	-46,0	296,5	250,5
Deferred tax liabilities	46,4	-0,3	46,1	-46,1	0,0
Recurrent Tax	-11,8	0,2	-11,7	0,0	-11,7
NET INCOME FOR THE PERIOD	-25,3	13,7	-11,6	250,4	238,8

COVIVIO HOTELS
PRESS RELEASE

- Balance sheet (100%)

€ million - Consolidated data	31/12/2022	31/12/2023	€ million - Consolidated data	31/12/2022	31/12/2023
INTANGIBLE ASSETS			Capital	593	593
Goodwill	120	117	Premiums	1 701	1 660
Other intangible assets	0	0	Treasury shares	0	0
TANGIBLE ASSETS			Consolidated reserves	806	1 147
Operating building	1 111	1 084	Result	479	-12
Other property, plant and equipment	17	16	GROUP EQUITY	3 578	3 387
Assets in progress	5	10	Non-controlling interests	185	164
Investment property	4 937	4 655	TOTAL EQUITY	3 763	3 551
Non-current financial assets	68	59	Long Term Loan	2 209	2 199
Other Loans	0	0	Long-term rental liabilities	276	283
Non-current financial assets	68	59	Financial instruments	70	41
Investments in companies accounted for using the equity method	212	205	Deferred tax liabilities	247	210
Deferred tax assets	16	24	Retirement and other commitments	1	1
Financial instruments LT assets	227	120	Other debts and long-term guarantee deposits	9	9
TOTAL NON-CURRENT ASSETS	6 714	6 291	TOTAL NON-CURRENT LIABILITIES	2 812	2 743
Assets available for sale	43	162	Liabilities held for sale	0	7
Accrued loan interest	7	24	Payables	43	48
Inventories and work in progress	2	2	Debts on acquisitions of fixed assets	16	7
Financial instruments ST assets	50	57	Short Term Loan	295	256
Receivables	49	43	Short-term rental liabilities	5	6
Tax receivables (IS)	3	6	ST financial instruments	30	32
Other receivables	37	27	Security deposits	0	0
Prepaid expenses	1	3	Advances and down payments and credit notes to be established	11	12
Cash and cash equivalent	127	109	Short Term Provisions	12	4
TOTAL CURRENT ASSETS	320	433	Current taxes	5	10
TOTAL ASSETS	7 034	6 724	Other debts and tax and social debts	28	30
			Accruals accounts	15	18
			TOTAL CURRENT LIABILITIES	460	430
			TOTAL LIABILITIES	7 034	6 724

- Profit and loss account (100%):

€ million- Consolidated data	31/12/2022	31/12/2023	Variation
Rents	239	264	25
Rental charges not recovered	-3	-3	0
Expenses on Buildings	-3	-3	0
Net bad debt expenses	11	-1	-11
NET RENTS	244	257	13
Revenue from hotels under management	228	287	59
Operating expenses of hotels under management	-166	-212	-47
RESULTS OF HOTELS UNDER MANAGEMENT	0	75	75
Management and administration income	5	6	1
Activity Fees	-1	-2	0
Structure costs	-21	-23	-2
COÛT DE FONCTIONNEMENT NET	-18	-19	-1
Depreciation of operating assets	-38	-48	-10
Net change in provisions and other	11	24	13
OPERATING RESULT	261	288	28
Income from asset disposals	3	0	-3
Result of value adjustments	92	-198	-290
Income from the sale of securities	0	0	0
Result of changes in scope	0	-4	-4
OPERATING INCOME	356	87	-268
Cost of net financial debt	-52	-63	-11
Interest expense on rental liabilities	-15	-15	0
Value adjustment of derivative instruments	201	-67	-268
Discounting and exchange result	-1	0	1
Early amortization of loan issue costs	0	0	0
Share of profit of companies accounted for using the equity method	19	-2	-21
NET INCOME BEFORE TAX	508	-60	-568
Deferred taxes	4	46	42
Corporate taxes	-10	-12	-2
NET INCOME FOR THE PERIOD	502	-25	-527
Minority interests	-23	14	37
NET INCOME FOR THE PERIOD - GROUP SHARE	479	-12	-490

- **Glossary:**

1) Definition of the acronyms and abbreviations used:

GS: Group share

Chg: Change

LfL: Like-for-Like scope

2) Firm residual term of leases

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

3) Triple net lease

Lease contract reached between a landlord and a tenant. A "triple net" lease means a lease for which all the taxes and expenses (work, maintenance) related to proper functioning of the building are at the expense of the tenant.

4) Loan To Value (LTV)

Calculation of the LTV is detailed in the Appendices.

5) Rental income

Recorded rent corresponds to gross rental income accounted for over the year by taking into account the 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.

6) EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation):

This is gross operating income after rent. The calculation can be described in the following manner:

(+) Total revenues (revenues)
(-) Purchases and External Expenses
(-) Personnel Expenses
= EBITDAR
(-) Rental income
= EBITDA

7) EBITDAR Margin:

EBITDAR corresponds to the gross operating income before rent. It is used to compare companies with different ownership policies.

The EBITDAR margin corresponds to the following calculation: EBITDAR / Total rental income

The level of operating profits of hotels varies depending on the hotel category.

8) Portfolio

The portfolio presented includes investment properties and properties under development, as well as operating properties and properties in inventory for each of the entities, stated at their fair value.

9) Yield

The portfolio returns are calculated according to the following formula:

$$\frac{\text{Annualised gross rental income}}{\text{Value excluding duties on the scope in question}}$$

10) Average annual rate of debt

$$\frac{\begin{aligned} &\text{Financial cost of bank debt for the period} \\ &+ \text{Financial cost of hedges for the period} \end{aligned}}{\text{Average used financial net debt outstanding in the year}}$$

11) Occupancy rate

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

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

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

12) 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 on the basis of rental income under IFRS for strategic activities.

On hotel operating properties, the change in constant scope is calculated based on EBITDA.

Restatement done:

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

13) Like-for-like change in value

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

Restatement done:

- Deconsolidation of acquisitions and disposals realised during the period
- Restatement of work realised on assets during period N (including assets under development).