UNIVERSAL REGISTRATION DOCUMENT

2023 EDITION

COVIVIO HOTELS

Contents

The components of the annual financial report are labelled AFR in the contents

2023 Universal Registration Document

including the Annual Financial Report

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Covivio Hotels

Partnership limited by shares with share capital of €592,565,808

Registered office: 10 rue de Madrid, 75008 Paris

Paris Trade and Companies Register 955 515 895

Key figures 2023

Covivio Hotels is a public real estate investment company (Société d'investissement immobiliers cotée - SIIC) and a market leader in hotels.

Covivio Hotels is now the leading investor in hotel real estate in Europe. Covivio Hotels has a unique hotel portfolio comprising 313 hotels located at the centre of major European cities. It currently partners with around 16 hotel chains representing some 30 brands in Europe. Midscale and upscale hotels make up 74% of its portfolio.

Covivio Hotels supports brands in their leasing, operating properties and developments, positioning itself alongside them in Europe's most dynamic cities.

Covivio Hotels is supported by institutional shareholders including Covivio, the life insurance subsidiaries of Crédit Agricole, Crédit Mutuel-CIC, BNP Paribas, Generali, Société Générale, and Caisse des Dépôts et Consignations.

The company's investment policy is focused on building partnerships with leading operators in each business sector, as well as innovative players who stand out for their pioneering, profitable concepts, with a view to offering shareholders a recurring return on their investment.

The sector classification of the portfolios reflects the reporting segments used by the Covivio Hotels management. There are three segments:

- hotel leased properties (Accor, B&B, NH Hotel group, IHG, Motel One, Meliá, Hotusa, Barceló group, Pierre et Vacances, Club Med, MEININGER);
- hotels under management (Rezidor, Marriott, Accor, IHG);
- retail premises.

Overall distribution of the portfolio (Group Share) by value at 31/12/2023

76% Hotel leased properties

23% Hotels under management

1% Retail

(In € thousand)		2023 fiscal year	2022 fiscal year
Revenues, Group Share		**323,607**	**286,236**
Of which:	Hotel leased properties (rental income)	244,724	221,897
	Hotels under management (EBITDA)	72,516	60,101
	Retail premises (rental income)	6,367	4,238

(In € million)		2023 fiscal year	2022 fiscal year
Portfolio value, Group Share		**5,822**	**6,022**
Of which:	Hotels leased properties	4,434	4,595
	Hotels under management	1,337	1,375
	Retail premises	51	53

Simplified consolidated income statement

(In € thousand)	2023 fiscal year	2022 fiscal year
Net Rental Income	257,393	243,998
Managed hotel income	74,634	61,927
Other Activity income	16	38
Net operating costs	-19,266	-17,888
Depreciation of operating asset	-48,243	-38,184
Net change in provisions and other	23,852	10,724
Operating income	**288,386**	**260,616**
Income from asset disposals	341	3,042
Result of value adjustments	-197,534	92,160
Income from disposals of securities	-2	-2
Result of changes in scope	-3,791	-14
Operating income (loss)	**87,393**	**355,802**
Net financial income	-145,269	132,396
Share of income from companies accounted for under the equity method	-2,020	19,428
Net income before tax	**-59,896**	**507,626**
Taxes	34,586	-5,577
Net income	**-25,311**	**502,048**
Profit from discontinued operations	0	0
Minority interests	13,737	-23,258
Net income Group Share	**-11,574**	**478,790**

Figures, Group Share

	2023 fiscal year	2022 fiscal year
Net income, Group Share (in € per share)	-0.08	3.23
EPRA Earnings (in €M)	238.8	220.9
EPRA Earnings (in € per share)	1.61	1.49
EPRA NTA (in €M)	3,550	3,722
EPRA NTA (in € per share)	24.0	25.1
EPRA NDV (in €M)	3,512	3,763
EPRA NDV (in € per share)	23.7	25.4
Dividend* (in € per share)	1.30	1.25

* 2023 dividend proposed to the General Meeting of 15 April 2024.

Number of shares during the period	2023 fiscal year	2022 fiscal year
Number of shares at opening	148,141,452	148,141,452
Number of shares created by capital increase	0	0
Number of shares at period-end*	148,141,452	148,141,452
Average number of shares	148,141,452	148,141,452

* Including treasury shares: 7,687 at 31 December 2023 (*versus* 10,868 at 31 December 2022).

Simplified consolidated balance sheet

(In € thousand)	Net 31/12/2023	Net 31/12/2022		Net 31/12/2023	Net 31/12/2022
ASSETS			**Liabilities**		
Non-current assets	6,290,861	6,714,219	Shareholders' equity	3,550,709	3,762,511
Current assets	324,064	192,368	Non-current liabilities	2,743,274	2,811,566
Cash	108,780	127,408	Current liabilities	429,722	459,919
ASSETS	**6,723,705**	**7,033,995**	**LIABILITIES**	**6,723,705**	**7,033,995**

Features of debt as at 31 December 2023

At 31 December 2023, the Group Share of net financial debt stood at €2,260 million, with an average rate for the period of 2.43% and an average maturity of 3.6 years. In 2023, the average active hedging rate was 88.9%.

Zoku Paris
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313 hotels in the heart of major European cities, with a value of €6.4 billion

1

Management report

1.1 Strategy and outlook

Covivio Hotels – a real estate company listed on Compartment A of the Euronext regulated market in Paris, having opted for SIIC status – had, at 31 December 2023, a portfolio of 352 assets, including 313 hotels, with a total appraisal value of €6.4 billion (€5.8 billion Group Share), located throughout France and Europe.

The strategy of Covivio Hotels, Europe's leading hotel real estate company, is based on partnerships with the most innovative hotel operators in France and in the rest of Europe. It is in this spirit of partnership that Covivio Hotels continued its development in 2023, signing new 15-year leases with Meliá for three hotels in Barcelona, Valencia and Malaga and with the launch of a programme to reposition the Novotel hotel in Bruges.

Covivio Hotels and its partners hold regular partnership Committee meetings to define portfolio development initiatives, analyse the business and operations, and monitor the progress of works programmes.

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.

1.2 Activity of the company and its subsidiaries

1.2.1 2023 events

Strong growth in earnings

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, 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 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 Colón 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 Meliá 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%.

Covivio Hotels also provides asset management expertise for its portfolio of operating properties. Covivio Hotels has launched a 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 12 new rooms and a fitness area. The building's carbon footprint will also be significantly improved, mainly through the 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 million [(1)] (5% yield) and the agreed value of the business assets acquired by Covivio Hotels is approximately €260 million [(2)] (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.

(1) *Excluding transfer taxes.*
(2) *Including transfer taxes.*

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 [2] million 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).

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:

- quality locations: the average rating on the "geographic location" of hotels given by guests on Booking.com was 8.9/10; a diversified portfolio, in terms of countries (12 countries) and segments (68% economy and mid-range hotels, 32% upscale hotels)
- long-term leases with the major hotel operators, based on reasonable effort ratios (approx. 60% on average): 16 operators with an average firm residual duration of leases of 12.2 years
- environmental certification rate of 91.2% at the end of 2023.

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.

13% growth in hotel revenues in 2023

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).

- 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 NAV was €3,550 million compared to €3,722 million at the end of 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, the EPRA NDV (net disposal value) was €3,512 million from €3,763 million at end-December 2022, down -6.7%. It stands at €23.7/share.

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 pay-out ratio at 81%.

1.2.2 Hotels portfolio

1.2.2.1 Hotel market in Europe

In France

(Source: MKG)

France, and Paris in particular, benefited from a strong recovery throughout the year, with RevPAR up +22% in 2023 compared to 2019 (+36% in Paris) driven by an ADR (average daily rate) up +26% (+38% in Paris), returning to its pre-crisis level. These figures show that, in addition to Leisure customers, Business customers are also making a comeback.

In the United Kingdom

(Source: MKG)

The United Kingdom is also back to its 2019 level. Overall, after a year in 2022 at +4% compared to 2019, the year 2023 ended with a RevPAR increase of +20%. This recovery was driven by a clear improvement in average prices (+23% *vs* 2019). Over the year, the major cities did well: Edinburgh and Glasgow recorded a +34% and +18% increase in RevPAR, while London registered growth of +19%.

In Germany

(Source: MKG)

Germany managed to record positive figures in 2023 with an increase of 6% (*vs* 2019). In general, average prices tend to follow a weaker dynamic (+16%) than all the other European countries and footfall remains -6 points lower than it was pre-Covid.

In Belgium and the Netherlands

(Source: MKG)

Belgium and the Netherlands remain at the back of the pack in Western Europe, with an increase in RevPAR *vs* 2019 of +11% and +10%, respectively (compared to -12% and -13% in 2022).

In Spain and Portugal

(Source: MKG)

In 2023, Spain and Portugal have significantly improved their performance compared to 2022, mainly thanks to a very positive summer season. Spain recorded an increase of 5 points in its occupancy rate, while Portugal increased by 6 points. With regard to RevPAR, there is a clear improvement, mainly supported by the increase in average prices. In comparison with 2019, Spain and Portugal posted an increase of 18%.

In Italy

(Source: MKG)

In 2023, Italy achieved an exceptional performance with a 32% increase in RevPAR compared to 2019, compared to an increase of only 5% in 2022 compared to 2019. The average occupancy rate is 73% (*vs* 67% in 2022). The midscale category recorded growth slightly higher than the Upscale category, with an increase of 36% compared to 2019, compared to 31%.

In Central and Eastern Europe

(Source: MKG)

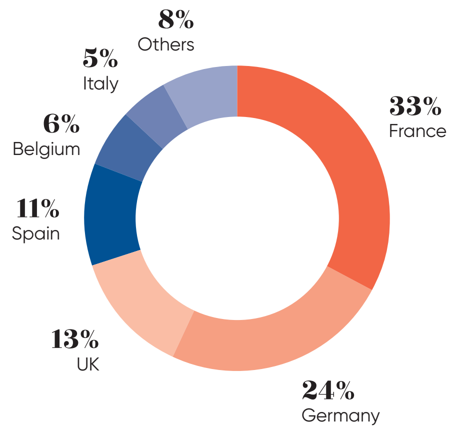
In Poland, the ADR (average daily rate) increased by 28% over the year, resulting in a +20% increase in RevPAR compared to 2019. In Prague, these figures are similar, with a RevPAR increase of +9%. In Budapest, despite a 10-point decrease in footfall compared to 2019, the sharp increase in the ADR (average daily rate) (+61%) led to a significant increase in the city's RevPAR, which posted performance of +40% *vs* 2019.

1.2.2.2 Portfolio overview

The portfolio comprises 313 hotels and has a balanced distribution both in terms of range and geography. The hotel real estate business (rental income from operating properties and EBITDA of hotels under management) generated total revenues of €332 million in 2023, with a Group Share of €317 million, up 12.7% year-on-year on a like-for-like basis.

Geographic area of hotels by value at 31 December 2023 (€5,771 million in Group Share)

At 31 December 2023, the appraisal value of the hotel portfolio held by Covivio Hotels totalled €5,771 million, or a Group Share of €6,376 million (excluding duties).



The detailed list of assets is as follows:

Tenants	Brand	Asset Name	Town/City	Country	Number of rooms
AC Hotels	AC Hotels	AC Barcelona Forum	Barcelona	Spain	368
AccorInvest	Ibis	Ibis Antwerpen Centrum	Antwerp	Belgium	150
AccorInvest	Ibis	Ibis Brussels Airport	Machelen	Belgium	98
AccorInvest	Ibis	Ibis Brussels City Centrum Ste Catherine	Brussels	Belgium	236
AccorInvest	Ibis	Ibis Brussels Grand Place	Brussels	Belgium	184
AccorInvest	Ibis	Ibis Brussels. Expo Atomium	Grimbergen	Belgium	81
AccorInvest	Ibis	Ibis Gent Centrum St Baafs Kathedraal	Ghent	Belgium	120
AccorInvest	Ibis	Ibis Gent Opera	Ghent	Belgium	134
AccorInvest	Novotel	Novotel Brussels Airport	Brussels	Belgium	209
AccorInvest	Novotel	Novotel Brussels Grd Place	Brussels	Belgium	140
AccorInvest	Novotel	Novotel Gent Centrum	Ghent	Belgium	117
AccorInvest	Formule 1	Formule 1 Paris Porte de Montmartre	Paris	France	386
AccorInvest	Ibis	Ibis Annecy	Annecy	France	85
AccorInvest	Ibis	Ibis Avignon Gare	Avignon	France	98
AccorInvest	Ibis	Ibis Bordeaux Gare	Bordeaux	France	80
AccorInvest	Ibis	Ibis Bordeaux Lac 2	Bordeaux	France	116
AccorInvest	Ibis	Ibis Bordeaux Bastide	Bordeaux	France	92
AccorInvest	Ibis Budget	Ibis Budget Gennevilliers	Gennevilliers	France	119
AccorInvest	Ibis Budget	Ibis Budget Lille Centre Gare	Lille	France	102
AccorInvest	Ibis Budget	Ibis Budget L'Isle Adam	L'Isle d'Adam	France	68
AccorInvest	Ibis Budget	Ibis Budget Lyon Gerland	Lyon	France	106
AccorInvest	Ibis Budget	Ibis Budget Paris Porte de Montmartre	Paris	France	464
AccorInvest	Ibis Budget	Ibis Budget Saint Cyr l'École	Saint Cyr l'École	France	48
AccorInvest	Ibis Budget	Ibis Budget Toulouse Matabiau	Toulouse	France	130
AccorInvest	Ibis Budget	Ibis Budget Vélizy	Vélizy	France	123
AccorInvest	Ibis	Ibis Fontainebleau	Fontainebleau	France	86
AccorInvest	Ibis	Ibis Limoges Centre	Limoges	France	68
AccorInvest	Ibis	Ibis Lyon La Part Dieu Centre Halles	Lyon	France	216
AccorInvest	Ibis	Ibis Lyon Part Dieu	Lyon	France	144
AccorInvest	Ibis	Ibis Marseille Gare Saint Charles	Marseille	France	172
AccorInvest	Ibis	Ibis Metz Centre Cathédrale	Metz	France	79
AccorInvest	Ibis	Ibis Nancy Centre Gare	Nancy	France	82
AccorInvest	Ibis	Ibis Nantes Centre Tour Bretagne	Nantes	France	140
AccorInvest	Ibis	Ibis Nice Centre	Nice	France	199
AccorInvest	Ibis	Ibis Orléans Centre Gare	Orléans	France	67
AccorInvest	Ibis	Ibis Paris Bastille Opéra	Paris	France	305
AccorInvest	Ibis	Ibis Paris Cambronne	Paris	France	527
AccorInvest	Ibis	Ibis Paris La Fayette	Paris	France	70
AccorInvest	Ibis	Ibis Paris La Villette	Paris	France	284
AccorInvest	Ibis	Ibis Paris Montmartre	Paris	France	326
AccorInvest	Ibis	Ibis Paris Porte d'Orléans	Montrouge	France	402
AccorInvest	Ibis	Ibis Strasbourg Centre Petite France	Strasbourg	France	98
AccorInvest	Ibis	Ibis Strasbourg Centre Ponts Couverts	Strasbourg	France	244
AccorInvest	Ibis	Ibis Strasbourg Halles	Strasbourg	France	98
AccorInvest	Ibis Styles	Ibis Styles Lille Centre	Lille	France	140
AccorInvest	Ibis Styles	Ibis Styles Paris Bercy	Paris	France	361

Tenants	Brand	Asset Name	Town/City	Country	Number of rooms
AccorInvest	Ibis	Ibis Toulouse Aero	Blagnac	France	88
AccorInvest	Ibis	Ibis Toulouse Centre	Toulouse	France	178
AccorInvest	Mercure	Mercure Angers Centre	Angers	France	84
AccorInvest	Mercure	Mercure La Grande Motte	La Grande Motte	France	117
AccorInvest	Mercure	Mercure Lille Le Royal	Lille	France	101
AccorInvest	Mercure	Mercure Lyon Lumière	Lyon	France	78
AccorInvest	Mercure	Mercure Lyon Saxe Lafayette	Lyon	France	156
AccorInvest	Mercure	Mercure Marseille Centre	Marseille	France	200
AccorInvest	Mercure	Mercure Massy Gare TGV	Massy	France	116
AccorInvest	Mercure	Mercure Nice	Nice	France	124
AccorInvest	Mercure	Mercure Paris Gare de Lyon	Paris	France	315
AccorInvest	Mercure	Mercure Paris La Défense	Nanterre	France	160
AccorInvest	Mercure	Mercure Paris La Défense 5	Courbevoie	France	507
AccorInvest	Mercure	Mercure Paris Porte d'Orléans	Montrouge	France	188
AccorInvest	Mercure	Mercure Paris Porte St Cloud	Boulogne Billancourt	France	180
AccorInvest	Mercure	Mercure Strasbourg	Strasbourg	France	98
AccorInvest	Mercure	Mercure Tour Eiffel	Paris	France	405
AccorInvest	Novotel	Novotel Atria Charenton	Charenton-le-Pont	France	133
AccorInvest	Novotel	Novotel Atria Grenoble	Grenoble	France	118
AccorInvest	Novotel	Novotel Atria Rueil	Rueil-Malmaison	France	118
AccorInvest	Novotel	Novotel Bordeaux C Meriadeck	Bordeaux	France	137
AccorInvest	Novotel	Novotel Lille Centre Palais Congres	Lille	France	104
AccorInvest	Novotel	Novotel Lille Flandres	Lille	France	96
AccorInvest	Novotel	Novotel Nîmes Centre Atria	Nîmes	France	119
AccorInvest	Novotel	Novotel Paris Gare Lyon	Paris	France	253
AccorInvest	Novotel	Novotel Paris Massy	Palaiseau	France	147
AccorInvest	Novotel	Novotel Paris Pont de Sèvres	Sèvres	France	131
AccorInvest	Novotel	Novotel Paris Roissy	Roissy	France	201
AccorInvest	Novotel	Novotel Paris St Quentin	Magny-les-Hameaux	France	131
AccorInvest	Novotel	Novotel Roissy CDG Convention & Wellness	Roissy	France	295
AccorInvest	Novotel	Novotel Saclay	Saclay	France	139
AccorInvest	Novotel	Novotel Strasbourg Halle	Strasbourg	France	96
AccorInvest	Novotel	Novotel Toulouse Compans	Toulouse	France	131
AccorInvest	Sofitel	Sofitel Lyon Bellecour	Lyon	France	164
B&B Hotels	B&B Hotels	Aachen	Würselen	Germany	78
B&B Hotels	B&B Hotels	Baden Airpark	Rheinmünster	Germany	85
B&B Hotels	B&B Hotels	Berlin	Berlin	Germany	105
B&B Hotels	B&B Hotels	Berlin Messe	Berlin	Germany	140
B&B Hotels	B&B Hotels	Berlin-Potsdamer	Berlin	Germany	92
B&B Hotels	B&B Hotels	Berlin-Süd	Genshagen	Germany	73
B&B Hotels	B&B Hotels	Böblingen	Böblingen	Germany	100
B&B Hotels	B&B Hotels	Braunschweig	Braunschweig	Germany	78
B&B Hotels	B&B Hotels	Duisburg	Duisburg	Germany	101
B&B Hotels	B&B Hotels	Düsseldorf – Ratingen	Düsseldorf	Germany	74
B&B Hotels	B&B Hotels	Düsseldorf Airport	Düsseldorf	Germany	100
B&B Hotels	B&B Hotels	Düsseldorf City	Düsseldorf	Germany	84
B&B Hotels	B&B Hotels	Erfurt	Erfurt	Germany	95
B&B Hotels	B&B Hotels	Erlangen	Erlangen	Germany	100

Tenants	Brand	Asset Name	Town/City	Country	Number of rooms
B&B Hotels	B&B Hotels	Essen	Essen	Germany	106
B&B Hotels	B&B Hotels	Frankfurt-Offenbach	Frankfurt	Germany	74
B&B Hotels	B&B Hotels	Frankfurt-Nord	Frankfurt	Germany	100
B&B Hotels	B&B Hotels	Freiburg	Freiburg	Germany	80
B&B Hotels	B&B Hotels	Hamburg East	Hamburg	Germany	155
B&B Hotels	B&B Hotels	Hannover	Hanover	Germany	74
B&B Hotels	B&B Hotels	Hannover	Hanover	Germany	73
B&B Hotels	B&B Hotels	Heidelberg	Heidelberg	Germany	123
B&B Hotels	B&B Hotels	Herne	Herne	Germany	78
B&B Hotels	B&B Hotels	Ingolstadt	Ingolstadt	Germany	73
B&B Hotels	B&B Hotels	Kassel	Kassel	Germany	74
B&B Hotels	B&B Hotels	Koblenz	Koblenz	Germany	100
B&B Hotels	B&B Hotels	Köln	Cologne	Germany	105
B&B Hotels	B&B Hotels	Köln	Frechen	Germany	106
B&B Hotels	B&B Hotels	Köln-Porz	Köln-Porz	Germany	104
B&B Hotels	B&B Hotels	Konstanz	Konstanz	Germany	100
B&B Hotels	B&B Hotels	Lübeck	Lübeck	Germany	96
B&B Hotels	B&B Hotels	Mainz	Mainz	Germany	92
B&B Hotels	B&B Hotels	Mannheim	Mannheim	Germany	100
B&B Hotels	B&B Hotels	Mönchengladbach	Mönchengladbach	Germany	100
B&B Hotels	B&B Hotels	Mülheim	Mülheim an der Ruhr	Germany	101
B&B Hotels	B&B Hotels	Munich	Aschheim	Germany	127
B&B Hotels	B&B Hotels	Munich Airport – Hallbergmoos	Hallbergmoos	Germany	101
B&B Hotels	B&B Hotels	Niederrad	Frankfurt	Germany	148
B&B Hotels	B&B Hotels	Nuremberg	Nuremberg	Germany	135
B&B Hotels	B&B Hotels	Oberhausen	Oberhausen	Germany	102
B&B Hotels	B&B Hotels	Osnabruck	Osnabruck	Germany	100
B&B Hotels	B&B Hotels	Potsdam	Potsdam	Germany	101
B&B Hotels	B&B Hotels	Regensburg	Regensburg	Germany	96
B&B Hotels	B&B Hotels	Schweinfurt	Schweinfurt	Germany	74
B&B Hotels	B&B Hotels	Würzburg	Würzburg	Germany	95
B&B Hotels	B&B Hotels	Valencia	Valencia	Spain	125
B&B Hotels	B&B Hotels	Madrid Airport	Madrid	Spain	124
B&B Hotels	B&B Hotels	Alicante	Alicante	Spain	120
B&B Hotels	B&B Hotels	Girona	Salt-Girona	Spain	93
B&B Hotels	B&B Hotels	Angers 1	Beaucouze	France	60
B&B Hotels	B&B Hotels	Angers 2	Beaucouze	France	70
B&B Hotels	B&B Hotels	Arras 1	Arras	France	81
B&B Hotels	B&B Hotels	Arras 2	Arras	France	63
B&B Hotels	B&B Hotels	Aulnay-sous-Bois	Aulnay-sous-Bois	France	113
B&B Hotels	B&B Hotels	Avranches	Avranches	France	60
B&B Hotels	B&B Hotels	Bagnolet	Bagnolet	France	108
B&B Hotels	B&B Hotels	Bayonne Tarnos	Tarnos	France	74
B&B Hotels	B&B Hotels	Beauvais	Allonne	France	72
B&B Hotels	B&B Hotels	Besançon	Besançon	France	59
B&B Hotels	B&B Hotels	Béziers	Villeneuve-lès-Béziers	France	60
B&B Hotels	B&B Hotels	Blois	Blois	France	63
B&B Hotels	B&B Hotels	Bordeaux Bruges	Bordeaux	France	72
B&B Hotels	B&B Hotels	Bordeaux Mérignac	Mérignac	France	72

Tenants	Brand	Asset Name	Town/City	Country	Number of rooms
B&B Hotels	B&B Hotels	Chartres Centre	Chartres	France	82
B&B Hotels	B&B Hotels	Brest Kergaradec	Brest Kergaradec	France	46
B&B Hotels	B&B Hotels	Brest Port	Brest	France	40
B&B Hotels	B&B Hotels	Brignoles	Brignoles	France	70
B&B Hotels	B&B Hotels	Brive La Gaillarde	Ussac	France	70
B&B Hotels	B&B Hotels	Caen Mémorial	Saint-Contest	France	70
B&B Hotels	B&B Hotels	Cannes Ouest La Bocca	Cannes	France	96
B&B Hotels	B&B Hotels	Cergy	Cergy-Pontoise	France	84
B&B Hotels	B&B Hotels	Chalon Sur Saône Sud	Saint-Rémi	France	71
B&B Hotels	B&B Hotels	Châlons-en-Champagne	Châlons-en-Champagne	France	84
B&B Hotels	B&B Hotels	Chambéry	Chambéry	France	54
B&B Hotels	B&B Hotels	Châtenay-Malabry	Châtenay-Malabry	France	127
B&B Hotels	B&B Hotels	Chevilly-Larue	Chevilly-Larue	France	83
B&B Hotels	B&B Hotels	Cholet	Cholet	France	56
B&B Hotels	B&B Hotels	Clermont Gerzat 1	Gerzat	France	71
B&B Hotels	B&B Hotels	Colmar	Wintzenheim	France	70
B&B Hotels	B&B Hotels	Corbeil	Corbeil-Essonnes	France	47
B&B Hotels	B&B Hotels	Creil Chantilly	Creil	France	83
B&B Hotels	B&B Hotels	Dieppe Saint-Aubin	Saint-Aubin-sur-Scie	France	72
B&B Hotels	B&B Hotels	Dreux	Dreux	France	45
B&B Hotels	B&B Hotels	Euralille	Lille	France	135
B&B Hotels	B&B Hotels	Évreux	Évreux	France	83
B&B Hotels	B&B Hotels	Évry Lisses 1	Lisses	France	99
B&B Hotels	B&B Hotels	Évry Lisses 2	Lisses	France	84
B&B Hotels	B&B Hotels	Herblay	Herblay	France	48
B&B Hotels	B&B Hotels	Hyères	Hyères	France	52
B&B Hotels	B&B Hotels	La Queue-en-Brie	La Queue-en-Brie	France	47
B&B Hotels	B&B Hotels	Le Mans Nord 1	Saint-Saturnin	France	69
B&B Hotels	B&B Hotels	Le Mans Nord 2	Saint-Saturnin	France	72
B&B Hotels	B&B Hotels	Le Mans Sud	Arnage	France	60
B&B Hotels	B&B Hotels	Lens	Lens	France	80
B&B Hotels	B&B Hotels	Lens Noyelles-Godault	Noyelles-Godault	France	72
B&B Hotels	B&B Hotels	Louveciennes	Louveciennes	France	81
B&B Hotels	B&B Hotels	Lyon Berthelot	Lyon	France	113
B&B Hotels	B&B Hotels	Lyon Gambetta	Lyon	France	116
B&B Hotels	B&B Hotels	Lyon Monplaisir	Lyon	France	95
B&B Hotels	B&B Hotels	Lyon Nord	Dardilly	France	107
B&B Hotels	B&B Hotels	Lyon Vénissieux	Vénissieux	France	137
B&B Hotels	B&B Hotels	Malakoff – Paris Parc des Expositions	Malakoff	France	233
B&B Hotels	B&B Hotels	Marne La Vallée	Bussy Saint Georges	France	130
B&B Hotels	B&B Hotels	Marseille Centre	Marseille	France	52
B&B Hotels	B&B Hotels	Marseille Prado 1	Marseille	France	82
B&B Hotels	B&B Hotels	Marseille Prado 2	Marseille	France	116
B&B Hotels	B&B Hotels	Maurepas	Maurepas	France	70
B&B Hotels	B&B Hotels	Metz Augny	Augny	France	60
B&B Hotels	B&B Hotels	Metz Jouy aux Arches	Jouy aux Arches	France	70
B&B Hotels	B&B Hotels	Metz Semecourt	Semecourt	France	70
B&B Hotels	B&B Hotels	Montélimar	Les Tourrettes	France	70
B&B Hotels	B&B Hotels	Montlhéry	Linas Montlhéry	France	50

Tenants	Brand	Asset Name	Town/City	Country	Number of rooms
B&B Hotels	B&B Hotels	Moulins	Toulon-sur-Allier	France	72
B&B Hotels	B&B Hotels	Mulhouse Dornach	Mulhouse	France	66
B&B Hotels	B&B Hotels	Nanterre	Nanterre	France	150
B&B Hotels	B&B Hotels	Nantes Centre	Nantes	France	60
B&B Hotels	B&B Hotels	Nantes La Beaujoire	Nantes	France	60
B&B Hotels	B&B Hotels	Nantes La Chapelle	La Chapelle-sur-Erdre	France	60
B&B Hotels	B&B Hotels	Nantes Saint Herblain	Saint Herblain	France	72
B&B Hotels	B&B Hotels	Nantes Saint Sébastien	St-Sébastien-sur-Loire	France	70
B&B Hotels	B&B Hotels	Orgeval	Orgeval	France	72
B&B Hotels	B&B Hotels	Paray-le-Monial	Paray-le-Monial	France	70
B&B Hotels	B&B Hotels	Paris Cergy	Cergy-Pontoise	France	191
B&B Hotels	B&B Hotels	Paris Est Bondy	Bondy	France	118
B&B Hotels	B&B Hotels	Paris Versailles Parly 2	Le Chesnay	France	72
B&B Hotels	B&B Hotels	Poitiers 1	Chasseneuil-du-Poitou	France	70
B&B Hotels	B&B Hotels	Poitiers 3	Chasseneuil-du-Poitou	France	76
B&B Hotels	B&B Hotels	Porte des Lilas	Paris	France	265
B&B Hotels	B&B Hotels	Rennes Cesson-Sévigné	Cesson-Sévigné	France	91
B&B Hotels	B&B Hotels	Rennes Saint-Grégoire	Saint-Grégoire Cedex	France	71
B&B Hotels	B&B Hotels	Roubaix	Roubaix	France	85
B&B Hotels	B&B Hotels	Rouen Parc des Expositions	Le Grand-Quevilly	France	60
B&B Hotels	B&B Hotels	Rouen Saint-Étienne-du-Rouvray	St-Étienne-Du-Rouvray	France	57
B&B Hotels	B&B Hotels	Saint-Michel-sur-Orge	Saint-Michel-sur-Orge	France	70
B&B Hotels	B&B Hotels	Saint-Quentin	Saint-Quentin	France	54
B&B Hotels	B&B Hotels	Saint-Quentin	Montigny-le-Bretonneux	France	74
B&B Hotels	B&B Hotels	Saint-Witz	Saint-Witz	France	42
B&B Hotels	B&B Hotels	Salon Provence	Salon-de-Provence	France	83
B&B Hotels	B&B Hotels	Sophia Antipolis Le Biot	Biot	France	67
B&B Hotels	B&B Hotels	Sophia Antipolis Le Relais	Biot	France	47
B&B Hotels	B&B Hotels	Toulouse Cité de l'Espace N 2	Toulouse	France	69
B&B Hotels	B&B Hotels	Tours Nord 1	Tours	France	61
B&B Hotels	B&B Hotels	Tours Nord 2	Tours	France	70
B&B Hotels	B&B Hotels	Tours Sud	Joué-lès-Tours	France	72
B&B Hotels	B&B Hotels	Troyes Barberey	Barberey-Saint-Sulpice	France	64
B&B Hotels	B&B Hotels	Troyes Saint-Parres	St-Parres-aux-Tertres	France	69
B&B Hotels	B&B Hotels	Valenciennes Marly	Marly	France	83
B&B Hotels	B&B Hotels	Vannes Est	Vannes	France	71
B&B Hotels	B&B Hotels	Lyon Caluire	Caluire-et-Cuire	France	120
B&B Hotels	B&B Hotels	Porte De Choisy	Ivry-sur-Seine	France	182
B&B Hotels	B&B Hotels	Roissy Paris Nord 2	Roissy	France	134
B&B Hotels	B&B Hotels	Romainville	Noisy-le-Sec	France	107
B&B Hotels	B&B Hotels	Rouen Centre Rive Droite	Rouen	France	88
B&B Hotels	B&B Hotels	Rouen Centre Rive Gauche	Rouen	France	80
B&B Hotels	B&B Hotels	Torcy	Torcy	France	130
B&B Hotels	B&B Hotels	B&B Krakow	Krakow	Poland	130
B&B Hotels	B&B Hotels	B&B Lodz	Lodz	Poland	149
B&B Hotels	B&B Hotels	B&B Warsaw	Warsaw	Poland	154
Barceló	Barceló Hotels & Resorts	Barceló Corralejo Bay	Fuerteventura	Spain	241

Tenants	Brand	Asset Name	Town/City	Country	Number of rooms
Barceló	Barceló Hotels & Resorts	Barceló Castellana Norte	Madrid	Spain	144
Barceló	Barceló Hotels & Resorts	Barceló Torre De Madrid	Madrid	Spain	256
Club Med	Club Med	Da Balaia	Albufeira	Portugal	372
Grupo Hotusa	Eurostars Hotels	Eurostars Grand Marina	Barcelona	Spain	291
Grupo Hotusa	Exe Hotels	Exe Plaza Castilla	Madrid	Spain	262
IHG	InterContinental	InterContinental Edinburgh George Street	Edinburgh	United Kingdom	240
IHG	Kimpton	Kimpton London	London	United Kingdom	334
IHG	Kimpton	Kimpton Manchester	Manchester	United Kingdom	270
IHG	Kimpton	Kimpton Edinburgh Charlotte Square	Edinburgh	United Kingdom	199
IHG	Kimpton	Kimpton Glasgow Blythswood Square	Glasgow	United Kingdom	113
IHG	Voco	Voco Oxford Spires	Oxford	United Kingdom	181
IHG	Voco	Voco Oxford Thames	Oxford	United Kingdom	104
IHG	Voco	Voco Cardiff	Cardiff	United Kingdom	142
IHG	Voco	Voco Glasgow Grand Central	Glasgow	United Kingdom	243
HCI	Holiday Inn	Holiday Inn Ciudad De Las Ciencas	Valence	Spain	100
Radisson	Radisson	Paseo Del Arte	Madrid	Spain	260
Senator Hotels	Playa Senator	Playa Capricho	Roquetas De Mar	Spain	323
HCI	Ramada	Almussafes	Almussafes	Spain	133
Meininger	Meininger	Munich	Munich	Germany	173
Meininger	Meininger	Lyon Zimmermann	Lyon	France	169
Meininger	Meininger	Porte De Vincennes	Paris	France	249
Meliá	Tryp	Tryp Oceanic Valencia	Valence	Spain	197
Meliá	Tryp	Tryp Alameda Malaga	Malaga	Spain	132
Meliá	Tryp	Tryp Aeropuerto Barcelona	Barcelona	Spain	205
Motel One	Motel One	Motel One Frankfurt Niederrad	Frankfurt	Germany	271
Motel One	Motel One	Motel One Berlin Mitte	Berlin	Germany	186
Motel One	Motel One	Motel One Porte Dorée	Paris	France	255
NH Hotel Group	NH Hotels	NH Frankfurt	Frankfurt	Germany	165
NH Hotel Group	NH Hotels	NH Düsseldorf	Düsseldorf	Germany	111
NH Hotel Group	NH Hotels	NH Stuttgart	Stuttgart	Germany	208
NH Hotel Group	NH Hotels	NH Nuremberg	Nuremberg	Germany	244
NH Hotel Group	NH Hotels	NH Oberhausen	Oberhausen	Germany	171
NH Hotel Group	NH Hotels	NH Berlin City Ost	Berlin	Germany	99
NH Hotel Group	NH Hotels	NH Hamburg Mitte	Hamburg	Germany	134
NH Hotel Group	NH Hotels	NH Collection Colon	Madrid	Spain	146
NH Hotel Group	NH Hotels	NH Amersfoort	Amersfoort	Netherlands	114
NH Hotel Group	NH Hotels	NH Amsterdam	Amsterdam	Netherlands	232
NH Hotel Group	NH Hotels	NH Amsterdam Noord	Amsterdam	Netherlands	290
NH Hotel Group	Antanara	Palazzo Naiadi	Rome	Italy	232
NH Hotel Group	NH Collection	Palazzo Dei Dogi	Venice	Italy	64
NH Hotel Group	NH Hotels	Santa Lucia	Venice	Italy	100
NH Hotel Group	NH Collection	Palazzo Gaddi	Florence	Italy	86
NH Hotel Group	Antanara	NY Palace Budapest	Budapest	Hungary	185
NH Hotel Group	NH Collection	Budapest City Center	Budapest	Hungary	138
NH Hotel Group	NH Collection	Carlo IV	Prague	Czech Republic	152
NH Hotel Group	Antanara	Plaza Nice	Nice	France	151

Tenants	Brand	Asset Name	Town/City	Country	Number of rooms
Pierre & Vacances	Sunparks	Kempense Meren	Kempense Meren	Belgium	594
Pierre & Vacances	Sunparks	Oostduinkerke	Oostduinkerke	Belgium	283
Sub-total Hotel operating properties					**288**

Manager	Brand	Asset Name	Town/City	Country	Number of rooms
Event Hotels	Ibis	Ibis Dresden	Dresden	Germany	612
Event Hotels	Mercure	Mercure Potsdam City	Potsdam	Germany	210
Event Hotels	Pullman	Pullman Dresden Newa	Dresden	Germany	319
Accor	Pullman	Pullman Roissy	Roissy	France	305
TIFCO	Hilton	Hilton Dublin	Dublin	Ireland	130
IHG	Crowne Plaza	Crowne Plaza Brussels Airport	Brussels	Belgium	315
So Hospitality*	Crowne Plaza	Crowne Plaza	Lille	France	121
So Hospitality*	Holiday Inn	Holiday Inn Picardy	Le Touquet	France	88
So Hospitality*	Independent	Grand Hôtel Bellevue	Lille	France	64
So Hospitality*	Independent	Art Déco	Lille	France	56
So Hospitality*	Independent	Couvent des Minimes	Lille	France	83
So Hospitality*	Autograph C.	Bourgtheroulde	Rouen	France	78
So Hospitality*	Autograph C.	Hermitage Gantois	Lille	France	88
Marriott	Meridian	Méridien Nice	Nice	France	318
Radisson Hotel Group	Park Inn	Park Inn Leuven	Leuven	Belgium	133
Event Hotels	Westin	The Westin Grand Berlin	Berlin	Germany	400
Event Hotels	Westin	The Westin Leipzig	Leipzig	Germany	436
Event Hotels	Park Inn	Park Inn Alexander Platz	Berlin	Germany	1,028
Event Hotels	Radisson Blu	Radisson Blu Leipzig	Leipzig	Germany	214
Event Hotels	Radisson Blu	Radisson Blu Erfurt	Erfurt	Germany	284
RBH	Independent	York	York	United Kingdom	155
RBH	Independent	Wotton House	Wotton	United Kingdom	127
RBH	Independent	Hotel Indigo Leeds	Leeds	United Kingdom	120
So Hospitality*	Novotel	Novotel Brugge Centrum	Bruges	Belgium	126
So Hospitality*	Ibis	Ibis Brugge Centrum	Bruges	Belgium	128
Sub-total operating properties assets					**25**
TOTAL HOTEL REAL ESTATE ASSETS					**313**
TOTAL ROOMS					**43,621**

* Internal management platform wholly owned by Covivio Hotels.

1.2.2.3 Partnership with AccorInvest, a subsidiary of the Accor group

In 2005, the year of the first investment transaction, Covivio Hotels and the AccorInvest group signed a partnership agreement to optimise the performance of leases and occupancy agreements.

Regular Committee meetings are held so that the parties can:

- decide which portfolio development initiatives to implement in the short and medium-term
- analyse information on hotel management and the business
- monitor the implementation of works programmes planned during transactions
- decide on joint disposals of assets in the portfolio
- discuss future development operations.

Plans to extend, develop or create new hotels are also regularly examined at partnership meetings.

Accor group: key figures

(Source: Accor & AccorInvest website)

Accor is a world leader in the hotel industry in Europe. Present in 110 countries, the group has 5,584 hotels and more than 40 hotel brands.

Accor has a broad and unique portfolio of award-winning, complementary brands. These cover the entire spectrum from luxury to budget and are internationally recognised for their quality of service: Raffles, Fairmont, Sofitel, Pullman, Swissôtel, MGallery, Novotel, Suite Novotel, Mercure, Mama Shelter, Ibis, Ibis Styles, Ibis Budget and HotelF1. With 260,000 employees working for Accor brands worldwide, the group's customers and partners have been benefiting from its knowledge and expertise for almost 45 years.

Supported by resolutely solid demand, Accor set new records in 2023 in terms of operational and financial performance. All regions and segments experienced strong growth post-2022, a year marked by the recovery in post-Covid-19 activity. For the 2023 fiscal year, the group recorded revenue of €5,056 million, up 18% compared to the 2022 fiscal year.

In 2023, Accor opened 291 hotels, a total of 41,000 rooms, representing net organic growth for the network of 2.4% over the last 12 months. At the end of December 2023, the group had 821,518 rooms (5,584 hotels) and a pipeline of 225,000 rooms (1,315 hotels).

1.2.2.4 Partnership with B&B

As of 31 December 2023, Covivio Hotels owns, directly or indirectly, 159 B&B hotels in France, Germany, Spain and Poland.

The Covivio Hotels and B&B partnership was formed in 2010.

As part of this partnership, development and acquisition projects are regularly reviewed, in particular the transaction signed in 2022 in Poland for an asset in Lublin.

B&B Group: key figures

(Source: B&B website)

The B&B Hôtels chain was established in France in 1990. Its pioneering concept proved an immediate success and is the reason for the company's continued growth. B&B opened its first hotel in Germany in 1998, in Italy in 2009 and crossed the milestone of 250 hotels in France in 2016. The group has continued to grow and now has more than 761 hotels (with 75 opening in 2023) in Europe and around the world. In 2019, the chain was bought by Goldman Sachs from PAI Partners for €1.9 billion.

1.2.2.5 Partnership with IHG

At 31 December 2023, Covivio Hotels owned 16 hotels under the IHG brand in the United Kingdom, France and Belgium.

The partnership between Covivio Hotels and IHG began in 2018 with the acquisition of a portfolio of upscale hotels located in major cities in the UK. The assets, which have benefited from recent work programmes, offer significant growth potential. This scope was the subject of a new rental agreement with IHG in 2022 covering nine hotels. Through this partnership, IHG is able to develop its upscale and innovative brands in Europe: Voco and Kimpton.

IHG group: key figures

(Source: IHG website)

The IHG group is one of the leaders in the global hotel industry, operating in more than 100 countries with more than 6,000 hotels at the end of 2023, including the opening of 275 properties this year, an increase of 47,900 rooms (+16% compared to 2022). With revenue of $2.2 billion and operating income of $1.0 billion, IHG outperformed forecasts for 2023.

1.2.3 Operating retail portfolio

1.2.3.1 Market overview

Commercial food service market

(Source: Stratégique Food Service Vision website)

After a promising summer and autumn, the commercial catering sector is showing signs of weakness, mainly due to the increase in expenses and a decline in consumer footfall. French catering groups are facing increasing challenges at the end of the year, as revealed in the latest Food Service Vision report for 2023. All segments of the catering business are affected by customers' concerns about their purchasing power and economic and social developments. Despite an overall increase in activity of +9% compared to 2022, this growth is largely attributable to inflation. In terms of footfall, the market is down slightly.

1.2.3.2 Portfolio overview

At 31 December 2023, Covivio Hotels' portfolio of retail premises comprised 39 assets with an estimated value of €51 million. The portfolio is divided between 11 restaurants, and 28 assets formerly operated under the Courtepaille brand, vacant at 31 December 2023.

List of restaurants held at 31/12/2023

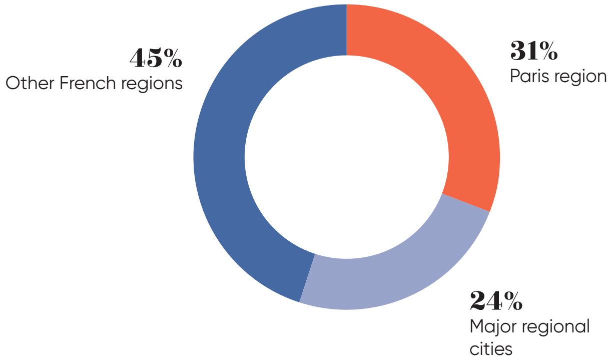
Brand	Town/City	Department
Courtepaille	Vallauris	Alpes-Maritimes (06)
Courtepaille	Caen Mondeville	Calvados (14)
Courtepaille	Puiboreau	Charente-Maritime (17)
Courtepaille	Brie Comte Robert	Seine-et-Marne (77)
Courtepaille	Rosny-sous-Bois	Seine-Saint-Denis (93)
Jacques	Balma	Haute-Garonne (31)
Jacques	Fenouillet	Haute-Garonne (31)
Anamour	Les Ulis	Essonne (91)
Le Véritable Stade	La Plaine-Saint-Denis	Seine-Saint-Denis (93)
L'Ocean	Créteil	Val-de-Marne (94)
Le Terminal 5	Rungis	Val-de-Marne (94)
TOTAL RESTAURANT ASSETS		**11**

Courtepaille: key figures

List of vacant assets (formerly Courtepaille)

Brand	Town/City	Department
Vacant	Aix-en-Provence	Bouches-du-Rhône (13)
Vacant	Vitrolles	Bouches-du-Rhône (13)
Vacant	Trégueux	Côtes-d'Armor (22)
Vacant	Valence	Drôme (26)
Vacant	Évreux	Eure (27)
Vacant	Chartres	Eure-et-Loir (28)
Vacant	Nîmes	Gard (30)
Vacant	Mérignac	Gironde (33)
Vacant	Voreppe	Isère (38)
Vacant	Bouguenais	Loire-Atlantique (44)
Vacant	Mormant-sur-Vernisson	Loiret (45)
Vacant	Artenay	Loiret (45)
Vacant	La Chapelle-Saint-Mesmin	Loiret (45)
Vacant	Reims	Marne (51)
Vacant	Heillecourt	Meurthe-et-Moselle (54)
Vacant	La Charité-sur-Loire	Nièvre (58)
Vacant	Englos	Nord (59)
Vacant	Pierre-Bénite	Rhône (69)
Vacant	Châlon-sur-Saône Nord	Saône-et-Loire (71)
Vacant	Crèches-sur-Saône	Saône-et-Loire (71)
Vacant	Saint-Saturnin	Sarthe (72)
Vacant	Lognes	Seine-et-Marne (77)
Vacant	Mareuil-lès-Meaux	Seine-et-Marne (77)
Vacant	Moissy-Cramayel	Seine-et-Marne (77)
Vacant	Nemours	Seine-et-Marne (77)
Vacant	Guyancourt	Yvelines (78)
Vacant	Appoigny	Yonne (89)
Vacant	Linas	Essonne (91)
TOTAL VACANT ASSETS		**28**

Geographic area of retail premises by value as at 31/12/2023 (total: €51 million)



(Source: Courtepaille website)

1.2.3.3 Partnerships with retail premises

The operating retail portfolio held by Covivio Hotels includes 11 Courtepaille restaurants and 28 vacant assets (formerly Courtepaille). At 31 December 2023, the portfolio was valued at €51 million, down compared to the previous year (-3% on a like-for-like basis).

The Courtepaille group, founded in 1961 and which had been taken over by the Napaqaro group in 2020, was placed in court-ordered liquidation in June 2023. Some sites have been taken over by La Boucherie, but most are now vacant.

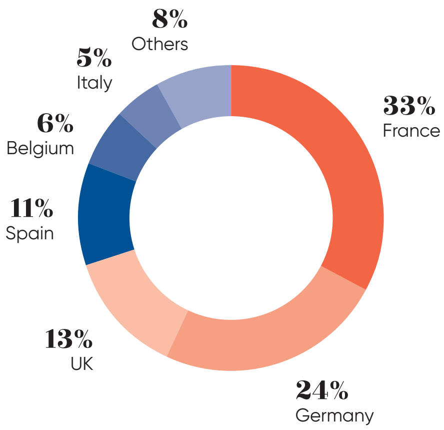
1.3 Portfolio

As at 31 December 2023, Covivio Hotels owned a portfolio of 352 assets, including 313 hotels, valued at €5,822 million excluding duties, Group Share (€6,427 million in total), down 3.9% on 2023 on a like-for-like basis.

1.3.1 Geographic area

The geographic breakdown of the Covivio Hotels portfolio by region is as follows:

Geographic area of the hotels portfolio as a % of value at 31/12/2023



The breakdown of the hotel portfolio underlines the company's strategy of geographical diversification, with no country exceeding 33% of the portfolio. 89% of the portfolio is located in the heart of major European cities.

1.3.2 Breakdown of revenues

Group Share of revenues rose 13.1% (+12.7% on a like-for-like basis) to €323.6 million, compared with €286.2 million at 31 December 2022. This performance is due to the combined effect of:

- acquisitions and deliveries of development portfolio (+€5.0 million)
- disposals made in 2022 and 2023 (-€5.6 million)
- the increase in variable rents and EBITDA on a like-for-like basis (+€27.9 million)
- the increase in indexation (+€5.2 million) in line with inflation.

Covivio Hotels has excellent visibility over its future cash flows, given the signing of firm long-term leases with tenants who have a solid credit rating and are leaders in their industries.

The average remaining term of firm leases in the Covivio Hotels portfolio was 12.1 years as at 31 December 2023.

Reconciliation of revenues, Group Share at 31/12/2023 and revenues in the consolidated financial statements (see Section 3.2.6.1)

(In € million)	2023 revenues consolidated financial statements	Non-controlling interest	2023 revenues Group Share
Hotel real estate (rental income)	257.6	-12.9	244.7
Hotels under management (EBITDA)	74.6	-2.1	72.5
Retail premises (rental income)	6.4	-	6.4
TOTAL	**338.6**	**-15.0**	**323.6**

Annualised revenue

Group Share of annualised revenues amounted to €331.6 million at the end of December 2023, the details of which are as follows:

Breakdown by business segment

(In € million)	Number of rooms	Number of assets	2022 annualised revenues	2023 annualised revenues	in % of total rents
Hotel real estate (rental income)	37,683	288	228.8	254.5	76.7%
Retail premises (rental income)	-	39	3.8	1.2	0.4%
TOTAL	**37,683**	**327**	**232.6**	**255.7**	**77.1%**
Hotels under management (EBITDA)	5,938	25	69.6	75.9	22.9%
TOTAL	**43,621**	**352**	**302.3**	**331.6**	**100%**

Breakdown by geographic location

(In € million)	Number of rooms	Number of assets	2022 annualised revenues	2023 annualised revenues	As % of total rental income
Paris	5,301	19	30.8	36.5	11.1%
Inner rim	*1,775*	*8*	*5.2*	*6.0*	*1.8%*
Outer rim	*3,427*	*33*	*10.3*	*11.1*	*3.3%*
TOTAL PARIS REGION	**10,503**	**60**	**46.4**	**53.6**	**16.2%**
Major regional cities	6,400	57	22.2	26.0	7.8%
Other French Regions	4,400	62	8.9	9.3	2.8%
Rest of world	16,380	109	151.4	165.6	49.9%
TOTAL HOTEL LEASE PROPERTIES	**37,683**	**288**	**228.8**	**254.5**	**76.7%**
Retail premises (rental income)	-	39	3.8	1.2	0.4%
Hotels under management (EBITDA)	5,938	25	69.6	75.9	22.9%
TOTAL	**43,621**	**352**	**302.3**	**331.6**	**100%**

Breakdown by tenant/operator

(In € million)	Number of rooms	Number of assets	2022 annualised revenues	2023 annualised revenues	in % of total rents
Accor	14,902	85	65.4	79.1	23.8%
IHG	2,852	16	38.5	42.2	12.7%
B&B Hotels	14,169	159	39.3	42.0	12.7%
RHG	1,919	5	26.1	4.2	1.3%
Marriott	1,320	5	22.7	23.9	7.2%
NH Hotel Group	3,022	19	46.2	50.3	15.2%
Grupo Hotusa	553	2	8.2	8.1	2.4%
Barceló	641	3	6.5	7.9	2.4%
Club Med	372	1	4.7	5.0	1.5%
AC Hotels	368	1	5.7	6.1	1.9%
Meliá	534	3	3.8	5.9	1.8%
Motel One	712	3	4.3	4.7	1.4%
Meininger	591	3	6.5	6.9	2.1%
Sunparks	877	2	7.4	7.9	2.4%
Others	789	6	13.2	36.0	10.9%
TOTAL HOTELS	**43,621**	**313**	**298.5**	**330.4**	**99.6%**
Retail	–	39	3.8	1.2	0.4%
Total	43,621	352	302.3	331.6	100%

1.3.3 Lease schedule

The residual lease term was 12.1 years at 31 December 2023, including 12.2 years for hotels, compared with 12.7 years at 31 December 2022.

(In € million)	By lease end date	As % of the total
2024	11.3	4.4%
2025	6.3	2.4%
2026	6.0	2.4%
2027	2.2	0.9%
2028	0.0	0.0%
2029	32.7	12.8%
2030	20.6	8.0%
2031	6.2	2.4%
2032	8.8	3.4%
Beyond	161.6	63.2%
TOTAL RENTAL INCOME	**255.7**	**100%**

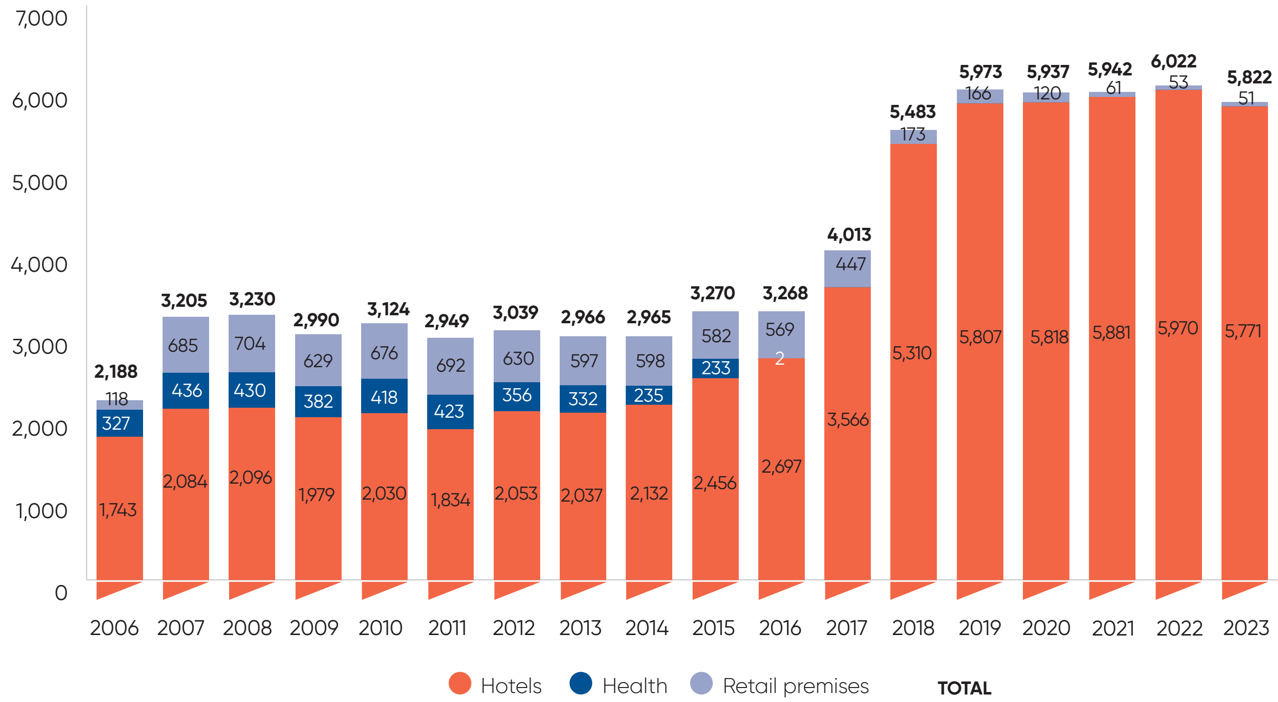
1.3.4 Hotel occupancy rate

The occupancy rate measures the ratio between the average rental value of the occupied space and the average rental value of the hotel portfolio, expressed as a percentage.

The structural rate has been 100% since the company's creation.

1.4 Valuation of assets and NAV

Change in Group Share of the portfolio by value excluding duties (in €M)



Reconciliation of Group Share of portfolio value as at 31/12/2023 and the value of real estate assets in the consolidated financial statements (see Section 4.2.5.1.2)

Portfolio as of 31/12/2023 (in € million)	€5,822 M
Right-of-use on investment properties	+€243 M
Right-of-use on operating assets	+€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' fully consolidated non-controlling interest	+€274 M
100% REAL ESTATE ASSETS - IFRS ACCOUNTS	**€6,044 M**

1.4.1 Appraisal valuations

As at 31 December 2023, the appraisal value of assets excluding duties was €5,822 million in Group Share (€6,427 million in total), compared with €6,022 million as at 31 December 2022.

Change in asset value and capitalisation rate

	HD value 2022	HD value 2023	Change 12 months at like-for-like scope	2022 yield rate*	2023 yield rate**	As % of total value
Hotels (leased properties and hotels under management)	5,970	5,771	-3.9%	5.0%	5.9%	99%
retail premises	53	51	-3.0%	7.2%	n.a.	1%
TOTAL	**6,022**	**5,822**	**-3.9%**	**5.0%**	**5.8%**	**100%**

* Yields calculated on the basis of 2022 revenues.
** Yields calculated on the basis of 2023 revenues.

The value excluding duties is calculated by deducting a percentage from the value inclusive of duties ranging from 1.8% to 7.5% for France (depending on the department), 2.5% to 3.0% for Belgium, 10.4% for the Netherlands, 3.5% to 8.5% for Germany, 1.5% to 5.1% for Spain, 6.8% for the UK (6.3% for Scottish assets) and 7.3% for Portugal.

1.4.1.1 Asset valuation method

The overall portfolio is appraised by independent experts on a half-yearly basis (30 June and 31 December), and according to the calculation methods determined by an internal set of specifications based on the guidelines of the oversight bodies:

- recommendation of the French Financial Markets Authority (Autorité des Marchés Financiers - AMF)
- instructions from the COB report of 3 February 2000 on real estate appraisals ("report from the Working Group on expert appraisals of the real estate portfolios of companies issuing public calls for savings" chaired by Georges Barthès de Ruyter).

Covivio Hotels also abides by the Listed Real Estate Investment Company (SIIC) Code of Ethics applicable to FSIF (French Federation of Real Estate and Property Management Companies) member companies, particularly in terms of real estate appraisals.

Moreover, most of the French real estate appraisers selected – *i.e.* BNP Real Estate Valuation, Cushman & Wakefield Valuation, CBRE Hotels Valuation, CBRE Limited and BPCE Expertises Immobilières – are members of AFREXIM (*Association Française des Experts Immobiliers* – French Association of Real Estate Appraisers), and are considered as such under the real estate appraisal charter endorsed by AFREXIM. As a result of this, the experts adhere to the various French standards. Their valuation methods comply with the RISC and IVSC international Codes of conduct, in the same way as foreign appraisers.

Whenever a new asset is acquired or a new appraiser appointed, the asset undergoes a complete appraisal. Interim appraisals are carried out for discounting purposes. Site visits may also be made.

A complete appraisal consists of:

- preparation of a file including the legal, technical and financial documents required to objectively analyse the factors that enhance or reduce the value of the assets under consideration
- an internal visit of the premises and their environment
- research and analysis of comparison factors
- drafting of a report in which the final appraisal must be consistent with the aforementioned observations, and a relevant analysis of the category market in question.

Leasing revenues discount method

This approach consists of capitalising the income originating from or likely to originate from the property at an appropriate rate: this rate is based on proven returns, the characteristics of the asset and its estimated potential. It is based on an analysis of sales of other leased real estate properties and must be applied within a general context of expected returns from the various investments in a given economic environment.

The main criteria for choosing yield rates are as follows:

- geographic location
- age and condition of the property complex
- possibility of converting the property complex
- size and profitability of the establishment.

Discounted Cash Flow (DCF) method

This method takes into consideration future revenues, including billed rental income, anticipated rental income, and work under contract for the lessor and residual gains from any sale at the end of the holding period. This method consists of discounting to present value the flows generated by the asset over a minimum of ten years and adding in the present exit value of the assets in the tenth year.

Unit value comparison method

This method consists in referring to the sale prices found on the market for equivalent assets. The comparison factors used derive specifically from internal databases in which each reference is analysed, classified by situation and by category, and expressed in gross surface units or weighted surface units.

It is more a method of cross-checking the two methods described above, than a principal method.

Specific cases of assets in which Covivio does not own the land

Cases of temporary occupancy authorisation, long-term leases conferring *ad rem* rights, and construction leases:

These contracts transfer the right of ownership of the property to the lessor or concession holder at the end of the lease, without compensation for the tenant or beneficiary.

Uncertainty is always a factor in this type of contract, and although a preferential right or right of first refusal is often granted by the outgoing lessor or concession holder where the lease is due to be renewed upon expiration, there is no full and complete title to the property and the tenant – in this case Covivio Hotels – may have to purchase the asset at market price, sign a simple commercial lease with the new owner, or simply be forced to vacate the property without compensation of any kind.

The inclusion of a resale value to term (residual value) is therefore not possible for this type of contract, unless the residual value of the construction lease or long-term lease conferring *ad rem* rights is sufficient to offset the acquisition or construction cost over a typical holding period, while allowing a potential buyer a normal operating period. The appraisers considered that below a residual maturity of 30 years, the method of valuing the asset for this type of contract should be limited to the discounting of rent flows until the term.

Revenues projections for hotels are made on the basis of site visits, investment plans (construction and refurbishment) and market data. The distribution of revenues between accommodation and other sources of revenues (restaurants, bars, etc.) is in proportion to the average distribution in previous years.

Land-construction breakdown: on the basis of the value and the floor area of the establishment, the breakdown between land and buildings was estimated using the Afrexim ratio method.

Components method: the estimated distribution between the various building elements and their average age was carried out according to the ratios recommended by the FSIF and on the basis of technical information supplied by inspection questionnaires.

Specificity regarding hotel valuations in Belgium

The appraisals were carried out in accordance with national and international standards (International Valuation Standards) and their implementing procedures, particularly regarding estimates for property investment funds.

The investment value is defined as the most probable value that might be reasonably obtained under normal sale conditions between consenting and informed parties, less transaction fees. It is based on the discounted value of future net rental income for each property.

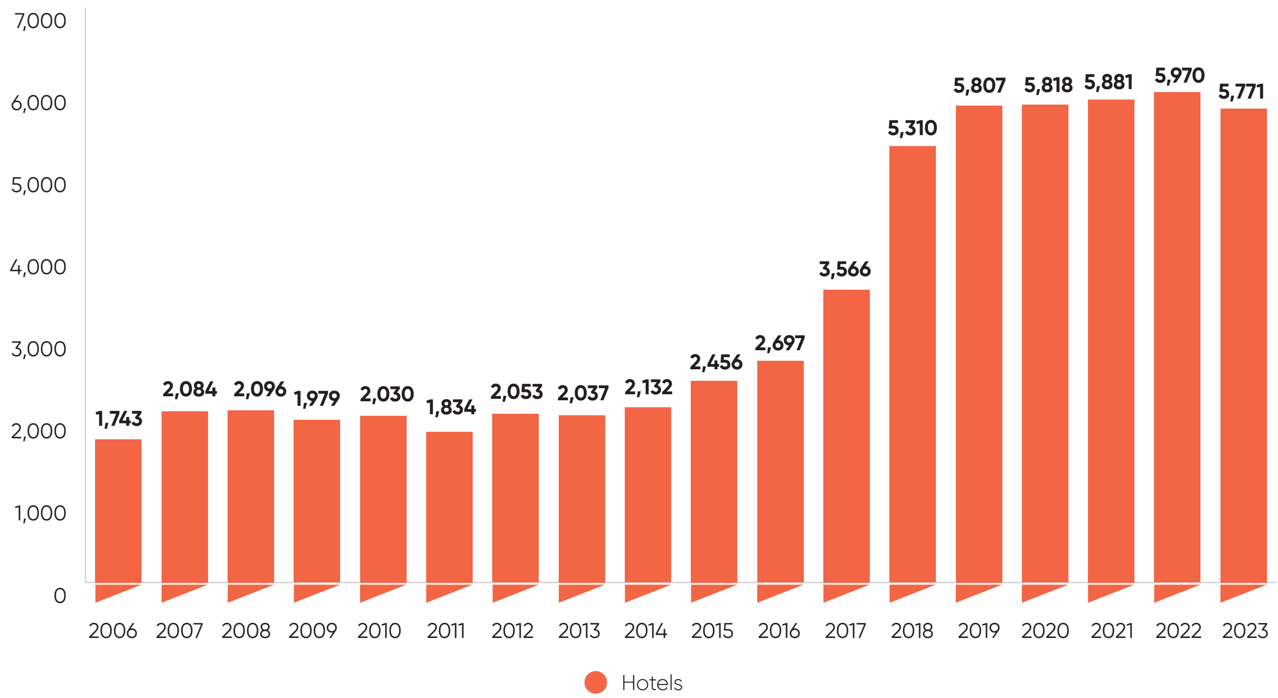
In theory, the sale of a property is subject to the French Government receiving transaction fees. The amount of duty depends on the type of sale, the buyer and the location. The first two conditions are only known, and therefore the amount of duties to be paid, once the sale has been completed. An analysis of past sales in the Belgian market reveals average transaction fees of 2.5%.

The probable realisable value of properties valued at more than €2.5 million, less transaction fees, corresponding to fair value as defined by IAS/IFRS, may thus be obtained by deducting from the investment value transaction fees equivalent to 2.5%.

1.4.1.2 Valuation of hotel real estate

The appraisals of hotel sector assets were carried out by BNP Paribas Real Estate Valuation, Cushman & Wakefield, CBRE Hotel Valuation France, CBRE Limited, BPCE Expertises Immobilières and MKG.

The change in value of the Covivio Hotels portfolio in the hotel real estate segment is shown below (in €M):

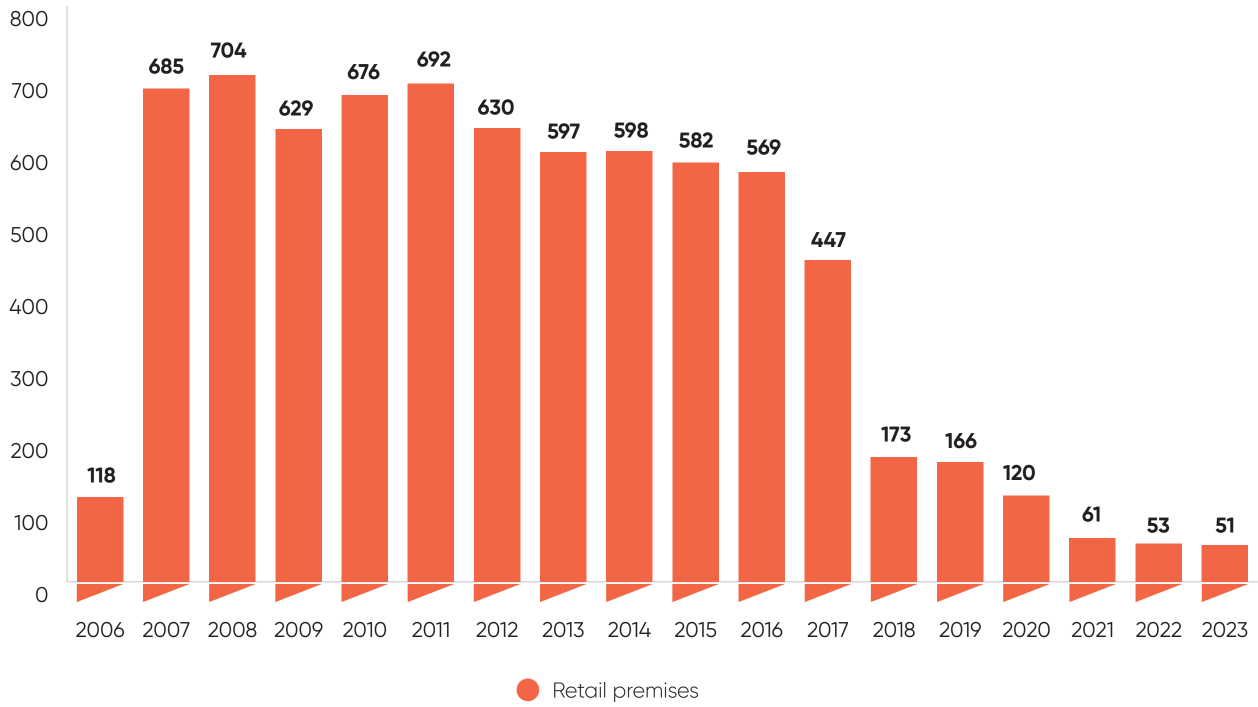


The fall in appraisal values was -3.9% on a like-for-like basis. After a fall of -0.8% in the first half of 2023, the values for December 2023 show a decrease of -3.2% for the second half of 2023.

1.4.1.3 Valuation of retail premises

The appraisals were carried out by BPCE Expertises Immobilières.

The portfolio value has changed as follows (in €M):



In the retail premises segment, the 3% reduction in like-for-like values was due to a rise in rates.

1.4.1.4 Summary of expert appraisals

Business sector	Country	Appraisers	Appraisal values in Group Share (in €k)	% of total portfolio value
Hotels	France	BNP Paribas Real Estate	281,230	5%
	France	CBRE Hotel Valuation	435,964	7%
	France	BPCE Expertises Immobilières	271,479	5%
	France	Cushman & Wakefield	836,234	14%
	Germany	BNP Paribas Real Estate	970,479	17%
	Germany	MKG	204,727	4%
	Belgium	BPCE Expertises Immobilières	316,695	5%
	Netherlands	CBRE Hotel Valuation	145,400	2%
	Germany Netherlands	Cushman & Wakefield	239,303	4%
	Spain	BNP Paribas Real Estate	525,580	9%
	Ireland Spain Portugal	CBRE Hotel Valuation	140,800	2%
	United Kingdom	CBRE Limited	662,014	11%
	United Kingdom	BNP Paribas Real Estate	83,676	1%
	Poland	BNP Paribas Real Estate	31,750	1%
	Italy	MKG	266,344	5%
	France Hungary Czech Republic	MKG	253,824	4%
Retail premises	France	BPCE Expertises Immobilières	1,210	1%
Assets not subjected to an appraisal			155,450	3%
TOTAL			**5,822,160**	**100%**

The summary appraisal report is available in the "Information and management" section in Chapter 6.6 of this Universal Registration Document.

1.4.1.5 Appraisers' details

Appraisers	Address
BNP Paribas Real Estate Valuation	167, quai de la Bataille de Stalingrad – 92130 Issy-les-Moulineaux
CBRE Hotels Valuation France	76, rue de Prony – 75017 Paris
CBRE Limited	Henrietta House, Henrietta Pl, London W1G 0NB, United Kingdom
BPCE Expertises Immobilières	50, avenue Pierre Mendès France – 75013 Paris
Cushman & Wakefield Valuation France	185 avenue Charles de Gaulle – 92200 Neuilly-sur-Seine
MKG	5, rue Dantzig – 75015 Paris

The appraisers' fees are calculated on a fixed basis and totalled €775 thousand in 2023. For each company, the fees charged represent less than 10% of their revenues.

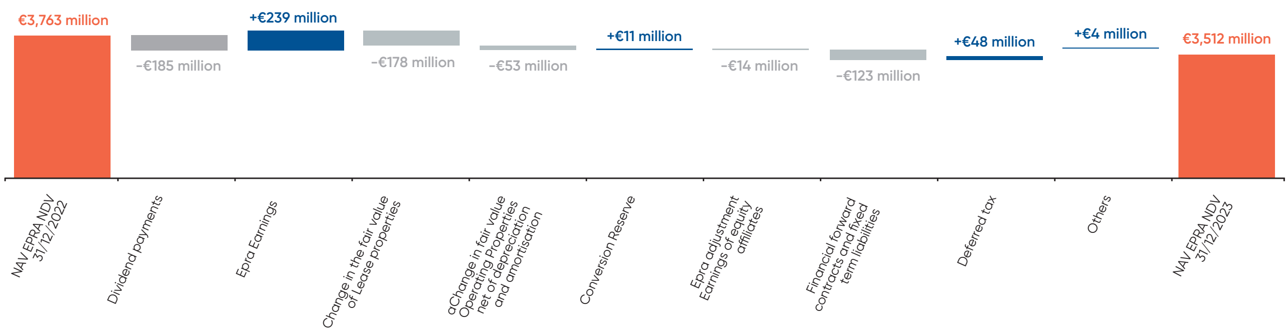
1.4.2 Net asset value (NAV) - EPRA format

At 31 December 2023, EPRA NTA NAV stood at €3,550,4 million (or €24.0 per share), a fall of 4.6% compared with the 2022 fiscal year. EPRA NDV NAV was €3,511.9 million (*i.e.* €23.7 per share), down 6.7% compared to the 2022 fiscal year.

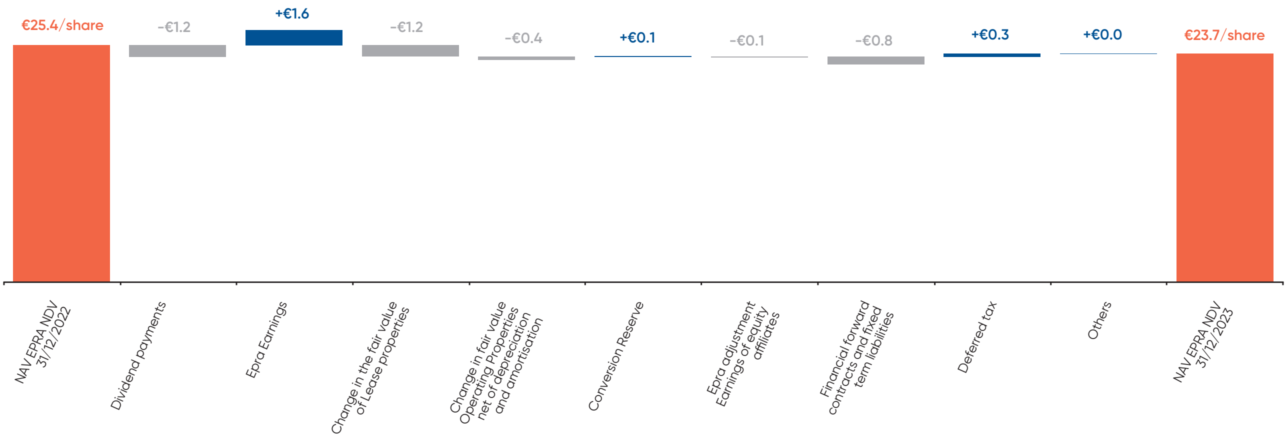
The calculation of NAV and its year-on-year change is as follows:

(in € million)	31/12/2023	31/12/2022	Variation
Group consolidated shareholders' equity	**3,387.1**	**3,577.8**	**-190.7**
Revaluation of operating assets (hotels) net of deferred taxes	143.3	152.2	-8.9
Duties	259.4	271.8	-12.4
Fair value of financial instruments	-109.5	-178.3	68.9
Deferred tax liabilities	234.7	281.2	-46.5
EPRA NRV	**3,915.1**	**4,104.8**	**-189.7**
Non optimised transfer rights	-214.2	-226.0	11.7
Goodwill and intangibles assets	-115.3	-118.2	2.8
Deferred tax on non-core assets	-35.2	-39.0	3.8
EPRA NTA	**3,550.4**	**3,721.7**	**-171.3**
Optimised transfer rights	-45.2	-45.9	0.6
Intangible balance sheet assets (excl. Goodwill)	0.2	0.3	-0.1
Fair value of fixed-rate debt	96.6	150.8	-54.2
Fair value of financial instruments	109.5	178.3	-68.9
Deferred taxes (excluding deferred taxes on non-core assets)	-199.5	-242.2	42.7
EPRA NDV	**3,511.9**	**3,763.0**	**-251.0**
Number of shares at period end	**148,141,452**	**148,141,452**	**-**
EPRA NRV/share *(in €)*	26.4	27.7	-1.3
EPRA NTA/share *(in €)*	24.0	25.1	-1.1
EPRA NDV/share *(in €)*	23.7	25.4	-1.7

The change in the EPRA NDV between 31 December 2022 and 31 December 2023 is as follows:



The change in the EPRA NDV per share between 31 December 2022 and 31 December 2023 is as follows:



NAV calculation method

NAV basis – shareholders' equity

The entire real estate portfolio held by Covivio Hotels was valued at 31 December 2022 by real estate appraisers, most of whom are AFREXIM members, in compliance with common specifications prepared by the company in accordance with professional practices.

The assets were estimated at values excluding and/or including duties, and rents at market value. Where a sale has been agreed, the assets are valued at the price stated in the preliminary sale agreement.

The other assets and liabilities are valued on the basis of IFRS values in the consolidated financial statements; fair value is essentially applied to the valuation of debt hedges.

The level of exit tax is known and accounted for in the financial statements for all companies that have opted for the fiscal transparency regime.

Adjustments made for the calculation of EPRA NAV

In line with the EPRA Best Practice Recommendations, EPRA NAV is calculated by restating shareholders' equity for the impact of financial instruments and deferred tax.

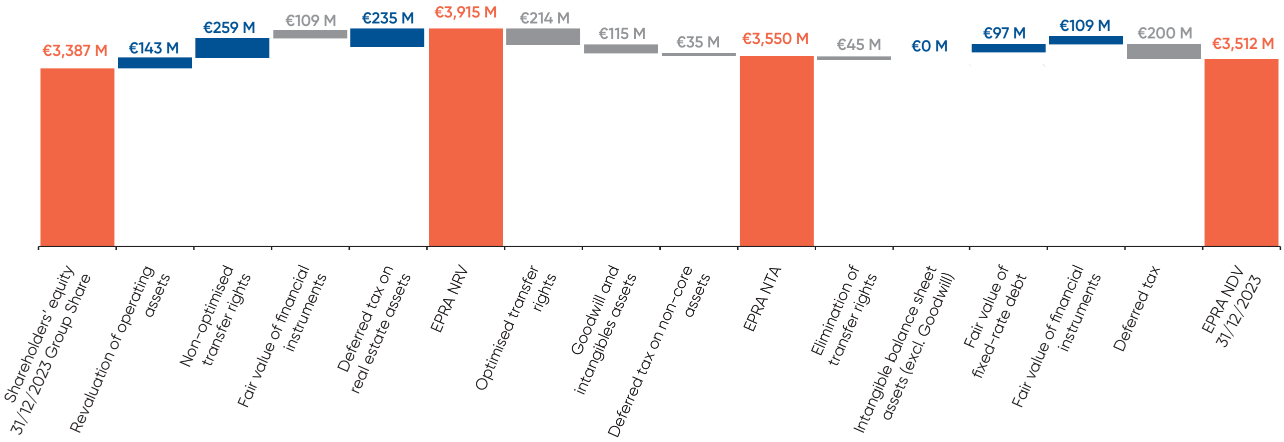
Definition of EPRA indicators

New indicators	Description
EPRA Net reinstatement Value **(EPRA NRV)**	• Replenishment NAV • Similar to the current EPRA NAV, plus transfer taxes

EPRA Net Tangible Assets
(EPRA NTA)
	• NRV NAV
	  • excluding transfer taxes, goodwill/intangible assets
	  • excluding deferred taxes on assets not intended to remain permanently on the balance sheet
	• Close to the current EPRA NAV

EPRA Net Disposal Value **(EPRA NDV)**	• Represents the value in the event of liquidation of the company • Triple Net NAV • excluding goodwill and optimisation of transfer taxes

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



1.5 Net financial income

1.5.1 Consolidated financial statements as at 31 December 2023

1.5.1.1 General 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) and IAS (International Accounting Standards) and their interpretations.

The annual consolidated financial statements were prepared in compliance with international accounting standard IAS 1 "Presentation of Financial Statements", as adopted by the European Union.

1.5.1.2 Scope of consolidation

The accounts of the Covivio Hotels group are fully consolidated by the Covivio group, the parent company of Covivio Hotels, which in turn is an associate of Delfin, consolidated by the equity method.

At 31 December 2023, the scope of consolidation comprised 185 companies, compared with 175 companies at 31 December 2022.

The scope and methods of consolidation are detailed in Section 4.2 – notes to the consolidated financial statements (see Section 4.2.3.3).

1.5.1.3 Consolidated income statement

The consolidated financial statements for the year ended 31 December 2023 show a net loss, Group Share of -€11.6 million.

The following table presents the main aggregates of the consolidated income statement.

(In € million)	2022	2023	Change
Net Rental Income	244.0	257.4	13.4
Managed hotel income	62.0	74.6	12.7
Operating income	260.6	288.4	27.8
Result of value adjustments	92.2	-197.5	-289.7
Income from disposals	3.0	-3.5	-6.5
Operating income (loss)	355.8	87.4	-268.4
Net financial income	132.4	-145.3	-267.5
Income (loss) of companies accounted for under the equity method	19.4	-2.0	-21.4
Taxes	-5.6	34.6	40.2
Minority interests	-23.3	13.7	37.0
NET INCOME GROUP SHARE	**478.8**	**-11.6**	**-490.4**

1.5.1.4 Consolidated income statement - Group Share

	Figures, Group Share		
(In € million)	2022	2023	Change
Net Rental Income	231.3	244.6	13.3
Managed hotel income	60.1	72.5	12.5
Operating income	248.3	275.1	26.9
Result of value adjustments	81.0	-178.0	-259.0
Income from disposals	3.1	-3.5	-6.5
Operating income (loss)	332.3	93.7	-238.6
Net financial income	132.3	-137.6	-269.9
Income (loss) of companies accounted for under the equity method	19.4	-2.0	-21.4
Taxes	-5.2	34.4	39.7
NET INCOME GROUP SHARE	**478.8**	**-11.6**	**-490.4**

Taking into account Covivio Hotels' acquisition of 50.2% of B&B assets in France in 2012, the concept of "Group Share" was introduced in the overview of the financial statements and indicators from the 2012 fiscal year. By reporting on a Group Share basis, all aggregates can be weighted according to the percentage ownership.

As a reminder, the fully consolidated (but not wholly owned) companies are:

- OPCI B2 HOTEL INVEST: 50.2%
- Foncière B2 HOTEL INVEST: 50.2%
- Foncière B3 HOTEL INVEST: 50.2%
- Foncière B4 HOTEL INVEST: 50.2%
- MO Dreilinden: 94.0%
- MO Berlin and Koln: 94.0%
- B&B Invest Lux 6: 93.0%
- Rock portfolio (19 companies from the Operating Properties business): 94.9%
- LHM Propco: 90%
- MO First Five: 84.6%.

Net rental income Group Share for Covivio Hotels amounted to €245 million for the 2023 fiscal year, up by €13 million compared to the previous fiscal year, mainly due to the growth of activity over the course of the fiscal year and mainly demonstrated by the increase in ACCOR variable rental income (+€9 million) and variable rental income in Spain (+€5 million), in the United Kingdom (+€3 million), less disposals (-€6 million).

The result of hotels under management confirmed their growth in activity with an increase of €12.5 million compared to the 2022 fiscal year, mainly due to the effect of the acquisition of business assets in Europe in the fourth quarter of 2022.

Income from valuation adjustments totalled €178 million at 31 December 2023. This result shows a sharp drop in values across Europe.

Net financial income totalled -€138 million, consisting of -€60 million in interest expenses (compared with -€50 million in 2021), -€62 million in negative change in fair value of financial assets and liabilities, -€15 million in interest expenses on rental liabilities relating mainly to long-term leases conferring *ad rem* rights (IFRS 16) on assets in the United Kingdom, Spain and Italy and exchange rate effects of +€0.3 million.

The tax recognised chiefly corresponds to taxes of foreign companies not eligible for the special regime for French real estate companies, and companies belonging to the Operating Properties business. A reversal of deferred tax liabilities of €32 million was recorded on the UK portfolio due to the option for the UK REIT regime, which will take effect on 1 January 2024. This option does not generate any tax on exit from the current tax regime.

1.5.1.5 EPRA Earnings

EPRA Earnings resulting from the EPRA presentation

	31/12/2022	31/12/2023
Net income Group Share	**478.8**	**-11.6**
Change in asset values	-81.0	178.0
Income from disposal	-3.1	-0.3
Change in scope	0.0	3.8
Changes in the value of financial instruments	-198.3	62.3
Interest charges on rental liabilities	10.6	10.5
Rental charges	-7.5	-7.4
Deferred tax liabilities	-4.1	-46.1
Provisions for taxes	0.0	-7.3
Depreciation of properties managed as Operating Properties	32.9	42.2
Fees and amortisation of loan costs for early repayment	0.1	0.4
EPRA Earnings adjustments for associates	-7.5	14.4
EPRA EARNINGS	**220.9**	**238.8**
EPRA EARNINGS IN €/SHARE	**1.49**	**1.61**

1.5.1.6 Balance sheet

1.5.1.6.1 Simplified consolidated balance sheet

(In € million)

Assets	2022	2023	Liabilities	2022	2023
Fixed Assets	6,192	5,883	Shareholders' equity Group Share	3,578	3,387
Investments in equity affiliates	212	205	Non-controlling interests	185	164
Financial assets	68	59	Shareholders' equity	3,763	3,551
Deferred tax assets	16	24	Borrowings	2,503	2,455
Financial instruments	277	178	Rental liability	281	289
Assets held for sale	43	162	Financial instruments	100	73
Cash	127	108	Deferred liabilities	247	210
Others	99	106	Others	139	147
TOTAL	**7,034**	**6,724**		**7,034**	**6,724**

1.5.1.6.2 Simplified balance sheet (Group Share)

(In € million)

Assets	2022	2023	Liabilities	2022	2023
Fixed Assets	5,903	5,615			
Investments in equity affiliates	212	205			
Financial assets	81	72	Shareholders' equity	3,578	3,387
Deferred tax assets	15	23	Borrowings	2,405	2,361
Financial instruments	276	178	Financial instruments	100	69
Assets held for sale	43	162	Rental liability	281	289
Cash	118	101	Deferred liabilities	243	206
Others	99	104	Others	138	146
TOTAL	**6,746**	**6,458**		**6,746**	**6,458**

1.5.1.6.3 Comments (Group Share)

The balance sheet total at 31 December 2023 was €6,458 million compared to €6,746 million at the end of 2022 (-€288 million).

Fixed assets and assets held for sale amounted to €5,776 million at the end of 2023, compared with €5,946 million at the end of 2022. The main changes in this item are as follows:

- the change in asset value (-€178 million)
- the impact of the exchange difference on the United Kingdom portfolio (+€16 million)
- work carried out in 2023 for a total of +€30 million, including €19 million on the portfolio held in Operating Properties
- the disposal of three hotels and a store (-€20.5 million)
- the depreciation of hotels under operation (-€47 million).

Assets held for sale amounted to €162 million at the end of 2023 and concern the sale commitments of two hotels in Spain, an Accor hotel and 37 restaurants.

Investments in equity affiliates decreased by €7 million at the end of 2023 mainly due to the decrease in appraisal values.

Shareholders' equity Group Share fell from €3,578 million at 31 December 2022 to €3,387 million at 31 December 2023. This €191 million decrease is due primarily to the following effects:

- total comprehensive income for the fiscal year of -€11.6 million
- the change in the conversion reserve for €5.8 million
- the payment of the dividend in the amount of -€185 million.

Short-term and long-term borrowing stood at €2,361 million at the end of 2023, compared with €2,405 million at the end of 2022. This decrease of €44 million is mainly due to the repayment of a bond issue for -€200 million and the refinancing of another debt for €150 million.

The rental liabilities (€289 million) increased by €8 million. They concern the debt discounted on right-of-use assets related to the application of IFRS 16 from 1 January 2019. These rights mainly concern long-term leases for assets in the United Kingdom, Spain and Italy.

Deferred taxes decreased by €45 million (net) over the fiscal year, mainly on the United Kingdom portfolio (-€32 million) in connection with the subscription to the REIT scheme and the decrease in appraisal values on the other foreign portfolios.

A detailed explanation of the various line items is provided in the notes to the consolidated financial statements.

1.5.1.7 Consolidated cash flows

(In € million)	2022	2023
Net cash generated by the business	256.9	324.1
Net cash flow from investment/disposal activities	99.9	-5.8
Net cash flow from financing activities	-383.1	-327.6
Impact of changes in the exchange rate	-0.9	0.9
CHANGE IN NET CASH	**-27.3**	**-8.3**

The net cash flow generated by operating activities amounted to +€324 million in 2023.

It mainly corresponds to operating income (€288.4 million).

Net cash flow from investment activities/disposals of -€5.8 million mainly breaks down as follows:

- asset disposals (+€24 million net of fees)
- disbursements related to works during the period (-€38 million).

Net cash flow from financing operations of -€328 million mainly breaks down as follows:

- the issuance of new loans (+€624 million net)
- the change in net loans and interest paid (-€760 million)
- dividends of -€185 million, paid during the fiscal year.

Net cash flow stands at -€8 million.

A detailed explanation of the various line items in the cash flow statement is given in the notes to the consolidated financial statements.

1.5.1.8 Debt structure

At 31 December 2023, net financial debt, Group Share stood at €2,260 million (€2,346 million on a consolidated basis).

As a Group Share, and restated for assets under a preliminary sale agreement, net financial debt represents 34.4% (1) of total assets revalued at institutional value, including duties (*vs* 35% in 2022).

The bank covenants relating to the financial statements, calculated on a consolidated and Group Share basis, are set out in Section 4.2.5.12.7 of the notes to the consolidated financial statements.

Features of the debt

The average interest rate on debt for the year, calculated at face value, was 2.43%, compared with 1.89% at 31 December 2022.

Debt maturity

The average debt maturity is 3.6 years.

Hedging

At 31 December 2023, the average active hedging rate was 88.9%. Hedging consists of:

- swaps
- options (mainly caps, floors and tunnel options).

No balance was paid in the 2023 fiscal year.

The net valuation of hedging instruments was €108.2 million at 31 December 2023. The change in the value of hedging instruments over the period impacts the income statement to the tune of -€63.6 million, Group Share and shareholders' equity to the tune of -€5.3 million, due to exchange differences affecting the Cross Currency Swap to GBP.

(1) At 31 December 2023, the amount of assets under sale agreements was €155.5 million. After restating the sale agreements, net financial debt amounted to €2,079.3 million, the institutional value, excluding duties, was €5,781.6 million, and the amount of duties was €259.4 million.

1.5.2 Company financial statements as at 31 December 2023

The 2023 financial statements mainly reflected:

- The gross value of equity investments decreased overall (-€127,917 thousand). This decrease is due to:
  - an increase partly due to the capital reduction of Murdelux (-€370,279 thousand)
  - elimination of the shares of Société Immobilière Verdun following its absorption (-€40,946 thousand)
  - the creation of the Rocky companies, followed by a capital increase for a final value of +€283,307 thousand.
- Investments and disposals:
  - works totalled €5.39 million in 2023
  - there were two asset disposals in 2023, AccorInvest - Genève Aéroport and Courtepaille - Caen.

The 2023 financial statements show a profit of €20.44 million, compared with €42.39 million in 2022.

1.5.2.1 Changes in the main income statement items

The main components of the 2023 and 2022 comparative income statements are as follows:

(In € million)	2023	2022	Change
Revenue	**66.0**	**58.5**	**7.4**
Reversals of provisions and transferred charges, other operating income	2.3	7.1	-4.8
Operating expenses	-44.0	-47.4	3.4
Operating income	**24.3**	**18.2**	**6.1**
Financial income	216.7	168.5	48.2
Financial expenses	-229.0	-164.7	-64.2
Net financial income	**-12.2**	**3.8**	**-16.0**
Income from operations	**12.1**	**22**	**-9.9**
Non-recurring income	**8.4**	**20.4**	**-12.0**
CIT	-	0	-
NET INCOME OR LOSS	**20.4**	**42.4**	**-21.9**

Revenues stood at €66 million at 31 December 2023, up 12.7% from 2022.

(In € million)	2023	2022	Change
Hotel rental income	40.9	34.8	6.1
Retail premises rental income	2.9	4.2	-1.3
Rent-free periods	-0.8	0	-0.8
Spreading of rent-free periods	0.6	0.4	0.1
Rental rebates, discounts and other credits	-	-0.7	0.7
Rental income	**43.5**	**38.7**	**4.8**
Re-involving of expenses to tenants	6.2	5	1.2
Provision of services	16.2	14.8	1.4
TOTAL	**66.0**	**58.5**	**7.4**

The increase (€4.8 million) in rental income is mainly due to fixed rents (€3.7 million) as well as variable rents (€2.2 million) in the hotel industry. In retail premises, there was a decrease (-€1.3 million).

Revenue from services is relatively stable.

Operating expenses, which total €44.0 million, primarily include the following:

- other purchases and external expenses were €13.7 million, of which:
  - €5.1 million in fees paid to Covivio
  - €4.7 million in legal fees
  - €2.1 million in construction lease payments
  - €0.6 million in administrative expenses
  - €0.7 million in fees paid in connection with Property Management services
  - €0.2 million in insurance premiums
  - €0.3 million in loan issue costs
- duties and taxes totalling €4.6 million, including €3.7 million in Property Management taxes to be reinvoiced
- personnel expenses for €3.6 million
- depreciation, amortisation and provisions totalling €19.6 million
- other expenses for €2.4 million, including €1.9 million in remuneration for the Manager.

Net financial income of -€12.2 million consists of:

- financial income totalling €216.7 million, of which:
  - €102.2 million in dividends from subsidiaries and equity investments
  - €56 million in income from swaps and options
  - €43.5 million in interest on loans granted to subsidiaries
  - €9.7 million in foreign exchange gains
  - €2.7 million in interest on Group current accounts
  - €1.8 million reversal of provisions for foreign exchange losses
  - €0.5 million in reversal of provisions for impairment of securities
  - €0.3 million in merger premiums
- financial expenses for €229 million, of which:
  - €99.4 million in interest on borrowings
  - €98.6 million in provisions for equity investments
  - €13.6 million in provisions for foreign exchange losses
  - €11.3 million in financial expenses on hedging instruments
  - €4.7 million in interest on Group current accounts
  - €0.2 million in foreign exchange losses
  - €1.2 million in miscellaneous financial expenses.

The exceptional income of €8.4 million is mainly due to accelerated depreciation and asset retirements, *i.e.* capital gains and losses on the disposal of fixed assets.

1.5.2.2 Changes in the main balance sheet items

(In € million)	31/12/2023	31/12/2022
Non-current assets	4,174.0	4,287.3
Current assets	93.7	104.6
Deferred expenses	5.7	8.0
Bond redemption premium	2.2	2.8
Currency translation gains	15.1	3.2
TOTAL ASSETS	**4,290.7**	**4,405.9**
Shareholders' equity	2,340.2	2,501.9
Provisions for risks and charges	17.2	2.4
Current liabilities	1,931.9	1,900.3
Currency translation losses	1.5	1.4
TOTAL LIABILITIES	**4,290.7**	**4,405.9**

Fixed assets went from €4,287.3 million at 31 December 2022 to €4,174 million at 31 December 2023, a fall of €113.4 million. This decrease is mainly due to:

- -€8.3 million in asset disposal
- through asset acquisitions through absorption +€60 million
- work carried out for €5.4 million
- depreciation, -€10.2 million
- change in equity investments of -€127.9 million
- new loans of €208.9 million
- repayment of loans, -€186.5 million
- impairment of financial assets, -€98.6 million
- a reversal of financial impairments following the absorption of Société Immobilière Verdun for €43.5 million.

Current assets stood at €93.7 million at 31 December 2023, compared with €104.6 million at 31 December 2022. This -€10.9 million change is mainly due to the decrease in Other receivables of -€17.4 million as well as prepaid expenses of -€4.4 million. However, trade receivables increased (+€2 million) as did cash and cash equivalents (+€9 million).

The currency translation gains mainly concern the unrealised loss on the £400 million bank loan valued at the closing rate on 31 December 2023 at €9.8 million. And also unrealised losses on current accounts and loans valued in pounds sterling, of €5.2 million.

Shareholders' equity, before distribution, was €2,340.2 million at 31 December 2023, *versus* €2,501.9 million at 31 December 2022. This change is due to the income for the fiscal year (change between 2022 and 2023 of -€21.9 million), the distribution of the dividend for the 2022 fiscal year (impact of -€99 million on retained earnings) and finally, issue premiums (change between 2022 and 2023 of -€22 million).

Borrowings amounted to €1,931.9 million at 31 December 2023 (compared with €1,900.3 million at 31 December 2023), of which €953 million in bonds and €831.6 million in loans and debts with credit institutions, €127.3 million in current accounts with subsidiaries, €9.9 million in trade payables and related accounts, €6.4 million in payables on fixed assets and €1.2 million in other payables.

The currency translation losses mainly concern the unrealised gain on the £42.8 million intragroup loan valued at the closing rate on 31 December 2023 at €0.9 million. Also unrealised gains on current accounts valued in pounds sterling, at €0.6 million.

1.5.2.3 Non-tax-deductible expenses

In accordance with Article 223 *quater* of the French General Tax Code, the financial statements for the fiscal year do not include any expense that cannot be deducted from taxable income under Article 39–4 of that Code.

During the past fiscal year, the company incurred no expenses subject to Articles 223 *quinquies* and 39-5 of the French General Tax Code.

1.5.2.4 Breakdown of trade payables by maturity date

The table below is presented in accordance with the provisions of Article L. 441-14 (formerly L. 441-6-1 repealed by Decree 2019-359, 24 April 2019) of the French Commercial Code, companies whose annual financial statements are certified by a statutory auditor must disclose information on the payment terms of their suppliers and customers. The provisions of Article D. 441-4 of the French Commercial Code setting out the terms of this communication in the management report were transferred, on the basis of established law, to Article D. 441-6 of the same Code on 27 February 2021.

	Article D. 441 I.-1: Invoices received and due but not yet paid at the end of the fiscal year						Article D. 441 I.-2: Invoices issued and due but not yet paid at the end of the fiscal year					
(In € thousand)	0 days (indicative)	1-30 days	31-60 days	61-90 days	91 days and over	Total 1 day and over	0 days (indicative)	1-30 days	31-60 days	61-90 days	91 days and over	Total 1 day and over
(A) Late payment categories							**(A) Late payment categories**					
Number of invoices concerned	43					110	4					1,473
Total amount of invoices concerned incl. Tax*	**956**	**19**	**1**	**1**	**449**	**469**	**93**	**79**	**164**	**131**	**4,936**	**5,310**
Percentage of the total amount of purchases including tax during the fiscal year	4.50%	0.09%	0.00%	0.00%	2.12%	2.21%						
Percentage of revenues including tax during the fiscal year							0.12%	0.10%	0.21%	0.17%	6.24%	6.71%
(B) Invoices excluded from (A) relating to litigious or unrecorded payables and receivables							**(B) Invoices excluded from (A) relating to litigious or unrecorded payables and receivables**					
Number of invoices excluded	N/A						N/A					
Total amount of excluded invoices	N/A						N/A					
(C) Benchmark payment terms used (contractual or legal – Article L. 441-6 or L. 43-1 of the French Commercial Code)							**(C) Benchmark payment terms used (contractual or legal – Article L. 441-6 or L. 43-1 of the French Commercial Code)**					
Payment terms used for the calculation of late payment	Contractual deadlines: Legal deadlines: 60 days						Contractual terms: Statutory terms: **Observations: no invoicing for late payment interest**					

* Invoices received, not paid but not due relate to rental payments on behalf of Covivio Hotels subsidiaries.

1.5.2.5 Appropriation of net income

A proposal will be made to the Combined General Meeting of 15 April 2024 to allocate income for the period of €20,439,189.75, plus retained earnings of €4,325 for a distributable total of €20,443,514.75, as follows:

- payment of the preferential dividend of €1,000,000 to the limited partner in respect of the fiscal year
- payment of €19,443,514.75 in dividends.

To this will also be added:

- €173,140,372.85 in distribution, taken from the "Merger premium" account.

Each share will thus receive a dividend of €1.30.

In accordance with the law, shares held by the company on the dividend payment date do not hold any dividend rights. The General Meeting resolves that the amount corresponding to treasury shares on the dividend payment date, as well as the amount the shareholders may have waived, will be allocated to the "Retained earnings" account.

The dividend will be paid on 19 April 2024.

Based on the total number of shares that made up the share capital at 31 December 2023, *i.e.* 148,141,452 shares, and subject to the potential application of the provisions of Article 9 of the company's Articles of Association to the Shareholders subject to Withholding, a total dividend of €192,583,887.60 will be distributed, excluding the preferential dividend. This dividend only carries entitlement to the 40% rebate in the event that the global annual election has expressly and irrevocably been made for the income tax scale option in accordance with the provisions of Article 200 A 2 of the French General Tax Code, and only for the portion of this dividend deducted, where applicable, from earnings liable for corporate income tax. In accordance with Article 158 3, 3° b *bis* of the French General Tax Code, this rebate is not applicable to profits exempt from corporate income tax under the SIIC regime, pursuant to Article 208 C of the French General Tax Code.

Dividends drawn against the company's profits exempt from corporate income tax pursuant to Article 208 C of the French General Tax Code, excluding the preferential dividend and not eligible for the 40% rebate total €80,934,621. The dividend drawn against profits subject to corporate income tax amounts to €111,649,266.60.

In accordance with the law, the General Meeting confirms that the dividends distributed for the previous three fiscal years were as follows:

Fiscal year	Number of shares	Dividend paid per share	Amount eligible for the 40% rebate	Amount not eligible for the 40% rebate
2023	148,141,452	€1.30	€0 or €0.7537 if the income tax scale option is chosen	€1.30 or €0.5463 if the income tax scale option is chosen
2022	148,141,452	€1.25	€0 or €0.6999 if the income tax scale option is chosen	€1.25 or €0.5501 if the income tax scale option is chosen
2021	148,141,452	€0.65	€0 or €0.3414 if the income tax scale option is chosen	€0.65 or €0.3086 if the income tax scale option is chosen

1.5.2.6 Company results over the last five fiscal years

In accordance with Article R. 225-102 of the French Commercial Code, the following statement presents the company's earnings over the last five fiscal years:

		2019 fiscal year	2020 fiscal year	2021 fiscal year	2022 fiscal year	2023 fiscal year
I - Share capital at the end of the fiscal year						
a.	Share capital	484,146,532	530,190,464	592,565,808	592,565,808	592,565,808
b.	Number of ordinary shares outstanding	121,036,633	132,547,616	148,141,452	148,141,452	148,141,452
c.	Number of priority dividend shares (without voting rights) outstanding	0	0	0	0	0
d.	Maximum number of future shares to be created	0	0	0	0	0
d1.	Through conversion of bonds	0	0	0	0	0
d2.	Through exercise of subscription rights	0	0	0	0	0
II - Transaction and results for the year						
a.	Revenues net of tax	76,038,319	46,650,708	47,203,736	58,510,972	65,957,069
b.	Income before tax, employee profit sharing, depreciation, amortisation and provisions	256,496,393	182,382,551	81,875,739	114,099,309	150,159,589
c.	Income tax	0	0	265,510	0	0
d.	Employee profit sharing due for the fiscal year	45,920	0	0	0	0
e.	Income after tax, employee profit sharing, depreciation, amortisation and provisions	184,274,609	168,212,028	29,962,540	42,389,058	20,439,190
f.	Distributed income	187,606,781	34,462,380	96,291,944	185,176,815	192,583,888
III – Earnings per share						
a.	Income after tax and employee profit sharing, but before depreciation, amortisation and provisions	2.12	1.38	0.55	0.77	1.01
b.	Income after tax, employee profit sharing, depreciation, amortisation and provisions	1.52	1.27	0.20	0.29	0.14
c.	Dividend per share	1.55	0.26	0.65	1.25	1.30
IV - Staff						
a.	Average salaried headcount over the fiscal year	21.25	22.83	19.67	18.42	19.75
b.	Total payroll for the fiscal year	2,641,301	2,432,920	1,980,480	2,036,306	2,507,885
c.	Amount paid in employee benefits for the fiscal year (social security, company welfare facilities, etc.)	3,093,622	2,092,055	1,924,612	688,173	1,099,452

* Proposed to the Combined General Meeting of 15 April 2024.

1.5.2.7 Statutory Auditors' Control

In accordance with the legislative and regulatory provisions, the Statutory Auditors' reports, which are included in the company's Universal Registration Document, are available for consultation.

1.6 Shareholder structure at 31 December 2023

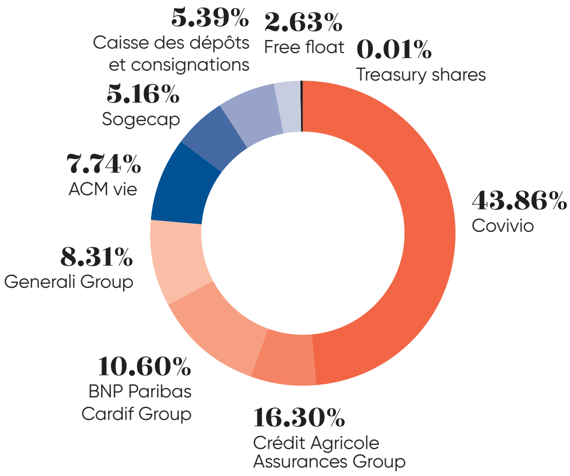
Built around a strategy of long-term ownership of specialised assets in the hotel and retail sectors, operated by their respective market leaders, the shareholder structure of Covivio Hotels consists of the Groups Crédit Agricole Assurances, Assurances du Crédit Mutuel, Generali Vie, Cardif Assurance Vie, Sogecap and Caisse des Dépôts et Consignations, together with Covivio, the founding shareholder.

1.6.1 Information on share capital

At 1 January 2023, the company's equity stood at €592,565,808. It was made up of 148,141,452 shares with a par value of €4 each.

The share capital of the company did not change during the fiscal year.

In accordance with the decision taken at the Combined General Meeting of 10 April 2015 and Article 9 of the Articles of Association, each shareholder has as many votes as the shares they hold or represent. Double voting rights are not granted pursuant to Article L. 22-10-46 of the French Commercial Code.



The shareholder structure at 31 December 2023 was as follows:

Name of shareholders	Number of shares/ Voting rights	Percentage
Covivio group	64,975,765	43.86%
Crédit Agricole Assurances group	24,149,055	16.30%
Groupe BNP Paribas Cardif	15,701,102	10.60%
Groupe Generali	12,316,445	8.31%
ACM Vie	11,473,544	7.74%
Sogecap	7,639,782	5.16%
Caisse des Dépôts et Consignations	7,985,188	5.39%
Free float	3,892,884	2.63%
Treasury shares	7,687	0.01%
TOTAL	**148,141,452**	**100%**

1.6.2 Distribution of share capital and voting rights

For the last three fiscal years, the share capital and voting rights of the company have been distributed as follows:

	31/12/2023			31/12/2022			31/12/2021		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Covivio group	64,975,765	43.86	43.86	64,975,765	43.86	43.86	64,921,557	43.82	43.83
Crédit Agricole Assurances group	24,149,055	16.30	16.30	24,149,055	16.30	16.30	24,149,054	16.30	16.30
Groupe Generali	12,316,445	8.31	8.31	12,316,445	8.31	8.31	12,316,445	8.31	8.31
Groupe BNP Paribas Cardif	15,701,102	10.60	10.60	15,701,102	10.60	10.60	15,701,102	10.60	10.60
ACM Vie	11,473,544	7.74	7.75	11,473,544	7.74	7.75	11,473,544	7.74	7.75
Sogecap	7,639,782	5.16	5.16	7,639,782	5.16	5.16	7,639,782	5.16	5.16
Caisse des Dépôts et Consignations	7,985,188	5.39	5.39	7,985,188	5.39	5.39	7,985,188	5.39	5.39
Free float	3,892,884	2.63	2.63	3,889,703	2.63	2.63	3,945,964	2.66	2.66
Treasury shares	7,687	0.01	0	10,868	0.01	0	8,816	0.01	0
TOTAL	**148,141,452**	**100**	**100**	**148,141,452**	**100**	**100**	**148,141,452**	**100**	**100**

1.6.3 Threshold crossing disclosures and declarations of intent

Threshold crossing disclosures

During the 2023 fiscal year, the company was informed of the following legal and/or statutory thresholds being crossed:

Shareholder	Crossing date	Upward threshold crossing		Downward threshold crossing		Shares	Voting rights	% of share capital	% of voting rights
		Legal	Statutory	Legal	Statutory				
GENERALI VIE	15 November 2023	/	/	/	7%	9,287,413	9,287,413	6.27%	6.278%
GENERALI RETRAITE	**15 November 2023**	/	**1%**	/	/	**1,567,447**	**1,567,447**	**1.06%**	**1.06%**

It is specified that these threshold crossings result from partial contributions of assets placed under the regime for spin-offs in accordance with Article L. 236-22 of the French Commercial Code entered into by Generali Vie (as contributing company) and Generali Retraite (as the beneficiary company).

Declarations of intent

No declaration of intent was made during the 2023 fiscal year.

1.6.4 Changes in equity over the last five fiscal years

Transactions affecting the company's equity over the past five years are detailed below:

		Transaction					After transactions	
Date	**Type**	**Number of securities**	**Nominal** (in €)	**Share premium** (in €)	**Merger premium** (in €)	**Contribution premium** (in €)	**Number of securities**	**Successive amounts of capital** (in €)
27 March 2019	Capital increase following the final completion of the contribution by Caisse des Dépôts et Consignations to Covivio Hotels of 1,327,340 Foncière Développement Tourisme treasury shares	613,244	2,452,976	/		12,749,356	118,671,130	474,684,520
5 April 2019	Capital increase following the final completion of the contribution by Covivio to Covivio Hotels of 100 company shares of Société Civile Immobilière Ruhl-Côte d'Azur as well as a receivable of €10,500,000 in respect of an intragroup loan agreement dated 1 December 2015	2,365,503	9,462,012	/		30,622,169	121,036,633	484,146,532
2 June 2020	Capital increase following payment of the dividend in shares	11,510,983	46,043,932	138,937,564.81		/	132,547,616	530,190,464
14 June 2021	Capital increase with preferential subscription right	15,593,836	62,375,344	187,126,032		/	148,141,452	592,565,808

1.6.5 Information on treasury shares and share buyback programme

The Combined General Meeting of 18 April 2023 authorised the company, pursuant to Article L. 22-10-62 of the French Commercial Code, to trade in its own shares, within a limit of a number of shares not exceeding 10% of the share capital for a period of eighteen months. On the same day, the Manager decided to implement the new share buyback programme, in particular as part of the continuation, under identical conditions, of the existing liquidity agreement entered into with ODDO BHF and NATIXIS.

The features of this share buyback program are as follows:

- the maximum price is €35 per share
- the maximum amount of funds allocated to the buyback programme would be €200 million
- purchase, disposal, exchange or transfer transactions may be executed by any means, whether on the market or over the counter, including block purchases or sales, or by using financial instruments, with the following primary aims:
  - delivering shares upon the exercise of rights attached to securities granting access to the share capital
  - holding and delivering them as payment or in exchange under potential external growth transactions, mergers, spin-offs or contributions
  - cancelling shares
  - implementing a liquidity agreement with an investment service provider under the conditions and according to the methods set by the regulations and recognised market practices
  - using them in any other practice that may come to be recognised by law or by the French Financial Markets Authority or any other purpose that would provide a basis for the presumption of legitimacy.

These transactions may take place at any time, in compliance with the regulations in force, except during a public tender offer.

The last authorisation brought an end to the previous share buyback programme, authorised by the Combined General Meeting of 7 April 2022, which resulted in 4,270 treasury shares being held by the company at 18 April 2023 under the liquidity agreement.

The General Meeting has conferred all powers on the Manager to place any orders on the securities exchange or over the counter, and in general to do whatever is necessary and useful for the execution of the decisions to be taken in connection with such authorisation.

This share buyback programme was implemented by decision of the Manager dated 18 April 2023.

The terms and conditions relating to the new buyback programme were set forth in the share buyback programme description posted on the company's website on 18 April 2023.

The monthly trading volumes for the 2023 fiscal year are as follows:

	Purchase		Sale	
Share buyback programme authorised by the GM of 7 April 2022	Number of shares	Average price per share (in €)	Number of shares	Average price per share (in €)
January	4,174	15.0760	5,419	15.4265
February	2,765	16.4128	5,874	16.6218
March	5,011	17.2352	5,058	17.3553
From 1 to 17 April 2023	2,022	17.2029	3,311	17.4707

	Purchase		Sale	
Share buyback programme authorised by the GM of 18 April 2023	Number of shares	Average price per share (in €)	Number of shares	Average price per share (in €)
From 18 to 30 April	3,976	17.1766	4,325	17.6667
May	4,522	16.9151	3,861	17.1064
June	3,519	17.3274	3,077	17.4364
July	2,208	17.3307	3,501	17.4567
August	2,957	17.3424	1,790	17.4567
September	3,421	17.3807	3,788	17.6407
October	6,161	16.5716	3,897	16.8050
November	3,450	16.4716	3,533	16.5163
December	3,669	16.2903	3,602	16.3902

Accordingly, in the 2023 fiscal year, the company proceeded under the liquidity agreement to purchase 47,855 of its own shares at an average price of €16.7781 per share, and to dispose of 51,036 of its own shares at an average price of €16.9495 per share.

No cancellation of shares took place during the year.

At 31 December 2023, Covivio Hotels thus held 7,687 of its own shares representing 0.01% of the share capital, valued at €126,066.80 at 31 December 2023, on the basis of the purchase price (*i.e.* €16.40 per share) and equivalent to a par value of €30,748.

The transaction costs during the 2023 fiscal year were €27,500 excluding tax.

As the authorisation that was granted by the General Meeting on 18 April 2023 was for a period of 15 months, a new share buyback programme will be submitted to the Combined General Meeting on 15 April 2024.

1.6.6 Options for the subscription or purchase of treasury shares

None.

1.6.7 Transactions carried out by corporate officers and related persons on the company's securities

Corporate officers	Purchase of financial instruments	Average price (in €)	Sale of financial instruments	Average price (in €)	Number of shares held at 31 December 2023
Mr Kullmann	/	/	/	/	2,779
Mr Estève	/	/	/	/	842
Ms Aasqui	/	/	/	/	6
Covivio Participations	/	/	/	/	1
Ms Lelong-Chaussier	/	/	/	/	0
Covivio	/	/	/	/	64,975,763
Ms Leonardi	/	/	/	/	0
Foncière Margaux	/	/	/	/	1
Ms Seegmuller	/	/	/	/	0
Predica	/	/	/	/	21,266,436
Mr Chabas	/	/	/	/	0
ACM Vie	/	/	/	/	11,473,544
Mr Morrisson	/	/	/	/	0
Generali Vie	/	/	1,567,447	17.20	9,287,413*
Mr Pezet	/	/	/	/	0
Cardif Assurance Vie	/	/	/	/	14,790,438
Ms Robin	/	/	/	/	0
Sogecap	1,293,809	17	1,293,809	17	7,639,782
Mr Briand	/	/	/	/	0
Caisse des Dépôts et Consignations	/	/	/	/	7,985,188
Mr Tavern	/	/	/	/	0
Ms Saitta	/	/	/	/	10

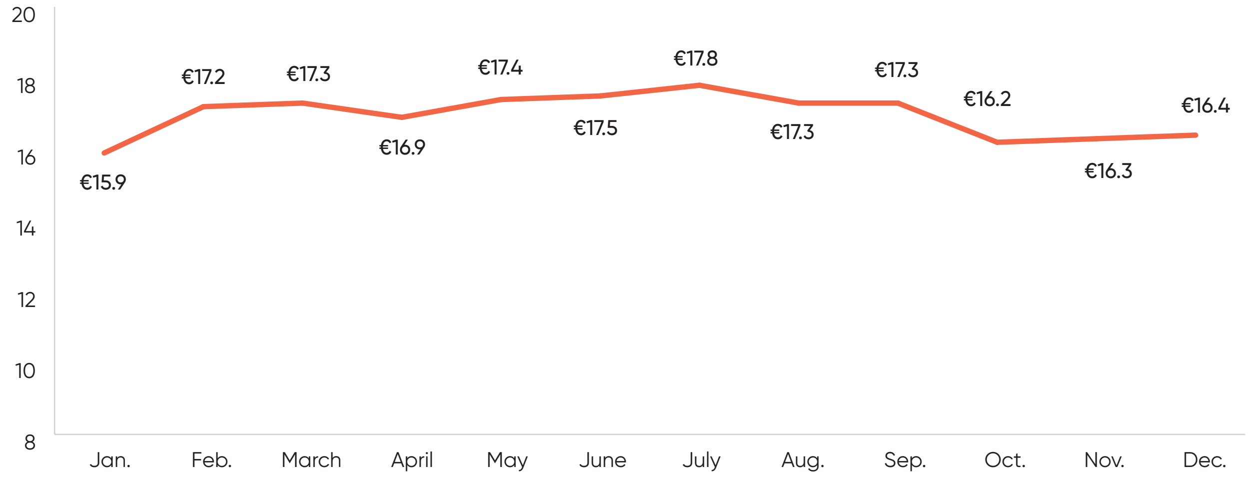
* Generali Vie contributed Covivio Hotels shares to Generali Retraite as part of an internal reorganisation transaction carried out at book value.

1.7 Stock market and dividend

1.7.1 Share price at 31 December 2023

The closing share price for the fiscal year was €16.4, bringing the market capitalisation to €2,430 million at 31 December 2023.

Performance of the share price of Covivio Hotels in 2023



The shares of Covivio Hotels are admitted to trading on Compartment A of the Euronext Paris market.

Performance of the share price of Covivio Hotels was as follows in the 2023 fiscal year:

	Low	High	Number of shares traded	Number of trading sessions
January 2023	15.2	15.9	45,069	22
February 2023	15.8	17.2	45,285	20
March 2023	16.9	17.6	43,403	23
April 2023	16.8	18.2	67,041	18
May 2023	16.5	17.4	33,529	22
June 2023	17.0	17.7	27,023	22
July 2023	17.3	17.8	51,170	21
August 2023	17.1	17.8	13,732	23
September 2023	16.9	17.8	29,446	21
October 2023	16.0	17.3	36,619	22
November 2023	16.2	16.7	30,718	22
December 2023	16.2	16.4	35,757	19

1.7.2 Dividend distribution

1.7.2.1 Dividends distributed over the last five years

Fiscal year	Number of shares	Dividend paid per share	Amount of dividend eligible for the 40% rebate	Amount of dividend not eligible for the 40% rebate
2019	121,036,633	€1.55	€0 or €0.5418 if the income tax scale option is chosen	€1.55 or €1.0082 if the income tax scale option is chosen
2020	132,547,616	€0.26	€0	€0.26
2021	148,141,452	€0.65	€0 or €0.3414 if the income tax scale option is chosen	€0.65 or €0.3086 if the income tax scale option is chosen
2022	148,141,452	€1.25	€0 or €0.6999 if the income tax scale option is chosen	€1.25 or €0.5501 if the income tax scale option is chosen
2023	148,141,452	€1.30*	€0 or €0.7536 if the income tax scale option is chosen	€1.30 or €0.5463 if the income tax scale option is chosen

* Dividend proposed to the Combined General Meeting of 15 April 2024.

In accordance with Article 208 C II of the French General Tax Code, the SIIC status allows the exemption of rental income, real estate capital gains and dividends from SIIC subsidiaries, provided that at least 95% of income from operations, 70% of capital gains and 100% of dividends are distributed to shareholders.

The company's distribution policy has of course taken the provisions laid down by the regulations into account.

1.7.2.2 Dividend distribution policy

Covivio Hotels intends to undertake an active distribution policy for cash flow generated over the fiscal year, thus meeting objective of offering a high yield.

The Combined General Meeting of 15 April 2024 will accordingly be asked to approve a dividend payment of €1.30 per outstanding share. This dividend represents a total amount of €192,583,887.60, or 81% of EPRA Earnings.

The dividend should be reconciled to:

- EPRA Earnings of €239 million
- EPRA Earnings of €1.61 per share, based on the average number of shares during the fiscal year, which gives a clearer picture of the dividend payout ratio of 81%.

1.7.3 Shares held by corporate officers

Number of shares held by corporate officers holding an office in Covivio

	Number of Covivio shares held	
	2023	2022
Christophe Kullmann	188,466*	158,535*
Olivier Estève	108,103	92,320

* Fully-owned shares to which may be added 12,000 shares beneficially owned resulting from a bare ownership transfer.

1.8 Information about the company and its investments

1.8.1 Group organisation

Covivio Hotels holds direct and indirect investments in 184 companies in France and abroad.

The companies SNC Foncière Otello, SNC René Clair and Société Civile Immobilière Ruhl Côte d'Azur hold real estate assets or investments in the hotel real estate sector in France and Belgium. In addition, Covivio Hotels holds real estate assets in Spain through investments acquired in 2017 (16 hotel real estate assets) and an investment in B&B Invest Espagne SLU (four B&B hotels).

Following the Extraordinary General Meeting held on 24 January 2018, FDM Management SAS was merged into Covivio Hotels. Following this transaction, Covivio Hotels holds hotel Operating properties, either directly or through investments. Since 2019, Covivio Hotels has equity investments in a hotel in Dublin, Ireland.

Murdelux, based in Luxembourg, holds investments in the following companies:

- Portmurs, holder of a Club Med in Da Balaïa, Portugal
- Sunparks Tréfonds, Sunparks Oostduinkerke, and Foncière Kempense Meren, which directly hold two holiday villages operated by Pierre & Vacances in Belgium
- B&B Invest Lux 1, B&B Invest Lux 2, B&B Invest Lux 3, B&B Invest Lux 4, B&B Invest Lux 5 and B&B Invest Lux 6 which hold 48 hotels in Germany
- Mo Lux One, which holds two hotel real estate assets in Germany through investments
- H Invest Lux and H Invest Lux 2, which directly hold seven NH hotel real estate assets in Germany
- Ringer which holds a Meininger hotel in Germany
- NH Amsterdam Center BV, which holds a hotel real estate asset in the Netherlands through an investment
- Amsterdam Noord, which holds an NH hotel real estate asset in the Netherlands through an investment
- Amersfoort, which holds an NH hotel real estate asset in the Netherlands through an investment
- five companies owning assets in Poland: three hotels purchased in 2019
- Rocky portfolio holdings (13 companies), which holds 12 hotel real estate assets in the United Kingdom through investments.

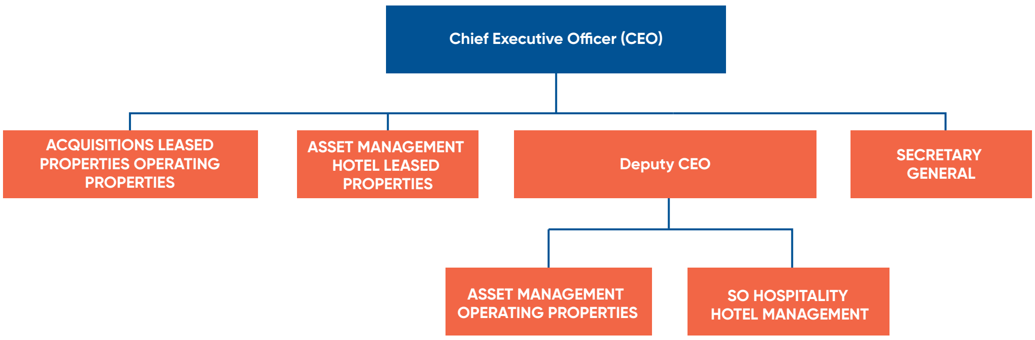
Covivio Hotels holds:

- 50.2% of the company OPCI B2 hotel Invest, created in partnership with Crédit Agricole Assurances and Assurances du Crédit Mutuel, and used to indirectly hold 181 B&B hotel real estate assets in France. OPCI B2 HI delivered a hotel real estate asset under development in 2018
- 50.1% of the company SAS Samoëns, created in partnership with Assurances du Crédit Mutuel, and used to hold Club Méditerranée Samoëns in France (hotel sector)
- 31.15% of the company Oteli, created in partnership with Caisse des Dépôts et Consignations and Sogecap, and used to indirectly hold Accor assets in France (hotel real estate sector)
- 33.33% of the company Kombon SAS, created in partnership with Caisse des Dépôts et Consignations and Sogecap, and used to indirectly hold Accor assets in France (hotel real estate sector)
- 33.33% of the company Jouron SAS, created in partnership with Caisse des Dépôts et Consignations and Sogecap, and used to indirectly hold Accor assets in Belgium (hotel sector)
- 19.9% of the companies IRIS Holding France and OPCI IRIS INVEST 2010 and 20% of SCI Dahlia, created in partnership with Crédit Agricole Assurances, and used to directly or indirectly hold Accor assets (hotel real estate sector)
- 19.9% of the company OPCI CAMP INVEST, created in partnership with Crédit Agricole Assurances, and used to indirectly hold Campanile assets (hotel real estate sector).

Covivio Hotels has teams to undertake its development and Asset Management. These teams conduct Asset Management activities, focused on the real estate strategy to be adopted for the assets held (disposal, renovation, financial management, etc.). Asset by asset, the teams' role is to create value by optimising the profitability/risk ratio.

Covivio provides Covivio Hotels with assistance in the following functional tasks: IT, finance, communication, legal, tax, insurance, human resources, general services and sustainable development.

In France, Covivio Hotels' Property Management is mainly undertaken by Covivio Property, a subsidiary of Covivio. This role consists of managing all aspects of the real estate assets lifespan (rental payments, ongoing maintenance, etc.).



1.8.2 Equity investments

Equity investments are presented in Section 4.2.3.3.

1.8.3 Results of subsidiaries and equity investments

The table of subsidiaries and investments, drawn up in accordance with Article L. 233-15 of the French Commercial Code, is set out in Section 4.5 notes to the company financial statements (Section 4.5.6.5).

1.8.4 Research and development activities of the company and its subsidiaries

Covivio Hotels did not conduct any research and development during the past fiscal year.

1.8.5 Significant events since the end of the fiscal year

None.

1.8.6 Trend information

At the beginning of 2024, the European hotel activity is continuing the growth trend observed in 2023. This was notably the case in Spain, Germany and Italy in January. In 2024, the RevPar growth momentum should mainly be driven by the improvement in Occupancy Rates in Southern Europe, and by an improvement in the Occupancy Rate and the Average Price in Northern Europe. Covivio Hotels will then be able to rely on the quality and diversity of its portfolio, let and operated by the major European and international operators, to take advantage of this promising environment.

1.8.7 Related-party transactions

Information relating to related parties and affiliates is presented in Section 4.5 "Notes to the company financial statements" (see Sections 4.5.6.4 and 4.5.6.5).

1.8.8 Competitive position

Since its creation in 2004, Covivio Hotels' hotel real estate investment activity in Europe has become increasingly competitive and has seen the development of a number of specialist players including Pandox, Axa Real Estate, Honotel, Algonquin, Event Hotels and Invesco.

With its extensive experience and based on real partnerships developed with its customers, Covivio Hotels is one of the main players in the market of outsourced hotel properties.

In the absence of an external source and figures from certain competitors, the company considers itself to be the leader in the sector on the basis of estimates that it considers reasonable (estimates and internal calculations made by Covivio Hotels on the basis of public information and information from competitors). In this respect, Covivio Hotels is the leading lessor among hotel real estate operators in Europe (such as Accor, B&B, and NH Hotel Group).

1.9 Supplementary report by the General Manager to the Combined General Meeting of 15 April 2024

Ladies and Gentlemen,

We have convened a Combined General Meeting for the purpose of submitting draft resolutions to you. The purpose of this report is to comment on those draft resolutions, the full text of which will be sent to you separately.

I. Ordinary resolutions

Resolutions 1 to 18 are resolutions for the Ordinary General Meeting.

1. Approval of the corporate and consolidated financial statements, allocation of income and dividend (Resolutions 1, 2 and 3)

Draft Resolutions 1 and 2 concern the approval of the corporate and consolidated financial statements for the fiscal year ended 31 December 2023, approved by the Manager on 13 February 2024, in accordance with the provisions of Articles L. 226-7 and L. 232-1 of the French Commercial Code.

In Resolution 3, you are asked to allocate income for the 2023 fiscal year in the amount of €20,439,189.75 and to authorise a dividend of €1.30 per share.

The dividend for the 2023 fiscal year would be detached from the share on Wednesday 17 April 2024 and would be paid on 19 April 2024.

Based on the total number of shares outstanding at 31 December 2023, *i.e.* 148,141,452 shares, a total dividend of €192,583,887.60 will be allocated.

The allocation of income is presented in Section 1.5.2.5 of this management report.

2. Approval of the agreements referred to in Article L. 226-10 of the French Commercial Code (Resolution 4)

Resolution 4 is intended to approve (i) the Statutory Auditors' special report on the agreements referred to in Article L. 226-10 of the French Commercial Code, as well as (ii) related-party agreements entered into or performed by the company during the fiscal year ended 31 December 2023. For more information, please refer to the Statutory Auditors' special report on related-party agreements in Section 4 of the Universal Registration Document.

We inform you that no related-party agreements were entered into during the fiscal year ended 31 December 2023.

3. Approval of the information mentioned in Article L. 22-10-9 I. of the French Commercial Code relating to all remuneration of corporate officers for the fiscal year ended 31 December 2023 (Resolution 5)

In application of the provisions of Article L. 22-10-77 I. of the French Commercial Code, you are asked, by voting on Resolution 5, to approve the information noted in Article L. 22-10-9 I. of the French Commercial Code regarding all corporate officer remuneration in respect of the fiscal year ending 31 December 2023, including corporate officers whose terms of office have ended and those newly appointed during the completed fiscal year, as described in the Supervisory Board's report on corporate governance in Section 5.2.4.2 of the Universal Registration Document.

4. Approval of the components of individual remuneration paid and/or allocated to executive corporate officers of the company for the fiscal year ended 31 December 2023 (Resolutions 6 and 7)

In application of the provisions of Article L. 22-10-77 II. of the French Commercial Code, you are asked, by voting on Resolutions 6 and 7, to approve the fixed, variable and exceptional components of overall remuneration and benefits in kind paid during the fiscal year ended 31 December 2023 or allocated for the same year to executive corporate officers.

The components of compensation relate to the Manager, Covivio Hotels Gestion and the Chairman of the Supervisory Board, it being specified that Mr Christophe Kullmann, in his capacity as Chairman of the Supervisory Board, does not receive any fixed, variable or exceptional items or benefits in kind paid during the fiscal year ended 31 December 2023 or granted in respect of the same fiscal year.

These components are described in the Supervisory Board's report on corporate governance in Sections 5.2.4.3.1 and 5.2.4.3.2 of the Universal Registration Document.

5. Approval of the corporate officer remuneration policy (Resolutions 8 and 9)

Pursuant to the provisions of Article L. 22-10-76 II. of the French Commercial Code, the Manager proposes, by voting on resolutions 8 and 9, to approve the remuneration policy for corporate officers applicable to the Manager (Resolution 8) and to the members of the Supervisory Board (Resolution 9) in respect of their term of office for the 2024 fiscal year.

Covivio Hotels' corporate officer remuneration policy is described in the Supervisory Board's report on corporate governance in Section 5.2.4.1 of the Universal Registration Document.

The Manager's remuneration policy for 2024 was approved by the limited partners, after receiving the favourable advisory opinion of the Supervisory Board at its meeting of 15 February 2024.

The remuneration policy for Supervisory Board members was approved by the Supervisory Board on 15 February 2024.

This policy will be subject, each year and during each important change in the remuneration policy, to a vote of the General Meeting and the unanimous consent of the partners.

6. Renewal of the terms of office of members of the Supervisory Board (Resolutions 10 to 15)

The terms of office on the Supervisory Board of Ms Adriana Saitta (Resolution 10), Mr Christophe Kullmann (Resolution 11), Mr Olivier Estève (Resolution 12), Caisse des Dépôts et Consignations (Resolution 13), Sogecap (Resolution 14) and ACM Vie (Resolution 15), expiring at the end of the Combined General Meeting of 15 April 2024, you will be invited under Resolutions 10 to 15 to renew their terms of office, for a period of three years expiring at the end of the Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended 31 December 2026.

Subject to the approval of said resolutions:

- Adriana Saitta, independent member of the Supervisory Board appointed on 15 July 2020, will continue to provide the Supervisory Board with her strong expertise in the financial, banking, environmental and international fields as well as her experience in listed companies
- Christophe Kullmann, member of the Supervisory Board and Chairman of the Supervisory Board since 30 November 2004, will continue to provide the Supervisory Board with his financial, real estate, hotel, environmental and strategic expertise, and his solid experience in managing public companies
- Olivier Estève, member of the Supervisory Board since 6 April 2011, will continue to provide the Supervisory Board with his financial, real estate, hotel, environmental and strategic expertise, and his solid experience of public companies
- Caisse des Dépôts et Consignations will continue to be represented on the Supervisory Board by Arnaud Taverne, an independent member of the Supervisory Board since 6 April 2018, who will continue to provide the Supervisory Board with his financial, real estate and strategic expertise
- Sogecap will continue to be represented on the Supervisory Board by Yann Briand, an independent member of the Supervisory Board since 6 April 2018, who will continue to provide the company with his financial, real estate, environmental and strategic expertise
- ACM Vie will continue to be represented on the Supervisory Board by François Morrisson, a member of the Supervisory Board since 22 March 2011, who will continue to provide the company with his financial, strategic and international expertise and his experience of public companies.

If Resolutions 10 to 15 are approved by the General Meeting, the proportion of independent Supervisory Board members will be maintained at 23% and the percentage of women would be maintained at 46%.

A brief biography, a list of all appointments and positions held over the last five fiscal years, their attendance rates and the number of shares held can be found in Section 5.2.2.1.3 of the Supervisory Board's report on corporate governance.

7. Appointment of KPMG SA as Statutory Auditor (Resolution 16)

Mazars resigned from its position as Statutory Auditor with effect from the approval of the financial statements at the General Meeting of 15 April 2024 called to approve the 2023 financial statements. This resignation took place following the expiry of its term of office at the end of the General Meeting called to approve the financial statements for the fiscal year ended 31 December 2023 and the maximum limit of 24 years of statutory audit.

Consequently, it is proposed, under Resolution 16, to appoint, for the remainder of the term of office of Mazars, *i.e.* until the General Meeting of Shareholders called in 2028 to approve the financial statements for the fiscal year ended on 31 December 2027, the company KPMG SA, a limited company whose registered office is located at Tour Eqho, 2 Avenue Gambetta, 92066 Paris La Défense Cedex, registered in the Trade and Companies Register of Nanterre under number 775 726 417, as Statutory Auditor.

Following the analysis of the various offers submitted at the end of the selection procedure by call for tenders launched by Covivio, the Covivio Audit Committee, meeting on 21 September 2022, indeed recommended to the Board the appointment of KPMG SA. This appointment was validated by the Covivio Hotels Audit Committee on 15 February 2023 and by the Supervisory Board on 15 February 2024.

KPMG SA is a member of KPMG International, a network of independent firms known worldwide for its expertise in auditing international groups. It will be represented by Sandie Tzinmann.

8. Appointment of ERNST & YOUNG et Autres as Statutory Auditors in charge of certifying sustainability information (Resolution 17)

Under Resolution 17, you are asked to appoint ERNST & YOUNG et Autres, a French simplified joint stock company with variable capital whose registered office is located at 1-2 Place des Saisons, Paris La Défense 1, 92400 Courbevoie, registered with the Nanterre Trade and Companies Register under number 438 476 913, as Statutory Auditor in charge of certifying sustainability information, for a period of one (1) fiscal year corresponding to the duration of its remaining term of office in respect of its mission to certify the company's financial statements, and expiring at the end of the General Shareholders' Meeting called in 2025 to approve the financial statements for the year ended 31 December 2024.

This resolution is part of the transposition into French law of EU Directive 2022/2464 of 14 December 2022, known as the "CSRD" (Corporate Sustainability Reporting Directive) on corporate sustainability reporting, by Order 2023-1142 of 6 December 2023 on the publication and certification of information on sustainability and the environmental, social and corporate governance obligations of commercial companies, and its implementing Decree 2023-1394 of 30 December 2023, which was supplemented by two decrees dated 28 December 2023.

In accordance with the provisions of this new regulatory framework, the information contained in the sustainability report to be published in 2025 by the company, including detailed environmental, social and governance information and meeting the so-called "double materiality" principle, must be certified by an auditor appointed by the General Meeting of Shareholders.

9. Authorisation to the Manager for the company to purchase its own shares (Resolution 18)

In Resolution 18, it is proposed that you authorise the implementation of a share buyback programme. The principal characteristics of this programme will be as follows:

- the number of shares bought back may not exceed 10% of the share capital of the company
- the purchase price may not exceed €35 per share (excluding acquisition costs)
- the maximum amount of funds reserved for the share buyback programme will be two hundred million euros (€200,000,000)
- this programme may not be implemented during a public takeover bid.

The buyback by the company of its treasury shares would result in:

- delivering shares upon the exercise of rights attached to securities entitled to the award of treasury shares
- delivering them as payment or in exchange under potential external growth transactions, mergers, spin-offs or contributions
- cancelling shares in whole or in part, subject to the adoption of Resolution 20
- the execution of a liquidity contract, it being specified that, in accordance with the law, in the event of acquisition under a liquidity contract, the ceiling of 10% of the share capital is calculated based on the number of shares purchased less the number of shares sold during the term of the authorisation granted by the General Meeting
- any other practice recognised by law or the French Financial Markets Authority or any other objective authorised by law or regulations in force, it being specified that in such a case, the company would inform its shareholders by way of press release.

Prior to implementing the programme, a description of the programme pursuant to Article 241–1 of the General Regulation of the AMF will be published on the Covivio Hotels website.

This authorisation would be given to the Manager for a period of 18 months with effect from the date of the General Meeting of 15 April 2024 and would immediately terminate, for the unused portion, the authorisation given by the Combined General Meeting of 18 April 2023.

II. Extraordinary resolutions

You will be asked, on an extraordinary basis, to vote on the renewal of certain financial delegations granted to the Manager and to authorise your Manager, within the limits and conditions you will set, to decide upon the issuance of shares and/or securities directly or indirectly granting access to the company's equity.

The Manager wishes to continue having the means of swift and flexible access to the funding necessary for the company's development, if necessary by placing shares on the market.

Consequently, it is proposed that you grant the Manager the following financial authorisations:

- Resolution 19: capital increase through the incorporation of reserves, profits or premiums
- Resolution 21: issuance of shares and/or securities granting access to company's equity, maintaining shareholders' preferential subscription right
- Resolution 22: issuance of shares and/or securities granting access to company's equity, through public offering, with waiver of shareholders' preferential subscription right and a mandatory priority period for share issues
- Resolution 24: issue of shares and/or securities giving access to the company's equity, with a view to remunerating contributions in kind granted to the company and consisting of equity securities or securities giving access to the equity
- Resolution 25: issuance of shares and/or securities granting access to company's equity, through a public exchange offer launched by the company, with waiver of shareholders' preferential subscription right
- Resolution 26: capital increases reserved for employees of the company covered by a savings plan, with waiver of shareholders' preferential subscription rights.

You will also be asked:

- Resolution 20, to authorise the Manager to reduce the share capital of the company by cancelling shares purchased under share buyback programmes adopted by the company
- Resolution 23, to authorise the Manager, in the event of a capital increase with or without waiver of shareholders' preferential subscription rights, to increase the number of securities to be issued in case of over-subscription.

In proposing that you grant these authorisations, the Manager is keen to inform you, in compliance with the legal and regulatory texts, of the impact of the corresponding resolutions submitted for your approval.

In accordance with the applicable regulations, the Manager will, where appropriate, prepare a supplementary report relating to the use of these financial delegations, mentioning the following:

i) the impact of the issuance on the situation of holders of equity securities and securities granting access to share capital (especially as regards their portion of shareholders' equity); and

ii) the theoretical impact of the aforementioned issuance on the stock market value of the company's shares.

The Statutory Auditors will prepare their own report on the financial delegations, which will be made available to you in accordance with the legal and regulatory conditions.

1. Delegation of authority to be granted to the Manager to increase the share capital of the company through the capitalisation of reserves, earnings or premiums (Resolution 19)

Under **Resolution 19**, you will be called upon to decide on the authorisation to be granted to the Manager, which may further delegate its authority, to carry out a capital increase, through capitalisation of all or part of the reserves, earnings, premiums or other sums for which capitalisation would be permitted. This transaction would not necessarily translate into the issue of new shares.

This delegation of authority, which would also be granted for a period of 26 months, would allow the Manager to decide whether to proceed with one or more capital increases, subject to a maximum nominal amount of fifty-nine million euros (€59,000,000) (excluding adjustments to protect holders of securities granting access to share capital), representing approximately 10% of share capital. Furthermore, this cap would be set independently and separately from the capital increase caps resulting from share or security issues likely to be approved under Resolutions 21 to 26.

This delegation can not be used without your formal agreement during a public tender offer or exchange offer for the company's shares.

This delegation would terminate, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

2. Authorisation to the Manager to reduce the company's share capital through the cancellation of shares (Resolution 20)

Concurrently with the authorisation given to the company to conduct transactions in its own shares under Resolution 18, it is proposed in Resolution 20 that you authorise the Manager, who may further delegate such authority, to cancel the shares acquired by the company under the share buyback programme presented in Resolution 18, or in any resolution having the same purpose and the same legal basis.

As provided for under French law, shares may only be cancelled up to a limit of 10% of the share capital in any 24-month period.

Consequently, you will be asked to authorise the Manager to reduce the share capital accordingly under the applicable legal conditions.

This authorisation, given for a period of 18 months, would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

3. Delegation of authority to the Manager to issue shares and/or securities giving access to the company's equity, maintaining the shareholders' preferential subscription rights (Resolution 21)

In Resolution 21, it is proposed that you delegate to the Manager, which may further delegate such authority, powers to issue treasury shares and/or other securities (including warrants for new or existing shares), convertible by any means, immediately or in the future, to the company's equity, in a subsidiary in which the company holds more than 50% of the shares directly or indirectly, or in a company directly or indirectly holding more than 50% of the company's shares, issued for free or against payment, maintaining shareholders' preferential subscription rights.

The Manager may use this authority in order to have the necessary funds available at the appropriate time to develop the company's business.

In proportion to the value of their shares, shareholders would have preferential subscription rights to the shares and securities issued under this delegation. In case of deferred access to shares of the company – *i.e.* by transferable securities granting access to company shares by any means – your approval of this resolution would imply a waiver by the shareholders of their preferential subscription rights to which these securities would be entitled.

The maximum nominal amount from capital increases that may be carried out immediately and/or in the future would be set at two hundred and ninety-six million euros (€296,000,000) representing approximately 50% of the share capital. This amount would be set independently and separately from the capital increase caps resulting from share and/or security issues approved under Resolutions 19 and 22 to 26.

The nominal amount of the debt securities giving access to the company's share capital, immediately and/or in the future, that may be issued may not exceed a total amount of one billion euros (€1,000,000,000). This amount would also constitute an overall nominal ceiling for debt securities issues carried out pursuant to this delegation and Resolutions 22 to 25, an overall ceiling for all issues of debt securities.

The issue price of the securities granting access to company's equity would be determined by the Manager if and when it implements this delegation, complying with legal and regulatory provisions.

This delegation can not be used without your formal agreement during a public tender offer or exchange offer for the company's shares.

This delegation, given to the Board of Directors for a period of 26 months with effect from the Combined General Meeting of 15 April 2024, would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

4. Delegation of authority to the Manager to issue, through public offering, shares and/or securities granting access to company's equity, with waiver of shareholders' preferential subscription rights and a mandatory priority period for share issues (Resolution 22)

The Manager may, in the interest of the company and its shareholders, in order to seize the opportunities offered by the financial markets, be required to issue such securities without preferential subscription rights.

You are also asked, through Resolution 22, to grant the Manager, which may further delegate such authority, the power to issue by means of a public offering (including offerings covered by Section 1 of Article L. 411-2 of the French Monetary and Financial Code), without preferential subscription rights for shareholders, shares and/or debt securities providing access to existing or new shares, or shares in a subsidiary which is majority-held by the company, whether directly or indirectly, or a company which directly or indirectly holds more than 50% of the company's shares.

Your decision would imply a waiver of your preferential subscription rights to the shares and other equity securities that could be issued based on this delegation, it being specified that this authorisation implies, in favour of the holders of such securities convertible to equity as may be issued under this delegation of authority, automatic waiver by the shareholders of their preferential subscription right to shares in connection with such securities.

We would like to point out that the Manager would be obliged to grant shareholders a priority subscription period of at least three (3) trading days, solely for issues of shares through public offering conducted by the Manager, in accordance with Articles L. 22-10-51 and R. 225-131 of the French Commercial Code; this priority period is an option for the issuance of all securities other than shares.

The maximum nominal amount of the company's capital increases likely to be carried out by the company under this delegation may not exceed fifty-nine million euros (€59,000,000), representing approximately 10% of share capital, and would be independent and separate from the capital increase caps resulting from the issuance of shares and/or transferable securities authorised by Resolutions 19, 21 and 23 to 26.

The nominal amount of the debt securities giving access to the company's share capital, immediately and/or in the future, that may be issued under this delegation may not exceed a total amount of €1 billion (€1,000,000,000), the overall nominal cap for all issues of debt securities set by Resolution 21.

The issue price of the shares and/or securities convertible to equity would be determined by the Manager if and when it implements this delegation, complying with legal and regulatory provisions.

This delegation can not be used without your formal agreement during a public tender offer or exchange offer for the company's shares.

This delegation, given to the Board of Directors for a period of 26 months with effect from the Combined General Meeting of 15 April 2024, would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

5. Authorisation to be given to the Manager to increase the number of securities to be issued, in the event of a capital increase with or without a preferential subscription right (Resolution 23)

By voting on Resolution 23, we propose that you authorise the Manager to decide, as permitted by law, in the event that they record excess demand during a capital increase with or without preferential subscription right, to increase the number of securities to be issued at the same price as that used for the initial issue, within the deadlines and limits provided for by the applicable regulations.

In the context of a securities issue, this option allows additional securities to be issued within 30 days of the subscription deadline, for up to 15% of the initial issue (this option being known as the "over-allotment option").

The nominal amount of securities issued under this resolution would be offset against the cap applicable to the initial issue.

This delegation would be granted to the Manager for a period of twenty-six (26) months from the date of the Combined General Meeting of 15 April 2024, and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

6. Delegation of authority to the Manager to issue shares and/or securities convertible into equity, in order to compensate the contributions in kind granted to the company, consisting of capital securities or securities convertible into equity (Resolution 24)

In accordance with the option offered by Article L. 22-10-53 of the French Commercial Code, you are asked, under Resolution 24, to authorise the Manager, who may further delegate such authority, to issue shares and/or transferable securities convertible to equity, in consideration for contributions in kind made to the company consisting of shares or transferable securities convertible to equity, when Article L. 22-10-54 of the French Commercial Code is not applicable.

The maximum nominal value of increases in the company's share capital made immediately or in the future under this delegation would be set at 10% of share capital of the company (corresponding to its amount on the date of use of this delegation by the Manager). This cap is set independently and separately from the caps for capital increases resulting from the issue of shares and/or securities authorised by Resolutions 19, 21 to 23, 25 and 26.

The nominal amount of the debt securities giving access to the company's share capital, immediately and/or in the future, that may be issued under this delegation may not exceed a total amount of €1 billion (€1,000,000,000), the overall nominal cap for all issues of debt securities set by Resolution 21.

You will be asked to note the absence of preferential subscription rights to the shares and/or securities issued, as these are intended exclusively to remunerate contributions in kind, it being specified that this delegation of authority fully entails the right, in favour of the holders of securities that may be issued and giving access to the share capital, to waive their preferential subscription rights to the shares to which these securities give entitlement.

This delegation can not be used without your formal agreement during a public tender offer or exchange offer for the company's shares.

The Manager would notably be required to approve the report of the contribution auditor(s) to be appointed, determining the exchange ratio as well as any amount payable in cash, recording the number of securities issued in remuneration for the contributions in kind, determine the dates and conditions of issues of shares and/or transferable securities giving immediate or future access to the company's capital, and value the contributions.

This authorisation would be given to the Board of Directors for a period of 26 months with effect from the Combined General Meeting of 15 April 2024 and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

7. Delegation of authority to the Manager to issue shares and/or securities giving access to the company's equity, with waiver of shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the company (Resolution 25)

In Resolution 25, you are asked to approve the delegation of authority granted to the Manager, which may further delegate such authority, to issue shares and/or securities giving immediate or deferred access to the company's equity, on one or more occasions, in France or abroad, in the event of a public exchange offer initiated by the company.

You will therefore be requested to expressly waive your shareholder's preferential subscription right to the new shares and/or to securities that could be issued based on this delegation, in the understanding this authorisation implies, for the holders of such securities convertible to the company's share capital as may be issued under this delegation of authority automatic waiver by the shareholders of their preferential subscription rights to shares in connection with such securities.

The maximum nominal amount of the capital increases likely to be carried out immediately and/or in the future under this delegation would be set at fifty-nine million euros (€59,000,000), representing approximately 10% of share capital, and would be set independently and separately from the capital increase caps resulting from the issuance of shares and/or transferable securities authorised by Resolutions 19, 21 to 24 and 26.

The nominal amount of the debt securities giving access to the company's share capital, immediately and/or in the future, that may be issued under this delegation may not exceed a total amount of one billion euros (€1,000,000,000), the overall nominal cap for all issues of debt securities set by Resolution 21.

For each individual offer, the Manager would have to determine the nature and characteristics of the shares to be issued. The amount of the increase in share capital would depend on the result of the offer and the number of securities tendered under the exchange offer, taking into account the exchange ratio and the shares issued.

This delegation can not be used without your formal agreement during a public tender offer or exchange offer for the company's shares.

This authorisation would be given to the Board of Directors for a period of 26 months with effect from the Combined General Meeting of 15 April 2024 and would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

8. Delegation of authority to the Manager to carry out capital increases reserved for company employees who are members of a savings plan, with waiver of shareholders' preferential subscription right (Resolution 26)

You will be asked, under Resolution 26, to authorise the Manager, who may further delegate such authority, to decide to increase the share capital under the provisions of the French Commercial Code and French Labour Code relating to the issuance of shares and/or securities convertible to existing company shares or shares to be issued, for the benefit of employees covered by a company savings plan offered by the company, the Group and/or its affiliates within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code.

This delegation of authority would be granted for a maximum nominal amount of the company's capital increase immediately or in the future, resulting from the issuance made pursuant to this delegation of five hundred thousand euros (€500,000), representing approximately 0.10% of share capital, set irrespective of the par value of the treasury shares that may be issued as a result of adjustments made to protect the holders of transferable securities giving future access to shares.

This cap would be independent of any other authorisation granted by the General Meeting.

You will be requested to expressly waive your shareholder's preferential subscription right to new shares or to securities convertible to equity in favour of these employees.

The subscription price of the shares and the discount offered will be set by the Manager in compliance with Article L. 3332-19 of the French Labour Code, on the understanding that the discount offered may not exceed 30% of the average share price for the twenty trading days preceding the date of the decision to open the subscription period, and 40% of this same average when the retention period provided for in the plan is greater than or equal to ten years, it being stated that the Manager may also replace all or part of said discount by the allocation of shares or other securities.

The Manager may likewise provide for the allocation of free shares or other securities granting access to share capital, it being understood that the total benefit resulting from this allocation as a company contribution or, where applicable, the discount on the subscription price, may not exceed the legal and regulatory limits and that the shareholders would waive all rights to shares or other securities granting access to share capital that may be issued by virtue of this resolution.

This delegation, given to the Board of Directors for a period of 26 months with effect from the Combined General Meeting of 15 April 2024, would immediately terminate, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023.

9. Powers for formal recording requirements (Resolution 27)

Resolution 27 is a standard resolution concerning the granting of the powers required to make announcements and perform legal formalities relating to holding the General Meeting.

We believe that these transactions, under these conditions, are a timely measure and we ask you to approve the resolutions to be presented to you.

The Manager

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Covivio Hotels operates in 12 countries in Europe with critical mass in the main European markets.

2

Risk factors, internal control and risk management

2.1 Risk factors

In accordance with the European Regulation (EU) 2017/1129 of 14 June 2017 and the two associated Delegated Regulations taking full effect from 21 July 2019 (together known as "Prospectus 3") and the ESMA guidelines on risk factors, the risks specific to Covivio Hotels, the occurrence of which could have a material effect on the company's financial position or results, after the application of risk management measures, are presented below.

Covivio Hotels' risk mapping is regularly reviewed by the Audit Committee and the Supervisory Board. Covivio Hotels updated it at the end of 2023 in order to take into account, in particular, changes to its operating environment, including the global political environment.

The major risks have been identified, as have the action plans to be implemented or strengthened in order to improve their control.

The attention of investors is, however, drawn to the fact that other risks may exist, which are unidentified or whose occurrence is not currently considered likely to have significant adverse effects.

2.1.1 Prioritisation and summary of the main risks

The Risk, Compliance, Audit and Internal Control Department is responsible for identifying and rating risks.

This is done on the basis of interviews and the results of annual audit plans which make it possible to identify their level of control by analysing the effectiveness of the internal control processes deployed by the company.

The risks are presented in a limited number of categories (I. to VII.) in accordance with ESMA guidelines [(1)].

2.1.1.1 Methodology

The risk rating results from a combined analysis of their potential negative impact and their probability of occurrence, while taking into account the control systems implemented by the company.

2.1.1.1.1 Impact and level of control

The occurrence of the risk is likely to have an impact on the value of the company, its results, its image and/or its business continuity.

Thus, the rating of the impact is based on an estimate of the financial impact should the risk occur, on the NAV or EPRA Earnings of Covivio Hotels, depending on the financial flows concerned.

Certain non-quantifiable risks are estimated on the basis of their potential consequences on the continuity of the business and/or on the image of Covivio Hotels, consequences that could hinder the ability of Covivio Hotels to implement its strategy and establish new business relations with its stakeholders (buyers, sellers, customers, tenants, suppliers, etc.).

Once quantified, the gross impact is corrected for the level of risk control and insurance coverage.

This gives a net impact rating on a scale of 1 to 4 (from the lowest to the highest).

2.1.1.1.2 Probability and level of control

The probability of occurrence of the risk is rated from 1 to 4 which also takes into account the control system put in place by Covivio Hotels, mainly based on the efficiency of its procedures and, more generally, its internal control system.

2.1.1.1.3 Overall risk classification

The risk is classified by taking into account the combined effect of the net impact and the net probability of occurrence:

- low risk: less than 1.5
- moderate risk: between 1.6 and 2.5
- high risk: between 2.6 and 3.5
- very high risk: more than 3.6.

2.1.1.2 Summary of the main risks

The main risks are identified in the table below. They are grouped into six categories:

I. Risks related to the environment in which Covivio Hotels operates

II. Financial risks

III. Climate change risk

IV. Risks related to information systems, data security and cybercrime

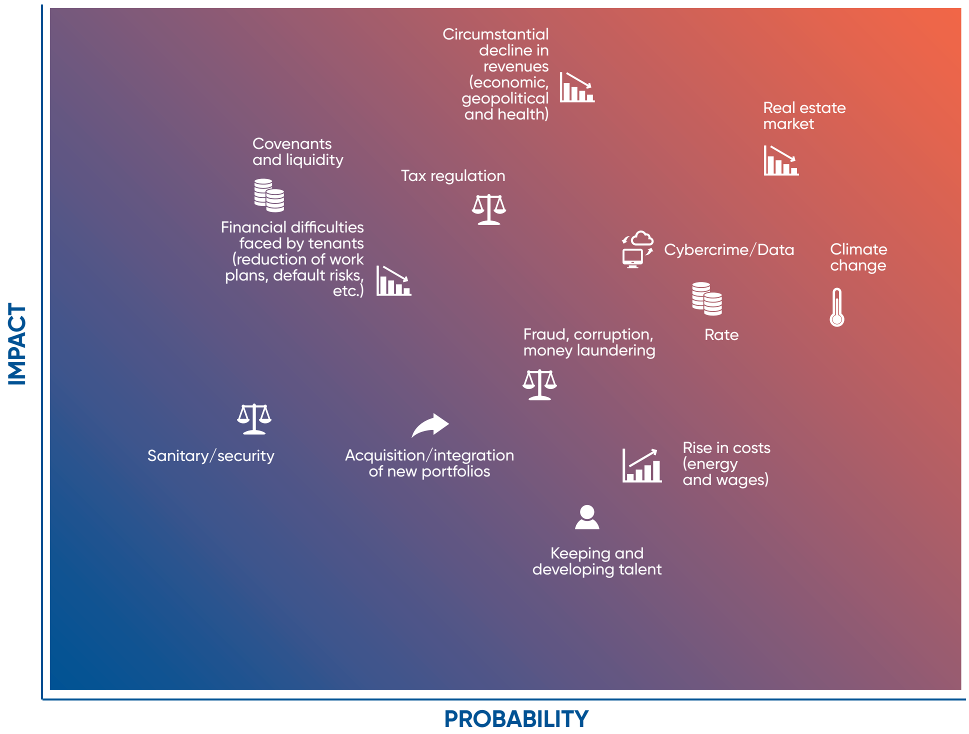
V. Risks related to Covivio Hotels' legal and regulatory framework

VI. Risks related to the development of Covivio Hotels

VII. HR risks.

(1) *ESMA31-62-1293 EN "Guidance on risk factors in the context of the Prospectus regulation".*

Risk category	Risks	Risk (see graph)	Risk rating: Impact classification	Risk rating: Probability classification	Risk rating: Overall risk assessment (impact and probability)	Risk rating: Trend *vs* N-1
I. Risks related to the environment in which Covivio Hotels operates	Unfavourable evolution of the real estate market: fall or stagnation of values and rents	Real estate market	■■■	■■■■	Very high	→
	Decline/halt in activity resulting from an unfavourable geopolitical environment, terrorism, social unrest, pandemics etc.	Circumstantial decline in revenues (economic, geopolitical and health)	■■■■	■■■	High	→
	Default or insolvency of tenants resulting from a deteriorated overall economic environment (essentially unpaid bills)	Financial difficulties faced by tenants (reduction of work plans, unpaid risks, etc.)	■■■	■	Moderate	↓
	Increase in costs (energy and other expenses) in an inflationary context	Rise in costs: essentially energy and wages	■	■■■	Moderate	↓
II. Financial risks	Unfavourable change in interest and exchange rates	Interest rate (borrowings and foreign exchange)	■■■	■■■	High	↘
	Liquidity risk and risk of non-compliance with banking covenants (LTV, ICR) related to declines in value and/or decline in revenues	Covenants and liquidity	■■■	■	Moderate	↑
III. Climate change risk	Financial impact of climate change	Financial impact of climate change	■■■	■■■■	High	↗
IV. Risks related to information systems, data security and cybercrime	Failure of information systems, consequences of cyberattacks, theft and/or alteration of data, particularly personal data	Cybercrime / Data	■■■	■■■	High	↗
V. Risks related to Covivio Hotels' legal and regulatory framework	Unfavourable developments in tax regulations	Tax regulation	■■■	■■	Moderate	↑
	Compliance with health and safety regulations	Sanitary/security	■■	■	Moderate	→
	Risk of fraud, corruption (and related offences), money laundering and related legal and image risks	Fraud, corruption, money laundering	■■	■■	Moderate	→
VI. Risks related to the development of Covivio Hotels	Risks related to transactions in real estate assets, funds or company securities, overestimation of values, poor estimation of liabilities	Acquisition/ Integration of new portfolios	■■	■■	Moderate	n/a
VII. HR risks	Organisational risks related to not being able to keep the most sought-after staff on the labour market	Keeping and developing talent	■	■■■	Moderate	→


IMPACT
PROBABILITY
Circumstantial decline in revenues (economic, geopolitical and health)
Real estate market
Covenants and liquidity
Tax regulation
Financial difficulties faced by tenants (reduction of work plans, default risks, etc.)
Cybercrime/Data
Climate change
Rate
Fraud, corruption, money laundering
Sanitary/security
Acquisition/integration of new portfolios
Rise in costs (energy and wages)
Keeping and developing talent

2.1.2 Description of the main risks, impacts and control

I. Risks related to the environment in which Covivio Hotels operates			
Risk	**See graph**	**Level**	**Trend in relation to N-1**
Unfavourable evolution of the real estate market: fall or stagnation of values and rents	**Real estate market (values)**	**Very high**	→

Description

- The total assets of Covivio Hotels at the end of 2023 (€6.7 billion at 100%) mainly consisted of the appraisal value of the buildings, which amounted to €6.0 billion (*i.e.* close to 90%). Any change in the value of buildings has a direct impact on the balance sheet total.
- The value of the Covivio Hotels portfolio depends on changes in the real estate markets in which the Group operates. Both rent levels and market prices (and consequently the capitalisation rates used for comparison purposes by real estate appraisers) may be subject to fluctuations due to the financial environment, amongst other factors. Covivio Hotels recognises its investment properties at fair value in accordance with the option offered by IAS 40.
- In 2023, the value of the hotel portfolio, Group Share, changed on a like-for-like basis by -3.9% compared to +2.3% in 2022; the hotel sector was nevertheless much less affected than the other asset classes.
- The sensitivity of the asset valuation at 31 December 2023 to yield rates (corresponding to the rent/appraisal value of assets excluding transfer taxes) is presented in Section 4.2.5.1.3 of this Document.
- Thus, a decrease in appraisal values is likely to affect the revalued net asset value of Covivio Hotels and, possibly, its share price.
- In addition, Covivio Hotels may not always be able to implement its leasing, disposal and investment strategy on favourable market terms, due to fluctuations in the real estate markets.

Control system

- Covivio Hotels is committed to maintaining a solid rental base, with key accounts and long-term leases (remaining firm lease term of 12.2 years at the end of 2023).
- Covivio Hotels improves the quality of its portfolio through the development of assets with very good environmental performance and the implementation of targeted work plans.
- On its existing portfolio, Covivio Hotels is pursuing an ongoing asset management strategy to defend its value; this is reflected in an arbitrage policy aimed at strengthening its locations in the heart of European capitals as well as in the main business and leisure districts.
- An Innovation Department and a Transformation Department have been created to strengthen the competitive positioning of Covivio Hotels' portfolio through the implementation of innovative solutions.
- The system for managing this risk is also described in the sections dedicated to the risk "Default or insolvency of tenants resulting from a deteriorated global economic environment".

Summary of potential impacts

- Decrease in the value of the balance sheet, NAV and, possibly, the share price.
- Impediment to the implementation of Covivio Hotels' strategy: acquisitions, disposals, leases.

Risk	See graph	Risk category	Trend in relation to N-1
Decline/halt in activity resulting from an unfavourable geopolitical environment, terrorism, social unrest, pandemics, etc.	**Circumstantial decline in revenues (economic, geopolitical and health)**	**High**	→

Description

- The activity of Covivio Hotels was particularly affected by the Covid-19 pandemic and other pandemics in the future could have similar effects, in that they would constrain international travel, could require the implementation of restrictive health and safety measures or the closure of establishments.
- Covivio Hotels could again be faced with:
  - a deterioration in the financial strength of its tenants and a risk of non-payment in its portfolio leased under "fixed rents"
  - a fall in variable rents
  - operating losses on the portfolio held as "operating properties".
- Thus, at the height of the crisis, only 22% of hotel rooms (by number) were open.
- Consisting of 45% of the company's total revenues in 2023, variable revenues increased by €15.6 million *vs* 2022, from €134.5 million to €150 million.
- Instability or a deterioration in the economic environment in Europe and, more particularly in the countries where Covivio Hotels operates, could also lead to a significant reduction in its rental income.
- Covivio Hotels was confronted with this situation at the end of 2018 with the Yellow Vests movement when security conditions as well as economic conditions had a negative impact on hotel occupancy resulting in a decline of -0.5 points in the hotels' occupancy rate, which had been up +1.4 points since the start of the year. This phenomenon was exacerbated in Paris where the fall in the occupancy rate was -3.6 points.
- The risk of terrorist attacks can also have direct consequences on the number of visitors in hotels in the major cities. Consequently, the hotel located at Brussels Airport saw the number of its visitors decline by 14.4 points following the terrorist attacks in 2015.
- The Russian-Ukrainian conflict has not, to date, had an adverse impact on the number of visitors in Covivio Hotel's portfolio. Nevertheless, the resulting uncertainties mean that future consequences on international tourism can not be ruled out.
- Finally, the increase in the share of the hotel portfolio in "operating properties" resulting from the ongoing discussions with AccorInvest will have the effect of increasing the sensitivity of the Covivio Hotels portfolio to changes in the geopolitical context: post transaction, the proportion of income which is variable could be 46%.

Summary of potential impacts

- Decrease in variable revenues: variable rents and hotel operating revenues.
- Financial fragility of certain tenants, which can go as far as bankruptcy and associated risks of default and vacancy.

Control system

- Covivio Hotels has chosen to form partnerships with major hotel groups (AccorInvest, NH Hotels, IHG, Marriott, B&B, RHG, Barceló, Hotusa, etc.) with a solid financial base enabling them to cope with a significant decrease in their revenues in the short/medium term.
- At the same time, the company is working to diversify its rental base and its locations: for several years, Covivio has been able to expand the number of its operator partners (currently 16), the segments in which it operates (68% economic/midscale and 32% upscale) as well as its locations (presence in 12 countries).
- This diversification has enabled it to take full advantage of the "post-Covid" recovery of tourism activity on its variable revenues portfolio.
- Although they cannot be controlled, future pandemic risks and their consequences could be better contained due to the experience of the last two years, along with the greater agility of hotel operators in the deployment of appropriate health and safety measures.

Risk	See graph	Level	Trend in relation to N-1
Default or insolvency of tenants resulting from a deteriorated overall economic environment (essentially unpaid bills)	**Financial difficulties faced by tenants (reduction of work plans, unpaid risks, etc.)**	**Moderate**	↓

Description	Control system
• Covivio Hotels is exposed to the risk that its tenants' financial stability might deteriorate or that they might even become insolvent, which would significantly affect the company's earnings. This risk of insolvency is mainly related to the geopolitical, health & pandemic context (see above). • At 31 December 2023, the rent collection rate (excluding rent-free periods and deferred rent) was 100% compared to 100% at the end of 2022 and 96% at the end of 2021. • In addition, a deterioration in the financial situation of the company's hotel partners could force them to reduce their work plans, thus contributing to a deterioration in the attractiveness of Covivio Hotels' assets.	• The measures to reduce the risk of non-payment are detailed above in the section relating to the risks "Decline/halt in activity resulting from an unfavourable political and geopolitical environment, terrorism, social unrest, pandemics, etc.". • Covivio Hotels also uses industry software to monitor the financial performance of its tenants, thus limiting the risk of potential insolvency. • A monthly report on non-payments is prepared monthly and presented to General Management. • The Partnership Committees formed with each key tenant enable Covivio Hotels to keep track of their business performance. • Rental guarantees and security deposits generally reduce the risk of non-payment for Covivio Hotels.

Summary of potential impacts

- Increase in arrears.
- Increase in vacancy.
- Reduction of tenant work plans.

Risk	See graph	Level	Trend in relation to N-1
Increase in costs (energy and other expenses) in an inflationary context	**Rise in costs: essentially energy and wages**	**Moderate**	↓

Description	Control system
Energy	
• As a result of the increase in post-pandemic international demand and the invasion of Ukraine by Russia, the price of energy in the EU has reached record levels in the last two years. • Between December 2020 and December 2021, consumer prices for electricity, gas and other fuels increased by +25% in Europe. This increase continued in 2022, and to a lesser extent in 2023, in a heterogeneous manner depending on the "price shields" adopted by the states. • Covivio Hotels is particularly sensitive to these increases in its portfolio held in operating properties. Thus, a 10% increase in the cost of energy would be likely to have a financial impact on the results of Covivio Hotels' operating property assets of around -0.6%.	• Covivio Hotels has an integrated management control team that closely monitors changes in the company's expenses. • With a view to controlling its operating expenses, the company intends to develop the digitisation of its services by relying in particular on the Covivio group's Transformation Department.
Wages	
• The structural labour shortage in the hotel sector has resulted in a significant increase in wages in Europe. • Thus, in Germany and Belgium, significant salary increases in certain municipalities affected the EBITDA of the Covivio Hotels portfolio held as operating properties by around -1.5%.	• Achieving energy savings, notably through an improvement in the real estate quality of its portfolio (asset rotation, targeted works policy) is also a priority for the company, which is fully in line with the Covivio group's CSR strategy, more details of which can be found in Section 3.3 of Covivio's Universal Registration Document on its website.
Summary of potential impacts	
• Increase in expenses.	

II. Financial risks

Risk	See graph	Level	Trend in relation to N-1
Unfavourable change in interest and exchange rates	**Interest rate (borrowings and foreign exchange)**	**High**	↘

Description	Control system
• The ECB's repeated increases in key rates, aimed at containing inflation, continued in 2023 until the third quarter of the year. • According to the Central Bank, inflation has slowed significantly in recent months, but is expected to rise temporarily in the short term. The latest projections prepared by the Eurosystem staff for the euro zone anticipate a gradual decline over the next year to the target rate of 2% which should be achieved in 2025-2026. • While this favourable outlook has a positive effect on the expected change in interest rates, the financing and refinancing needs of its maturing debts make Covivio's results sensitive to both past and future interest rate increases. • Indeed, with €2.5 billion in long-term and short-term borrowings, Covivio Hotels is still exposed to the risk of an increase in its financial expenses in the coming years. In 2023, the cost of financial debt thus stood at €63 million compared to €52 million in 2022, an increase of €11 million, despite the successful action plans aimed at reducing debt (-€27 million). • Sensitivities to an increase in interest rates are described in Section 4.2.2.3 of this Document.	• The average interest rate of Covivio Hotels' debt was 2.4% at the end of 2023 (compared to 1.9% at the end of 2022). • Covivio Hotels uses derivative instruments to hedge the interest rate risk to which it is exposed, mainly caps, swaps and floors. It does not engage in market transactions for any other purpose than to hedge its interest rate risk. • At the end of 2023, the company's debt was 89% hedged with an average maturity of its interest rate hedging instruments of 5.6 years. • Covivio Hotels aims to keep its LTV under control. At 31 December 2023, it stood at 34.4% compared to 35% at 31 December 2022. • On its portfolio located in the United Kingdom (13%), Covivio Hotels has set up a debt in Pounds Sterling and a 98% hedging against the foreign exchange risk.

Summary of potential impacts

- Inability to service debt: immediate repayment, seizure of assets.
- Increase in financial expenses.

Risk	See graph	Level	Trend in relation to N-1
Liquidity risk and risk of non-compliance with banking covenants (LTV, ICR) related to declines in value and/or decline in revenues	**Covenants and liquidity**	**Moderate**	↑

Description	Control system

Description

Liquidity

- Covivio Hotels' debt (Group Share) amounted to €2.5 billion at the end of 2023, of which €13 million is due in 2024 and €1,615 million between 2025 and 2028.
- Cash and credit facilities available at 31 December 2023 amounted to €378 million.
- Covivio Hotels therefore also runs the risk of having insufficient liquidity to service its debt or refinance debts on maturity.
- Such a shortfall could lead to early repayment and, if the debt were secured, foreclosure of the security with the lender taking ownership of the assets concerned.
- Covivio Hotels' debt maturities are presented in Section 4.2.2.2 of this Document.

Covenants

- The risks related to changes in values and rents are detailed in the developments dedicated to risk "Unfavourable evolution of the real estate market: fall or stagnation of values and rents" (see above).
- In the event of breaching a covenant, Covivio Hotels would theoretically have to repay all of its drawn debt. In practice, however, this risk appears unlikely, as banks generally prefer to renegotiate the financial conditions of the borrowers concerned, as seen during the 2008 financial crisis.
- Note that in 2020, Covivio Hotels had obtained, as a precautionary measure and as a security measure for its creditors, the suspension of the consolidated ICR covenant (2.0x) for 2020 as well as for the first half of 2021.

Control system

- The debt reduction policy pursued by Covivio Hotels for several years enables it to better control this risk. Thus, the ratio of net debt to asset value remained well under control at 34.4% at the end of 2023 (compared to 35% at the end of 2022 and 37.1% at the end of 2021).
- The tracking of multi-year cash management plans and, in the short term, the use of confirmed and undrawn lines of credit to limit this risk.
- Eighteen-month liquidity forecasts are analysed each month by the Finance Department and submitted to General Management.
- The systems for managing the risk of non-compliance with banking covenants (LTV, ICR) are essentially linked to the management of the following other risks:
  - unfavourable evolution of the real estate market: fall or stagnation of values and rents
  - default or insolvency of tenants
  - unfavourable change in interest rates.
- At the end of 2023, the most restrictive LTV (Loan to Value) covenant applying to Covivio Hotels is 60%, for an effective ratio of 37.6% (banking LTV) at the end of 2023. As a result, the company could suffer a 37% fall in the value of its assets before reaching its LTV covenant.
- At the end of 2023, Covivio Hotels' ICR (Interest Coverage Ratio) stood at 5.38x compared with 6.00x at the end of 2022 for a covenant of 2.0x.

Summary of potential impacts

- Inability to service debt: immediate repayment, seizure of assets.
- Increase in financial expenses.

III. Climate change risk			
Risk	**See graph**	**Level**	**Trend in relation to N-1**
Financial impact of climate change	Financial impact of climate change	High	↗

Description

- In 2022, Covivio Hotels commissioned MSCI to carry out an MSCI Real Estate Climate Value-at-Risk® study on its portfolio in Europe.
- In a context of climate change, this risk is broken down into two sub-categories of risks likely to have financial consequences on the company's portfolio or income: physical risk and transition risk.

Physical risk

- The physical risk consists of the potential direct financial impact of climate change on Covivio Hotels' portfolio: coastal and river flooding, extreme cold and heat, violent winds from tropical storms and cyclones, forest fires, etc. The MSCI analysis model proposes more or less pessimistic scenarios.
- The financial impacts can thus be multiple both in terms of asset value and income: loss of assets, repair or replacement costs, construction delays, costs of resizing heating/cooling facilities, increase in operating costs, decrease in occupancy rates, lower rents, etc.
- Using the 5°C scenario – RCP 8.5 [1] according to which there would be no reduction in carbon emissions achieved at the global level, the physical risks would represent 2.96% of the value of the assets analysed by 2100. This risk is reduced to 0.94% by choosing a scenario in which public policies limit global warming to 1.5°C. The main risks identified for Covivio are coastal and river flooding and extreme heat.

Transition risk

- The challenge for the portfolio held by Covivio Hotels is related more to the transition risks inherent in the need to reduce greenhouse gas emissions.
- The impacts of this risk can be modelled according to different scenarios of alignment with a carbon trajectory, taking into account expected changes in terms of demographics, the energy mix and carbon costs. For its portfolio, Covivio Hotels has selected an alignment with a 1.5°C trajectory:
  - according to the REMIND Orderly model (model used by the NGFS [2] network), the transition risk represents 4.89% of the value of the assets in the portfolio, due to the efforts to be made to align with a 1.5°C trajectory and the assumption of an increase in the carbon price over time
  - according to the CRREM model [3], the transition risk represents 2.78% of the value of the portfolio's assets.

Summary of potential impacts

- Loss of attractiveness of the portfolio that may result in a decrease in its value and the rents it generates.
- Weakening of the rental base.
- Physical destruction of assets (limited).

Control system

- In order to bring its portfolio in line with its low-carbon objectives and control its transition risk, Covivio Hotels plans to implement around €50 million in investment works ("green" Capex) by the end of 2030. The impact of this work is not taken into account in the results of the above analyses, but will make it possible to reduce the average carbon intensity of the Covivio Hotels portfolio and thus reduce this level of value at risk.
- The sustainable development strategy of the Covivio group, including Covivio Hotels, and in particular its most significant climate-related issues and action plans, are described in Chapter 3 of the Covivio Universal Registration Document available on its website.

(1) RCP 8.5 is the most pessimistic scenario for the evolution of radiative forcing over the period 2006-2300.
(2) Network for Greening the Financial System.
(3) Carbon Risk Real Estate Monitor.

IV. Risks related to information systems, data security and cybercrime

Risk	See graph	Level	Trend in relation to N-1
Failure of information systems, consequences of cyberattacks, theft and/or alteration of data, particularly personal data	Cybercrime/Data	High	↗

Description	Control system

Cyberattacks

- The amount of cash that Covivio Hotels may be required to disburse exposes it to the risk of cyberattacks and attempted fraud by clever engineering that could lead to extortion, theft and alteration or deletion of data that could lead to business interruption.
- Over the last three years, the Covivio group, which manages the IT infrastructure of Covivio Hotels, has recorded an increase in crafty engineering in phishing and phishing-type fraud attempts. Depending on their extent, interruptions, breaches or failures of information systems are likely to cause, in addition to significant damage to IT equipment, an image risk and significant financial consequences: expenses incurred to restore systems and data, expert and legal fees, fines related to non-compliance with regulations on the protection of personal data, if applicable, etc.
- In early 2022, Covivio was the subject of a ransomware attack involving the encryption of data located on some of its servers. The latter, which hosted only a small part of Covivio's data and applications, were able to be restarted without significant damage thanks to the regular backups performed by the company. No data or application related to Covivio Hotels was affected.
- In 2023, despite very frequent phishing attempts and breaches of websites published by Covivio Hotels, the company's information systems were not affected.

Theft and/or alteration of data, including personal data

- In view of its activity as a hotel operator in Europe through its "operating properties" portfolio, Covivio Hotels is particularly concerned with the management of personal data.
- In addition, the increasing digitisation of its activities means that Covivio Hotels uses multiple data subcontractors.
- Thus, in addition to the financial, operational or image damage that could result from theft or alteration of its data (processed in its own systems or those of its subcontractors), Covivio Hotels could be liable for fines issued by the competent data protection supervisory authorities, which, in accordance with the European Regulation (EU) 2016/679, known as the General Data Protection Regulation (GDPR), could reach 4% of its global revenues.
- More generally, Covivio Hotels could be subject to penalties for non-compliance with the other principles of the regulation: purpose, proportionality and relevance, limited retention period, security and confidentiality, respect for the rights of data subjects, including information provided to them regarding the processing of their data.
- Lastly, the increase in the share of the hotel portfolio in "operating properties" resulting from the ongoing discussions with AccorInvest, will imply, for Covivio Hotels, an increase in the processing of personal data and, consequently, its sensitivity to the aforementioned risk.

Summary of potential impacts

- Unavailability of systems that could seriously hamper business in the longer or shorter term.
- Costs of consulting and experts for the purposes of data recovery.
- Financial penalties related to non-compliance with regulations on the protection of personal data (data security).
- Image risk: loss of customer confidence.

Control system

- The measures put in place to reduce this risk are described in more detail in Section 2.2.2.1.2 of this document:
  - back-up plan
  - Business Continuity Plan
  - intrusion tests
  - cyber risk training and awareness
  - cyber risk mapping
  - cyber insurance
  - implementation of an Information Systems Security Policy (ISSP) and appointment of a Chief Information Security Officer (CISO).
- Furthermore, the Covivio group has initiated a project to secure its data and systems by hosting its strategic applications in a network of Cloud servers using a renowned supplier implementing the highest security standards.
- Covivio Hotels, relying on the Group's Compliance Department, has also deployed an organisation dedicated to the protection of personal data at the European level. This is led by country Data Protection Officers and a Group Data Protection Officer, who are responsible for ensuring that data processing complies with regulations.

V. Risks related to Covivio Hotels' legal and regulatory framework

Risk	See graph	Level	Trend in relation to N-1
Unfavourable developments in tax regulations	Tax regulation	Moderate	↑

Description

- For some of its activities, Covivio Hotels benefits from the SIIC regime (for real estate investment companies). In return for its tax relief scheme, the company undertakes to distribute the majority of its profits and its shareholders will then be taxed at a later date.
- A SIIC must be listed and not be 60% or more owned by a majority shareholder, alone or acting in concert. The real estate activities (SIIC activities) must represent more than 80% of its activity.
- In Spain, Covivio Hotels investments also benefit from a special regime for real estate activities called SOCIMI.
- Thus, in the event of the SIIC regime being called into question, Covivio Hotels would be subject to corporate income tax on the portion of its income previously exempt. More generally, any change in tax rules or any failure to comply with the resulting obligations could have an unfavourable impact on the company's results.
- Stemming from a project by the OECD and the European Commission, the "PILLAR 2" international tax reform aims to guarantee a minimum effective taxation of 15% of groups with revenue of at least €750 million, and will be applicable from 2024. The text of the reform provides for a specific exclusion for "ultimate parent company REITs" and their subsidiaries subject to certain ownership conditions. Given a certain number of uncertainties regarding the interpretation of the rules relating in particular to the scope and calculation methods, the texts do not allow reasonable estimates on the impacts of this reform for Covivio Hotels as of 31 December 2023.
- More generally, any change in the tax rules applicable to the real estate sector or any failure to comply with the resulting obligations could have an unfavourable impact on Covivio Hotels' financial results.

Summary of potential impacts

- Tax penalties.
- Tax increase.

Control system

- The Group's Tax Department, composed of dedicated professionals, is responsible for managing tax risks. They constantly monitor regulations and case law, both local and European, with the help of specialised external consultants.

Risk	See graph	Level	Trend in relation to N-1
Compliance with health and safety regulations	Sanitary/security	Moderate	→

Description

- Covivio Hotels' activities are subject to laws and regulations relating to the environment and public health. These laws and regulations govern, in particular, the holding or use of facilities that present specific risks, the use of toxic materials or substances in buildings, and the storage and handling of such substances. If these applicable laws and regulations were to become more stringent, Covivio Hotels might have to meet additional expenses.
- Moreover, as the owner of these buildings, facilities or land, Covivio Hotels could be held liable under civil or even criminal law if it breaches its obligations.
- Likewise, the diversification of Covivio Hotels' accommodation range (with alternative solutions between traditional hotels and youth hostels) as well as the offer of catering services, mainly in its capacity as operator, imposes on the company various obligations and responsibilities related to the health and safety of its customers, which were reinforced during the Covid-19 pandemic.

Summary of potential impacts

- Additional compliance costs.
- Sanctions by the competent authorities.
- Degradation of Covivio Hotels' image.

Control system

- Covivio Hotels relies on Covivio's support departments to anticipate legal and regulatory changes in terms of the environment and public health.
- Each acquisition made by Covivio Hotels is subjected to careful analysis, particularly as regards ground contamination and asbestos.
- The leases signed by Covivio Hotels transfer liability for environmental and health risks to operators. At the same time, the Real Estate Engineering department closely monitors these risks during ownership of the buildings and entrusts the management of the asbestos and ground contamination risks to its specialist partner, Provexi (in France).
- For foreign assets, these risks are monitored by local property managers.
- Covivio Hotels operates its hotels in compliance with the permits granted by the prefectorial and safety authorities.

Risk	See graph	Level	Trend in relation to N-1
Risk of fraud, corruption (and related offences), money laundering and related legal and image risks	Fraud, corruption, money laundering	Moderate	→

Description	Control system
• The activities of Covivio Hotels and in particular the sales, acquisition, leasing and development activities involve significant capital movements as well as regular contacts between Covivio Hotels employees and local service providers, intermediaries and/or public officials. ***Fraud*** • Covivio Hotels could be the victim of internal or external fraud: use of privileged access, identity theft of an employee, officer or service provider in order to obtain a transfer to a third-party account for a real or fictitious transaction, etc. ***Corruption and influence peddling*** • Covivio Hotels staff (employees, corporate officers), directly or *via* intermediaries may commit these offences, in their own interest, that of a third party or that of Covivio Hotels. • For example, employees could grant donations, subsidies, gifts or other miscellaneous benefits (recruitment of a relative, etc.) with a view to obtaining a contract, any other favourable decision by a public official, a company officer or other decision-maker in connection with a sale, acquisition or lease. • Similarly, Covivio Hotels employees could be granted these same benefits to encourage the use of a service provider. • In the event of a proven act of corruption or influence peddling, in addition to the penalties provided for by law, Covivio Hotels could be criticised for the weakness of its risk prevention system as defined by law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life and be subject to sanctions in this respect. ***Money laundering*** • Covivio Hotels could take part in or carry out operations involving a violation of French or European laws and regulations relating to asset freezes or embargoes. Likewise, Covivio Hotels could be penalised for failing to comply with the provisions of the French Monetary and Financial Code on anti-money laundering and terrorist financing obligations, for example, by failing to perform appropriate due diligence for each type of transaction. ***Reputational risk*** • Beyond the penalties (administrative, civil, criminal, etc.) and their financial impact, Covivio Hotels could, in the event of proven fraud, corruption or money laundering, experience a deterioration in its image, which would have the effect of limiting its ability to forge business relationships and consequently to implement its strategy of disposals of acquisitions, development or leasing.	• Covivio Hotels has a structured Internal Control system, the operation of which is described in Section 2.6.4 of this Document. • Measures to prevent specific risks of fraud, corruption and money laundering are detailed in Section 2.2 of this Document. This system is coordinated at European level by the Group Compliance Officer, who also covers the activities of Covivio Hotels.

Summary of potential impacts
• Financial losses. • Sanctions of administrative or legal authorities. • Damage to Covivio Hotels' image, hindering its ability to forge business relationships.

VI. Risks related to the development of Covivio Hotels

Risk	See graph	Level	Trend in relation to N-1
Risks related to acquisitions of real estate assets, funds or securities of companies: overestimation of values, poor estimate of liabilities	**Acquisition/integration of new portfolios**	**Moderate**	**n/a**

Description	Control system
• Covivio Hotels' development strategy is based in particular on the acquisition of real estate portfolios (either directly or *via* the acquisition of shares in companies) or hotel funds (transaction announced with AccorInvest). • During these acquisitions, Covivio Hotels could overestimate the value and not achieve the expected returns. • Covivio Hotels could also acquire assets with hidden faults (particularly in environmental matters), instances of non-compliance (not covered by seller guarantees) and, more generally, underestimate the amount of liabilities.	• Due diligence is carried out before each acquisition, with the help of specialised external consultants. The purpose of this analysis is to identify any risks and to put in place, on behalf of Covivio Hotels, guarantees and other support measures. • Acquisitions are subject to approval by General Management and the Supervisory Board, depending on the thresholds defined by governance. The risks, challenges and opportunities are then analysed in detail. • In 2020, Covivio appointed a Group Risk Manager, whose mission is to provide General Management with, in addition to a detailed risk analysis, an independent perspective on the risks inherent to investment transactions prior to their presentation to governance bodies. • The Compliance Officer is also involved in investment transactions by carrying out prior probity analyses of the counterparties and target companies.

VII. HR risks

Risk	Level	See graph	Trend in relation to N-1
Organisational risks related to not being able to keep the most sought-after staff on the labour market	**Moderate**	**Keeping and developing talent**	→

Description

- The year 2022 had been marked by a recovery in activity after the health crisis as well as by an upsurge in hires at the European level; the labour market is now back to its pre-crisis situation in most European countries: in September 2023, the euro zone's seasonally adjusted unemployment rate was 6.5%, down slightly from the rate of 6.7% recorded in September 2022, with, however, significant disparities between countries and sectors of activity [(1)].
- The activities carried out within Covivio Hotels, both in operational areas and in so-called "support" functions, require a high degree of qualification of employees and/or concern particularly dynamic business sectors.
- On the job market, Covivio Hotels is therefore in competition with many other hotel real estate operators, and also with financial groups (such as asset managers, investment funds, etc.).
- With regard to its operating property portfolio, Covivio Hotels is also faced with the growing labour shortage observed in the hotel and catering sector in recent years.
- In addition to the temporary organisational difficulties likely to result from too many departures (loss of know-how, reallocation of workload and associated psycho-social risks, etc.), Covivio Hotels could, if such tension persists in the longer term, find it difficult to implement its strategy optimally due to a lack of qualified staff and/or be faced with a significant increase in its wage bill.

Control system

- The issues relating to the skills and attractiveness of Covivio Hotels as an employer were identified as major issues for the company during the Covivio group's CSR risk mapping.
- The measures deployed by the Group's Human Resources Departments are detailed in Section 3.5 of Covivio's Universal Registration Document (URD).
- These include:
  - regular monitoring of HR indicators to analyse trends and anticipate social issues (departures, absenteeism, etc.)
  - systems aimed at promoting employee-employer dialogue, preventing psychosocial risks, reconciling personal and professional life (workload monitoring interviews, teleworking agreements, etc.)
  - training and development plans (coaching, mentoring, sponsorship of newcomers, etc.)
  - a performance-based remuneration system including a variable remuneration policy.
- Identification actions (people reviews, succession plans) and loyalty plans aimed at key employees (long-term incentive based on Covivio shares) are also rolled out.
- The Covivio group also increased its visibility on the job market by launching its employer brand in September 2019. The Group's 27 ambassadors are its cornerstone: participation in school forums, positioning as a "co-optor" by proposing profiles to be recruited, action on the various networks to promote Covivio and Covivio Hotels (LinkedIn, JobTeaser, advertising campaigns, etc.).

Summary of potential impacts

- Temporary organisational risks (loss of know-how) and associated psychosocial risks.
- Impediment to the deployment of Covivio Hotels' strategy.
- Increase in payroll.

(1) *Source: Eurostat.*

2.2 Internal control, risk management and compliance policy

2.2.1 Objectives, scope and guidelines

2.2.1.1 Objectives and limits

To address the risks, including those described in this chapter, Covivio Hotels relies on the internal control and risk management system put in place by the Covivio group.

In particular, it seeks to ensure that:

- activities comply with laws, regulations and internal procedures
- management actions are consistent with the guidelines defined by the corporate bodies
- assets, in particular buildings, are adequately protected
- the risks arising from the business are correctly evaluated and sufficiently controlled
- internal systems, which contribute to the establishment of financial information, are reliable.

Although this internal control system cannot, by definition, provide an absolute guarantee that all types of risks will be fully eliminated, it provides the company with a comprehensive tool that effectively protects against the major risks identified and their potential effects.

2.2.1.2 Scope under review

The internal control and risk management system applies, without exclusion of scope, to all activities covered by Covivio Hotels and its subsidiaries.

2.2.1.3 Repository

Covivio Hotels relies on the “reference framework” recommended by the French Financial Markets Authority (Autorité des Marchés Financiers - AMF). This AMF reference framework is based on that of COSO (Committee of Sponsoring Organisations of the Treadway Commission). It includes a set of methods, procedures and measures that should enable the company to:

- contribute to the management and efficiency of its business activities and the efficient use of its resources
- give proper consideration to significant operational, financial and compliance risks.

2.2.2 System components

2.2.2.1 A structured organisation

In accordance with the recommendations of the AMF, the internal control system is based, in particular, on known objectives, a distribution of responsibilities, and adequate management of resources and skills.

2.2.2.1.1 Delegations of powers and responsibilities

Delegations and subdelegations of powers are in place. This delegation ensures better organisation of the company and a stronger correlation between the responsibilities of operational entities and the responsibilities of the executive. They are subject to regular reviews and audits.

2.2.2.1.2 Securing information systems

The various software packages used provide Covivio Hotels teams with functionalities adapted to their activities.

The security of the financial transactions conducted using the information systems is ensured by:

- separation of payment authorisation and the execution of payment transactions
- limits on the disbursements per person and a dual-signature requirement when limits are exceeded.

These measures are updated in keeping with organisational changes.

The security of the Information System and its infrastructure is ensured by:

1. a back-up plan to mitigate any physical or electronic attack on the information systems. Daily back-ups are stored outside the building in which the main servers operate
2. a business continuity plan, operational since June 2013. This plan was drawn up jointly by teams from Covivio’s Information Systems Department and Risk, Compliance, Audit and Internal Control Department, with the help of the global leader in business continuity solutions. The business continuity plan is described in a special procedure. It includes a back-up centre, in the event of an IT incident that results in a computer malfunction for employees. Tests are carried out annually with the service provider to ensure that the system is effective
3. regular intrusion tests are performed by a specialist service provider to ensure that the information system is as secure as possible. All recommendations made as a result of these tests are regularly monitored until their implementation
4. cyber risk mapping, carried out with the help of a service provider specialising in this field. It underlined that many elements of control were in place within the Group and the recommendations were taken into account
5. cyber risk training and awareness, carried out for all Group employees, reminding them of best practices and behaviours to adopt

6. an IT charter, distributed and appended to the Internal Rules of the Covivio ESU, of which Covivio Hotels is part:
   - this charter is first and foremost a Code of Conduct laying down the principles for the proper use of IT and digital resources. It also outlines the penalties applicable in the event of any infringements
   - it defines the scope of responsibility of the users and the company, in accordance with the legislation, in order to guarantee an appropriate use of the company's IT resources and internet services
   - it helps to protect the integrity of the IT system, particularly the security and confidentiality of data and technical equipment
7. the appointment of an external Chief Information Security Officer (CISO) in 2018, responsible for IT security
8. the development in 2019 of an ISSP: an information systems security policy.

2.2.2.1.3 Procedures updated, validated and disseminated

The procedures are drafted by the Risk, Compliance, Audit and Internal Control Department in close collaboration with operational staff.

The procedures describe the risks and control points of sensitive and manageable processes.

The procedures are presented as flowcharts that highlight:

- the risks identified and the resources employed to control such risks
- the roles and responsibilities of each individual (processing, monitoring, validation, informing, archiving)
- the control points in place.

Any procedure (creation, updating, elimination) is presented to an *ad hoc* Committee composed of members representing the Group's various business lines (operational and support) chosen on the basis of their expertise and knowledge of how the company operates. The procedures are then validated by the Management Committee.

To strengthen their validity and relevance, the procedures are co-signed by the Risk, Compliance, Audit and Internal Control Department, and by the member of the Management Committee responsible for the procedure.

The validated procedures can be accessed by employees on the company's intranet.

2.2.2.1.4 Employee training

The Group's Risk, Compliance, Audit and Internal Control Department holds training sessions called "Les Matinales du Process". They are intended for all employees in order to raise their awareness of:

- the risks inherent to their activity
- new applicable regulations
- the specific procedures of each department or business line
- components of the internal control system, including internal charters (notably the Ethical Charter)
- the role of the Ethics Officer.

In 2023, these training courses focused on the fight against fraud, cybercrime, corruption and the protection of personal data.

In addition, all new employees of the Group, during their induction programme, meet with the Risk, Compliance, Audit and Internal Control Department, where the department's role and the company's procedures are explained.

2.2.2.1.5 An established ethics and compliance system

Covivio Hotels has placed among its values not only compliance with regulations and internal procedures, but also with the rules of professional conduct and ethics, the proper implementation of which is ensured in particular by Covivio's Group Compliance Officer and Ethics Officer (covering Covivio Hotels' scope of activity). The company can count on a comprehensive framework that provides guidance on the regulations and proper conduct that must be adhered to by the company, its managers, corporate officers, all employees and partners.

2.2.2.1.5.1 Ethical Charter

The Ethical Charter sets out the rules and principles that all employees must follow in their professional practices and in their dealings with stakeholders. The basic principles contained in this charter are:

- compliance with laws and regulations, including the prevention of insider trading, money laundering, corruption and related offences
- respect for the environment and people (health and safety at work, non-discrimination, respect for third parties, etc.)
- protection of the company's assets (image, assets, resources) and transparency of the information provided
- protection of personal data.

It is published and relayed to all hierarchical levels, including each new employee when they are inducted into their post.

The charter is regularly updated to reflect changes in the Group's organisation and the legal framework in which it operates.

It was revised in 2022 as well as in 2018 during the implementation of the anti-corruption policy pursuant to law No. 206-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation (the "Sapin 2 law").

The Ethical Charter has been approved by employee representatives. It is legally enforceable against employees and takes the place of a Code of Conduct as defined in the Sapin 2 law. Therefore, any failure to comply with the rules laid down in the charter, and in particular any proven act of corruption, could lead not only to legal penalties, but to the termination of the employment contract or of the appointment of the employee concerned.

The charter emphasises zero tolerance for corruption and influence peddling and the option for any stakeholder (internal or external) to report such acts *via* the whistleblowing system.

2.2.2.1.5.2 The whistleblowing system

Covivio Hotels has had an internal whistleblowing system since 2015. It was updated in 2022 as well as in 2018 to reflect the provisions of the Sapin 2 law.

The whistleblowing system covers various scenarios, including offences and misdemeanours, clear and serious infringement of national or international laws, or a serious threat or harm to the public interest, etc. It also enables any employee to report non-compliance with the principles laid down by the Ethical Charter and more generally in the following areas:

- financial
- accounting
- banking
- anti-fraud and anti-corruption
- non-compliance with competition law
- prevention of workplace discrimination and harassment, etc.

All Group employees and their stakeholders may access the whistleblowing system, or be the subject of a whistleblowing procedure. It is covered by an internal procedure disseminated and explained during training sessions. Its existence is also brought to the attention of partners and suppliers *via* its publication on the Covivio group's website and the reference made to it in the Responsible Purchasing Charter.

The company undertakes to protect the whistleblower in accordance with the applicable regulations. Anonymous whistleblowers are taken seriously if the severity of the facts disclosed is established and there is sufficient detailed evidence.

2.2.2.1.5.3 Fraud and Corruption risk mapping

Mapping dedicated to the specific risks of corruption and fraud at the European level was carried out in 2018 by a specialist adviser, and updated in 2020, in order to ensure greater transparency and a look at the best practices in the sector.

Mapping led to recommendations, the implementation of which at the European level by the Group Compliance Officer is monitored regularly by the Audit Committee and the General Management. In view of the major risks identified by the mapping, Covivio Hotels pays particular attention to the integrity of its key customers and suppliers by conducting due diligence. It also has a specific financial reporting process to detect the main risks of fraud and corruption identified. In addition, operations deemed sensitive, such as acquisitions, sales of buildings or companies, construction or renovation work, are governed by adequate procedures, in particular with regard to the knowledge of intermediaries.

2.2.2.1.5.4 The Ethics Officer

The Ethics Officer is independent and reports only to the General Management. He or she has a duty of confidentiality with regard to the information disclosed. Their mission includes several components:

- advising employees on conflicts of interest, compliance, stock market regulations, gifts and other benefits in kind received or offered
- verifying the application of ethical principles
- performing regulatory oversight on the subject of ethics.

The role of Ethics Officer is held by Covivio's Chief Operating Officer.

2.2.2.1.5.5 The Group Compliance Officer

The position of Compliance Officer was created in 2018.

To ensure that the Group complies with the ethical rules and principles applicable to it, the Compliance Officer:

- is involved in drafting and updating the Ethical Charter
- ensures that it is distributed to all employees when it is updated and to new employees when they join the company
- is in charge of its implementation; in this respect, the compliance officer ensures that each department puts in place suitable measures to comply with the provisions applicable to it, and relies on the Audit and Internal Control Department to perform the necessary checks
- carries out due diligence on third parties
- in the event of a breach of these rules, ensures that appropriate measures are taken.

2.2.2.2 A structured organisation

2.2.2.2.1 Risk mapping

For more than ten years, the company has been mapping risks, enabling it to have a better understanding of events that could affect the company's results, to monitor their evolution and to strengthen their control. Significant risks are presented in Sections 2.1 *et seq.* of this Document. In addition to the mapping of general risks, corruption risks are also mapped and updated in accordance with the Sapin 2 law.

2.2.2.2.2 Incidents database

Incident databases have been set up. They make it possible to reinforce the effectiveness of the systems for managing risks, by managing proven incidents, to avoid their repetition, and to contain their consequences.

This incident database enables employees to assess risks quantitatively and qualitatively, setting itself the following objectives:

- support employees with incident management, especially those that have not yet occurred
- characterise these incidents by assessing their financial impact
- produce risk analysis statements and summaries
- suggest solutions to limit these risks and any occurrence or repetition thereof
- allocate any necessary resources.

2.2.2.2.3 Internal control manual

The internal control manual aims to improve the governance of internal control and risk management.

It highlights recent changes in the internal control system in terms of monitoring recommendations, implementing procedures and standards set by the AMF relating to governance, risk management and key information system elements.

2.2.2.3 Control activities proportionate to the risks

Control activities are designed to control risks that may affect the achievement of the company's objectives. The frequency of controls is adapted to the scale and nature of the risks.

It highlights recent changes in the internal control system in terms of monitoring recommendations, implementing procedures and standards set by the AMF relating to governance, risk management and key information system elements.

2.2.2.3.1 Control of risks on investments, disposals and financing

In accordance with the rules of governance, decisions relating to the highest risks are placed, above certain amounts, under the control of the Supervisory Board and its specialised Committees. They concern in particular:

- acquisitions and disposals
- medium- and long-term financing
- business plans and budget objectives
- principal strategic decisions.

Other risks fall under the control of the Chief Executive Officer.

In 2020, Covivio appointed a Group Risk Manager, a member of the Executive Committee of Covivio, whose mission is to provide, in addition to a detailed risk analysis, an independent perspective on the risks inherent to transactions prior to their presentation to governance bodies. The Group Risk Manager also examines transactions over €5 million initiated by Covivio Hotels.

2.2.2.3.2 Control of the company's activities

Control of proprietary companies, management companies and functional departments

Activities are controlled in order to identify the necessary actions to:

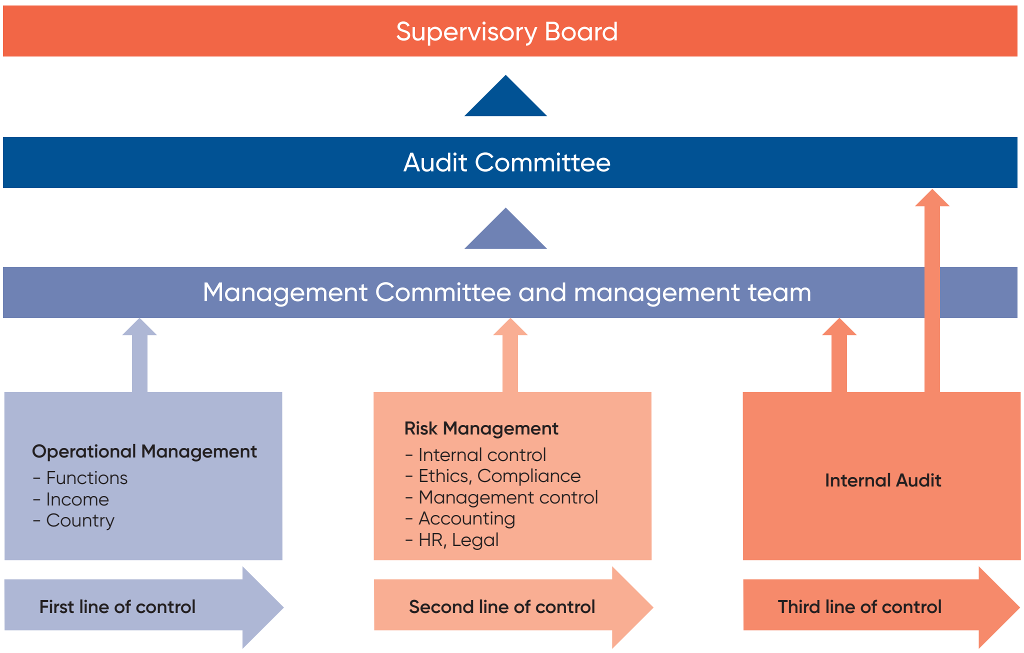
- deliver the budgeted receipts
- control operating expenses related to assets
- control direct operating expenses (personnel expenses, appraisals, asset management, etc.).

Covivio Hotels Management Control monitors compliance with budgets.

The functional departments are controlled on a monthly basis with regard to cost management and budget compliance.

2.2.2.4 Levels of control and stakeholders

The system is based on the lines of control presented below:



Covivio Hotels relies on the Covivio group's centralised services, particularly in the areas of Accounting, Legal, HR, Audit, Ethics and Compliance.

2.2.3 Internal control of accounting and financial information

The internal control of accounting and financial information is one of the major elements of the internal control system. It is designed to ensure:

- the reliability of the published statements and the information communicated to the market
- their compliance with regulations
- the application of instructions set by General Management
- the prevention and detection of fraud and accounting irregularities.

2.2.3.1 Scope

For the purposes of the consolidated financial statements, Covivio Hotels' internal accounting and financial control scope includes all consolidated subsidiaries.

2.2.3.2 Actors and governance

As the consolidating company, Covivio Hotels defines and supervises the process of preparing the accounting and financial information published.

Two persons are particularly involved:

- the Manager of Covivio Hotels is responsible for the organisation and implementation of the accounting and financial internal control and the preparation of the financial statements
  - he approves the financial statements
  - he presents the financial statements to the Audit Committee and the Supervisory Board
  - he ensures that the process of preparing the accounting and financial information produces reliable information and gives a true and fair view of the company's results and financial position
- the Audit Committee, as the representative of the Supervisory Board, conducts the verifications and controls it deems appropriate. It presents its report to the Supervisory Board before the closing of the financial statements.

2.2.3.3 Production of accounting and financial information

The quality of the financial statements production process stems in particular from:

- the formalisation of accounting procedures
- the consolidation manual, adapted to the features of the consolidation software
- validation and updating of accounting scenarios
- verification of balances and the usual validation and control reconciliations, in conjunction with work carried out by management control
- analytical reviews to validate changes in the principal balance sheet entries and the income statement with operations staff
- separation of roles between the power to commit to an action and the accounting for it
- review of consolidation reporting for each subsidiary
- review of the impact of taxes and disputes.

For every decisive event a specific note is drawn up analysing its impacts on the financial statements of the entities and on the consolidated financial statements.

The reliability of the processes allows the Covivio Hotels teams to focus more on control.

2.2.3.4 Production of the consolidated financial statements

For preparation of the consolidated financial statements, the Covivio Accounting Department, on which Covivio Hotels relies, has drawn up a detailed consolidation manual, and gives specific instructions to the Group's French and foreign subsidiaries, including Covivio Hotels and its own subsidiaries.

The consolidated financial statements are produced using a dedicated software package. This tool is regularly updated to comply with IFRS requirements and the specificities of the various operational and financial activities of Covivio Hotels and its subsidiaries. The consolidated entities have a single accounting plan. The processed data is uploaded into the program in data packages.

2.2.3.5 Control of financial and accounting information

The Manager approves the financial statements and sends them to the Supervisory Board, which reads the report from the Chairman of the Audit Committee.

The Manager also defines the financial communications strategy. The press releases about the financial and accounting information require approval from the Audit Committee and the Board of Directors.

Covivio Hotels applies the EPRA Best Practices Recommendations, notably when presenting its financial statements and performance indicators. This presentation provides better readability and allows comparability with real estate companies that publish in the same format.

2.2.4 Insurance system

2.2.4.1 General policy

Covivio Hotels has set up an insurance policy to cover its operational risks. This policy consists of seeking comprehensive coverage in the insurance market suited to the activities and risks incurred by the company. These guarantees are taken out with leading insurers, all of which have a good financial strength rating and are part of the risk management policy implemented by Covivio Hotels, which relies on the Covivio group's Insurance Department. The main risks covered relate to property damage and acts of terrorism/attacks likely to affect the company's real estate portfolio, as well as civil liability that may be incurred as part of its business as real estate company, owner and manager of buildings, hotel operator (owner of hotel business goodwill) or in its construction and development projects.

Covivio Hotels also benefits from an insurance programme against cyber risks, which supplements its insurance coverage against the risks of fraud and malicious IT actions.

In 2023, in a context of a still tightening insurance market, policies were renegotiated with cover levels maintained and rate increases mitigated.

Covivio Hotels includes leading insurance partners such as Allianz, Chubb, Zurich, MMA, Liberty Mutual, XL/Axa, Generali and Aig.

2.2.4.2 Description of coverage levels

2.2.4.2.1 Real estate portfolio insurance

The real estate assets of Covivio Hotels and its subsidiaries are characterised by a strong geographical dispersion, thus protecting the company from a single claim affecting all of its portfolio.

Most of the risks incurred by partners operating the hotel, restaurant and leisure portfolio of Covivio Hotels are insured under insurance schemes covering the risk of property damage (including damage to the building itself, based on the rebuild cost), operating losses, loss of rental income and public liability. These risks are covered by leading insurers with a global reputation, all with good financial strength ratings.

In terms of property damage, the insurance taken out covers material damage and financial losses resulting from a total loss affecting the largest asset in the Covivio Hotels portfolio. Covivio Hotels examines and annually checks insurance cover when these are taken out by the hotel operator on its behalf and takes out its own insurance cover for property damage and loss of rent or operating losses directly according to the portfolios when the company owns the hotel business.

The contractual limitations of the policies taken out are all adapted to the specificities and value of the portfolio covered. In addition, advised and assisted annually by the prevention engineering departments of its insurers, Covivio Hotels implements the necessary procedures to respond to their recommendations and maintain its assets in a permanent context of fire safety, security and generally, insurability in the insurance market. For all redevelopment projects, Covivio Hotels systematically takes out legal insurance coverage locally, whether in Europe or in France, such as "Constructors all risk" during the period of construction, non-mandatory insurance guarantees post-delivery "civil liability of the project owner/developer", in order to secure financially at each of its stages all its development operations.

2.2.4.2.2 Liability insurance

The financial consequences of any claims, due to bodily injury, material and immaterial damage, suffered by third parties/customers and attributable to faults committed in the exercise of the company's activities, or due to the real estate assets and the property and all the equipment that depends on it is insured under a specific insurance policy that provides high amounts of cover and is consistent with the size of the portfolio. The personal liability of corporate officers and *de jure* or *de facto* managers of the company and its subsidiaries is covered for amounts regularly reviewed and adapted to the risks incurred, the financial importance of the company and its activities.

2.2.4.2.3 Insurance of other risks

Covivio Hotels has taken the necessary measures to protect its interests and that of its shareholders with regard to exposure to financial risks resulting from acts of fraud or malfeasance, and computer malevolence, with a Group insurance contract taken out by Covivio. In view of the increase in cyber risks, Covivio Hotels also subscribes to the insurance programme taken out by Covivio, which enables it to benefit from all the guarantees currently available on the cyber risk insurance market. In addition, in the event of events that could harm the image and reputation of Covivio Hotels, insurance coverage has been taken out to enable it to finance the immediate intervention and fees of a communication firm specialising in crisis management.

2.2.4.2.4 Professional portfolio insurance (Offices, IT, vehicles)

The professional portfolio, which includes office buildings when the company is the owner, but also its furniture, equipment and IT equipment, is insured by policies with guarantees extended to various events. A contract specific to the information system provides cover for additional costs, which has been adapted to the conditions and particularities of the Covivio group Business Continuity Plan from which Covivio Hotels benefits. Company vehicles are covered for all risks by a "fleet-car" policy and the personal vehicles used by employees occasionally in the performance of their duties are covered by a "Mission Car" policy.

2.3 Trends and outlook for 2024

As a follow-up to actions taken in 2023, the Risk, Compliance, Audit and Internal Control Department will ensure the full and thorough implementation of the year's audit plan in 2024. It will strive to improve the management, identification, understanding and hedging of risks within Covivio Hotels. The control of cyber risks, as well as compliance with regulations relating to the protection of personal data as part of the company's digital transformation and its growing exposure to the "Operating Properties" sector, will also constitute major challenges in 2024.

Voco Oxford Thames
© Covivio / DR

91%

of the hotel real estate portfolio certified at the end of 2023.

3

Sustainable development

The sustainable development strategy of Covivio Hotels is adapted from that of Covivio. It cannot be separated from the company's economic model. Its implementation is guaranteed by the support of a dedicated team, the Covivio Sustainable Development Department, in coordination with the Covivio Hotels teams.

As of 31 December 2023, Covivio Hotels had 19 full-time employees (9 women, 10 men), 18 of which were on permanent contracts. All of the Human Resources indicators relating to Covivio Hotels are included in Chapter 3.7.2 of the Covivio Universal Registration Document as part of the France ESU. Within this scope, the training rate in 2023 was 78%, with each employee doing an average of 17.9 hours training (21 hours in 2022) and 3.8% of the payroll spent on training. Also, all employees are covered by collective agreements and a Health and Safety Committee. The workplace accident rate for the ESU was 0.98%. The absenteeism rate is 2.7%. Finally, the turnover of departures reached 10.9% and the recruitment rate 7% at the end of 2023 due to the dynamism of the labour market. Structured on the basis of the CSR risk mapping study carried out in 2018, Covivio's consolidated Statement of Non-Financial Performance (SNFP) is presented in Chapter 3 of its Universal Registration Document. It describes the risks and opportunities identified, the action plan and results by business line, and in particular all the components relevant to the Covivio Hotels CSR reporting. It collects information concerning the social and environmental goals and achievements of the company, as well as an analysis of the consequences of climate change on it and on the goods and services it produces.

CSR risk mapping identified nine major risks:

- asset obsolescence/green value/products anticipating societal changes
- control of operating expenses (energy, waste, certification)
- safety/environmental security/compliance with regulations
- integration into the sustainable town
- responsible supply chain
- quality of relations with external stakeholders (customers, suppliers, etc.)
- skills/attractiveness/diversity
- fraud/corruption/ethics
- protection of data/smart building.

This study also made it possible to highlight the risk management actions put in place by Covivio, as well as the relevant performance indicators defined with regard to these risks.

The information presented below is a summary of the reporting presented in Covivio's SNFP, which remains necessary for the overall understanding of Covivio Hotels' sustainable development strategy.

3.1 A comprehensive and integrated sustainable development strategy

Covivio's CSR policy is adapted to the market regulations and particularities specific to each country where the Group is developing. It is shared by all its businesses in Europe and at all levels of the company. This CSR policy is described in plans of action, which are rounded out and adapted by regularly analysing the risks and opportunities presented by the environment in its field of activity. This strategy is the subject of dedicated governance at the Covivio group level. In addition, specific meetings are regularly organised with the operational departments of Covivio Hotels to monitor the implementation of the action plan. In addition, all Covivio Hotels employees attended an information session on European extra-financial regulations (Taxonomy and CSRD).

The four aspects of Covivio's CSR strategy apply to all its businesses: sustainable buildings, society, social issues and governance:

SUSTAINABLE BUILDINGS

UPDATE THE PORTFOLIO TO INCLUDE CHANGES THAT AFFECT SUSTAINABLE BUILDINGS, BUILDING USE AND HEALTH

Promote responsible and energy, environmentally and socially efficient real estate that creates long-term value for the Company and the community.

SOCIETAL

BUILD A SMARTER, INCLUSIVE AND SUSTAINABLE CITY

Encourage eco-responsible practices and innovation in transport, biodiversity and waste, and take part in sharing knowledge alongside local stakeholders.

SOCIAL

DEVELOP, DIVERSIFY AND RETAIN HUMAN CAPITAL

Enhance employees' skills through innovative policies and encourage their mobility, diversity and ability to adapt to changes.

GOVERNANCE

GUARANTEE ETHICAL PRACTICES

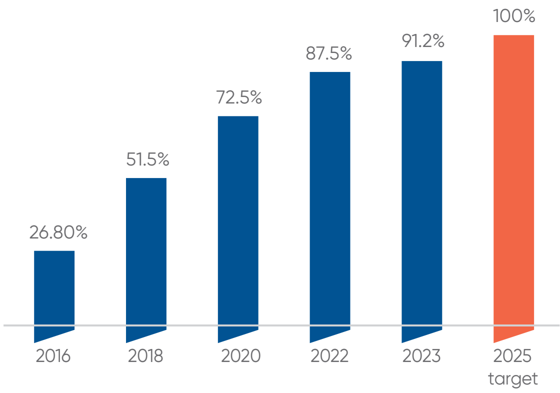
Guarantee an ethical and transparent framework that ensures exemplary practices at all levels of the Company.

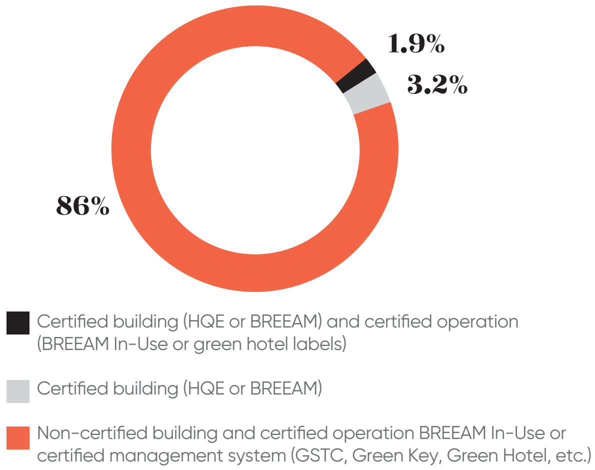
The Covivio consolidated SNFP presents detailed reporting on greenhouse gas emissions by business, including those of Covivio Hotels, thus complying with the provisions of Article 173 of the French Energy Transition law for green growth and its implementation decree of 29 December 2015. This reporting explains how Covivio's low-carbon strategy and its objectives and initiatives align with the goal of limiting global warming to 2°C as enshrined in the Paris Agreement of December 2015. It highlights in particular energy consumption and CO_2 emissions linked to the use of buildings, adapted to climate conditions.

Since 2017, this reporting has been aligned to the 17 Sustainable Development Goals (SDGs) defined by the United Nations. In line with the main international reference frameworks (GRI Standards, EPRA Sustainability Best Practices Recommendations, SASB). It also includes recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), based on incorporating financial impacts inherent to climate change. In 2017/2018, work done with the Scientific and Technical Center for Building (CSTB) made it possible to set carbon targets consistent with a 2°C scenario. These objectives were approved by the Science Based Targets (SBT) initiative in the summer of 2018 [(1)]. In 2021, this work was updated and the target raised, with a commitment by Covivio to cut greenhouse gas emissions per m^2 by 40% by end-2030 compared to 2010 (up from 34% initially) across the whole of its activities in Europe, particularly in hotels.

In the face of these challenges, both climate and human, certifications and labels (HQE, BREEAM, Green Key, GSTC, etc.) bear witness to the CSR performance of Covivio Hotels' buildings. At the end of 2023, 91.2% of hotels owned by Covivio in Europe were certified, in line with the target of 100% by end-2025. 72% of hotels benefit from a specific hotel label incorporating criteria relating to hotel operations and the development of an environmental strategy at the hotel level, beyond the qualities of the built environment.

Share of certified buildings and breakdown by type of certification (in Group Share value 31/12/2023)





Covivio also measures the accessibility of its hotels to public transport. Thus, at the end of 2023, 95.5% of hotels were located less than 500 metres from a means of public transport and 99% by extending the radius to 1 km. It is through this kind of global approach, looking at the whole life-cycle of the building, that Covivio Hotels is developing the energy and environmental performance of its portfolio.

The tertiary decree, which came into force in France in July 2019, and led to the "tertiary eco-energy mechanism", requires any building, part of a building or real estate complex with a floor area of at least 1,000 m^2 to reduce its energy consumption by 40% by 2030, 50% by 2040 and 60% by 2050. For hotels that are already performing effectively, it will be a question of targeting consumption below thresholds expressed in "absolute values". The performance analysis of Covivio Hotels' real estate portfolio was carried out in 2022, in particular to quantify the costs of achieving its carbon trajectory, at a time when absolute thresholds were not yet published for hotels. Since then, these thresholds have been set by the appendix to the Order of 28 November 2023, amending the Order of 10 April 2020. The analysis of energy performance with regard to these thresholds will be carried out in 2024 and cross-referenced with the performance needed to satisfy the targets, set by Covivio Hotels, for reducing energy consumption and greenhouse gas emissions. The consumption of Covivio Hotels' buildings located in France was reported on the OPERAT platform (*Observatoire de la Performance Energétique, de la Rénovation et des Actions du Tertiaire*) in 2022 and 2023. Covivio has anticipated these measures and, in particular *via* the related environmental Committees, shared with these tenants in order to facilitate the implementation of these new obligations.

The development of Covivio Hotels continues, more than ever, to rely on the proximity and trust maintained with many stakeholders (customers, suppliers, charities, local authorities, employees, etc.), on new synergies within the Group, and on internal and external innovation dynamics. This concerns various issues: carbon emissions, resilience and the circular economy, *via* various studies and collaborations.

At the end of 2019, Covivio confirmed its Purpose: "Build sustainable relationships and well-being". The result of a joint project led by the Board of Directors and internal teams, at European level, it is based on quantified objectives with fixed target dates. Covivio thus confirms its ambition to become even closer to its end users and to create living spaces in which they can work, travel and live.

(1) https://www.covivio.eu/en/2021/11/30/carbon-trajectory-covivio-commits-to-a-40-reduction/

Main environmental indicators

	Energy / Carbon	GRI	EPRA best practices recommendations	Total Portfolio 2022	Total Portfolio 2023
Energy / Carbon	Coverage of the energy/carbon reporting scope by surface area (m^2)			1,666,246	1,670,447
	Coverage of the reporting scope by surface area (%)			91%	91.0%
	Intensity (kWhfe/m²/year)	**CRE1**	**Energy-Int**	**179.1**	**183.6**
	Intensity (kWhfe/m²/year)			**273.2**	**276.8**
	Total direct energy (kWhfe)	302-1	Fuels-Abs	93,452,909	94,237,764
	Natural gas (direct energy) – non-renewable source	302-1	Fuels-Abs	89,846,523	90,676,759
	Natural gas (direct energy) – renewable source	302-1		1,391,467	1,403,277
	Fuel oil (direct energy)	302-1	Fuels-Abs	2,214,919	2,157,729
	Wood (direct energy)	302-1	Fuels-Abs	0	0
	Total indirect energy (kWhfe)	302-1	Elec-Abs	204,263,332	212,373,486
	Electricity (indirect energy) – non-renewable source	302-1	Elec-Abs	125,676,713	131,151,119
	Electricity (indirect energy) – renewable source	302-1		35,462,816	42,161,780
	Renewable energy production	302-1	Elec-Abs	110,644	94,571
	District heating and cooling networks (indirect energy)	302-1	DH&C-Abs	43,234,446	39,060,587
	Total energy consumption (kWhfe)			**297,716,241**	**306,611,251**
	Total energy (GJ)			1,071,778	1,103,801
	Total energy consumption (kWhpe)			**454,613,212**	**462,317,656**
	CARBON INTENSITY (kgCO_2e/m^2/year)	**305-4**	**GHG-Int**	**25.1**	**24.9**
	GHG Protocol				
	Total direct emissions (tCO_2e) (Scope 1 Hotels, Scope 3 Covivio Hotels) (1)	305-1	GHG-Dir-Abs	16,917	17,463
	Total indirect emissions (tCO_2e) (Scope 2 Hotels, Scope 3 Covivio Hotels)	305-2	GHG-Indir-Abs	24,916	24,062
	Other indirect emissions (tCO_2e)		GHG-Indir-Abs		
	Total emissions reporting (tCO_2e/year) (Scope 3 Hotels and Covivio Hotels)			41,832	41,525
	Total emissions carbon trajectory including emissions related to energy production and buildings (tCO_2e/year)				
Water	Coverage of the reporting scope by surface area (m^2)			1,702,313	1,625,193
	Coverage of the reporting scope by surface area (%)			93%	88%
	WATER INTENSITY (m³/m^2/year)	**CRE2**	**Water-Int**	**1.55**	**1.41**
	Total water consumption (m³)	303-1	Water-Abs	2,164,146	2,292,089
Waste	Coverage of the reporting scope by surface area (m^2)			630,416	562,649
	Scope coverage (%)			34%	31%
	Total non-hazardous waste (tonnes)	306-2		5,161	5,506
	of which % recycled			26.5%	39%
Certifications and EPC	*Environmental certification rate*		Cert-tot	87.3%	91.2%
	Of which hotel-specific labels			46%	71.8%
	EPC completion rate in Europe			83.4%	84.3%
	Of which EPC> = C			NC	30.5%

(1) *Emissions are classified by scope with regard to the hotel operator, and direct and indirect emissions are those of the hotel operator. For Covivio Hotels, all emissions related to the operation of hotels fall within Scope 3 given that the energy is paid for by the operator.*

3.2 Information on European taxonomy

Covivio's SNFP reflects a policy that covers the entire scope of sustainable development. It takes into account the first provisions published in relation to the European "green" Taxonomy regulation.

The European Commission has identified six major environmental objectives, and lists the activities that can make a positive contribution to them while not detrimental to the achievement of the other objectives (DNSH - Do No Significant Harm) and respecting minimum guarantees on social and human rights issues. On this last point, the analysis conducted by Covivio was based on these guiding principles as well as the documents already published and the commitments made by the Group: Group Ethics Charter and internal procedures, Universal Registration Document, Communication on Progress of the Global Compact, Diversity Charter, Responsible Purchasing Charter, etc. No points of attention were revealed following this analysis with regard to the following 10 points of study: Human rights policy; Mapping of human rights and due diligence risks; Prevention and mitigation actions and monitoring of their implementation; The whistleblowing mechanism; Communication; Consumer interests; Anti-corruption; Competition; Taxation; Media analysis (study of controversies).

For each activity thus identified, technical criteria must be met to claim a revenue, Capex or Opex as aligned with regard to each objective. Revenue from hotel leasing and the Opex and Capex related to the buildings are eligible under the taxonomy for the two first environmental goals (climate change mitigation and adaptation), principally in respect of activity 7.7 – Acquisition and ownership of buildings. The SNFP is also verified by an independent third party (see Chapter 3.8 of Covivio's Universal Registration Document – www.covivio.eu) which reviews the Group's social and environmental indicators, including all indicators linked to Covivio Hotels. All invested Capex are however eligible. Given the nature of Covivio Hotels' business, the scale of operating expenses eligible for the taxonomy were immaterial in respect of all spending. The methodology is detailed in Section 3.3.4.1 of Covivio's Universal Registration Document.

Focus on the hotel business as part of the objective of protecting and restoring biodiversity and ecosystems

The Delegated Act [1] on the other four environmental objectives, including the protection of biodiversity, was published in June 2023. It introduces the hotel business within the scope of the taxonomy. For Covivio, this means that the revenue generated by its hotels in operation is eligible for the taxonomy. The alignment calculation, required for the 2024 fiscal year, will require compliance with five technical conditions, which themselves include detailed sub-criteria:

- contribution to conservation or restoration activities
- action plan to contribute to nature conservation
- sustainable supply chain and environmental management system
- minimum requirements to qualify the performance
- audit of the aforementioned information.

In 2023, Covivio initiated the first analysis of these criteria in order to launch a collection of information on its Hotel Operating Properties in 2024 and be in a position to publish initial information in 2025.

	Share of revenue / revenue		Share of Capex / Capex	
	Aligned	**Eligible**	**Aligned**	**Eligible**
Climate change mitigation	11.7%	47.9%	33.6%	100%
Climate change adaptation	0%	0%	56.4%	100%
Water and marine resources	Not required in 2023	0%	Not required in 2023	0%
Circular economy		0%		0%
Pollution		0%		0%
Biodiversity and ecosystems		52.1%		0%
TOTAL Regulatory definition*	**11.7%**	**100%**	**56.4%**	**100%**
TOTAL Climate operational definition (Net Rental Income Group Share and EBITDA)	**25.1% (/eligible Climate activities)**	77.1%	55.4%	100%

* Regulations prescribe the use of gross IFRS figures for calculating the percentage of eligibility. However, given the nature of Covivio Hotels' business, a calculation based on net rental income from hotel lease properties (eligible) and the EBITDA of hotels under management (non-eligible Climate - Mitigation and adaptation), as used in Covivio Hotels' financial communications, provides better consistency with the financial reporting. This interpretation forms part of a more operational approach that better reflects the realities of the business.

Given the small share of Opex falling within the scope of the taxonomy compared to the total of the Group's Opex (less than 10%), this indicator is considered non-material.

The information in Chapter 3 of Covivio's 2023 Universal Registration Document is also contained in its Annual Report on Sustainable Performance (www.covivio.eu/fr). Environmental information (energy consumption, CO_2 emissions, water consumption and waste production) are presented in Section 3.7.1.6.

(1) https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=OJ:L_202302486

3.3 Information on the Green Financing Framework

In order to align its financial policy with its ESG ambitions and confirm its pioneering role in the hotel industry, Covivio Hotels became the first hotel real estate company in Europe to adopt a Green Financing Framework in 2023 [(1)], with the commitment that its next bond issues will be carried out in Green Bonds format. Under this Green Financing Framework, eligible assets in operation must meet at least one of the following criteria:

- carbon intensity of the asset below the consumption threshold necessary to comply with the 1.5°C trajectory of the Paris Agreement, as adopted by CRREM and validated by SBTi (Science Based Targets initiatives);
- full alignment with the taxonomy for the acquisition and holding of real estate assets;
- HQE Excellent / BREEAM Excellent / LEED or DGNB Gold certification or higher.

In line with its historical commitments, the assets must also be located less than 500 meters from public transport and the new leases will benefit from green clauses.

In addition, Covivio Hotels has provided for the possibility of including the financing of new buildings, refurbishments, the installation of renewable energy production equipment and energy efficiency work.

Moody's Investors Services, in its Second Party Opinion, recognised the quality of the Green Financing Framework by assigning it a rating of SQS 2 Very Good, in line with the best ratings in the European real estate sector. The overall contribution of the Green Financing Framework to sustainable development reaches the level of Significant and its alignment with the Green Loan / Bond Principles the level of Best Practices.

All information relating to this framework is presented in Covivio's Universal Registration Document.

(1) *covivio-hotels.fr/wp-content/uploads/sites/8/2023/10/Green-Financing-Framework.pdf.*

Kimpton Fitzroy Londres
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€6.4 billon in the hotel real estate portfolio.

4

Consolidated financial statements as at 31 December 2023

4.1 Consolidated financial statements as at 31 December 2023

4.1.1 Statement of financial position

Assets

(In € thousand)	Note 4.2.5	31/12/2023	31/12/2022
Intangible assets	**1.2**		
Goodwill		117 350	120 096
Other intangible fixed assets		227	308
Tangible assets	**1.2**		
Operating properties		1 083 629	1 111 341
Other property, plant and equipment		15 799	17 191
Assets in progress		10 266	5 387
Investment properties	1.3	4 655 245	4 937 208
Non-current financial assets	2.2	59 453	67 688
Investments in equity affiliates	3.2	204 590	211 691
Deferred tax assets	4	23 952	15 966
Long-term derivative instruments	12.5	120 349	227 343
Total non-current assets		**6 290 861**	**6 714 219**
Assets held for sale	1.3	161 915	42 946
Loans and receivables	5	23 793	6 828
Inventories and work in progress	6	2 444	2 346
Short-term derivative instruments	12.5	57 285	50 114
Receivables	7.2	42 721	48 846
Tax receivables	8	21 082	26 466
Other receivables	8	11 377	13 538
Deferred charges	9	3 447	1 284
Cash and cash equivalents	10.2	108 780	127 408
Total current assets		**432 844**	**319 776**
TOTAL ASSETS		**6 723 705**	**7 033 995**

Liabilities

(In € thousand)	Note 4.2.5	31/12/2023	31/12/2022
Capital		592 566	592 566
Premiums		1 659 520	1 700 621
Treasury shares		– 125	– 161
Consolidated reserves		1 146 750	806 016
Result		– 11 574	478 790
Total shareholders' equity, Group Share	**4.1.4**	**3 387 137**	**3 577 832**
Share non-controlling interests		163 572	184 679
Total shareholders' equity	**11.2**	**3 550 709**	**3 762 511**
Long-term borrowings	12.2	2 198 955	2 208 845
Long-term rental liabilities	12.6	282 992	276 148
Long-term derivative instruments	12.5	40 853	69 878
Deferred tax liabilities	4	210 284	247 342
Retirement and other commitments	13.2	857	742
Other long-term liabilities	14	9 334	8 610
Total non-current liabilities		**2 743 275**	**2 811 566**
Liabilities held for sale	4.2.4.3	6 644	0
Payables	14	48 387	43 371
Trade payables on fixed assets	14	7 088	15 945
Short-term borrowings	12.2	255 836	294 523
Short-term rental liabilities	12.6	5 768	5 253
Short-term derivative instruments	12.5	31 671	30 209
Security deposits		65	126
Advances and advanced payments received, accrued credit notes	14	12 465	11 125
Short Term Provisions	13.2	4 417	12 322
Current taxes	14	9 513	4 896
Other short-term liabilities	14	30 131	27 503
Pre-booked income	16	17 738	14 646
Total current liabilities		**429 721**	**459 919**
TOTAL LIABILITIES		**6 723 705**	**7 033 995**

4.1.2 Statement of net income

(In € thousand)	Note 4.2.6	31/12/2023	31/12/2022	Variation
Rental income	2.1	263 983	238 845	25,138
Rental charges not recovered	2.2	- 3 093	- 2 739	- 355
Expenses on Buildings	2.2	- 2 972	- 2 851	- 120
Net bad debt expenses	2.2	- 525	10 743	- 11,268
Net Rental Income		**257 393**	**243 998**	**13,395**
Revenues from hotels under management		287 042	227 656	59,386
Operating expenses of hotels under management		- 212 408	- 165 729	- 46,679
EBITDA of hotels under management	**2.3**	**74 634**	**61 965**	**12 669**
Other Activity income	**2.3**	**16**	**0**	**16**
Management and administration income		5 643	4 700	943
Costs relating to the services activities		- 1 536	- 1 216	- 320
Structure costs		- 23 374	- 21 372	-2,002
Net operating costs	**2.4**	**- 19 266**	**- 17 888**	**-1,379**
Depreciation of operating assets	2.5	- 48 243	- 38 184	- 10,059
Net change in provisions and other	2.5	23 852	10 724	13,128
Operating income		**288 386**	**260 616**	**27,771**
Income from asset disposals	**3**	**341**	**3 042**	**-2,701**
Result of value adjustments	**4**	**- 197 534**	**92 160**	**- 289,693**
Income from the sale of securities		**- 2**	**- 2**	**0**
Result of changes in scope	**4.2.3**	**- 3 791**	**- 14**	**- 3,777**
Operating income (loss)		**87 393**	**355 802**	**- 268,409**
Costs of net financial debt	5	- 62 932	- 52 119	- 10,813
Interests charges on rental liabilities	6	- 15 310	- 15 217	- 93
Value adjustment of derivative instruments	6	- 66 962	200 545	- 267,508
Discounting and exchange result	6	351	- 589	940
Exceptional depreciation of loan issue costs	6	- 417	- 225	- 192
Share in income of equity affiliates	4.2.5.3.2	- 2 020	19 428	- 21,448
Net income before tax		**- 59 896**	**507 626**	**- 567,522**
Deferred tax liabilities	7.2	46 433	3 974	42,459
Corporate taxes	7.2	- 11 847	- 9 551	-2,296
Net income for the period		**- 25 311**	**502 048**	**- 527,359**
Of which net income attributable to non-controlling interests		- 13 737	23 259	- 36,996
Net income for the period - Group Share		**- 11 574**	**478 790**	**- 490,363**
Net income per share, Group Share *(in €)*	**7.2**	**- 0,08**	**3,23**	**-**
Diluted net income per share, Group Share *(in €)*	**7.2**	**- 0,08**	**3,23**	**-**

4.1.3 Statement of comprehensive income

(In € thousand)	31/12/2023	31/12/2022
Net income for the period	**- 25 311**	**502 048**
Currency translation differences	5 775	- 5 885
Other comprehensive income that can be reclassified to profit or loss	**5 775**	**- 5 885**
Other comprehensive income that cannot be reclassified to profit or loss	**0**	**0**
Other items of comprehensive income	**5 775**	**- 5 885**
Comprehensive income for the period	**- 19 536**	**496 163**
of which attributable to owners of the parent company	- 5 799	472 905
of which attributable to non-controlling interests	- 13 737	23 258
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**- 19 536**	**496 163**

4.1.4 Statement of changes in shareholders' equity

(In € thousand)	Capital	Share premium account	Treasury shares	Non distributed reserves and income (loss)	Total shareholders' equity, Group Share	Share non-controlling interests	Total shareholders' equity
Position at 31 December 2021	**592 566**	**1 685 623**	**- 140**	**923 339**	**3 201 388**	**197 278**	**3 398 665**
Dividends distribution	–	–	–	- 96 286	- 96 286	- 28 615	- 124 901
Capital increase	–	–	–	–	0	- 7 242	- 7 242
Others	–	14 998	- 21	- 15 021	- 44		- 44
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**472 905**	**472 905**	**23 258**	**496 163**
Of which currency translation gains	–	–	–	- 5 885	- 5 885		- 5 885
Of which net income (loss)	–	–	–	478 790	478 790	23 258	502 048
Change in scope and interest rates	–	–	–	- 131	- 131		- 131
Position at 31 December 2022	**592 566**	**1 700 621**	**- 161**	**1 284 806**	**3 577 832**	**184 679**	**3 762 511**
Dividends distribution	–	- 43 514	–	- 141 658	- 185 172	- 6 885	- 192 057
Capital increase	–	–	–	–	0	- 494	- 494
Provisions for retirement benefit	–	–	–	–	0	–	0
Others	–	2 413	62	- 2 199	277	9	286
Total comprehensive income (loss) for the period	**-**	**-**	**- 26**	**- 5 774**	**- 5 800**	**- 13 737**	**- 19 536**
Of which currency translation gains	–	–	–	5 775	5 775	–	5 775
Of which net income (loss)	–	–	–	- 11 574	- 11 574	- 13 737	- 25 311
Change in scope and interest rates	–	–	–	–	0	–	0
Position at 31 December 2023	**592 566**	**1 659 520**	**- 125**	**1 135 175**	**3 387 136**	**163 572**	**3 550 709**

4.1.5 Statement of cash flows

(In € thousand)	Note 4.2	31/12/2023	31/12/2022
Consolidated net income (including minority interests)		**- 25 311**	**502 048**
Net depreciation, amortisation and provisions (excluding those related to current assets)		43 201	41 144
Unrealised gains and losses relating to changes in fair value	5.12.5 & 6.4	264 495	- 292 705
Income and expenses calculated on stock options and related share-based payments		14	- 79
Other calculated income and expenses	6.6	- 10 271	- 19 028
Gains or losses on disposals		- 320	- 3 375
Share of income from companies accounted for under the equity method	5.3.2	2 020	- 19 428
Cash flow after tax and cost of net financial debt		**273 828**	**208 578**
Cost of net financial debt and interest charges on rental liabilities	6.5 & 5.12.6	74 217	63 994
Income tax expense (including deferred taxes)	6.7.2	- 34 586	5 577
Cash flow before tax and cost of net financial debt		**313 460**	**278 150**
Taxes paid		- 9 424	- 4 070
Change in WCR on continuing operations (including employee benefits liabilities)	5.7.2	20 087	- 17 197
Net cash generated by the business		**324 123**	**256 882**
Impact of changes in the scope		- 41	- 933
Disbursements related to acquisition of tangible and intangible fixed assets	5.1.2	- 37 816	- 71 056
Proceeds from the disposal of tangible and intangible fixed assets	5.1.2	23 954	168 329
Dividends received (companies accounted for under the equity method, non-consolidated securities)	5.3.2	5 083	3 552
Change in loans and advances granted	5.2.2	3 065	101
Net cash flow from investment activities		**- 5 754**	**99 994**
Impact of changes in the scope		0	- 131
Amounts received from shareholders in connection with capital increases:			
Paid by parent company shareholders	4.1.4	0	0
Paid by non-controlling interests of consolidated companies	4.1.4	- 494	- 7 242
Purchases and sales of treasury shares		62	- 24
Dividends paid during the reporting period:			
Dividends paid to parent company shareholders	4.1.4	- 185 171	- 96 286
Dividends paid to non-controlling interests of consolidated companies	4.1.4	- 6 885	- 28 615
Proceeds related to new borrowings	5.12.2	624 294	44 266
Repayments of borrowings (including finance lease agreements)	5.12.2	- 682 617	- 216 845
Net interest paid (including finance lease agreements)		- 77 461	- 64 736
Other cash flow from financing activities	5.12.5	667	- 13 615
Net cash flow from financing activities		**- 327 603**	**- 383 229**
Impact of changes in the exchange rate		**934**	**- 920**
Change in net cash		**- 8 300**	**- 27 274**
Opening cash position		116 985	144 259
Closing cash position		108 685	116 985
CHANGE IN CASH AND CASH EQUIVALENTS		**- 8 300**	**- 27 274**

4.2 Notes to the consolidated financial statements

4.2.1 General principles

4.2.1.1 Accounting standards

The consolidated financial statements of the Covivio Hotels Group at 31 December 2023 were prepared in accordance with the international accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union as of the preparation date. These standards include the IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards) and their interpretations.

The financial statements were approved by the Management on 13 February 2024.

Accounting principles and methods used

The accounting principles applied to the consolidated financial statements as at 31 December 2023 are identical to those used for the consolidated financial statements as at 31 December 2022, with the exception of new standards and amendments whose application is mandatory as from 1 January 2023 and which were not applied early by the Group.

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

- IFRS 17 "Insurance contracts" and amendments, adopted on 19 November 2021; IFRS 17 lays out the principles as to the recognition, valuation, presentation and disclosures concerning insurance contracts within the scope of application of the standard. This text only concerns issuers of insurance contracts. No impact for the Group
- amendments to IAS 8 "Definition of Accounting Estimates" adopted on 2 March 2022; these amendments aim to facilitate the distinction between accounting methods and accounting estimates. These amendments had no impact on the period, in the absence of change in accounting method or accounting estimate
- amendments to IAS 1 "Presentation of Financial Statements – Practice Statement 2 – Disclosure of Accounting Policies", adopted on 2 March 2022; the purpose of these amendments is to help companies identify useful information on accounting methods, to provide to users of financial statements. The application of these amendments did not lead to significant changes in the presentation of the annual financial statements
- amendments to IAS 12 "Deferred tax related to assets and liabilities arising from the same transaction", published on 7 May 2021; this amendment specifies how entities must account for deferred taxes on transactions such as leases and decommissioning obligations. The net impact of deferred tax assets and liabilities on IFRS 16 is not material; these deferred taxes have not been recognised in the consolidated financial statements
- amendments to IAS 12 "International Tax Reform – Pillar 2 Model Rules". The result of a project by the OECD and the European Commission, this reform, which aims to guarantee an effective minimum taxation of 15% of groups with revenue of at least €750 million, was introduced by most member countries and will be applicable from the 2024 fiscal year. To date, however, there are a number of uncertainties regarding the implementation of the rules relating, in particular, to the scope of application (in particular for companies applying the SIIC regime or equivalent) and the calculation methods, which do not yet provide a reliable estimate of the impacts of this reform for the Group.

Details are expected from the bodies representing the reform in the first months of the 2024 fiscal year, which should make it possible to estimate more reliably the stakes for the Group of these new PILLAR 2 provisions.

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

- amendments to IAS 1 "Classification of liabilities as current or non-current. Non-current liabilities with prepayment clauses"
- amendment 1 IFRS 16 "Leaseback in a sale and leaseback transaction"
- amendment to IAS 7 & IFRS 7 "Supplier financing arrangements".

4.2.1.2 Estimates and judgements

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

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

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

Due to the uncertainties inherent in any valuation process, the Covivio Hotels Group reviews its estimates based on regularly updated information. These estimates take into account, where applicable, the financial impacts related to the commitments made by the Group on the effects of climate change (note 4.2.1.3 to the consolidated financial statements). The future results of the transactions in question may differ from these estimates.

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

4.2.1.3 Taking into account the effects of climate change

In 2021, Covivio announced a new carbon trajectory and raised its ambitions to achieve a 40% reduction in greenhouse gas emissions by 2030, thus also raising the targets for Covivio Hotels. This objective, which concerns all Scopes 1, 2 and 3, covers all activities in Europe and the entire life cycle of assets: materials, construction, restructuring and operation.

Covivio Hotels continued its drive in terms of building certification: the proportion of assets with HQE, BREAM, GREEN KEY, GSTC or equivalent certification, in operation and/or under construction, reached 91.2%. This strategy actively contributes to achieving the new Carbon trajectory. It is accompanied by a commitment to work hand in hand with its clients to achieve its objectives by relying on its strong partnerships.

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

4.2.1.4 Operating segments (IFRS 8)

The operating segments of the Covivio Hotels Group are detailed in Section 4.2.8.1.

4.2.1.5 IFRS 7 – Reference table

Market risk	§ 4.2.2.6
Liquidity risk	§ 4.2.2.2
Financial expense sensitivity	§ 4.2.2.3
Sensitivity of the fair value of investment properties	§ 4.2.5.1.3
Counterparty risk	§ 4.2.2.4
Covenants	§ 4.2.5.12.7
Exchange rate risk	§ 4.2.2.7

4.2.2 Financial risk management

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

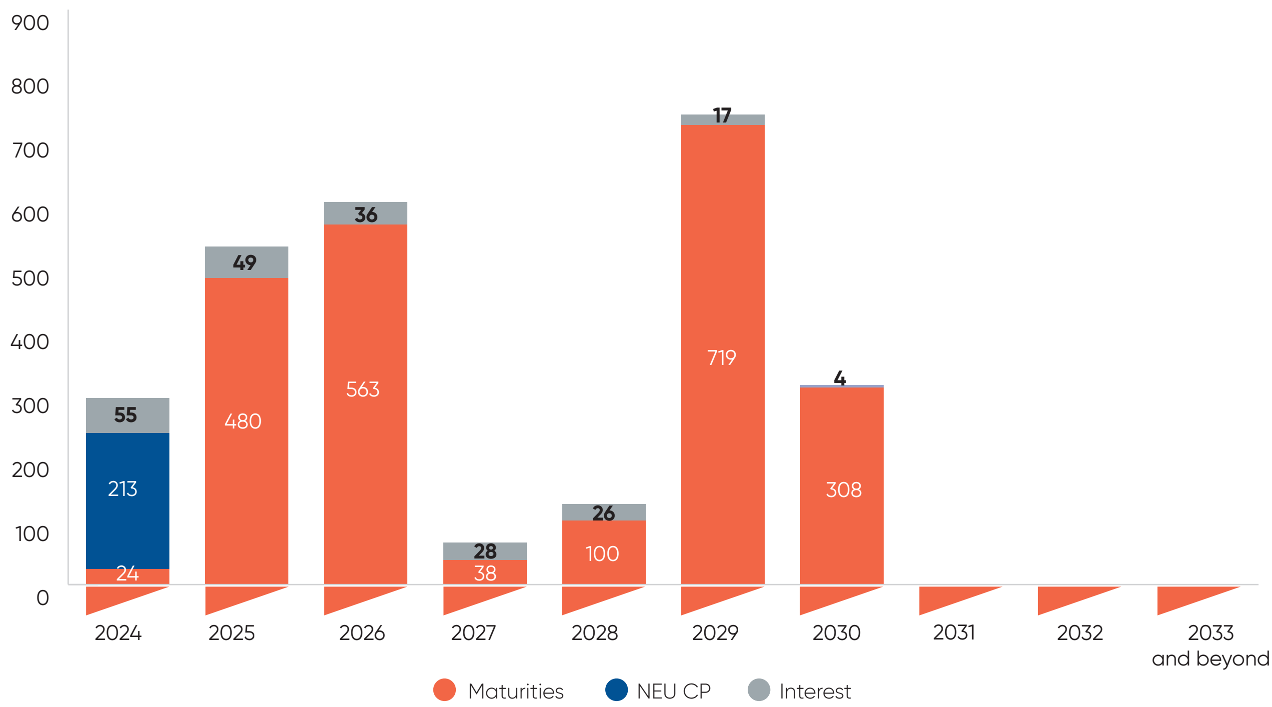
4.2.2.1 Marketing risk for properties under development

The Group is involved in property development. As such, it is exposed to a number of different risks, particularly risks associated with construction costs, completion delays and the marketing of properties. These risks can be assessed in light of the schedule of assets under development (see § 4.2.5.1.).

4.2.2.2 Liquidity risk

Liquidity risk is managed in the medium and long term with multi-year cash management plans and, in the short term, by using confirmed and undrawn lines of credit. At 31 December 2023, Covivio Hotels' available cash and cash equivalents amounted to €599 million, including €448 million in confirmed credit lines, €108 million in short-term investments and cash equivalents and €42 million in granted unused overdraft facilities.

The graph below shows the maturities of borrowings (in € million) including interest expenses as at 31 December 2023.



Covivio Hotels Group debt totalled €2,444.7 million as at 31 December 2023 (see 4.2.5.12).

The interest payable up to the extinguishing of all the debt, estimated based on the outstanding amount as at 31 December 2023 and the average interest rate on debt, totalled €214 million.

Details of the debt maturities are provided in note 4.2.5.12.3, and a description of the banking covenants and accelerated payment clauses included in the loan agreements is presented in note 4.2.5.12.7.

4.2.2.3 Interest rate risk

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

To the extent possible, bank debt is almost systematically hedged *via* financial instruments (see 4.2.5.12.5). As at 31 December 2023, after taking interest rate swaps into account, an average of 88.9% of the Group's debt was actively hedged, and the bulk of the remainder was covered by interest rate caps, which resulted in the following sensitivity to changes in interest rates:

- the impact of an increase of 100 bps on the rates at 31 December 2023 is -€1.1 million on cost of net debt Group Share for 2024
- the impact of an increase of 50 bps on the rates at 31 December 2023 is -€0.6 million on the cost of debt Group Share for 2024
- the impact of a decrease of 50 bps on the rates at 31 December 2023 is +€0.6 million on the cost of net debt Group Share in 2024.

4.2.2.4 Financial counterparty risk

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

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

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

Counterparty risk is included in the measurement of cash instruments. At 31 December 2023, the amount is -€3.6 million compared to -€6.8 million at 31 December 2022.

4.2.2.5 Lease counterparty risk

Covivio Hotels Group's rental income is fairly concentrated among a group of principal tenants (Accor, B&B, IHG, NH etc.) who generate the bulk of annual rental income.

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

In 2023, the Group's revenue continued to grow. However, the Group recorded new arrears over the period on the Retail portfolio. An additional provision of €1.3 million was recorded over the period.

4.2.2.6 Risk related to changes in the value of the portfolio

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

The investment policy of the Covivio Hotels Group seeks to minimise the impact of the various stages of the cycle by choosing investments that:

- with long-term leases and high-quality tenants, to soften the impact of a reduction in market rental income and the resulting decline in real estate prices
- are located in major European cities.

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

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

Rental income is indexed to rent indexation indices, to changes in Accor revenues and to the likelihood of the application of major underperformance clauses on the portfolio in the United Kingdom for the hotels concerned.

The sensitivity of the fair value of investment properties to changes in rental values and/or capitalisation rates is analysed in § 4.2.5.1.3.

4.2.2.7 Foreign exchange risk

The Group operates both inside and outside the Euro zone following the acquisition of hotel real estate assets in the United Kingdom, Poland, the Czech Republic and Hungary. The Group protected itself against fluctuations in the pound sterling by financing part of the acquisition in the UK with a foreign currency loan and a currency swap.

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

		Sensitivity		
	31/12/2023 (in £M)	1.8% real increase in the GBP/EUR exchange rate	5% decrease in the GBP/EUR exchange rate (in €M)	10% decrease in the GBP/EUR exchange rate (in €M)
Portfolio	647	13.0	-35.8	-71.9
Debt	400	-7.8	22.3	44.6
Cross currency swap	250	-4.9	13.9	27.9
SHAREHOLDERS' EQUITY IMPACT		**0.3**	**0.5**	**0.6**

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

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

The Group is exposed to risks for two classes of shares (see § 4.2.5.3.2):

- available-for-sale securities measured at fair value. This fair value is the market price when the securities are traded on a regulated market
- the securities of companies accounted for under the equity method are measured at their value in use. Value in use is determined based on independent assessments of the real estate assets and financial instruments.

The Covivio Hotels Group made an inaugural bond issue in September 2018 and a new bond issue in July and November 2021 for €599 million, the characteristics of which are presented in § 4.2.5.12.4.

4.2.2.9 Tax environment

The Group does not observe any major changes in the tax environment in France and in other countries impacting the results of the 2023 fiscal year.

On the other hand, the international tax reform "PILLAR 2", resulting from a project by the OECD and the European Commission, and aimed at guaranteeing an effective minimum taxation of 15% of groups with revenue of at least €750 million, has been introduced by most member countries and will be applicable from the 2024 fiscal year.

To date, however, there are a number of uncertainties regarding the implementation of the rules relating, in particular, to the scope of application (in particular for companies applying the SIIC regime or equivalent) and the calculation methods, which do not yet provide a reliable estimate of the impacts of this reform for the Group.

Details are expected from the bodies representing the reform in the first months of the 2024 fiscal year, which should make it possible to estimate more reliably the stakes for the Group of these new PILLAR 2 provisions.

4.2.2.9.1 Tax risks

Due to the complexity and formalism that characterise the tax environment in which Covivio Hotels conducts its activities, the Group is exposed to tax risks. After consulting our advisors, if a tax treatment presents a risk of adjustment, a provision is made.

There is no provisioned tax risk at 31 December 2023, for which the effects would be likely to significantly affect Covivio Hotels' results or financial position.

4.2.2.9.2 Deferred taxes

The impact of deferred tax liabilities therefore mainly relates to investments to which the SIIC regime does not apply (Belgium, Czech Republic, Germany, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Spain, United Kingdom). In the case of Spain, all Spanish companies have opted for the SOCIMI regime exemption. However, there are deferred tax liabilities related to assets held by the companies prior to opting for SOCIMI treatment.

Deferred tax mainly arises from fair value measurement of the overseas portfolio and from the Operating Properties business (German rate: 15.825%, French rate: 25.83%). Please note that the hotel businesses are taxed at a rate of between 30.18% and 32.28% in Germany and that deferred tax liabilities for this business have also been recognised at this rate.

For the UK, 9 of the 12 companies will enter the UK REIT exemption from 1 January 2024. There is therefore no longer any deferred tax on this part of the portfolio. A reversal of €32.3 million was therefore made in deferred taxes at 31 December 2023.

4.2.3 Scope of consolidation

4.2.3.1 Accounting principles relating to the scope of consolidation

Consolidated subsidiaries and structured entities – IFRS 10

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

The Covivio Hotels Group has control when it:

- has power over the issuing entity
- is exposed or is entitled to variable returns due to its ties with the issuing entity
- has the ability to exercise its power in such a manner as to affect the amount of returns that it receives.

The Covivio Hotels Group must reassess whether it controls the issuing entity when facts and circumstances indicate that one or more of the three factors of control listed above have changed.

A structured entity is an entity structured in such a way that the voting rights or similar rights do not represent the determining factor in establishing control of the entity; this is particularly the case when the voting rights only involve administrative tasks and the relevant business activities are governed by contractual agreements.

If the Group does not hold a majority of the voting rights in an issuing entity in order to determine the power exercised over an entity, it analyses whether it has sufficient rights to unilaterally manage the issuing entity's relevant business activities. The Group takes into consideration any facts and circumstances when it evaluates whether the voting rights that it holds in the issuing entity are sufficient to confer power to the Group, including the following:

- the number of voting rights that the Group holds compared to the number of rights held respectively by the other holders of voting rights and their distribution
- the potential voting rights held by the Group, other holders of voting rights or other parties
- the rights under other contractual agreements
- the other facts and circumstances, where applicable, which indicate that the Group has or does not have the ability to manage relevant business activities at the moment when decisions must be made, including voting patterns during previous shareholders' meetings.

Subsidiaries and structured entities are fully consolidated.

Equity affiliates – IAS 28

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

The results and the assets and liabilities of equity affiliates are accounted for in these consolidated accounts according to the equity method.

Partnerships (joint control) – IFRS 11

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

Joint ventures

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

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

Joint operations

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

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

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

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

No Group company is considered to constitute a joint operation.

4.2.3.2 Change in holding rate and change in consolidation method

None.

4.2.3.3 List of consolidated companies

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

185 Companies	Country	Business sector	Consoli-dation method in 2023	% interest 2023	% interest 2022
SCA Covivio Hotels	**France**	**Multi-business**	**Parent company**	**-**	**-**
Rocky 1	France	Hotels	FC	100.00	-
Rocky 2	France	Hotels	FC	100.00	-
Rocky 3	France	Hotels	FC	100.00	-
Rocky 4	France	Hotels	FC	100.00	-
Rocky 5	France	Hotels	FC	100.00	-
Rocky 6	France	Hotels	FC	100.00	-
Rocky 7	France	Hotels	FC	100.00	-
Rocky 8	France	Hotels	FC	100.00	-
Rocky 9	France	Hotels	FC	100.00	-
Rocky 10	France	Hotels	FC	100.00	-
Rocky 11	France	Hotels	FC	100.00	-
Rocky Covivio Limited	United Kingdom	Hotels	FC	100.00	-
SCI Hôtel Porte Dorée	France	Hotels	FC	100.00	100.00
Foncière B4 Hôtel Invest	France	Hotels	FC	50.20	50.20
SARL Loire	France	Hotels	FC	100.00	100.00
Foncière Otello	France	Hotels	FC	100.00	100.00
SNC Hôtel René Clair	France	Hotels	FC	100.00	100.00
Foncière B2 Hôtel Invest	France	Hotels	FC	50.20	50.20
OPCI B2 Hôtel Invest	France	Hotels	FC	50.20	50.20
Foncière B3 Hôtel Invest	France	Hotels	FC	50.20	50.20
FDM Gestion Immobilière	France	Hotels	FC	100.00	100.00
Roco Italy Holdco SRL	Italy	Hotels	FC	100.00	100.00
Dei Dogi Venice Propco S.r.l (Roco Italy)	Italy	Hotels	FC	100.00	100.00
Bellini Venice Propco S.r.l (Roco Italy)	Italy	Hotels	FC	100.00	100.00
Palazzo Gaddi Florence Propco S.r.l (Roco Italy)	Italy	Hotels	FC	100.00	100.00
Palazzo Naiadi Rome Propco S.r.l (Roco Italy)	Italy	Hotels	FC	100.00	100.00
New York Palace PropCo Ltd (Roco Hungary)	Hungary	Hotels	FC	100.00	100.00
SC Czech AAD, s.r.o. (Roco Czech Republic)	Czech Rep.	Hotels	FC	100.00	100.00
Sardobal Investment (B&B Poland)	Poland	Hotels	FC	100.00	100.00
Redewen Investment (B&B Poland)	Poland	Hotels	FC	100.00	100.00
Noxwood Investment (B&B Poland)	Poland	Hotels	FC	100.00	100.00
Cerstook Investment (B&B Poland)	Poland	Hotels	FC	100.00	100.00
Forsmint Investment (B&B Poland)	Poland	Hotels	FC	100.00	100.00
Oxford Spires Hotel Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Oxford Thames Limited (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Blythswood Square Hotel Glasgow Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
George Hotel Investments Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Grand Central Hotel Company Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda Leeds Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda Palace Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda Russell Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda York Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Oxford Spires Hotel Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00

185 Companies	Country	Business sector	Consolidation method in 2023	% interest 2023	% interest 2022
Oxford Thames Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Roxburghe Investments Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
The St David's Hotel Cardiff Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Wotton House Properties Holdco Ltd (Rocky operation)	United Kingdom	Hotels	FC	100.00	100.00
Blythswood Square Hotel Glasgow Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
George Hotel Investments Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
Grand Central Hotel Company Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda Leeds PropCo Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda Palace PropCo Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda Russell PropCo Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
Lagonda York PropCo Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
Roxburghe Investments Propco Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
The St David's Hotel Cardiff Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
Wotton House Properties Ltd (Rocky – Propco operation)	United Kingdom	Hotels	FC	100.00	100.00
HEM Diestelkade Amsterdam BV (LHI 2 operation)	Netherlands	Hotels	FC	100.00	100.00
Delta Hotel Amersfoort BV	Netherlands	Hotels	FC	100.00	100.00
Hôtel Amsterdam Noord	Netherlands	Hotels	FC	100.00	100.00
Hôtel Amersfoort	Netherlands	Hotels	FC	100.00	100.00
NH Amsterdam Center Hôtel HLD	Netherlands	Hotels	FC	100.00	100.00
Stadhouderskade Amsterdam BV	Netherlands	Hotels	FC	100.00	100.00
MO Lux 1 SARL	Luxembourg	Hotels	FC	100.00	100.00
LHM Holding Lux SARL	Luxembourg	Hotels	FC	100.00	100.00
LHM PropCo Lux SARL	Luxembourg	Hotels	FC	90.00	90.00
H Invest Lux	Luxembourg	Hotels	FC	100.00	100.00
H Invest Lux 2	Luxembourg	Hotels	FC	100.00	100.00
Murdelux SARL	Luxembourg	Hotels	FC	100.00	100.00
FDM Rocatiera	Spain	Hotels	FC	100.00	100.00
Bardiomar	Spain	Hotels	FC	100.00	100.00
Trade Center Hotel	Spain	Hotels	FC	100.00	100.00
B&B Invest Spain SLU	Spain	Hotels	FC	100.00	100.00
Portmurs	Portugal	Hotels	FC	100.00	100.00
B&B Invest Lux 1	Germany	Hotels	FC	100.00	100.00
B&B Invest Lux 2	Germany	Hotels	FC	100.00	100.00
B&B Invest Lux 3	Germany	Hotels	FC	100.00	100.00
Mo First Five	Germany	Hotels	FC	84.60	84.60
B&B Invest Lux 4	Germany	Hotels	FC	100.00	100.00
MO Dreilinden, Niederrad	Germany	Hotels	FC	94.00	94.00
MO Berlin et Koln	Germany	Hotels	FC	94.00	94.00
Ringer	Germany	Hotels	FC	100.00	100.00
B&B Invest Lux 5	Germany	Hotels	FC	93.00	93.00
Ulysse Belgique	Belgium	Hotels	FC	100.00	100.00
Ulysse Trefonds	Belgium	Hotels	FC	100.00	100.00
Foncière No Bruxelles Grand Place	Belgium	Hotels	FC	100.00	100.00
Foncière No Bruxelles Aéroport	Belgium	Hotels	FC	100.00	100.00
Foncière No Bruges Centre	Belgium	Hotels	FC	100.00	100.00

185 Companies	Country	Business sector	Consoli-dation method in 2023	% interest 2023	% interest 2022
Foncière Gand Opéra	Belgium	Hotels	FC	100.00	100.00
Foncière IB Bruxelles Grand-Place	Belgium	Hotels	FC	100.00	100.00
Foncière IB Bruxelles Aéroport	Belgium	Hotels	FC	100.00	100.00
Foncière IB Bruges Centre	Belgium	Hotels	FC	100.00	100.00
Foncière Antwerp Centre	Belgium	Hotels	FC	100.00	100.00
Foncière Bruxelles Expo Atomium	Belgium	Hotels	FC	100.00	100.00
Sunparks Oostduinkerke	Belgium	Hotels	FC	100.00	100.00
Foncière Vielsam	Belgium	Hotels	FC	100.00	100.00
Sunparks Trefonds	Belgium	Hotels	FC	100.00	100.00
Foncière Kempense Meren	Belgium	Hotels	FC	100.00	100.00
Opco Hotel Stadt Berlin Betriebs (Park-Inn) – Rock	Germany	Operating Properties	FC	94.90	94.90
Berlin III (Propco Mercure Potsdam) – Rock	Germany	Operating Properties	FC	94.90	94.90
Opco Hotel Potsdam Betriebs (Mercure Potsdam) – Rock	Germany	Operating Properties	FC	94.90	94.90
Dresden II (propco Ibis Hotel Dresden) – Rock	Germany	Operating Properties	FC	94.90	94.90

Company	Country	Business sector	Consoli-dation method in 2023		% interest 2022
Dresden III (propco Ibis Hotel Dresden) – Rock	Germany	Operating Properties	FC	94.90	94.90
Dresden IV (propco Ibis Hotel Dresden) - Rock	Germany	Operating Properties	FC	94.90	94.90
Opco BKL Hotelbetriebsgesellschaft (Dresden II to IV) – Rock	Germany	Operating Properties	FC	94.90	94.90
Dresden V (propco Pullman Newa Dresden) – Rock	Germany	Operating Properties	FC	94.90	94.90
Opco Hotel Newa Dresden Betriebs (Pullman) – Rock	Germany	Operating Properties	FC	94.90	94.90
Leipzig I (propco Westin Leipzig) – Rock	Germany	Operating Properties	FC	94.90	94.90
Opco HotelgesellschaftGerberst. Betriebs (Westin Leipzig) - Rock	Germany	Operating Properties	FC	94.90	94.90
Leipzig II (propco Radisson Blu Leipzig) – Rock	Germany	Operating Properties	FC	94.90	94.90
Opco Hotel Deutschland Leipzig Betriebs (Radisson Blu) – Rock	Germany	Operating Properties	FC	94.90	94.90
Erfurt I (propco Radisson Blu Erfurt) – Rock	Germany	Operating Properties	FC	94.90	94.90
Opco Hotel Kosmos Erfurt (Radisson Blu) – Rock	Germany	Operating Properties	FC	94.90	94.90
Opco Grand Hotel Berlin Betriebs (Westin Berlin) – Rock	Germany	Operating Properties	FC	94.90	94.90
Berlin II (Propco Park Inn Alexanderplatz) – Rock	Germany	Operating Properties	FC	94.90	94.90
Berlin I (Propco Westin Grand Berlin) – Rock	Germany	Operating Properties	FC	94.90	94.90
SOHO 2 SAS	France	Operating Properties	FC	100.00	100.00
OPCO Rosace	France	Operating Properties	FC	100.00	100.00
SCI Rosace	France	Operating Properties	FC	100.00	100.00
SLIH HIR	France	Operating Properties	FC	100.00	100.00
SLIH HG	France	Operating Properties	FC	100.00	100.00
SLIH HDB	France	Operating Properties	FC	100.00	100.00
SLIH GHB	France	Operating Properties	FC	100.00	100.00
SLIH CP	France	Operating Properties	FC	100.00	100.00
SLIH AD	France	Operating Properties	FC	100.00	100.00
Société nouvelle de l'hôtel Plaza Sas (opco Nice) (Roco France)	France	Operating Properties	FC	100.00	100.00
Constance	France	Operating Properties	FC	100.00	100.00
Nice – M	France	Operating Properties	FC	100.00	100.00
Hermitage Holdco	France	Operating Properties	FC	100.00	100.00
Ruhl Côte d'Azur	France	Operating Properties	FC	100.00	100.00
SLIH – Société Lilloise Investissement Immobilier Hôtelier SA	France	Operating Properties	FC	100.00	100.00
OPCO 2 Bruges NV (Opco Belgium)	Belgium	Operating Properties	FC	100.00	100.00
Airport Garden Hotel NV	Belgium	Operating Properties	FC	100.00	100.00
Exco Hôtel	Belgium	Operating Properties	FC	100.00	100.00
Invest Hôtel	Belgium	Operating Properties	FC	100.00	100.00
FDM M Lux	Luxembourg	Operating Properties	FC	100.00	100.00
Dresden Dev SARL	Luxembourg	Operating Properties	FC	94.90	94.90
Rock Lux opco	Luxembourg	Operating Properties	FC	100.00	100.00
Constance Lux 1	Luxembourg	Operating Properties	FC	100.00	100.00
Constance Lux 2	Luxembourg	Operating Properties	FC	100.00	100.00
Rock-Lux	Luxembourg	Operating Properties	FC	100.00	100.00
Lagonda Leeds Opco Ltd (Opco UK)	United Kingdom	Operating Properties	FC	100.00	100.00
Lagonda York Opco Ltd (Opco UK)	United Kingdom	Operating Properties	FC	100.00	100.00
Wotton House Properties Opco Limited (Opco UK)	United Kingdom	Operating Properties	FC	100.00	100.00
Honeypool (Holding Hilton Dublin)	Ireland	Operating Properties	FC	100.00	100.00
Thornmont Ltd (Propco Hilton Dublin)	Ireland	Operating Properties	FC	100.00	100.00
Kilmainham Property Holdings (Hilton Dublin)	Ireland	Operating Properties	FC	100.00	100.00

Company	Country	Business sector	Consoli-dation method in 2023		% interest 2022
OPCI Iris Invest 2010	France	Hotels	EM/EA	19.90	19.90
Foncière Iris SAS	France	Hotels	EM/EA	19.90	19.90
Sables d'Olonne SAS	France	Hotels	EM/EA	19.90	19.90
Iris investor Holding Gmbh	Germany	Hotels	EM/EA	19.90	19.90
Iris General partner Gmbh	Germany	Hotels	EM/EA	10.00	10.00
Iris Berlin Gmbh	Germany	Hotels	EM/EA	19.90	19.90
Iris Bochum & Essen Gmbh	Germany	Hotels	EM/EA	19.90	19.90
Iris Frankfurt Gmbh	Germany	Hotels	EM/EA	19.90	19.90
Iris Verwaltungs Gmbh & co KG	Germany	Hotels	EM/EA	18.90	18.90
Iris Nurnberg Gmbh	Germany	Hotels	EM/EA	19.90	19.90
Iris Stuttgart Gmbh	Germany	Hotels	EM/EA	19.90	19.90
Narcisse Holding Belgique	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Bruxelles Tour Noire	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Louvain	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Malines	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Bruxelles Centre Gare	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Namur	Belgium	Hotels	EM/EA	19.90	19.90
Tulipe Holding Belgique	Belgium	Hotels	EM/EA	19.90	19.90
Iris Tréfonds	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Louvain Centre	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Liège	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Bruxelles Aéroport	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Bruxelles Sud	Belgium	Hotels	EM/EA	19.90	19.90
Foncière Bruge Station	Belgium	Hotels	EM/EA	19.90	19.90
OPCI Camp Invest	France	Hotels	EM/EA	19.90	19.90
SAS Campeli	France	Hotels	EM/EA	19.90	19.90
SCI Dahlia	France	Hotels	EM/EA	20.00	20,00
Jouron (Phoenix Belgium)	Belgium	Hotels	EM/EA	33.33	33.33
Foncière Bruxelles Sainte Catherine (Phoenix)	Belgium	Hotels	EM/EA	33.33	33.33
Foncière Gand Cathédrale (Phoenix)	Belgium	Hotels	EM/EA	33.33	33.33
Foncière IGK (Phoenix)	Belgium	Hotels	EM/EA	33.33	33.33
Kombon SAS (Phoenix)	France	Hotels	EM/EA	33.33	33.33
OPCI Otelli (Phoenix)	France	Hotels	EM/EA	31.15	31.15
CBI Orient (Phoenix)	France	Hotels	EM/EA	31.15	31.15
CBI Express (Phoenix)	France	Hotels	EM/EA	31.15	31.15
So Hospitality	France	Operating Properties	FC	0.00	100.00
Ste Immobilière Verdun Sas (Roco France)	France	Hotels	FC	0.00	100.00

The registered office of the parent company Covivio Hotels and its main fully consolidated French subsidiaries has been at Rue de Madrid – 75008 Paris since 24 February 2024.

There are 185 companies in the Covivio Hotels Group, including 148 fully consolidated companies and 36 equity affiliates.

4.2.3.4 Assessment of control

OPCI Foncière B2 Hôtel Invest (consolidated structured entity)

OPCI Foncière B2 Hôtel Invest, 50.2% owned by Covivio Hotels as at 31 December 2023, is fully consolidated.

Governance decisions at the OPCI are taken by a majority of the six members of the Board of Directors (Covivio Hotels has three representatives including the Chairman, who has a casting vote in the event of a tie).

Considering the rules of governance that grant Covivio Hotels powers giving it the ability to affect asset yields, the company is fully consolidated.

4.2.4 Significant events of the period

Significant events during the period were as follows:

4.2.4.1 Business update

The second half of 2023 marks a continuity of activity, with occupancy rates rising and average prices remaining at levels well above the level of 2019, particularly in major tourist capitals such as Paris. Revpar levels are thus above those of 2019. This recovery in activity is reflected in:

- an increase in variable rent rental income for €10 million on the Accor portfolio, €5 million on the portfolio in Spain and €3 million in rents on the portfolio in the UK
- the €12.7 million increase in the EBITDA of hotels under management.

4.2.4.2 Asset disposals

During the 2023 fiscal year, Covivio Hotels sold three hotels for €20.6 million net of expenses as well as a non-strategic asset for €0.2 million.

As of 31 December 2023, the sale commitments relate to a hotel in Spain amounting to €22 million, a hotel in France for €8.8 million and commitments on retail assets for a total of €50 million.

4.2.4.3 Disposals of securities

During the 2023 fiscal year, Covivio Hotels signed a commitment to sell Bardiomar shares (carrying a hotel in Spain) for €74.6 million.

In accordance with IFRS 5, the company's assets and liabilities have been downgraded to other assets and liabilities held for sale for €6.5 million as assets, in addition to the reclassification of real estate assets (€75 million) and €6.6 million in liabilities.

4.2.4.4 Financing and reimbursement

At the end of May 2023, Covivio Hotels redeemed its private placement for €200 million.

Covivio Hotels also refinanced a debt of €150 million.

During the year, Covivio Hotels also drew down credit lines (NEU CP) for €213 million.

4.2.4.5 UK REIT

To opt for the UK REIT exemption from 1 January 2024, for 9 of the 12 assets held in the UK, which will allow an income tax exemption subject to the distribution of 90% of rental income; intra-group restructuring was carried out at the end of 2023, leading to the creation of 12 new companies. This restructuring did not have any particular impact on 2023 results, with the exception of those described in Section 4.2.2.9.2.

4.2.5 Notes to the statement of financial position

4.2.5.1 Portfolio

4.2.5.1.1 Accounting principles relating to tangible and intangible assets

Business combinations (IFRS 3) and goodwill from acquisitions

An entity must determine whether a transaction or event constitutes a business combination within the meaning of the definition of IFRS 3, which stipulates that a business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors in the form of dividends, lower costs or other economic advantages.

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

To determine whether a transaction constitutes a business combination, the Group considers whether an integrated set of businesses is acquired in addition to real estate. The criteria the Group uses may be the number of assets and the existence of a process such as asset management or sales and marketing units.

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

After its initial recognition, the goodwill is subject to an impairment test at least once a year. Impairment testing consists of comparing the net book value of tangible and intangible fixed assets and related goodwill with the valuation of the hotels in the "Operating Properties" activity carried out by real estate appraisers.

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

Costs of an acquisition classified as a business combination are recognised in expenses in accordance with IFRS 3 under "Income from changes in scope" in the income statement, while acquisition costs not classified as a business combination are booked as part of the asset value of the acquired assets.

Investment properties (IAS 40)

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

Investment properties represent the majority of the Group's portfolio.

Owner occupied buildings are recognised as tangible fixed assets at amortised cost.

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

The Covivio Hotels portfolio is appraised by independent experts who are members of AFREXIM (in particular Cushman, BNP Paribas Real Estate, CBRE, BPCE Expertise, MKG) on a half-yearly basis, with two appraisals, one on 30 June and the other on 31 December.

The assets were estimated at values excluding and including duties, and rents at market value. They are accounted for at their net market value.

The methodology changes according to the type of asset:

Valuation of hotel real estate

The value of hotel real estate was determined by discounting future annual net income on the basis of the following principles:

- most of the cash flow forecasts were valued over ten years
- cash flow is determined on the basis of rental income, which is in turn dependent on hotel real estate revenues, and direct investments by Covivio Hotels are deducted from cash flow
- rental income is calculated by applying a fixed rate to hotel revenues. Rates vary depending on the brand and the asset location
- discount and capitalisation rates are determined on the basis of risk-free interest rates plus a risk premium related to the property.

Valuation of Club Méditerranée in Portugal

The holiday village was valued by capitalising the rental income that it is likely to generate.

Valuation of non-material activities

The restaurants (Courtepaille) were valued by capitalising the rental income they are likely to generate (having regard to the estimated level of the standardised rent that the asset is likely to carry) as well as by discounting all the rental income over the residual term of the lease.

The resulting values are also cross-checked with the initial yield rate, monetary values per m^2 of comparable transactions and transactions carried out by the Group.

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

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

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

Assets under development (IAS 40)

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

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

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

Right-of-use (IFRS 16)

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

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

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

Tangible fixed assets (IAS 16)

Pursuant to the preferred method proposed by IAS 16, managed hotels under the Operating Properties business line (Own Occupied Buildings - occupied or operated by Group teams) are carried at historical cost less accumulated depreciation and any potential impairment. They are amortised over their expected useful life according to a components-based approach.

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

Buildings	50 to 60 years
General facilities and building improvements	10 to 30 years
Equipment and furniture	3 to 20 years

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

Non-current assets held for sale (IFRS 5)

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

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

For Covivio Hotels, only assets corresponding to the above criteria and for which a preliminary sale agreement has been signed are classified as assets held for sale.

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

4.2.5.1.2 Table of changes in fixed assets

(In € thousand)	31/12/2022	Increases/ Charges	Disposals	Change in fair value	Transfers	Change in exchange rate	Change in accounting method	31/12/2023
Intangible fixed assets	**120,404**	**-2,820**	**-7**	**0**	**-0**	**1**	**0**	**117,578**
Goodwill	120,096	-2,746	0	0	0	0	0	117,350
Other intangible fixed assets	308	-74	-7	0	-0	1	0	228
Gross amounts	2,420	85	-304	0	-29	1	0	2,172
Depreciation	-2,111	-159	297	0	29	-0	0	-1,944
Tangible fixed assets	**1,133,919**	**-28,446**	**-113**	**0**	**2,537**	**1,797**	**0**	**1,109,694**
Operating properties	1,111,341	-32,845	-2	0	3,337	1,798	0	1,083,629
Gross amounts	1,469,785	9,621	-8	0	2,885	1,820	0	1,484,103
Depreciation	-358,444	-42,466	6	0	452	-22	0	-400,474
Other tangible fixed assets	17,191	-2,222	-87	0	918	-0	0	15,799
Gross amounts	152,693	3,397	-16,557	0	930	-3	0	140,459
Depreciation	-135,502	-5,619	16,470	0	-12	3	0	-124,659
Assets in progress	5,387	6,621	-24	0	-1,718	-0	0	10,266
Investment properties	**4,937,208**	**23,598**	**-3,460**	**-196,348**	**-127,701**	**21,031**	**917**	**4,655,245**
Investment properties	4,937,208	23,598	-3,460	-196,348	-127,701	21,031	917	4,655,245
Properties under development	0	0	0	0	0	0	0	0
Leases[1]	*238,349*	*0*	*0*	*-677*	*3,002*	*2,699*	*0*	*243,373*
Assets held for sale	**42,946**	**0**	**-17,000**	**-1,186**	**137,155**	**0**	**0**	**161,915**
Assets held for sale	42,946	0	-17,000	-1,186	130,690	0	0	155,450
Other assets held for sale	0	0	0	0	6,465	0	0	6,465
TOTAL	**6,234,477**	**-7,668**	**-20,580**	**-197,534**	**11,990**	**22,829**	**917**	**6,044,432**

(1) The "Leases" section details the right-of-use assets on investment property and the "Transfers" column concerns the indexation of leases as well as the reclassification of the right of an asset held for sale.

Intangible fixed assets

At 31 December 2023, goodwill sensitivity tests were carried out. A decrease of 2.5% in appraisal values would result in additional impairment of €0.4 million and a decrease of 5% in values would result in additional impairment of €1.3 million.

An impairment of €2.7 million was recognised on the goodwill of an asset in France in the fiscal year.

Tangible fixed assets

The portfolio of hotels held as operating properties totalled €1,109.7 million at 31 December 2023. They are recognised in the "Tangible fixed assets" line item. In accordance with IFRS, the owner-occupied buildings do not meet the definition of investment property and are measured and recognised at amortised cost.

The increases / allocations column (-€28 million) mainly includes:

- work on the Operating Properties portfolio in Germany for €7.1 million
- work carried out on the Hermitage and Bruges portfolio for €6.8 million
- depreciation and amortisation for the period for -€48 million, including the additional depreciation of an asset in the UK for -€1.3 million.

The "transfers" column (€2.5 million) mainly includes the indexation of long-term leases treated in accordance with IFRS 16.

Investment properties and assets held for sale

Under IFRS, investment properties and assets held for sale are measured in accordance with the fair value principle. A reclassification of other assets held for sale was carried out in connection with the agreement to sell the shares of a company in Spain holding an asset.

The increases in investment properties (€23.6 million) mainly consist of:

- the impact of rent-free periods net of linearisations for €13.1 million
- work for €2.6 million on B&B hotels in France and €3.7 million on Accor hotels.

The disposal of -€3.5 million of investment properties relates to the sale of a hotel in Spain in the fourth quarter of 2023.

Disposals on the assets held for sale line for €17 million concern two hotels in Europe and a retail asset for €0.2 million.

The change in the fair value of properties was down by €196 million over the fiscal year. It is linked to the decrease in appraisal values over the fiscal year.

The amount of the "Disbursements related to acquisition of tangible and intangible fixed assets" line item in the Statement of Cash Flows totalled €37.8 million. It corresponds to the total of the "Increases" column, ignoring the impact of charges (-€48 million) of the table of changes in fixed assets *i.e.* +€43.3 million (excluding rights of use) restated for the change in trade payables on fixed assets (+€8.9 million) and the impact of the step rental schemes and rent relief included in the appraisal values (-€14.4 million).

4.2.5.1.3 Appraisal parameter

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

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

Grouping of comparable assets	Level	Yield rate (min. – max.)	Yield rate (weighted average)	DCF discount rate	Average discount rate	Appraisal value (in €M)
Germany	Level 3	4.6% - 6.0%	5.3%	5.1% - 7.5%	6.5%	627
Belgium	Level 3	6.1% - 8.8%	7.5%	8.4% - 10.7%	9.6%	205
Spain	Level 3	4.2% - 7.4%	5.3%	6.1% - 9.3%	7.3%	636
France	Level 3	4.4% - 8.3%	5.2%	6.0% - 8.8%	7.0%	1,668
Netherlands	Level 3	5.0% - 6.3%	5.6%	7.0% - 8.3%	7.6%	159
UK	Level 3	4.5% - 6.5%	5.1%	6.5% - 8.5%	7.1%	662
Others	Level 3	5.6% - 7.5%	6.1%	8.0% - 9.4%	8.3%	559
Hotels - Lease properties	**Level 3**	**4.2% - 8.8%**	**5.5%**	**5.1% - 10.7%**	**7.3%**	**4,516**
Other activities (non-material)	Level 3	7.55% - 8.0%	0.2%	9.45% - 10.4%	0.2%	51
Total investment properties, excluding development portfolio and rights of use						**4,567**
Rights-of-use	Level 3					243
Assets held for sale						6
TOTAL						**4,817**

Impact of changes in the yield rate on the change in the fair value of real estate assets:

(In € thousand)	Yield	Yield -50 bps	Yield +50 bps
Hotels in Europe	5.9%	422.9	-356.8
TOTAL	**5.9%**	**422.9**	**356.8**

- If the yield rate excluding taxes drops 50 bps (-0.5 points), the market value excluding taxes of the real estate assets will increase by €422.9 million.
- If the yield rate excluding taxes increases by 50 bps (+0.5 points), the market value excluding taxes of the real estate assets will decrease by -€356.8 million.

4.2.5.2 Financial assets

4.2.5.2.1 Accounting principles related to financial assets

Other financial assets

Other financial assets are made up of investments in non-consolidated companies.

These securities are recognised upon acquisition at cost plus transaction costs. They are then recognised at fair value in the income statement on the closing date. The fair value is arrived at on the basis of recognised valuation techniques (reference to recent transactions, discounted future cash flows, etc.).

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

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

Loans

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

4.2.5.2.2 Table of financial assets

(In € thousand)	31/12/2022	Increase	Decrease	Transfers	31/12/2023
Ordinary loans	66,531	1,958	-5,023	-6,745	56,722
Total loans and current accounts	**66,531**	**1,958**	**-5,023**	**-6,745**	**56,722**
Advances and advanced payments on purchases of securities	957	1,573	0	0	2,530
Non-consolidated securities	200	1	0	0	201
Total other financial assets	**1,157**	**1,574**	**0**	**0**	**2,731**
TOTAL	**67,688**	**3,532**	**-5,023**	**-6,745**	**59,453**

Ordinary loans mainly consist of subordinated loans to equity affiliates for €50.9 million, to an unconsolidated company for €0.7 million and guarantee deposits paid to municipalities in Spain for €4.7 million.

The "transfers" column corresponds to the short-term reclassification of loans in the reclassified IRIS portfolio for €6.7 million.

Advances and down payments on equity investments concern two acquisitions of hotels under development in Portugal and Belgium.

4.2.5.3 Investments in equity affiliates and joint ventures

4.2.5.3.1 Accounting principles related to investments

Investments in equity affiliates and joint ventures are accounted for by the equity method. According to this method, the Group's investment in equity affiliates or joint ventures is initially accounted for at cost, increased or reduced by the changes, subsequent to the acquisition, in the share of the net assets of the affiliates. The goodwill related to equity affiliates is included in the book value of the investment, if it is not impaired. The share in the earnings for the period is shown in the line item "Share in income of equity affiliates".

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

4.2.5.3.2 Table of investments in equity affiliates and joint ventures

(In € thousand)	% held	31/12/2023	31/12/2022	Share of net income	Dividend payments
IRIS HOLDING France	19.90%	21,446	20,263	1,180	2
OPCI IRIS INVEST 2010	19.90%	32,309	32,844	-349	-185
OPCI CAMPINVEST	19.90%	21,013	24,978	36	-4,001
SCI DAHLIA	20.00%	21,162	21,746	-584	0
OPCI OTELI (Phoenix)	31.15%	71,891	71,770	479	-358
KOMBON (Phoenix)	33.33%	25,187	28,325	-2,866	-271
JOURON (Phoenix)	33.33%	11,582	11,765	85	-268
TOTAL		**204,590**	**211,691**	**-2,020**	**-5,081**

Investments in equity affiliates totalled €204.6 million as at 31 December 2023, compared with €211.7 million as at 31 December 2022. The change in profit (-€2 million) includes changes in the fair value of buildings (-€14.3 million), financial instruments (-€1.2 million) and an increase in Accor variable rents.

As a reminder, the holding companies OPCI Iris Invest 2010 and Iris Holding France were set up in 2010 and now hold a portfolio of 30 Accor hotels in France, Belgium and Germany, following the disposal of two hotels in Belgium; and a B&B Hotels portfolio of 13 hotels in France and 1 hotel in Belgium.

The OPCI Campinvest holding company was formed in 2011 and now holds a portfolio of 19 Campanile hotels in France in connection with the sale of 12 assets during the year.

SCI Dahlia, established in 2011, owns a portfolio of five Accor hotels in France and two hotels under the B&B Hotels brand.

The Phoenix portfolio was acquired in July 2019 and now includes 23 Accor hotels in France, two Accor hotels in Belgium and two B&B Hotels.

4.2.5.3.3 Breakdown of the shareholding structure of the main equity affiliates and joint ventures

	IRIS HOLDING France	OPCI IRIS INVEST 2010	OPCI CAMPINVEST	SCI DAHLIA	OPCI OTELI (Phoenix)	KOMBON SAS (Phoenix)	JOURON SPRL (Phoenix)
Covivio Hotels Group							
Covivio Hotels	19.9%	19.9%	19.9%	20.0%	31.15%	33.33%	33.33%
Non-Group third parties							
PREDICA	80.1%	80.1%	68.8%	80.0%			
PACIFICA			11.3%				
SOGECAP					31.15%	33.33%	33.33%
CAISSE DÉPÔT CONSIGNATION					37.7%	33.33%	33.33%

4.2.5.3.4 Main financial information on equity affiliates and joint ventures

4.2.5.4 Deferred taxes at closing

Given the applicable tax regime in France (SIIC regime), potential tax savings on tax loss carry forwards from real estate operations in France are not recognised.

	Balance sheet at 31/12/2022	P&L change	Transfers	Change in shareholders' equity	Currency translation differences	Balance sheet at 31/12/2023
DTA on temporary differences	1,438	1,384	-2,059	17	-222	-558
DTA on fixed asset FV	3,450	-366	-4,241	0	0	-1,157
DTA on FV cash instruments	0	9	0	0	0	9
DTA on losses carried forward	27,153	-1,022	-3,602	0	5	22,534
	32,041	5	-9,903	17	-217	21,944
DTA/DTL offset	-16,074	0	18,082	0	0	2,008
DTA TOTAL	**15,966**	**5**	**8,179**	**17**	**-217**	**23,952**

	Balance sheet at 31/12/2022	P&L change	Transfers	Change in shareholders' equity	Currency translation differences	Balance sheet at 31/12/2023
DTL on temporary differences	1,049	1,066	8,220	14	246	10,596
DTL on fixed asset FV	260,369	-48,475	-13,861	917	11	198,960
DTL on FV cash instruments	1,998	-1,070	-11	0	0	917
DTA on losses carried forward	0	2,051	-4,248	0	0	-2,197
	263,416	-46,428	-9,900	931	257	208,276
DTA/DTL offset	-16,074	0	18,082	0	0	2,008
DTL TOTAL	**247,342**	**-46,428**	**8,182**	**931**	**257**	**210,284**
Impact on the income statement		46,433				

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

Deferred tax loss carryforwards mainly relate to hotels under Operating Properties in Germany.

Deferred tax liabilities linked to unrealised gains on fixed assets relate to the Hotels segment for €125 million and the Operating Properties segment for €77.1 million.

The Hotel sector fell from €167.3 million to €125.1 million, mainly due to the decrease in appraisal values.

In addition, in order to opt for the UK REIT exemption from 1 January 2024 for 9 of the 12 assets held in the UK, which will allow an income tax exemption subject to the condition of a distribution of 90% of the rental income, intra-group restructuring was carried out at the end of 2023, which generated a reversal of €32 million in deferred taxes on real estate assets.

The non-recognised tax loss carryforwards, calculated at the standard rate, amounted to €702.9 million, as detailed below:

(In € thousand)	Non-recognised tax loss carryforwards	Unrecognised DTA
Lease properties	427,156	107,810
Operating Properties	275,770	76,055
GROUP TOTAL	**702,926**	**183,865**

4.2.5.5 Short-term loans

(In € thousand)	31/12/2022	Increase	Decrease	Transfers	31/12/2023
Short-term loans	968	2,210	-968	6,745	8,955
Accrued interest on swaps	5,860	14,839	-5,861	0	14,838
TOTAL	**6,828**	**17,049**	**-6,829**	**6,745**	**23,793**

The "transfers" column corresponds to the short-term reclassification of IRIS loans reclassified for €6.7 million.

4.2.5.6 Inventories and work in progress

The Covivio Hotels Group's inventories and work-in-progress derive wholly from the hotel operations of the Operating Properties business.

(In € thousand)	31/12/2022	Variation	Exchange differences	31/12/2023
Inventories of raw materials and other supplies	2,202	44	0	2,246
Merchandise inventories	144	52	2	198
TOTAL INVENTORIES AND WORK-IN-PROGRESS	**2,346**	**96**	**2**	**2,444**

4.2.5.7 Trade receivables

4.2.5.7.1 Accounting principles related to trade receivables

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

Receivables from operating lease transactions

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

- no provisions are set aside for existing or vacated tenants whose receivables are less than three months overdue
- 50% of the amount of the receivable for existing tenants whose receivables are between three and six months overdue
- 100% of the total amount of the receivable for existing tenants whose receivables are more than six months overdue
- 100% of the total amount of the receivable for departed tenants whose receivables are more than three months overdue.

The arithmetical impairments arising from the rules above are reviewed on a case-by-case basis to factor in any specific situations. Receivables may also be booked as impaired even before a non-payment situation arises.

Receivables of hotels under operation

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

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

4.2.5.7.2 Table of trade receivables

(In € thousand)	31/12/2023	31/12/2022	Variation
Expenses to be reinvoiced to tenants	**3,693**	**2,492**	**1,201**
Trade receivables and related accounts	*32,088*	*37,827*	*-5,740*
Customers – Invoices to be issued	*12,699*	*14,785*	*-2,085*
Total trade receivables	**44,787**	**52,612**	**-7,825**
Impairment of trade receivables	-5,759	-6,258	499
NET TOTAL TRADE RECEIVABLES	**42,721**	**48,846**	**-6,125**

Charges to be reinvoiced mainly comprise the rendering of charges on the portfolio of Operating Properties in Germany.

Gross trade receivables, with a balance of €44.8 million at 31 December 2023, mainly comprise:

- trade receivables from the Operating Properties business segment for €15.9 million, of which €5.1 million for the Germany portfolio and €3 million of invoices to be issued
- trade receivables from the Hotels segment for €28.9 million of which:
  - €3.8 million of unpaid receivables in France, fully impaired
  - invoices to be issued for €9.7 million, including €8.6 million in gross deferred rents not yet due in Spain, France, Italy and Germany as well as variable rents to be invoiced
  - receipts not due for the month of December 2023.

Impairment of trade receivables amounted to €5.8 million. They mainly concern France for €3.8 million (Retail) and Spain for €1.9 million.

Breakdown of trade receivables due:

(In € thousand)	Total	Receivables not yet due	Past due receivables	Past due receivables: 1-90 days	between 90 days and 180 days	From 181 days to 1 year	> 1 year
Trade receivables and related accounts	**32,088**	10,672	21,416	13,1312	3,244	913	4,947

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

(In € thousand)	31/12/2023	31/12/2022
Impact of changes in inventories and work in progress	-96	-527
Impact of changes in trade & other receivables	13,548	18,426
Impact of changes in trade & other payables	6,635	-35,096
CHANGE IN WCR ON CONTINUING OPERATIONS	**20,087**	**-17,197**

The changes in trade payables are also explained by the recovery in activity in the Operating Properties segment.

4.2.5.8 Tax and other receivables

(In € thousand)	31/12/2023	31/12/2022	Variation
Tax receivables (IS)	5,707	3,436	2,271
Other tax receivables	15,375	23,030	-7,655
Other receivables	10,321	8,298	2,023
Current accounts	1,056	5,240	-4,184
TOTAL TAX RECEIVABLES AND OTHER RECEIVABLES	**32,459**	**40,004**	**-7,545**

The €2.3 million change in tax receivables (corporate income tax) is mainly due to the payment of tax prepayments on most of the Hotel and Operating Properties portfolios.

Other tax receivables (€15.4 million) mainly concern VAT receivables for (€8 million).

The other receivables item (€10.3 million) mainly concerns the Operating Properties business (€6 million), in particular cash from funds (cross-charging) (€4.2 million) and the minimum guaranteed rent to be received on the Pullman Roissy (€2 million) for the 2023 fiscal year.

Current accounts mainly come from Foncière Loisirs Vielsam (€0.9 million).

4.2.5.9 Prepaid expenses

(In € thousand)	31/12/2023	31/12/2022	Variation
Deferred charges	3,447	1,284	2,163
TOTAL PREPAID EXPENSES	**3,447**	**1,284**	**2,163**

Prepaid expenses concern the Operating Properties business for €2 million, which rose by €1.1 million in connection with Q1 2024 rents; and the Hotel lease properties for €1.4 million.

4.2.5.10 Cash and cash equivalents

4.2.5.10.1 Accounting principles related to cash and cash equivalents

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

4.2.5.10.2 Statement of cash and cash equivalents

(In € thousand)	31/12/2023	31/12/2022
Cash equivalents	1,503	1,200
Cash at bank	107,277	126,208
GROSS CASH	**108,780**	**127,408**

At 31 December 2023, the portfolio of money market securities consisted mainly of traditional money market funds (Level 2).

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

4.2.5.11 Shareholders' equity

4.2.5.11.1 Accounting principles related to shareholders' equity

Treasury shares

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

4.2.5.11.2 Change in shareholders' equity

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

The Combined General Meeting of 18 April 2023 approved the payment of an ordinary dividend of €185 million, *i.e.* a dividend of 1,25€ per share.

The €5.8 million change in currency translation differences recorded directly under net position mainly comprises the following:

- effect of exchange rate fluctuations, mainly the pound sterling for +€6.6 million (the closing rate was €1.15193 compared to €1.132116 at opening)
- effect of the change in the Hungarian forint for +€6.2 million
- effect of the change in the Polish zloty for +€2.5 million
- effect of the change in the Czech koruna for -€1.7 million
- impact of net investments abroad (IAS 21 and IFRS 9) on Covivio Hotels for -€7.7 million, broken down into:
  - exchange differences linked to long-term borrowings and loans by Covivio Hotels denominated in GBP (-€2.4 million)
  - the change in fair value of the cross-currency swap as a result of the currency movement (-€5.3 million).

At 31 December 2023, the share capital consisted of 148,141,452 fully paid-up shares with a par value of €4.00.

Transaction	Shares issued	Treasury shares	Shares outstanding
Number of shares at 31 December 2022	**148,141,452**	**10,868**	**148,130,584**
Capital Increase	-	-	-
Treasury shares – liquidity agreement	-	-3,181	-
Number of shares at 31 December 2023	148,141,452	7,687	148,133,765

The line "Amounts paid by non-controlling interests in consolidated companies" in the statement of cash flows amounts to -€0.5 million and corresponds to the share of non-controlling interests called for capital increases on the Rock portfolio in Germany (Operating Properties).

4.2.5.12 Statement of liabilities

4.2.5.12.1 Accounting principles related to the statement of liabilities

Financial liabilities include borrowings and other interest-bearing debt.

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

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

Companies belonging to the Covivio Hotels Group hold real estate assets *via* finance lease agreements: finance leases (Operating Properties) or long-term leases conferring *ad rem* rights/construction leases. In this case, the liability recognised as counterparty to the asset is initially recorded at the lower of the fair value of the real estate asset and the present value of minimum lease payments. This debt is amortised as the contracts expire and give rise to the recognition of a financial expense.

The rental liability related to long-term leases/construction leases is presented on the line Short-term or long-term rental liabilities in the balance sheet and the financial expense in the item Interest charges on rental liabilities.

Derivatives and hedging instruments

The Covivio Hotels Group uses derivatives to hedge its floating rate debt against interest rate risk (hedging of future cash flows) and exchange rate risk.

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

Given the characteristics of its debt, Covivio Hotels does not qualify for hedge accounting. All derivative instruments are accounted for at fair value, and changes are reflected in the income statement, with the exception of the portion of the cross-currency swap hedging exchange rate risk, which is described as net foreign investment hedging.

4.2.5.12.2 Debt tables

(In € thousand)	31/12/2022	Increase	Decrease	Transfers	Other changes	31/12/2023
Bank loans	1,335,346	624,309	-468,325	6	0	1,491,335
Bonds	1,149,000	0	-200,000	0	0	949,000
Finance lease borrowing	228	0	-133	-95	0	0
Other borrowings	4,339	0	-1	-2	0	4,336
Subtotal interest-bearing loans	**2,488,913**	**624,309**	**-668,459**	**-91**	**0**	**2,444,671**
Accrued interest	17,451	22,860	-17,924	0	0	22,387
Deferral of loan expenses	-13,418	4,137	-3,081	0	0	-12,362
Creditor banks	10,423	0	0	0	-10,328	95
Total Borrowings (Lt/St)	**2,503,368**	**651,306**	**-689,464**	**-91**	**-10,328**	**2,454,791**
of which Long-term	2,208,845	399,553	-402,409	-7,034	-0	2,198,955
of which Short-term	294,523	251,753	-287,055	6,943	-10,328	255,836
Valuation of financial instruments	**-177,370**	**-**	**-**	**-**	**72,260**	**-105,110**
of which Assets	-277,456	-	-	-	99,822	-177,634
of which Liabilities	100,087	-	-	-	-27,563	72,524
TOTAL BORROWINGS AND DERIVATIVES	**2,325,999**	**651,306**	**-689,464**	**-91**	**61,932**	**2,349,681**

(1) These are loans to partnerships from shareholders other than Covivio Hotels. At 31 December 2023, the balance of €4.3 million mainly consisted of companies in the Operating Properties portfolio in Germany.

The "inflows related to new borrowings" line of the cash flow statement (+€624.3 million) corresponds to the column Increase in interest-bearing borrowings.

The "Repayment of borrowings" line of the cash flow statement (-€682.6 million) corresponds to the column decrease in interest-bearing borrowings (-€668.5 million), plus translation adjustments (-€10.2 million) and the impacts of lease liabilities (-€4 million).

Net financial debt is presented below:

(In € thousand)		31/12/2023	31/12/2022
Gross cash (a)	4.2.5.10.2	108,780	127,408
Debit balances and bank overdrafts from continuing operations (b)	4.2.5.12.2	-95	-10,423
Net cash and cash equivalents (c) = (a) - (b)		**108,685**	**116,985**
Of which available cash		108,780	127,408
Total interest-bearing loans	4.2.5.12.2	2,444,670	2,488,913
Accrued interest	4.2.5.12.2	22,387	17,451
Gross debt (d)		**2,467,057**	**2,506,363**
Amortisation of financing costs (e)		-12,362	-13,418
NET DEBT (D) - (C) + (E)		**2,346,010**	**2,375,959**

4.2.5.12.3 Bank loans

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

(In € thousand)	Secured debt	Appraisal value 31/12/2023	Outstanding debt 31/12/2023	Date of signature	Initial amount of the debt	Maturity
	£400 million (2018) – ROCKY	745,690	460,772	24/07/2018	475,145	24/07/2026
	€178 million (2020) – PARKINN AP BERLIN	387,700	173,995	30/12/2019	178,000	30/12/2029
	€150 million (2023) – OPCI B2 HI (B&B)	397,890	150,000	20/10/2023	150,000	20/10/2030
>€100 M		**1,531,280**	**784,767**			
<€100 M		**1,712,215**	**456,436**			
Total collateralised		**3,243,495**	**1,241,203**			
	€599 million (2021) – Green Bond		599,000	27/07/2021	599,000	27/07/2029
	€350 million (2018) – Green Bond		350,000	24/09/2018	350,000	24/09/2025
	NEU CP Covivio Hotels		213,000			
>€100 M			**1,162,000**			
<€100 M		**2,695,823**	**37,132**			
Total unencumbered		**2,695,823**	**1,199,132**			
	Other liabilities		4,336			
GRAND TOTAL		**5,939,318**	**2,444,671**			

(1) Value excluding duties on collateralised assets (mortgages or pledges of securities of companies holding them).

The borrowings are valued after their initial recognition at cost, amortised based on the effective interest rate. The average interest rate on debt of the consolidated debt of Covivio Hotels at 31 December was 2.43% (*versus* 1.89% at 31 December 2022).

Collateralised fixed assets represented 54.6% of total fixed assets. This collateral is provided for the same term as the underlying financing.

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

(In € thousand)	Outstandings at 31/12/2023	Maturity to -1 year	Outstandings at 31/12/2024	Maturity from 2 to 5 years	Maturity +5 years
Fixed-rate long-term financial liabilities	**1,033,224**	**0**	**1,033,224**	**434,224**	**599,000**
Bank borrowings and finance leases	79,889	0	79,889	79,889	0
Total Borrowings and bonds	**79,889**	**0**	**79,889**	**79,889**	**0**
Bonds	949,000	0	949,000	350,000	599,000
Total debts represented by securities	**949,000**	**0**	**949,000**	**350,000**	**599,000**
Other borrowings	4,336	0	4,336	4,336	0
Floating-rate financial debt	**1,411,446**	**23,977**	**1,174,480**	**746,799**	**427,670**
Bank borrowings and finance leases	1,198,446	23,977	1,174,480	746,799	427,670
Total Borrowings and bonds	**1,198,446**	**23,977**	**1,174,480**	**746,799**	**427,670**
Commercial paper	213,000	213,000	-	-	-
Total debts represented by securities	**213,000**	**213,000**	**-**	**-**	**-**
TOTAL	**2,444,671**	**23,977**	**2,207,704**	**1,181,023**	**1,026,670**

4.2.5.12.4 Bonds

The characteristic features of bonds are as follows:

Features		
Issue date	24/09/2018	27/07/2021-02/11/2021
Issue amount (in €M)	350	599
Partial reimbursement (in €M)	0	0
Nominal amount following partial redemption (in €M)	**350**	**599**
Nominal amount of a bond *(in €)*	100,000	100,000
Nominal amount of a bond after partial redemption (in €)	100,000	100,000
Number of units issued	3,500	5,990
Nominal rate	1.875%	1.000%
Maturity	24/09/2025	27/07/2029

The bond debt in the consolidated financial statements stood at €949 million at 31 December 2023.

The fair value of these bonds at 31 December 2023 was €858.3 million compared with €1,008.5 million at 31 December 2022.

The difference between the net book value and the fair value of fixed-rate debt (valued at the risk-free rate, excluding loan spreads) was -€90.8 million at 31 December 2023. The impact of the loan spreads would be €6.6 million.

4.2.5.12.5 Derivatives

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

(In € thousand)	31/12/2022 Net	Restructuring payments	P&L impact	Shareholders' equity impact	31/12/2023 Net
Financial instruments	177,370	-10	-66,963	-5,287	105,111
TOTAL	**177,370**	**-10**	**-66,963**	**-5,287**	**105,111**
				Cash instruments – Liabilities	**72,524**
				Cash instruments – Assets	**177,634**

In accordance with IFRS 13, the fair values include the counterparty default risk (CDA/DVA) for -€3.6 million as at 31 December 2023 compared with -€6.8 million as at 31 December 2022.

The "Unrealised gains and losses relating to changes in fair value" line in the Statement of Cash Flows (-€264.5 million), which makes it possible to calculate cash flows from operating activities, incorporates the impact of changes in the value of cash instruments (-€67 million) and the change in the value of Investment Properties (-€197.5 million).

The line Other flows on financing transactions of the Statement of Cash Flows (€0.7 million) mentions the receipts of repayments of tenant guarantee deposits.

The -€5.3 million impact on shareholders' equity corresponds to the change over the fiscal year in the exchange rate on cross-currency swaps used to hedge our UK investments.

Breakdown of hedging instruments by maturity of notional values:

(In € thousand)	31/12/2023	less than 1 year	1 to 5 years	more than 5 years
Fixed hedge				
Fixed rate receiver swap	893,344	0	633,344	260,000
Fixed rate payer swap	1,889,345	-150,000	740,395	1,298,950
Total swaps	**996,002**	**-150,000**	**107,052**	**1,038,950**
Optional hedge				
Cap purchase	92,349	573	42,476	49,300
Floor purchase	28,000	0	28,000	0
Floor sale	52,300	0	3,000	49,300

Forward hedging instruments are not included in this table.

Hedging balance at 31 December 2023:

	Outstandings at 31 December 2023	
(In € thousand)	Fixed rate	Floating rate
Gross borrowings and financial debt	1,033,224	1,411,457
Creditor banks	0	95
Net financial liabilities before hedging	**1,033,224**	**1,411,552**
Fixed hedge: swaps	0	-996,002
Option hedge: caps	0	-92,349
Total hedges	**0**	**-1,088,351**
NET FINANCIAL LIABILITIES AFTER HEDGING	**1,033,224**	**323,201**

4.2.5.12.6 Rental liabilities

At 31 December 2023, the balance of rental liabilities amounted to €288.8 million in accordance with IFRS 16.

Interest expenses on these rental liabilities was -€15.3 million in respect of the half year.

(In € thousand)	31/12/2022	Increase	Decrease	Other changes	Change in exchange rate	31/12/2023
Long-term rental liabilities	276,148	32	-33	3,890	2,955	282,992
Short-term rental liabilities	5,253	3,034	-4,182	1,645	18	5,768
TOTAL BANK DEBT	**281,401**	**3,066**	**-4,216**	**5,535**	**2,973**	**288,759**

The increase in rental liabilities mainly relates to the indexation of leases in the UK (€5.5 million). The impact of the rise in the pound over the 2023 fiscal year is €3 million.

This increase is reduced by the reclassification of Bardiomar's rental liabilities as liabilities held for sale (-€5.6 million).

Maturities of rental liabilities:

(In € thousand)	At 31/12/2023	less than 1 year	1 to 5 years	5 to 25 years	more than 25 years	Total Lt	Total
Hotels	243,404	5,070	15,403	49,539	173,391	238,333	243,404
Operating Properties	45,355	698	1,352	4,283	39,022	44,657	45,355
TOTAL RENTAL LIABILITIES	**288,759**	**5,769**	**16,756**	**53,822**	**212,413**	**282,991**	**288,759**

4.2.5.12.7 Bank covenants

The liabilities of the Covivio Hotels Group have bank covenants attached, relating to the consolidated accounts of the borrower. If these covenants are breached, early debt repayment may be triggered. These covenants are drawn up in Group Share.

The most stringent LTV covenant was 60% as at 31 December 2023.

The most stringent ICR covenant was 200% as at 31 December 2023.

The bank covenants of the Covivio Hotels Group are fully complied with as of 31 December 2023 and stand at 37.6% for the LTV Group Share and 538% for the ICR Group Share.

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

Consolidated LTV	Scope	Covenant threshold	Ratio
€130 million (2019) – REF I	Covivio Hotels	≤ 60%	In compliance
€279 million (2017) – Roca	Covivio Hotels	< 60%	In compliance
£400 million (2018) – Rocky	Covivio Hotels	≤ 60%	In compliance

Consolidated ICR	Scope	Covenant threshold	Ratio
€130 million (2019) – REF I	Covivio Hotels	> 200%	In compliance
€279 million (2017) – Roca	Covivio Hotels	> 200%	In compliance
£400 million (2018) – Rocky	Covivio Hotels	≥ 200%	In compliance

Under the financing raised by Covivio Hotels and allocated to specific portfolios, these consolidated covenants usually go hand-in-hand with LTV "Scope" covenants relating to the portfolios funded. These LTV "Scope" covenants typically have less stringent thresholds than the consolidated covenants. Their purpose is mainly to supervise the use of financing by correlating it with the value of the underlying assets provided as collateral.

4.2.5.13 Provisions for risks and charges

4.2.5.13.1 Accounting principles related to provisions for risks and charges

Retirement commitments

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

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

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

4.2.5.13.2 Table of provisions

(In € thousand)	31/12/2022	Charges	Reversal of provision: Used	Reversal of provision: Unused	31/12/2023
Other provisions for litigation	718	0	0	-102	616
Provisions for taxes	7,735	0	0	-7,735	0
Other provisions	3,869	105	-173	0	3,801
Provisions subtotal – current liabilities	**12,322**	**105**	**-173**	**-7,837**	**4,417**
Provisions for retirement benefit	688	0	-52	173	809
Provisions for long-service awards	54	0	-6	0	48
Provisions subtotal – non-current liabilities	**742**	**0**	**-58**	**173**	**857**
TOTAL PROVISIONS	**13,064**	**105**	**-231**	**-7,664**	**5,274**

The provisions for taxes relate to tax risks, recognised on acquisition, on the German portfolio of the Operating Properties business. Following the conclusion of the tax audits, this provision was reversed in full during the 2023 fiscal year.

The other provisions mainly concern a dispute in connection with a claim for eviction compensation from a former tenant (€3 million), disputed by Covivio Hotels.

4.2.5.14 Other liabilities

(In € thousand)	31/12/2023	31/12/2022	Variation
Other long-term liabilities	9,334	8,610	724
Payables	48,387	43,371	5,016
Trade payables on fixed assets	7,088	15,945	-8,857
Advances and advanced payments received, accrued credit notes	12,465	11,125	1,340
Current taxes	9,513	4,896	4,617
Other short-term liabilities	30,005	27,386	2,619
Current accounts – liabilities	126	117	9
TOTAL	**116,917**	**111,450**	**5,467**

Other long-term liabilities consist solely of security deposits received, €8.7 million of which were on assets in the hotel portfolio in Spain and France. €0.4 million came from the Operating Properties business.

Trade payables concern the Operating Properties business for €34.2 million and the Hotel Lease Properties business for €14.2 million.

Trade payables on fixed assets relate to expenses related to work carried out on the assets. The decrease mainly concerns the payment for works on the Plaza Nice hotel for (-€8 million).

The advances and down payments received include in particular the advances received on Operating Properties for €9.3 million.

Other short-term debts (€29.5 million) mainly include social security debts from the Operating Properties business for €8 million, and VAT tax liabilities for €9 million; the deposit of €3.1 million received on the preliminary sale agreement regarding a hotel in Spain and €1.5 million concerning the sale of Bardiomar shares.

4.2.5.15 Recognition of financial assets and liabilities

(In € thousand)	Item concerned in the statement of financial position	31/12/2023 (in €k)	Amount given in the assessed Statement of Financial Position: Amortised cost	Fair Value through profit or loss	Fair Value through shareholders' equity	Fair Value (in €k)
Long-term securities (non-current)	Non-current financial assets	2,731	2,731	-	-	2,731
Loans and receivables	Non-current financial assets	56,722	56,722	-	-	56,722
Loans and receivables	Receivables	42,722	42,722	-	-	42,722
Assets at fair value	Derivatives at fair value	177,634	-	0	177,634	177,634
Assets at fair value	Cash equivalents	1,503	-	-	1,503	1,503
TOTAL FINANCIAL ASSETS		**281,312**	**102,174**	**0**	**179,137**	**281,312**
Liabilities at amortised cost	Financial payables	2,444,671	2,444,671	-	-	2,346,747(1)
Liabilities at fair value	Derivatives at fair value	72,524	-	0	72,524	72,524
Liabilities at amortised cost	Security deposits	9,334	9,334	-	-	9,334
Liabilities at amortised cost	Payables	55,475	55,475	-	-	55,475
TOTAL FINANCIAL LIABILITIES		**2,582,004**	**2,509,480**	**0**	**72,524**	**2,484,080**

(1) The difference between the net book value and the fair value of fixed-rate debt (valued at the risk-free rate, excluding loan spreads) was -€97.9 million. (-€90.8 million for borrowings detailed in 4.2.5.12.4 and -€7.2 million for the Group's other fixed-rate debt).
The impact of the loan spreads would be -€6.6 million.

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

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

(In € thousand)	Level 1	Level 2	Level 3	Total
Derivatives at fair value through profit or loss and OCI	-	177,634	-	177,634
Cash equivalents	-	1,503	-	1,503
TOTAL FINANCIAL ASSETS	**0**	**179,137**	**0**	**179,137**
Derivatives at fair value through profit or loss and OCI	-	72,524	-	72,524
TOTAL FINANCIAL LIABILITIES	**0**	**72,524**	**0**	**72,524**

4.2.5.16 Accruals

(In € thousand)	31/12/2023	31/12/2022	Variation
Prepaid income and other accounts	17,738	14,646	3,092
TOTAL ACCRUALS	**17,738**	**14,646**	**3,092**

Prepaid income mainly relates to work fees received on two UK assets (€6 million) and the recognition of prepayments on portfolio rents in the UK (€3.6 million).

4.2.6 Notes to the statement of net income

4.2.6.1 Accounting principles

Rental income

According to the presentation of the income statement, rental income is treated as revenues. Service charges are now shown on a specific line of the statement of net income (management and administration revenues) below net rental income.

As a general rule, invoicing is quarterly. The rental income of investment properties is recognised on a straight-line basis over the term of the ongoing leases. Any benefits granted to tenants (rent-free periods, step rental leases, rent waivers in exchange for additional rent to be received in future years) are spread on a straight-line basis over the lease term in accordance with IFRS 16.

Rental income for the period is comprised of rental income received during the period. For hotel real estate managed by the Accor Group, such receipts are calculated as a percentage of revenues for the fiscal year.

Revenues from hotels under management (Operating Properties)

Revenues from hotel and real estate assets under management correspond to the amount of sales of products and services related to ordinary activities. It breaks down into the provision of various hospitality services (accommodation, catering and other services).

All revenues from hotels under management are measured at the fair value of the counterparty received or to be received, net of discounts, rebates and reductions, VAT and other taxes.

4.2.6.2 Operating income

4.2.6.2.1 Rental income

Rent (In € thousand)	31/12/2023	31/12/2022	Variation (in €k)	Change (in %)
Hotels - Lease properties	257,616	234,617	22,999	9.8%
Other activities (non-material)	6,367	4,228	2,139	50.6%
TOTAL RENTAL INCOME	**263,983**	**238,845**	**25,138**	**10.5%**

The rental income consists of rental and similar income (*e.g.* occupancy fees and entry rights) invoiced for investment properties during the period. Rent exemptions, step rental schemes and entry rights are spread out over the fixed term of the lease. 100% variable rents represent €49.9 million of rental income and other variable rents of €15.4 million.

The change in revenue from the Hotels business (+€23 million) is mainly due to:

- the increase in Accor variable rents (+€9 million)
- variable rents in the UK (+€2.7 million) and Spain (+€4.7 million).

Revenues from other activities increased due to the receipt of an indemnity on the retail portfolio of €4.2 million, reduced by the disposals carried out in 2022.

4.2.6.2.2 Real estate expenses

(In € thousand)	31/12/2023	31/12/2022	Change (in %)
Rental income	263,983	238,845	10.5%
Rental charges not recovered	-422	-230	n.a.
Taxes and duties	-14,210	-12,642	12.4%
Income from rebilling of taxes and duties	11,539	10,133	13.9%
Expenses on Buildings	-2,972	-2,851	4.2%
Net bad debt expenses	-525	10,743	n.a.
NET RENTAL INCOME	**257,393**	**243,998**	**5.5%**
Rate for real estate expenses	**-2.5%**	**2.2%**	

Expenses on properties essentially consist of Property Management fees to Covivio group subsidiaries in the amount of €3.2 million.

The net expenses of irrecoverable receivables mainly concern the depreciation of trade receivables in the 2023 fiscal year (-€1.3 million). The change is related to the reversal of an impairment of a receivable from a Spanish tenant of €10.5 million during the 2022 fiscal year.

4.2.6.2.3 EBITDA of hotels under management

(In € thousand)	31/12/2023	31/12/2022	Change (in %)
Revenues from hotels under management	287,042	227,656	26.1%
Operating expenses of hotels under management	-212,408	-165,729	28.2%
EBITDA OF HOTELS UNDER MANAGEMENT	**74,634**	**61,927**	**20.5%**
OTHER ACTIVITY INCOME[1]	**16**	**38**	**-57.9%**

(1) Income from other activities was included in the EBITDA of hotels under management at 31 December 2022 (for a total amount of €61,965 thousand). A reclassification of €16 thousand was made from the EBITDA of hotels under management to the result of other activities to be consistent with the new presentation of the financial statements.

Detailed results for this activity are presented in § 4.2.8.6.

The EBITDA of hotels under management increased by €12.7 million, notably due to the impact of the acquisitions of the three British funds and two funds in Belgium in the fourth quarter of 2022.

4.2.6.2.4 Net operating costs

These consist of head office expenses and operating costs (including Operating Properties business), net of revenues from management and administration activities.

(In € thousand)	31/12/2023	31/12/2022	Change (in %)
Management and administration income	5,643	4,700	20.1%
Costs relating to the services activities	-1,536	-1,216	26.3%
Structure costs	-23,374	-21,372	9.4%
TOTAL NET OPERATING COSTS	**-19,266**	**-17,888**	**7.7%**

Management and administration income mainly comprises asset management fees charged to equity affiliates or partners. They are up mainly due to the increase in variable rents over the period and disposals over the fiscal year.

Business expenses are mainly made up of building appraisal costs and asset management fees.

Overhead costs include:

- network costs for €6.5 million, including €5 million with Covivio
- personnel expenses for €3.6 million.

Note that personnel expenses before allocation to Income from disposals totalled €4.2 million.

4.2.6.2.5 Depreciation of operating assets and net allowances to provisions and other

(In € thousand)	31/12/2023	31/12/2022	Variation
Depreciation of operating assets	-48,243	-38,184	-10,059
Net change in provisions and other	23,852	10,724	13,128

The increase in depreciation of assets in operation is mainly due to:

- the additional depreciation of two Belgian assets and three British assets taken over in the second half of 2022 (-€5 million)
- the additional depreciation of a British asset related to the decrease in the appraisal value (-€1.5 million).

The "Net change in provisions and other" item mainly includes the reversal of the provision for taxes on the Operating Properties portfolio in Germany following the limitation period for risks (€7.7 million) and the reinvoicing of construction leases to tenants (€13.1 million). As the rental expense is cancelled by the application of IFRS 16, the income from re-invoicing to tenants/operators is not presented as expenses on buildings because this would lead to a net income on this item and distort the real estate expenses ratio.

4.2.6.3 Net income from disposals

During the fiscal year, the Covivio Hotels Group generated sales for a total amount of €20.9 million, net of expenses, including the disposals of three hotels and a store.

4.2.6.4 Change in the fair value of properties

(In € thousand)	31/12/2023	31/12/2022
Hotels - Lease properties	-194,537	82,719
Other activities (non-material)	-1,559	3,080
Operating Properties	-1,438	6,361
TOTAL CHANGE IN FAIR VALUE OF PROPERTIES	**-197,534**	**92,160**

The change in the fair value of properties is discussed in Section 4.2.5.1.2.

The change in value of €1.4 million on Operating Properties corresponds to the valuation of the fund held by Nouvelle Hôtel Plaza, which rents the hotel *via* a management lease to a third party outside the Group.

4.2.6.5 Cost of net financial debt

(In € thousand)	31/12/2023	31/12/2022	Change (in €k)	Change (in %)
Interest income on cash transactions	4,631	1,807	2,823	156.2%
Interest expense on financing operations	-85,259	-42,382	-42,877	101.2%
Depreciation of ancillary costs and loan premiums	-3,673	-3,930	257	-6.5%
Net expenses on hedges	21,369	-7,614	28,983	-380.7%
COST OF NET FINANCIAL DEBT	**-62,932**	**-52,119**	**-10,813**	**20.7%**

The cost of net financial debt increased by €10.8 million due to the increase in interest expenses and the increase in the average cost of debt.

4.2.6.6 Net financial income

(In € thousand)	31/12/2023	31/12/2022	Change (in €k)	Change (in %)
Costs of net financial debt	-62,932	-52,119	-10,813	20.7%
Interests charges on rental liabilities	-15,310	-15,217	-93	0.6%
Changes in the fair value of financial instruments	-66,962	200,545	-267,508	n.p.
Discounting and exchange result	351	-589	940	n.p.
Exceptional depreciation of loan issue costs	-417	-225	-192	85.3%
TOTAL NET FINANCIAL INCOME/(CHARGES)	**-145,269**	**132,396**	**-277,665**	**N.P.**

The interest charge on rental liabilities relates to the application of IFRS 16. It mainly comprises long-term leases conferring *ad rem* rights in the United Kingdom. Against that, rental charges are no longer recognised in the income statement.

Higher rates triggered a variation in financial instrument assets of -€67 million at 31 December 2023 (-€72.3 million if we include the change in the value of the cross-currency swap recognised in shareholders' equity).

The "Other calculated income and expenses" line in the Statement of Cash Flows for -€10.3 million primarily consists of the amortisation of borrowing costs (+€3.7 million in regular and + €0.4 million in non-recurring costs), and the reversal of the spreading of rent-free periods (-€14.7 million).

4.2.6.7 Current and deferred taxes

4.2.6.7.1 Accounting principles for current and deferred taxes

SIIC tax regime (French companies)

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

Exemption of SIIC revenues

The revenues of the SIIC are exempt from taxes concerning:

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

Distribution obligations

The distribution obligations associated with exemption profits are the following:

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

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

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

There is no exit tax liability in Covivio Hotels' financial statements at 31 December 2023.

Ordinary law regime and deferred taxes

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

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

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

SOCIMI regime (Spanish companies)

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

The rental income from the leasing of assets and proceeds from disposals of assets held under the SOCIMI regime are exempt, provided 80% of rental profits and 50% of asset disposal profits are distributed. These gains are determined by allocating the gains taxable in the period outside the SOCIMI regime on a straight-line basis over the whole period of ownership.

REIT regime (British companies)

9 companies in the UK have opted for the REIT exemption regime from 1 January 2024. Opting for the SOCIMI regime does not trigger an exit tax upon taking the option.

The rental income from the leasing of assets held under the REIT regime are exempt, provided 90% of rental profits are distributed.

Capital gains on disposals are also exempt from tax.

4.2.6.7.2 Taxes and rates applied by geographic area

(In € thousand)	Taxes payable	Deferred tax liabilities	Total	Deferred tax rate
France	7	868	875	25.83%
Belgium	-2,368	2,222	-146	25.00%
Luxembourg	-799	2,093	1,294	24.94%
Netherlands	-1,511	772	-739	25.80%
Portugal	-604	286	-318	22.50%
Germany	-3,795	8,413	4,618	15.83%(1)
Spain	0	-119	-119	25.00%
United Kingdom	-1,603	29,308	27,705	25.00%
Ireland	-285	177	-108	33.00%(2)
Poland	-55	39	-17	9.00%
Italy	-409	1,511	1,102	27.90%(3)
Hungary	-104	863	759	9.00%
Czech Republic	-321	1	-320	21.00%(4)
TOTAL	**-11,847**	**46,433**	**34,586**	

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

(1) In Germany, the tax rate on property goodwill is 15.83%, however, for companies in the hotel operations business line, tax rates vary between 30.18% and 32.28%.

(2) In Ireland, the tax rate is 12.5% for property companies, 25% on holdings and 33% on capital gains.

(3) In Italy, the CIT in 2022 was 24%. To which is added a regional corporate tax rate (resident and non-resident) whose standard rate is 3.9%.

(4) In the Czech Republic, the CIT rate in 2023 was 19%. The government forecasts that the CIT rate will rise to 21% from 1 January 2024 for companies.

4

4.2.6.7.3 Deferred tax income and expense

(In € thousand)	31/12/2023	31/12/2022	Variation
France	868	-282	1,150
Belgium	2,222	-6,224	8,446
Luxembourg	2,093	-3,999	6,092
Netherlands	772	5,891	-5,119
Portugal	286	-906	1,192
Germany	8,413	-4,318	12,730
Spain	-119	6,682	-6,801
United Kingdom	29,308	7,800	21,508
Ireland	177	177	0
Poland	39	-185	224
Italy	1,511	-414	1,925
Czech Republic	1	-27	28
Hungary	863	-221	1,085
TOTAL	**46,433**	**3,974**	**42,459**

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

Deferred tax expenses at 31 December 2023, amounting to €46.4 million, are broken down between the Hotel business (€42.5 million) and the Operating Properties business (-€3.9 million).

The change of €42.5 million is mainly due to the decrease in appraisal values in 2023, particularly in Germany for €12.7 million, as well as the reversal of deferred taxes on the portfolio in the UK for €32.3 million in connection with the subscription of 9 British companies to the REIT regime, which will take effect on 1 January 2024.

4.2.6.7.4 Tax proof

The management companies that opted for the SIIC/SOCIMI tax regime in previous years do not pay corporate income tax, except for those that also have a taxable business activity.

Net income before taxes and before income of equity affiliates is neutralised, including for their taxable activities and their transparent taxable subsidiaries.

Accordingly, the tax proof is required solely for taxable French and international companies.

Breakdown of tax by taxable segment

(In € thousand)	SIIC (France) SOCIMI (Spain)	French law shared	Foreign law shared	31/12/2023
Net income before tax, before net income/(loss) of companies accounted by the equity method	**-18,395**	**-8,435**	**-31,046**	**-57,876**
Recognised effective tax expense	-119	875	33,829	34,586

Of the tax expense of +€33,829 thousand in the Rest of world common law sector, +€32,350 thousand is due to a reversal of tax on hotels related to the entry from 1 January 2024 into the UK REIT exempt regime.

Table of tax proof 2023

(In € thousand)		31/12/2023
Net income before tax		**-59,896**
Income (loss) of companies accounted for under the equity method		-2,020
Goodwill		0
Net income before tax, before net income/(loss) of equity affiliates and before goodwill		**-57,876**
of which SIIC/SIIQ/SOCIMI		-18,395
of which companies subject to income tax		-39,481
Theoretical tax at 25.825%	**(a)**	**10,196**
Effect of differences in rate		-5,918
Effect of tax credits and IFA (tax due despite losses)		-5
Effect of permanent differences		7,375
Allocation to tax losses without DTAs		692
Tax losses for the period without DTAs		-9,869
Total tax effects for the fiscal year	**(b)**	**-7,725**
Taxes not related to the fiscal year	**(c)**	**32,232**
Recognised effective tax expense	**(a) + (b) + (c)**	**34,703**
Total effective tax rate		87.90%

Tax losses without DTA amounting to €9,869 thousand came from the tax loss of Murdelux (€9,622 thousand).

4.2.7 Other information

4.2.7.1 Personnel expenses

In the statement of net income, personnel expenses for the period are included in the Structure costs items for €3.6 million. These are up by €0.3 million.

Personnel expenses are also present in the EBITDA of hotels under management for €85.1 million for the Operating Properties business. They were up by €21.6 million compared to 31 December 2022 due to changes in the scope of consolidation (Belgian hotels taken over under management) and the inflationary context, mainly abroad.

Personnel expenses are also included in the item expenses on sales for €0.7 million.

At 31 December 2023, the headcount of fully consolidated companies (excluding companies in the Operating Properties business line) was 23 people. This headcount is split between France (19 people), Spain (one person) and Luxembourg (three people).

The average headcount at 31 December 2023 for the Operating Properties business was 1,346 people, up mainly due to the operation of two new hotels in Bruges in the second half of 2022 compared to 1,321 at 31 December 2022.

4.2.7.2 Earnings per share and diluted earnings per share

Earnings per share (IAS 33)

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

To calculate the diluted earnings per share, the average number of shares outstanding is adjusted to reflect the conversion of all potential dilutive ordinary shares.

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

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

	31/12/2023	31/12/2022
Net income Group Share (in €k)	**-11,574**	**478,790**
Average number of undiluted shares	148,134,973	148,131,771
Average number of treasury shares	6,479	9,681
Average number of diluted shares	148,134,973	148,131,771
Earnings per share – undiluted	**-0.08**	**3.23**
EARNINGS PER SHARE – DILUTED	**-0.08**	**3.23**

4.2.7.3 Off-balance sheet commitments

4.2.7.3.1 Commitments given (FC companies)

Commitments given	31/12/2023	31/12/2022
Total Commitments related to consolidated companies	**0.0**	**39.9**
Investment commitments	0.0	39.9
Commitments given for specific transactions	0.0	0.0
Commitments given in connection with the disposal of investments – Liability guarantees	0.0	0.0
Total Commitments related to financing	**1,241.2**	**1,294.9**
Financial guarantees given (CRD of pledged debt)	1,241.2	1,294.9
Total Commitments related to operating activities	**345.5**	**229.3**
Total Commitments given related to business development	**165.3**	**166.1**
Work commitments outstanding on assets under development	0.0	0.0
Purchase commitments	0.0	0.0
Bank guarantees and other guarantees given	165.3	166.1
Total Commitments related to the implementation of operating contracts	**24.7**	**20.3**
Work commitments outstanding on investment properties, operating properties and inventories	24.7	13.3
Other contractual commitments given related to "Lease payments due"	0.0	9.4
Total Commitments related to asset disposals	**155.4**	**42.9**
Preliminary sale agreements given	155.4	42.9
Other commitments on disposals	0.0	0.0

Other commitments given:

Under its SIIC status, the Group has specific obligations, as set out in Section 4.2.6.8.1.

The Central Facility of the Sunparks Vielsam asset was the subject of a contribution to Foncière Vielsam Loisirs (in which Covivio Hotels holds 35.7% of the capital, but only 2.7% of the voting rights) with Covivio Hotels having the possibility of exercising a put option at the end of the 10th year.

4.2.7.3.2 Commitments received (FC companies)

Commitments received (in € million)	31/12/2023	31/12/2022
Total Commitments related to consolidated companies	**0.0**	**0.0**
Commitments related to consolidated companies	0.0	0.0
Total Commitments related to financing	**447.7**	**439.4**
Financial guarantees received (authorised lines of credit not used)	447.7	439.4
Total Commitments related to operating activities	**2,584.5**	**3,335.0**
Rental income due	2,127.7	2,916.8
Assets received in pledge, mortgage or collateral, as well as guarantees received	276.7	280.4
Other contractual commitments received related to business activities	0.0	0.0
Preliminary sale agreements received	155.4	42.9
Works commitments outstanding (fixed assets)	24.7	13.3
Acquisition commitments (fixed assets)	0.0	0.0

Other contractual commitments received related to "rental income due" activities

(In € million)	Hotels in Europe
Less than 1 year	200.4
Between 1 and 5 years	702.6
More than 5 years	1,224.7
TOTAL	**2,127.7**

4.2.7.4 Related-party transactions

The information below corresponds to the main related parties, namely i) Covivio and its subsidiaries and ii) equity affiliates.

Details of related-party transactions (in €k):

Partner	Type of partner	Operating income	Net financial income	Balance sheet	Comments
Covivio Hotels Gestion	Manager	-2,433			Remuneration of Management
Covivio Property	Group service provider	-2,265			Board Property fees
Covivio	Group service provider	-5,223			Network costs
Covivio SGP	Manager OPCI B2 INVEST HOTEL	-204			Consultancy services and management agreement
Covivio Immobilien GmbH	Group service provider	-1,538			Property fees and Network costs
Covivio Italy	Group service provider	-290			Property fees and Network costs
IRIS (OPCI + Holding), OPCI Campinvest, SCI Dahlia and Phoenix	Equity affiliates	4,711	3,121	53,049	Asset and property fees, Loans

4.2.7.5 Executive remuneration

4.2.7.5.1 Remuneration of executives and Directors

(In € thousand)	31/12/2023	31/12/2022
Directors	29	30
Directors' fees	**29**	**30**

As of 31 December 2023, €29 thousand had been paid in remuneration allocated to the members of the Supervisory Board and the Audit Committee.

4.2.7.5.2 Remuneration of the Manager and the limited partners

The Managing Partner, Covivio Hotels Gestion, received €1.9 million excluding taxes for its work in respect of 2023. The terms of this remuneration are governed by Article 11 of the Articles of Association of Covivio Hotels.

In 2023, €500 thousand in preferred dividends was paid to the limited partner, Covivio Hotels Gestion in respect of the 2023 fiscal year. This preferred dividend was recognised under operating expenses in accordance with IFRS, which specify that preferred dividends must be treated as management commissions.

4.2.7.6 Table of Statutory Auditors' fees

	Mazars				Ernst & Young et Autres				PricewaterhouseCoopers			
	Amount		%		Amount		%		Amount		%	
(In € thousand)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Statutory Auditing, certification, review of company and consolidated financial statements	**797**	**733**	**48%**	**49%**	**756**	**708**	**45%**	**47%**	**110**	**59**	**7%**	**4%**
Issuer	170	168	51%	50%	161	169	49%	50%				
Fully consolidated affiliates	406	406	43%	46%	545	473	57%	52%	110	22		
Equity affiliates	221	159	82%	61%	50	66	18%	25%	0	37	0%	14%
Services other than certification of the financial statements	**42**	**5**	**19%**	**2%**	**183**	**224**	**81%**	**98%**				
Issuer	32		16%	0%	173	214	84%	100%				
Fully consolidated affiliates	8	5	62%	71%	5	2	38%	29%				
Equity affiliates	2				5	8	71%					
TOTAL	**839**	**738**	**47%**	**43%**	**939**	**932**	**50%**	**54%**	**110**	**59**	**6%**	**3%**

4.2.8 Segment reporting

4.2.8.1 Accounting principles relating to operating segments – IFRS 8

Covivio Hotels holds a wide range of real estate assets to collect rental income and benefit from appreciation in the assets held. Segment reporting has been structured by customer type and asset type.

As a result, the operating segments are as follows:

- Hotels: assets primarily leased to Accor, IHG, B&B, Motel One, NH, Pierre & Vacances and Club Med
- Operating Properties: hotels operated by Covivio Hotels, either directly or through a management agreement with a hotel operator.

Non-material businesses (retail and corporate) have been consolidated in the hotel segment.

These segments are reported on separately and analysed regularly by Covivio Hotels Group management in order to make decisions on the resources to allocate to the segment and to assess their performance.

The financial data presented for the segment-based information follows the same accounting rules as for the consolidated accounts.

4.2.8.2 Tangible and intangible fixed assets

	Hotels		Operating Properties		
31/12/2023 (In € thousand)	France	Rest of world	France	Rest of world	Total
Goodwill	0	0	40,955	76,395	117,350
Intangible fixed assets	0	18	100	109	227
Operating properties	0	0	201,183	882,446	1,083,629
Other fixed assets	10	40	7,879	7,870	15,799
Assets in progress	1	0	7,606	2,659	10,266
TOTAL	**11**	**59**	**257,723**	**969,479**	**1,227,272**

	Hotels		Operating Properties		
31/12/2022 (In € thousand)	France	Rest of world	France	Rest of world	Total
Goodwill	0	0	43,701	76,395	120,096
Intangible fixed assets	0	16	177	116	308
Operating properties	1	0	61,856	925,125	1,111,341
Other fixed assets	10	16	8,624	8,541	17,191
Assets in progress	0	0	4,667	720	5,387
TOTAL	**11**	**32**	**119,025**	**1,010,896**	**1,254,323**

4.2.8.3 Investment properties/properties held for sale

31/12/2023 (In € thousand)	Hotels		Operating Properties		
	France	Rest of world	France	Rest of world	Total
Investment properties	1,649,310	2,988,884	17,051	0	4,655,245
Assets held for sale	58,515	96,935	0	0	155,450
Other assets held for sale	0	6,465	0	0	6,465
TOTAL	**1,707,825**	**3,092,284**	**17,051**	**0**	**4,817,160**

Investment properties decreased by €282 million mainly due to the decrease in appraisal values.

31/12/2022 (In € thousand)	Hotels		Operating Properties		
	France	Rest of world	France	Rest of world	Total
Investment properties	1,766,636	3,153,968	16,604	0	4,937,208
Assets held for sale	12,874	30,072	0	0	42,946
Properties under development	0	0	0	0	0
TOTAL	**1,779,510**	**3,184,040**	**16,604**	**0**	**4,980,154**

4.2.8.4 Financial liabilities

31/12/2023 *(In € thousand)*	Hotels	Operating Properties	TOTAL
Long-term interest-bearing loans	1,498,569	700,386	2,198,955
Short-term interest-bearing loans	252,719	3,117	255,836
Long- and short-term rental liabilities	243,404	45,355	288,759
TOTAL LT AND ST LOANS	**1,994,692**	**748,858**	**2,743,550**

31/12/2022 *(In € thousand)*	Hotels	Operating Properties	TOTAL
Long-term interest-bearing loans	1,571,150	637,695	2,208,845
Short-term interest-bearing loans	292,021	2,502	294,523
Long- and short-term rental liabilities	253,984	27,417	281,401
TOTAL LT AND ST LOANS	**2,117,155**	**667,614**	**2,784,769**

In May 2023, a bond issue was repaid for €200 million.

In September 2023, a bank loan was taken out for €150 million on the B2 / B4 Hotels Invest partnership portfolio.

New drawdowns on NEU CP contracts were made for €213 million, maturing in 2025.

4.2.8.5 Income statement by operating segment

In accordance with IFRS 12, inter-segment transactions are presented separately in the segment income statement.

31/12/2023 (In € thousand)	Hotels	Operating Properties	Intercos Inter-sector	31/12/2023
Rental income	265,817	0	-1,834	263,983
Rental charges not recovered	-3,434	0	341	-3,093
Expenses on Buildings	-2,972	0	0	-2,972
Net bad debt expenses	-525	0	0	-525
Net Rental Income	**258,886**	**0**	**-1,493**	**257,393**
Hotel Operative Activity Income	0	287,042	0	287,042
Operating expenses of hotels under management	0	-212,408	0	-212,408
EBITDA of hotels under management	**0**	**74,634**	**0**	**74,634**
Other Activity income	**16**	**0**	**0**	**16**
Management and administration income	7,270	-29	-1,598	5,643
Costs relating to the services activities	-1,339	-1,729	1,532	-1,536
Structure costs	-20,997	-3,951	1,575	-23,374
Net operating costs	**-15,067**	**-5,709**	**1,509**	**-19,266**
Depreciation of operating assets	-152	-48,092	0	-48,243
Net change in provisions and other	12,959	10,910	-16	23,852
Operating income	**256,643**	**31,743**	**0**	**288,386**
Income from asset disposals	**346**	**-5**	**0**	**341**
Upward adjustment of the value of investment properties	13,921	0	0	13,921
Downward adjustment of the value of investment properties	-210,016	-1,438	0	-211,454
Result of value adjustments	**-196,506**	**-1,438**	**0**	**-197,534**
Income from the sale of securities	**-7**	**5**	**0**	**-2**
Result of changes in scope	**-1,044**	**-2,747**	**0**	**-3,791**
Operating income (loss)	**59,842**	**27,550**	**0**	**87,393**
Costs of net financial debt	-47,830	-15,102	-0	-62,932
Interests charges on rental liabilities	-12,848	-2,462	0	-15,310
Value adjustment of derivative instruments	-66,962	0	0	-66,962
Discounting of liabilities and receivables	300	51	0	351
Exceptional depreciation of loan issue costs	-417	0	0	-417
Share in income of equity affiliates	-2,020	0	0	-2,020
Net income before tax	**-69,933**	**10,037**	**0**	**-59,896**
Deferred tax liabilities	42,524	3,909	0	46,433
Corporate income tax	-8,382	-3,465	0	-11,847
NET INCOME FOR THE PERIOD	**-35,791**	**10,480**	**0**	**-25,311**

The result of the Operating Properties business is lower than the detailed result presented in Section 4.2.8.6 mainly due to the fact that a few hotels in the Operating Properties segment have a purely real estate activity, including the Mercure and Plaza hotels in Nice and the Dresden Dev site (investment properties) which have been reclassified in the hotel sector.

31/12/2022 (In € thousand)	Hotels	Operating Properties	Intercos Inter-sector	31/12/2022
Rental income	240,956	0	-2,111	238,845
Rental charges not recovered	-2,716	-2,279	2,256	-2,739
Expenses on Buildings	-2,812	-42	3	-2,851
Net bad debt expenses	10,775	-32	0	10,743
Net Rental Income	**246,203**	**-2,353**	**148**	**243,998**
Hotel Operative Activity Income	0	227,656	0	227,656
Operating expenses of hotels under management	0	-165,729	0	-165,729
EBITDA of hotels under management	**0**	**61,927**	**0**	**61,927**
Other Activity income[1]	**16**	**22**	**0**	**38**
Management and administration income	15,263	897	-11,460	4,700
Costs relating to the services activities	-9,632	-2,150	10,566	-1,216
Structure costs	-18,017	-3,514	159	-21,372
Net operating costs	**-12,386**	**-4,767**	**-735**	**-17,888**
Depreciation of operating assets	-995	-37,189	0	-38,184
Net change in provisions and other	10,727	36	-38	10,724
Operating income	**243,565**	**17,676**	**-625**	**260,616**
Income from asset disposals	**2,646**	**-229**	**625**	**3,042**
Result of value adjustments	**85,799**	**6,361**	**0**	**92,160**
Income from the sale of securities	**0**	**-2**	**0**	**-2**
Result of changes in scope	**-13**	**-1**	**0**	**-14**
Operating income (loss)	**331,997**	**23,805**	**0**	**355,802**
Costs of net financial debt	-41,400	-10,719	-0	-52,119
Interests charges on rental liabilities	-13,809	-1,408	0	-15,217
Value adjustment of derivative instruments	200,545	0	0	200,545
Discounting of liabilities and receivables	-591	2	0	-589
Exceptional depreciation of loan issue costs	-225	0	0	-225
Share in income of equity affiliates	19,428	0	0	19,428
Net income before tax	**495,946**	**11,680**	**0**	**507,626**
Deferred tax liabilities	9,757	-5,784	0	3,974
Corporate income tax	-6,397	-3,154	0	-9,551
NET INCOME FOR THE PERIOD	**499,306**	**2,742**	**0**	**502,048**

(1) Income from other activities was included in the EBITDA of hotels under management at 31 December 2022. A reclassification of €38 thousand was made from the EBITDA of hotels under management to the result of the other activities and distributed according to the segments.

4.2.8.6 Income statement of the Operating Properties business

The Operating Properties business unit reported Gross Operating Income of €90.5 million as at 31 December 2023, compared with €74 million as at 31 December 2022.

The €62.6 million increase in revenue is mainly due to the continued growth in activity in 2023. EBITDA was up by €15.6 million.

Hotel business income statement (Operating Properties) – USALI presentation

Consolidated data (In € thousand)	31/12/2023	31/12/2022	Change (in €k)
Revenues	**290,555**	**227,966**	**62,589**
Cost of sales	-48,954	-38,073	-10,882
Personnel costs	-95,608	-71,659	-23,950
A & G (Administration & General)	-17,779	-11,827	-5,952
S & M (Sales & Marketing)	-13,689	-11,623	-2,066
Other operating expenses	-24,032	-20,746	-3,286
Gross operating profit (GOP)	**90,493**	**74,039**	**16,454**
Management fees	-3,465	-2,662	-803
Property taxes and others	-5,105	-5,707	603
Insurance	-1,969	-1,337	-631
Consultancy fees	-7,901	-6,586	-1,315
EBITDAR	72,054	57,746	14,308
Letting	-1,282	-2,555	1,272
EBITDA	70,772	55,192	15,581
Depreciation and provisions	-47,850	-36,641	-11,209
Current net operating income	**22,922**	**18,551**	**4,371**
Non-recurring income	6,920	7,129	-209
Net operating income	**29,842**	**25,680**	**4,163**
Costs of net financial debt	-15,172	-10,677	-4,495
Interest charges on rental liabilities	-2,462	-1,408	-1,054
Change in the fair value of financial instruments	0	0	0
Other financial income and expenses	-16	-40	24
Pre-tax income (loss)	**12,192**	**13,555**	**-1,363**
Corporate taxes	486	-9,113	9,599
Consolidated net income	**12,678**	**4,442**	**8,236**
Minority interests	-1,133	-467	-666
NET INCOME GROUP SHARE	**11,546**	**3,975**	**7,571**

The consolidated net income of the Operating Properties segment is higher (+€1.1 million) than that presented in the consolidated financial statements of the Covivio Hotels Group due to the presence of a purely real estate activity on the Hotels Mercure and Plaza in Nice as well a Plot in Dresden.

EBITDA above is lower than that reported in the “EBITDA of hotels under management” line on the statement of net income and in the sector statement (4.2.8.5). Here is a table detailing stark differences between the two presentations:

Consolidated data *(In € thousand)*	31/12/2023	Restatements	
Revenues	**290,555**	**-3,513**	
Cost of sales	-48,954	8	
Personnel costs	-95,608		
A & G (Administration & General)	-17,779	1,557	
S & M (Sales & Marketing)	-13,689		
Other operating expenses	-24,032	293	
Gross operating profit (GOP)	**90,493**	**-1,655**	
Management fees	-3,465		
Property taxes and others	-5,105	705	
Insurance	-1,969	53	
Consultancy fees	-7,901	4,234	
EBITDAR	**72,054**	**3,337**	
Letting	-1,282	525	
EBITDA	**70,772**	**3,862**	**74,634**

The restatement of €3.8 million between the EBITDA presented in the operating income statement and the EBITDA presented in the segment income statement of Covivio Hotels shows two components:

- a reclassification in Intercos overheads and transactions for €4.2 million
- a purely real estate activity for -€0.4 million.

4.2.9 Post-closing events

None.

4.3 Statutory Auditors' report on the consolidated financial statements

Fiscal year ended 31 December 2023

To the General Meeting of Covivio Hotels,

Opinion

In compliance with the engagement entrusted to us by the General Meeting, we audited the accompanying consolidated financial statements of Covivio Hotels for the fiscal year ended 31 December 2023 as attached to the present report.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the past fiscal year as well as the financial position and of the assets, for the year then ended, of the Group comprising the persons and entities included in the scope of consolidation, in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion set out below reflects the content of our report to the Audit Committee.

Basis of Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe the information we have collected to be sufficient and appropriate to form an opinion.

Our responsibilities under these standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of this report.

Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and in the French Code of Ethics for Statutory Auditors, for the period from 1 January 2023 to the date of this report, and in particular we did not provide any prohibited services referred to in Article 5 (1) of Regulation (EU) 537/2014.

Justification of Assessments – Key Audit Matters

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most significant for the audit of the consolidated financial statements for the fiscal year, as well as the responses we have provided to these risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report. We do not express any opinion on isolated elements of the consolidated financial statements.

Valuation of investment properties

Risk identified	How the matter was addressed
Given your Group's activity, the fair value of investment properties represented 69% of consolidated assets at 31 December 2023, *i.e.* €4,655 million. Under the option offered by IAS 40, investment properties are recognised at their fair value. Changes in fair value are recorded in the income statement. Investment property is not amortised. Note 4.2.5.1.1 to the consolidated financial statements states that investment properties are subject to appraisals by independent real estate appraisers. Property valuation is a complex matter requiring the exercise of significant judgement by the Group's professional real estate appraisers based on the data communicated by the Group's management. In addition, the economic context, marked by inflation and the increase in interest rates, creates uncertainty as to the estimates used by independent appraisers for appraisal values. These estimates include assumptions on discount rates, yield rates and rental data that depend on changes in the hotel market, which may be different in the future. We considered investment property appraisal to be a key audit matter due to the amounts involved, and the number of significant judgements that went into determining the main assumptions used to appraise investment properties.	We reviewed the process used by your Group to appraise investment properties. Our procedures also involved: • assessing the competence and independence of the real estate appraisers by examining the application of the rotation rules and the forms of remuneration offered by your Group; • obtaining an understanding of your Group's written instructions to its professional real estate appraisers describing the nature of the services required and the scope and limitations of their work, with particular regard to the verification of the information provided by your Group; • checking, using sampling techniques, the pertinence of the information provided by the Finance Department to the real estate appraisers to determine the fair value of investment properties, including tenancy schedules, accounting data and the budget for investment expenditure; • analysing the valuation assumptions used by real estate appraisers, including discount rates, yield rates, rental data and rental values, by comparing them, in the economic context of inflation and the increase in interest rates, with market data available; • interviewing certain professional real estate appraisers in the presence of the entities' Finance Departments and assessing, with the assistance of our valuation specialists, the consistency and relevancy of the valuation approach applied and of the main judgements made; • reconciling the real estate appraisal values with the values used in the consolidated financial statements.

Measuring the tangible fixed assets and goodwill relating to the "Operating Properties" segment

Risk identified	How the matter was addressed
Tangible fixed assets and goodwill represented a value of €1,227 million at 31 December 2023, compared with a total balance sheet of €6,724 million. Tangible fixed assets comprise managed hotel real estate in the "Operating Properties" segment (occupied or managed by the teams of your Group – own occupied buildings). Note 4.2.5.1.1 to the consolidated financial statements specifies that these fixed assets are carried at historical cost less accumulated depreciation and any potential impairment. Goodwill is accounted for as an asset for the surplus of the acquisition cost on the portion of the buyer's interest in the fair value of the assets and liabilities acquired, net of any deferred taxes. Tangible fixed assets and related goodwill undergo impairment testing at least once a year, in which the net book value is compared with the valuation of hotel real estate in the "Operating Properties" segment as provided by real estate appraisers. The economic context, marked by inflation and the rise in interest rates, creates uncertainty in the estimates used for appraisal values. These estimates include assumptions on discount rates, capitalisation and hotel performance that depend on changes in the hotel market, which may be different in the future. Given the weight of the company's tangible fixed assets and related goodwill in the "Operating Properties" segment and the extensive exercise of judgement required in determining the assumptions used in their valuation, we considered their valuation as a key audit matter.	We obtained an understanding of the process of valuation used by your Group for the tangible fixed assets and goodwill. Our procedures also involved: • assessing the competence and independence of the real estate appraisers by examining the application of the rotation rules and the forms of remuneration offered by your Group; • obtaining an understanding of your Group's written instructions to its professional real estate appraisers describing the nature of the services required and the scope and limitations of the applicable procedures with particular regard to the verification of the information provided by your Group; • checking, using sampling techniques, the pertinence of the information provided by the Finance Department to the real estate appraisers to determine the fair value of hotel real estate in the "Operating Properties" segment, such as the most recent performance and the budget for the hotel real estate, in the economic context marked by inflation and the rise in interest rates; • analysing the valuation assumptions used by the real estate appraisers, in particular the discount and capitalisation rates, by comparing them with available market data; • interviewing certain professional real estate appraisers in the presence of the entities' Finance Departments and assessing, by the inclusion of valuation specialists within our audit teams, the consistency and relevancy of the valuation approach applied and of the main associated instances of the exercise of professional judgement; • verifying, on a sample basis, that impairment allowances are recognised when appraisal values excluding charges are lower than the net book values of the tangible fixed assets plus the net book values of the goodwill; • recalculating, on a sample basis, the provisions and reversals of impairment recognised in your Group's consolidated financial statements.

Specific verification

In accordance with the professional standards applicable in France, we have also carried out the specific verifications required by law of the information relating to the Group in the management report.

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

Other verifications or reporting envisaged by law and regulations

Format of the consolidated financial statements intended to be included in the annual financial report

In accordance with professional standards on the Statutory Auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format defined by the European delegated Regulation 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of management. With regard to consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of consolidated financial statements using the single European electronic reporting format, the content of certain tags in the notes to the financial statements may not be reproduced in the same way as the consolidated financial statements attached to this report.

It is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Covivio Hotels by your General Meeting of 30 November 2004 for MAZARS and of 11 April 2013 for ERNST & YOUNG et Autres.

As at 31 December 2023, MAZARS was in the twentieth straight year of its engagement and ERNST & YOUNG et Autres in the eleventh year.

Prior to this, the firm Groupe PIA, which later became Conseil Audit & Synthèse (acquired by ERNST & YOUNG Audit in 2010), was Statutory Auditor from 2007 to 2012.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the company's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations.

The Audit Committee is responsible for overseeing the process for preparing financial information and monitoring the effectiveness of the risk management and internal control systems, as well as, where applicable, the internal audit system, regarding the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the Management Board.

Statutory Auditors' responsibilities relating to the audit of the consolidated financial statements

Objectives and audit process

We are tasked with preparing a report on the consolidated financial statements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement where one exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users as taken on the basis of these financial statements.

As indicated in Article L. 821-55 of the French Commercial Code, in auditing the financial statements we are not asked to guarantee the viability or quality of the company's management.

In the course of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement throughout the audit. We also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in accordance with those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the circumvention of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may call into question the company's ability to continue as a going concern. If the auditor concludes as to the existence of any material uncertainty, the attention of readers of the audit report is drawn to the information provided in that respect in the consolidated financial statements or, if such information is not provided or is not relevant, the auditor formulates a qualified audit opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the scope of consolidation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements as well as for the opinion on said financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that in particular covers the scope of the audit work and the schedule of work undertaken, along with our findings. We also inform it, as applicable, of any material weaknesses we identified in the internal control system regarding the procedures relating to the preparation and processing of accounting and financial information.

The elements communicated in the report to the Audit Committee include the risks of material misstatement which, in our professional view, have presented the greatest significance for the audit of the accompanying consolidated financial statements and which as such constitute the key audit matters we are required to describe in this report.

We also provide the Audit Committee with the confirmation in writing provided for in Article 6 of Regulation (EU) 537/2014 regarding our independence, as per the applicable rules in France found in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where necessary, we discuss with the Audit Committee the threats to our independence and the safeguards applied to mitigate those threats.

Paris-La Défense, 18 March 2024

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Claire Gueydan-O’Quin, Anton Lissorgues	Jean-Roch Varon, Pierre Lejeune

4.4 Company financial statements as at 31 December 2023

4.4.1 Balance sheet

Assets

(In € thousand)	Note 4.5	31/12/2023 Gross	Amortisation, depreciation and impairment	31/12/2023 Net	31/12/2022 Net
Intangible fixed assets		**0**	**0**	**0**	**0**
Tangible fixed assets:	**4.5.3.1.1**	**586,406**	**214,875**	**371,531**	**324,635**
Land		119,942	3,041	116,900	118,659
Buildings		462,479	211,826	250,653	202,828
Other tangible fixed assets		23	8	15	15
Tangible fixed assets in progress		3,963	0	3,963	3,133
Advances and advanced payments		0	0	0	0
Financial assets:		**3,989,339**	**186,895**	**3,802,443**	**3,962,711**
Investments	4.5.3.1.2	2,284,227	186,895	2,097,331	2,282,384
Other securities	4.5.3.1.4	126	0	126	161
Receivables linked to investments & Loans	4.5.3.1.3	1,703,805	0	1,703,805	1,678,994
Other non-current financial assets		1,181	0	1,181	1,173
Total I – Fixed assets	**4.5.3.1**	**4,575,745**	**401,771**	**4,173,974**	**4,287,347**
Inventories and work in progress		**0**	**0**	**0**	**0**
Advances and advanced payments on orders		**0**	**0**	**0**	**0**
Operating receivables:	**4.5.3.2.1**	**72,006**	**7,510**	**64,497**	**79,944**
Trade receivables and related accounts	4.5.3.2.2	8,518	3,611	4,907	6,693
Current accounts		57,953	74	57,879	67,889
Other receivables		5,535	3,825	1,710	5,363
Marketable securities		**0**	**0**	**0**	**0**
Cash and cash equivalents		**13,254**	**0**	**13,254**	**4,206**
Deferred charges	**4.5.3.2.3**	**15,982**	**0**	**15,982**	**20,443**
Treasury instruments	**4.5.3.2.4**				**0**
Total II – Current assets	**4.5.3.2**	**101,242**	**7,510**	**93,732**	**104,594**
Deferred expenses (III)	4.5.3.2.3	5,735	0	5,735	7,989
Bond redemption premiums (IV)	4.5.3.2.3	2,246	0	2,246	2,796
Currency translation gains (V)	4.5.3.2.3	15,056	0	15,056	3,202
GRAND TOTAL (I + II + III + IV + V)		**4,700,024**	**409,281**	**4,290,743**	**4,405,927**

Liabilities

(In € thousand)	Note 4.5	31/12/2023	31/12/2022
Shareholders' equity:		**2,252,086**	**2,293,187**
Capital [of which €592,566 thousand paid]		592,566	592,566
Issue premium, merger premium and additional paid-in capital		1,659,520	1,700,621
Reserves and retained earnings:		**59,261**	**159,031**
Legal reserve		59,257	59,257
Retained earnings		4	99,774
Net income for the fiscal year		20,439	42,389
Regulated provisions		8,403	7,247
Total I – Shareholders' equity	**4.5.3.3**	**2,340,189**	**2,501,853**
Other equity		**0**	**0**
Total I bis – Equity		**0**	**0**
Provisions for risks		17,086	2,246
Provisions for charges		111	106
Total II – Provisions for risks and charges	**4.5.3.4**	**17,198**	**2,352**
Debt			
Financial payables:		**1,912,282**	**1,891,291**
Other bonds	4.5.3.5.1	953,361	1,156,010
Loans and debts with credit institutions[1]	4.5.3.5.2	831,662	645,786
Other sundry loans and borrowings	4.5.3.5.3	127,260	89,495
Advances and advanced payments received		**0**	**0**
Operating payables:		**11,972**	**6,642**
Trade payables and related accounts		9,875	4,254
Tax and social security liabilities	4.5.3.5.4	2,097	2,387
Other operating payables			0
Sundry liabilities:		**6,932**	**2,263**
Debt on fixed assets and related accounts	4.5.3.5.5	6,426	50
Other liabilities	4.5.3.5.6	506	2,213
Pre-booked income		**600**	**0**
Treasury instruments	**4.5.3.5.7**	**80**	**105**
Total III – Current liabilities	**4.5.5.3.5**	**1,931,867**	**1,900,300**
Currency translation losses (IV)	4.5.5.10	1,490	1,422
GRAND TOTAL (I + I BIS + II + III + IV)		**4,290,743**	**4,405,927**
(1) Of which current bank borrowings and bank overdrafts.		0	10,225

4.4.2 Income statement

(In € thousand)	Note 4.5	31/12/2023	31/12/2022	Change (in %)
Sales [Rental income]		65,957	58,511	
Net revenues	**4.5.4.1.1**	**65,957**	**58,511**	
Reversals of provisions, impairment and transferred expenses	4.5.4.1.2	1,999	6,926	
Other income		351	180	
Total I – Operating income		**68,307**	**65,617**	**4.10%**
Other purchases and external expenses		13,726	10,960	
Taxes and related payments		4,598	7,333	
Salaries and benefits		2,508	2,036	
Social security charges		1,099	688	
Depreciation, amortisation and provisions:				
On fixed assets: depreciation and amortisation charges		15,950	14,695	
On fixed assets: impairment charges		2,259	538	
On current assets: impairment charges		1,342	1,371	
Provisions for financial risks and charges		62	56	
Other expenses		2,429	9,697	
Total II – Operating expenses	**4.5.4.1.3**	**43,972**	**47,374**	**-7.18%**
1. Operating income (I - II)	**4.5.4.1**	**24,335**	**18,243**	**33.39%**
Share of income from joint operations				
Profits or loss transferred (III)		**0**	**0**	
Losses or profits transferred (IV)		**0**	**0**	
Financial income:				
From investments (dividends)	4.5.4.2.1	102,234	60,653	
From other marketable securities and fixed asset receivables		43,540	38,165	
Other interest and similar income		58,684	16,726	
Reversals of provisions, impairment and transferred expenses	4.5.4.2.2	2,300	30,656	
Positive exchange differences	4.5.4.2.3	9,703	173	
Net income from disposal of marketable securities		257	22,126	
Total V – Financial income		**216,718**	**168,499**	**28.62%**
Financial expenses:				
Impairment, amortisation and provisions	4.5.4.2.4	112,791	91,420	
Interest and similar expenses		115,957	66,845	
Negative exchange differences	4.5.4.2.3	217	149	
Net expenses from disposal of marketable securities		0	6,310	
Total VI – Financial expenses		**228,965**	**164,726**	**39.00%**
2. Net financial income (V - VI)	**4.5.4.2**	**-12,246**	**3,773**	**-424.61%**
3. Income from operations before tax (I - II + III - IV + V - VI)		**12,088**	**22,015**	**-45.09%**
Non-recurring income:				
On management transactions		4,208	67	
On capital transactions		9,783	43,506	
Reversals of provisions, impairment and transferred expenses		116	233	
Total VII – Non-recurring income	**4.5.4.3**	**14,108**	**43,806**	**-67.80%**

(In € thousand)	Note 4.5	31/12/2023	31/12/2022	Change (in %)
Non-recurring expenses:				
On management transactions		69	199	
On capital transactions		4,415	21,911	
Impairment, amortisation and provisions		1,273	1,322	
Total VIII – Non-recurring expenses	**4.5.4.3**	**5,757**	**23,432**	**-75.43%**
4. Non-recurring income (VII - VIII)	**4.5.4.3**	**8,351**	**20,374**	**-59.01%**
Employee profit-sharing (IX)		0	0	
Corporate income tax (X)	4.5.4.4	0	0	
Total income (I + III + V + VII)		**299,133**	**277,921**	**7.63%**
Total expenses (II + IV + VI + VIII + IX + X)		**278,694**	**235,532**	**18.33%**
NET INCOME (+) OR LOSS (-)		**20,439**	**42,389**	**-51.78%**

4.5 Notes to the company financial statements

4.5.1 Significant events during the fiscal year

4.5.1.1 Acquisitions of real estate assets, works and developments

A real estate asset, the Hôtel Plaza Nice, was acquired during the past year. This acquisition was made through the absorption of Immobilière Verdun, which held the asset in question.

4.5.1.2 Disposals of real estate assets

Covivio Hotels disposed of the following assets during the period:

(In € thousand)	Net book value	Disposal price	Capital gains or losses	Market value at 31/12/2022
AccorInvest - Genève Aéroport	2,830	8,750	5,920	8,750
Courtepaille - Caen	436	250	-186	250
TOTAL	**3,266**	**9,000**	**5,734**	**9,000**

4.5.1.3 Acquisitions of equity investments

During 2023, the company acquired shares in Rocky companies 1 to 11 for a gross value of €283,307 thousand at 31 December 2023, divided equally between the 11 entities. These shares were acquired when the entities were created, then following the capital increase of the entities. Covivio Hotels is the sole shareholder of each of the companies.

During the fiscal year, Covivio Hotels also acquired one share in Portmurs (a company incorporated under Portuguese law) for €1.

4.5.1.4 Capital increase

N/A for the fiscal year.

4.5.1.5 Restructuring of hedging

As of 31 December 2020, certain derivative instruments, considered as isolated open positions (IOPs) until 31 December 2018, were reused for hedging purposes. The fair value of these instruments was therefore amortised to profit or loss over the term of residual life of the derivative. Covivio Hotels was not in a situation of over-coverage at 31 December 2023.

4.5.1.6 Tax audit

No current tax audit of the company.

4.5.2 Accounting principles, rules and methods

Covivio Hotels is the parent company of the Covivio Hotels group, and draws up its consolidated financial statements according to IFRS. Its registered office is located at 10 rue de Madrid – 75008 Paris. It is registered in the Paris Trade and Companies Register under number 955 515 895. The consolidated financial statements are available from this address.

Covivio Hotels is fully consolidated by the company Covivio, located at 18, avenue François Mitterrand – CS 10449 – 57017 METZ Cedex 01. Covivio is registered in the Metz Trade and Companies Register under number 364 800 060. The consolidated financial statements are available from this address.

The balance sheet and income statement are drawn up in accordance with French legislation and generally accepted accounting principles in France.

The notes are prepared in accordance with the French accounting standards authority (ANC) Regulation 2014-03 published by the Decree of 5 June 2014 and subsequent regulations currently in force.

General accounting conventions were applied, respecting the prudence principle, in accordance with the following basic assumptions:

- going concern
- consistency of accounting policies from one year to the next
- independent fiscal years
- and in accordance with the rules for preparing and presenting annual financial statements pursuant to the French law of 30 April 1983 and the Implementation Decree of 29 November 1983.

The historical cost method was adopted as the basic method of accounting.

Tangible fixed assets have been recorded under the component method since 1 January 2005.

The annual financial statements are presented in thousands of euros, rounded to the nearest thousand euros. Rounding differences may generate minor differences between statements.

4.5.2.1 Tangible fixed assets

The initial cost of properties in the portfolio comprises:

- their acquisition cost including costs and duties related to the purchase for properties acquired subsequent to the adoption of the SIIC tax regime;
- their production cost for buildings under renovation: work carried out is recognised as fixed assets in progress as and when invoices from suppliers are received and then transferred to construction upon receipt of the completion report.

Tangible fixed assets are depreciated using the straight-line method and according to their probable useful life.

Methodology used:

Hotel real estate

The list of components used is that recommended by the working group of the Fédération des Sociétés Immobilières et Foncières. The components used are as follows:

Breakdown of the buildings	Method	Term
Building structures	L	50 to 80 years
Facades and external joinery	L	30 years
General and technical facilities	L	20 years
Fittings	L	10 years

Courtepaille restaurants

The list of components used is that recommended by the working group of the Fédération des Sociétés Immobilières et Foncières. The components used are as follows:

Breakdown of the buildings	Method	Term
Building structures	L	50 years
Facades and external joinery	L	30 years
General and technical facilities	L	20 years
Exterior improvements	L	10 years
Interior fittings	L	10 years

4.5.2.2 Tangible fixed assets acquired under finance leases

When a finance lease option is exercised, the tax cost price of a property is determined by the addition of:

- the acquisition price of the property provided for in the lease
- the reintegration to take place in the profits of the current fiscal year at the time the option is exercised
- the acquisition price of the lease less capital cost allowances previously recognised.

When depreciation on a tax basis is higher than on an accounting basis, a capital cost allowance is made corresponding to the buildings and calculated over their useful life. Capital cost allowances recognised prior to the exercise of the option are reversed at the end of a fiscal year to the extent that the depreciation for impairment in the fiscal year exceeds the annual amount allowed for tax purposes.

When the building is disposed of, capital cost allowances previously used are reversed in the income statement.

4.5.2.3 Impairment of tangible and intangible fixed assets

At each balance sheet date, the company assesses whether there are any indications that an asset has been materially impaired. In such cases, an impairment charge may be recorded in income or reversed, as appropriate.

The amount of any significant impairment is determined on an asset-by-asset basis in line with a comparison between the market value (excluding charges), calculated on the basis of independent appraisals, and the net book value.

There is objective indication of impairment when the appraisal value is at least €150 thousand less than the net book value. Even if this difference is less than €150 thousand, an impairment loss will be recognised when the appraisal value has been less than the net book value for more than two consecutive years.

When impairment is recognised, it is monitored without any threshold conditions.

Such impairments, which recognise the non-definitive and non-irreversible reduction in the value of certain portfolio assets in relation to their book value, are recognised in assets under "Depreciation and impairments".

The impairment is charged to each component on a pro rata basis.

The recording of an impairment results in a revision of the depreciable base and, if applicable, the depreciation schedule for the assets concerned.

4.5.2.4 Financial assets

Financial assets are valued at cost or at their contribution value after deducting any provisions required to restore them to their value in use (if necessary). At the end of the fiscal year, the carrying value of investments is compared to their current value. The lowest of these is retained in the financials. The inventory value of the securities corresponds to their value in use for the company.

In the case of investments held for the long term, value in use is assessed on the basis of the investee's net assets plus any unrecognised capital gains associated with the investee's non-current assets.

The acquisition costs are incorporated in the cost price of financial assets and amortised over five years in the form of additional amortisation to benefit from tax incentives.

4.5.2.5 Doubtful trade receivables and impairments

Receivables are stated at their par value. A provision for impairment is recorded when the recoverable value is lower than the book value.

A provision for impairment is recorded for each tenant with unpaid receivables, based on the risk incurred. The general criteria for establishing provisions, except in particular cases, are as follows:

- no provisions are set aside for existing or vacated tenants whose receivables are less than three months overdue
- 50% of the amount of the receivable for existing tenants whose receivables are between three and six months overdue
- 100% of the total amount of the receivable for existing tenants whose receivables are more than six months overdue
- 100% of the total amount of the receivable for departed tenants whose receivables are more than three months overdue.

Given the widespread use of support measures (almost non-existent before Covid), the company opted to spread rents over the term of the lease. This change in accounting method makes the financial statements easier to read. The spreading of rent exemptions involves recognising a receivable which is progressively settled until the end of the lease, allowing the company to report a constant rent over the period.

4.5.2.6 Receivables and debt denominated in foreign currencies

Receivables and debt in foreign currencies are converted and recognised in euros on the basis of the last known exchange rate.

At settlement, the difference between the rate originally used and the rate on the date of settlement constitutes a foreign exchange loss or gain that must be recognised in operating or financial income, depending on the nature of the transaction.

At the end of the fiscal year, receivables and debt are converted at the closing rate. These conversion differences are recorded in transitional accounts, pending subsequent adjustment:

- on the assets side of the balance sheet, when the difference corresponds to an unrealised loss
- on the liabilities side of the balance sheet, when the difference corresponds to an unrealised gain.

Unrealised losses lead to the establishment of a provision for risk.

For a single transaction, unrealised losses and gains can be considered part of an overall foreign exchange position; the provision is therefore limited to the amount by which losses exceed gains.

Unrealised foreign exchange losses and gains on bank accounts are recognised directly in net financial income at the closing date.

	GBP	EUR
Opening rate	1	1.132116
Closing rate	1	1.151930

4.5.2.7 Derivatives

In its hedging policy, the company only uses simple, standard and liquid derivative instruments available on the markets, namely: swaps, cross-currency swaps, caps and option tunnels (purchase of a cap and sale of a floor).

The financial instruments used have the sole purpose of hedging interest and exchange rate risks. The swaps used guarantee a fixed interest rate and an exchange rate. These instruments are not recorded in the financial statements when concluded but constitute off-balance sheet commitments. However, the difference between the rate paid or received under these agreements is recognised as a financial income or expense for the fiscal year.

Any increase or decrease in the value of these instruments is recognised upon unwinding of the hedge, i.e. in the event of early termination of the hedge commitments or repayment of the liabilities hedged.

The financial instruments used by Covivio Hotels are designed to hedge the Group's floating-rate debt. The option retained is to legally hold the financial instruments in Covivio Hotels and to rebill the rate hedge's beneficiary entities for the related income and expenses.

The principal retained is to allocate to the subsidiaries hedging instruments with characteristics that match the borrowings to be hedged in the subsidiaries as closely as possible. Any over-hedging is also transferred to the subsidiaries pro rata to the outstanding hedge.

Premiums paid or received on caps and floors are spread over the term of the agreements.

The equalisation payments made to cancel the hedging instruments during their lifetime (without cancelling the hedged portion) are spread over the remaining term of the terminated instruments.

When the hedged item is cancelled and the instrument is in an isolated open position (over-hedging), the equalisation payment made is recognised directly in the income statement.

Regulation 2015-05 imposes the principle of symmetry in the income statement between the items hedged and the hedging instruments. The equalisation payment made to cancel the hedging instruments must accordingly be spread out over the remaining term of the terminated instruments. When a new hedge is placed with receipt of a payment, if it is traded off-market, the apportionment must be made over the term of the new instrument. This apportionment effectively recognises the new instrument at its original market value.

4.5.2.8 Provisions for risks and charges

In accordance with Accounting Regulation Committee Regulation 2000-06 on liabilities, provisions are defined as liabilities whose term or amount is not fixed precisely, with a liability representing an obligation towards a third party for which it is likely or certain that an outflow of resources for the benefit of this third-party will be required, with no equivalent consideration expected in return.

A risk provision related to investments is established to cover the negative net equity of subsidiaries and when all of the subsidiary's shares and loans have been depreciated.

4.5.2.9 Provisions for financial risks and charges

An isolated open position (IOP) must be recognised if the company is in a position of over-hedging (whether the over-hedging is a risk or an unrealised gain). The IOP is reflected in the financial statements by the recognition of a derivative account and a valuation difference account on cash instruments. When the value of the derivative is a liability, the company must recognise a provision for over-hedging. When the IOP representing a derivative liability ceases to be a liability, the provision is reversed and the market value of the derivative at the date the hedging relationship is established is amortised to profit or loss over its residual term.

4.5.2.10 Borrowings, debt and bonds

Bank financing mainly consists of bank borrowings, two bond issues, a private placement and medium- and long-term credit agreements with varying draw-down periods. Successive draw-downs are recognised in the financial statements at their par value. These agreements include covenant clauses, which are reported under off-balance-sheet commitments.

4.5.2.11 Deferred expenses

Deferred expenses correspond to the issue cost of borrowings and are amortised over the loan period.

4.5.2.12 Bond redemption premium

These are amortised over the life of the bond.

4.5.2.13 Revenue

Retail portfolios are paid monthly in advance or in arrears.

For hotels, it is normally quarterly in advance, calculated on the basis of the previous year's revenues. An accounting adjustment is carried out at the end of the fiscal year to reflect revenues for the year.

Since 1 January 2020, rent-free periods are recognised in the parent company's financial statements and their settlement is smoothed over the residual lease term. The rent relief is therefore gradually extinguished until the end of the lease or when the asset is sold.

Since 1 January 2021, Accor invoicing has been carried out quarterly in advance on the basis of a budget sent by Accor and an adjustment is made at the end of each quarter on the basis of the actual results of the hotels.

Revenues for the period comprise rental income received during the period.

4.5.2.14 Income tax

Covivio Hotels has been subject to the SIIC regime since 1 January 2005. Accordingly, its real estate letting activity and its income from the disposal of assets are exempt from corporate income tax. Any other activities, however, remain subject to income tax.

The SIIC regime allows the exemption of:

- income from the leasing of assets
- capital gains from the sale of assets to non-related companies
- dividends from subsidiaries are either subject to corporate income tax and opting for the SIIC regime or not subject to corporate income tax.

In return, the company is subject to the following obligations concerning dividends:

- 95% of the taxable income from the leasing of assets must be distributed before the end of the year after the one in which said income was generated
- 70% of the capital gains from disposals of assets and shares in subsidiaries having opted for the tax treatment must be distributed before the end of the second fiscal year following the one in which they were realised
- 100% of the dividends from subsidiaries that have opted for the tax treatment must be distributed during the year after the year they are received.

The total distribution obligation is calculated by applying the appropriate distribution coefficient to each income category, limited to the taxable income from the entire exempt sector.

4.5.3 Explanations of balance sheet items

4.5.3.1 Fixed assets

Adjustment to gross values

(In € thousand)	Note 4.5	Amount at 31/12/2022	Increases			Decreases		Gross amount at 31/12/2023
			Acquisition and works	TUP	Transfers	Disposals and other subtractions	Transfers	
Intangible fixed assets		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Tangible fixed assets		**529,337**	**5,388**	**60,007**	**-**	**8,327**	**-**	**586,405**
• Land	4.5.3.1.1	121,102	–	71	–	1,231	–	119,942
• Buildings	4.5.3.1.1	405,080	1,658	59,937	2,900	7,096	–	462,479
• Other tangible fixed assets		22	–	–	–	–	–	22
• Assets in progress	4.5.3.1.1	3,134	3,729	–	-2,900	–	–	3,963
Financial Assets		**4,094,798**	**493,006**	**-**	**-**	**598,515**	**-**	**3,989,339**
• Equity investments	4.5.3.1.2	2,412,144	283,308	–		411,225	–	2,284,227
• Loans	4.5.3.1.3	1,681,320	208,937	–	–	186,452	–	1,703,805
• Long-term securities	4.5.3.1.4	161	803	–	–	838	–	126
• Other non-current financial assets		1,173	8	–	–		–	1,181
TOTAL FIXED ASSETS		**4,624,135**	**498,444**	**60,007**	**-**	**606,842**	**-**	**4,575,744**

4.5.3.1.1 Tangible fixed assets

The change in tangible fixed assets is mainly due to:

- the completion of works for a total of €5 million
- removals from fixed assets in the following amounts:
  - the sale of the Genève Aéroport asset for €4.7 million
  - the sale of the Courtepaille Caen asset for €0.697 million
  - scrapping following the replacement of certain components for a total amount of €2.9 million.

4.5.3.1.2 Change in equity investments

The negative change in the gross value of equity investments is due to several transactions:

- creation of the 11 Rocky companies, of which Covivio Hotels is the sole shareholder (+€283 million)
- Murdelux capital reduction (-€370 million)
- elimination of Immobilière Verdun shares following the absorption of the latter (-€41 million).

Company	Value of securities (in €k)
AMOUNT AT 31/12/2022	**2,412,144**
Acquisition of securities and other assets	
Rocky (1 to 11) – equally	283,308
Portmurs	
Total increase of securities following acquisition	**283,308**
Capital reduction	
Murdelux	370,279
of which dissolution	–
Total capital reduction	**370,279**
Elimination of shares in transferred subsidiaries	
Société Immobilière Verdun	40,946
Total decrease following Universal Transfer of Assets (TUP)	**40,946**
AMOUNT AT 31 DECEMBER 2023	**2,284,227**

4.5.3.1.3 Breakdown of loans

The loans consist of:

Type of loan	(In € thousand)
Loans to subsidiaries	1,681,202
Accrued interest on loans	7,937
Accrued interest on swaps	14,667
TOTAL	**1,703,805**

The breakdown of loans to subsidiaries is as follows:

(In € thousand)	Outstanding principal due at 31/12/2023	Accrued interest at 31/12/2023	Outstanding principal due at 31/12/2022
Murdelux[1]	507,120	9	803,792
Investment FDM Rocatierra	208,281	3,385	227,600
Constance	77,092	1,699	205,312
SNC Foncière Otello	88,157	–	94,067
FDM M Lux	138,337	1	138,337
SCI Rosace	30,200	–	30,200
OPCI Oteli	31,138	1,226	35,031
LHM Holding Lux	28,960	337	28,960
SAS Kombon	19,181	753	19,949
Bardiomar	8,798	163	8,798
Ruhl Côte d'Azur	2,412	–	4,532
SCI Porte Dorée	3,447	–	3,447
SAS Iris Holding France	6,745	141	6,745
SNC Hotel 37 René Clair	3,000	–	3,000
B&B Invest Spain	5,962	–	5,962
Immobilière Verdun	–	–	50,286
Constance Lux 1 S.À.R.L	56,621	–	–
Constance Lux 2 S.À.R.L	79,299	–	–
Société Nouvelle de l'Hôtel Plaza	1,786	–	–
Rocky I	6,322	20	–
Rocky II	6,322	20	–
Rocky III	6,322	20	–
Rocky IV	6,322	20	–
Rocky V	6,322	20	–
Rocky VI	6,322	20	–
Rocky VII	6,322	20	–
Rocky VIII	6,322	20	–
Rocky IX	6,322	20	–
Rocky X	6,322	20	–
Rocky XI	6,322	20	–
Blythswood Square Hotel Glasgow	30,564	–	–
George Hotel Investments Ltd	14,305	–	–
Grand Central Hotel Company Ltd	13,465	–	–
Lagonda Palace Propco Ltd	29,269	–	–
Lagonda Russell Propco Ltd	127,013	–	–
Roxburghe Investments Propco Ltd	92,219	–	–
The St David's Hotel Cardiff Ltd	8,292	–	–
TOTAL	**1,681,202**	**7,937**	**1,666,018**

(1) The change in loans with Murdelux is mainly due to the restructuring of the debt with the British entities. Below, the situation in the financial statements of Murdelux.

(In € thousand)	Outstanding principal due at 31/12/2023	Outstanding principal due at 31/12/2022	Variation	Loan features/comments
Great Britain portfolio	**49,367**	**334,336**	**-284,969**	**Loan in GBP - Remaining capital of £42,856 thousand**
Blythswood Square Hotel Holdco Ltd	-	29,753	-29,753	N/A
George Hotel Investments Holdco Ltd	-	14,059	-14,059	N/A
Grand Central Hotel Company Holdco Ltd	-	13,233	-13,233	N/A
Lagonda Leeds Holdco Ltd	9,200	9,042	158	Subscription date: 18/07/2018 - Term of 8 years - Interest rate: 3.018%
Lagonda Palace Holdco Ltd	-	28,766	-28,766	N/A
Lagonda Russell Holdco Ltd	-	118,448	-118,448	N/A
Lagonda York Holdco Ltd	23,711	23,303	408	Subscription date: 18/07/2018 - Term of 8 years - Interest rate: 3.018%
Roxburghe Investments Holdco Ltd	-	73,409	-73,409	N/A
The St David's Hotel Cardiff Holdco Ltd	-	8,149	-8,149	N/A
Wotton House Properties Holdco Ltd	16,455	16,172	283	Subscription date: 18/07/2018 - Term of 8 years - Interest rate: 3.018%
Belgium portfolio	**71,419**	**76,889**	**-5,470**	
Foncière No Bruxelles Grand Place	6,430	6,430	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière No Bruxelles Aéroport	6,320	6,320	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière No Bruges Centre	4,390	4,390	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière Gand Centre	4,780	5,080	-300	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière IB Bruxelles Grand-Place	5,670	5,670	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière IB Bruxelles Aéroport	1,930	1,930	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière IB Bruges Centre	3,790	3,790	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière Antwerp Centre	2,350	2,350	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière Gand Opéra	2,680	2,680	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Foncière Bruxelles Expo Atomium	1,540	1,540	-	Subscription date: 01/04/2022 - Term of 5 years - Interest rate: 2.417%
Sunparks Oostduinkerke	4,554	9,724	-5,170	Subscription date: 30/09/2021 - Term of 5 years - Interest rate: 2.401%
Foncière Kempense Meren	26,375	26,375	-	Subscription date: 06/07/2022 - Term of 5 years - Interest rate: 1.934%
Jouron Sprl	610	610	-	Subscription date: 01/07/2019 - Term of 30 years - Rate: Free float
Luxembourg portfolio	**103,262**	**103,262**	**-**	
B&B Invest Lux 1	5,465	5,465	-	Subscription date: 10/12/2020 - Term of 7 years - Interest rate: 2.39%
B&B Invest Lux 2	4,650	4,650	-	Subscription date: 10/12/2020 - Term of 7 years - Interest rate: 2.4%
B&B Invest Lux 3	4,370	4,370	-	Subscription date: 10/12/2020 - Term of 7 years - Interest rate: 2.4%
B&B Invest Lux 4	17,580	17,580	-	Subscription date: 01/01/2021 - Term of 7 years - Interest rate: 2.4%
Mo Lux 1	8,243	8,243	-	2 loans - between 10/12/2020 and 10/12/2027 - average rate: 2.37%
Ringer Sarl	17,000	17,000	-	Subscription date: 31/12/2021 - Term of 5 years - Interest rate: 3.99%

(In € thousand)	Outstanding principal due at 31/12/2023	Outstanding principal due at 31/12/2022	Variation	Loan features/comments
B&B Invest Lux 5	6,581	6,581	–	Subscription date: 08/06/2022 – Term of 5 years – Interest rate: 1.96%
H Invest Lux S.A.R.L.	22,476	22,476	–	Subscription date: 31/12/2022 – Term of 5 years – Rate: 4.22%
H Invest Lux 2	16,897	16,897	–	Subscription date: 28/09/2017 – Term of 7 years – Interest rate: 5.183%
Netherlands portfolio	**43,707**	**43,707**	**-6,232**	
Hotel Amsterdam Centre B.V.	13,675	13,675	–	2 loans – between 07/06/2021 and 09/12/2027 – average rate: 3.166%
Hotel Amsterdam Noord Fdm B.V.	20,950	20,950	–	Subscription date: 27/12/2018 – Term of 5 years – Interest rate: 3.804%
Hotel Amersfoort Fdm B.V.	9,082	9,082	–	2 loans – between 26/03/2019 and 30/09/2024 – average rate: 3.804%
Italy/Portugal portfolio	**129,360**	**135,593**	**-6,233**	
Palazzo Naiadi Rome Propco S.R.L. – IT	67,607	71,396	-3,789	Subscription date: 07/09/2020 – Term of 9 years – Interest rate: 2.28%
Palazzo Gaddi Florence Propco S.R.L. – IT	12,059	14,502	-2,444	Subscription date: 07/09/2020 – Term of 9 years – Interest rate: 2.28%
Bellini Venice Propco S.R.L. – IT	12,271	12,271	–	Subscription date: 07/09/2020 – Term of 9 years – Interest rate: 2.28%
Dei Dogi Venice Propco S.R.L. – IT	13,387	13,387	–	Subscription date: 07/09/2020 – Term of 9 years – Interest rate: 2.28%
Portmurs - PT	24,037	24,037	–	Subscription date: 26/04/2021 – Term of 5 years – Interest rate: 2.326%
Hungary / Poland / Czech Republic portfolio	**108,137**	**108,136**	**1**	
New York Palace Propco – HU	67,872	67,872		2 loans – between 07/09/2020 and 09/12/2027 – average rate: 3.179%
Forsmint Investments Sp. Zoo - PL	5,618	5,618		Subscription date: 06/12/2019 – Term of 7 years – Interest rate: 2.716%
Cerstook Investments Sp. Zoo – PL	6,147	6,147		Subscription date: 22/10/2019 – Term of 7 years – Interest rate: 2.71%
Noxwood Investments Sp. Zoo – PL	5,969	5,969		Subscription date: 06/12/2019 – Term of 7 years – Interest rate: 2.712%
Redwen Investments Sp. Zoo – PL	5,287	5,287	–	Subscription date: 23/05/2022 – Term of 5 years – Interest rate: 1.98%
Sc Czech Aad S.R.O. - CZ	17,244	17,244		2 loans – between 07/09/2020 and 09/12/2027 – average rate: 3.205%
TOTAL	**505,253**	**801,923**	**-296,671**	

Loans to subsidiaries are not covered by a repayment schedule. They are repaid based on each borrower's free cash flow. Nevertheless, a final repayment date, ranging from January 2024 at the earliest to June 2050 at the latest, is stipulated in the agreement.

4.5.3.1.4 Breakdown of other long-term securities

Detail of treasury shares	Number of shares	(In € thousand)
Shares held by the company – liquidity agreement	7,687	126
Shares held by the company – external growth	–	–
Shares held by the company for allocation to employees	–	–

(In € thousand)	31/12/2022	Increase	Decrease	31/12/2023
Treasury shares	161	803	838	126
TOTAL	**161**	**803**	**838**	**126**

At 31 December 2023, the company held 7,687 treasury shares under a liquidity agreement, i.e. a total amount of €126 thousand.

Change in amortisation, depreciation and provisions

The table of depreciation, amortisation and impairment is presented below:

			Increases		Decreases		
(In € thousand)	Note 4.5	31/12/2022	TUP	Charges	Disposals and other subtractions	TUP	31/12/2023
Impairment of intangible fixed assets		**-**		**-**	**-**	**-**	**-**
Depreciation and impairment of tangible fixed assets		**204,703**	**209**	**15,735**	**5,772**	**-**	**214,875**
• Buildings		201,017	205	13,424	4,611	–	210,035
• Other tangible fixed assets		8	4	52	–	–	65
• Impairment/land and buildings	4.5.3.1.5	3,678	–	2,259	1,161	–	4,776
Impairment of financial assets		**132,087**	**-**	**98,601**	**520**	**43,272**	**186,895**
• Investments	4.5.3.1.6	129,761		98,601	520	40,946	186,895
• Loans		2,326	–	–	–	2,326	–
TOTAL		**336,790**	**209**	**114,336**	**6,292**	**43,272**	**401,771**

4.5.3.1.5 Breakdown of asset impairment

Each year, the book value of the assets is compared against their estimated market value. An independent appraisal, carried out every half-year, is used as a benchmark to determine if there is an indication of impairment:

(In € thousand)	31/12/2022	Charges	Reversals of provisions	31/12/2023
Les Ulis (Courtepaille)	496	–	68	429
La Charite Sur Loire (Courtepaille)	400	–	92	308
Lognes (Courtepaille)	386	–	112	273
Évreux (Courtepaille)	387	–	208	180
Créteil (Courtepaille)	305	53	8	350
Mareuil Les Meaux (Courtepaille)	285	–	207	78
Villemandeur (Courtepaille)	178	347	5	520
Tregueux (Courtepaille)	173	362	3	531
Caen (Courtepaille)(1)	187	–	187	–
Appoigny (Courtepaille)	126	350	2	474
Linas (Courtepaille)	226	42	5	263
Moissy Cramayel (Courtepaille)	142	–	142	–
La Plaine St Denis (Courtepaille)	206	27	3	230
Heillecourt (Courtepaille)	181	–	119	62
Crèches Sur Saone (Courtepaille)	–	162	–	162
Artenay (Courtepaille)	–	290	–	290
Balma (Courtepaille)	–	13	–	13
Reims (Courtepaille)	–	226	–	226
Brie Comte Robert (Courtepaille)	–	40	–	40
Rosny Sous Bois (Courtepaille)	–	347	–	347
TOTAL	**3,678**	**2,259**	**1,161**	**4,776**

(1) Reversals of assets sold in 2023.

4.5.3.1.6 Breakdown of impairment of equity investments

Impairment of equity investments is recognised where the net asset value of subsidiaries is less than the value of the equity investments:

Impairment of equity investments

(In € thousand)	31/12/2022	Charges	Reversals of provisions	31/12/2023
Lhm Holding Lux S.À.R.L	–	777	–	777
Fdm M Lux S.À.R.L	87,478	20,385	–	107,863
Bardiomar Sl	1,099	–	283	817
Constance	–	43,441	–	43,441
Covivio Hôtels Gestion Immobilière	–	1	–	1
SCI Rosace	237	–	237	–
SAS Kombon	–	6,675	–	6,675
Société Immobilière Verdun	40,946	–	40,946	–
Rocky 1	–	2,484	–	2,484
Rocky 2	–	2,484	–	2,484
Rocky 3	–	2,484	–	2,484
Rocky 4	–	2,484	–	2,484
Rocky 5	–	2,484	–	2,484
Rocky 6	–	2,484	–	2,484
Rocky 7	–	2,484	–	2,484
Rocky 8	–	2,484	–	2,484
Rocky 9	–	2,484	–	2,484
Rocky 10	–	2,484	–	2,484
Rocky 11	–	2,484	–	2,484
TOTAL	**129,761**	**98,601**	**41,466**	**186,895**

Additional impairment due to negative net position

(In € thousand)	31/12/2022	Charges	Reversals of provisions	31/12/2023
Covivio Hôtels Gestion Immobilière	–	74	–	74
Société Immobilière Verdun	2,326	–	2,326	–
TOTAL	**2,326**	**74**	**2,326**	**74**

4.5.3.2 Current assets

4.5.3.2.1 Breakdown of receivables by maturity

The balance of receivables at 31 December 2023 of €8,518 thousand notably includes €4,171 thousand of doubtful receivables.

(In € thousand)	Gross amount at 31/12/2023	Less than 1 year	More than 1 year	Gross amount at 31/12/2022
Trade receivables and related accounts	**8,518**	**6,388**	**2,131**	**9,161**
Receivables	5,403	5,403	–	4,659
Rent exemption[(1)]	2,420	289	2,131	1,843
Invoices to be issued	562	562	–	2,449
Expenses that may be recovered from tenants	134	134	–	210
Current accounts	**57,953**	**57,953**	**-**	**67,889**
Other receivables	**5,535**	**5,535**	**-**	**9,188**
Miscellaneous receivables	291	291	–	3,184
VAT receivables	1,839	1,839	–	542
Tax receivables[(2)]	4,905	4,905	–	5,461
Advance on disposal of Bardiomar shares[(3)]	-1,500	-1,500		–
TOTAL	**72,006**	**69,876**	**2,131**	**86,239**

(1) Change of method since the 2020 fiscal year: for better visibility of the financial statements, given the widespread use of support measures for additional clauses or leases, the effects of rent-free periods are spread over the term of the lease.

As of 31 December 2023, the balance of receivables resulting from the spreading was €2,420 thousand:

(In € thousand)	Historic recovery at 31/12/2022	2023 rent-free periods	Smoothing 2023	Rent-free periods on assets sold in 2023	Balance of rent-free periods at 31/12/2023
Hotel real estate	1,843	843	-266	–	2,420
TOTAL	**1,843**	**843**	**-266**	**-**	**2,420**

(2) Following the merger with Ingrid Hotels on 31 October 2022, Covivio Hotels took over receivables on the Italian treasury of €8,816 thousand, of which €5,809 thousand are subject to litigation. At 31 December 2023, the outstanding receivable amounted to €4,905 thousand, including a dispute over €3,825 thousand.

(3) Advance payment on the disposal of Bardiomar financial securities. Non-repayable advance.

4.5.3.2.2 Provisions for trade receivables

Impairment of trade receivables amounted to €3,611 thousand as of 31 December 2023, and relates to retail assets:

(In € thousand)	Impairment 31/12/2022	TUP	Provision for the year	Reversals for the fiscal year	Impairment 31/12/2023
Retail portfolio	2,469	91	1,342	290	3,611
TOTAL	**2,469**	**91**	**1,342**	**290**	**3,611**

4.5.3.2.3 Accruals Assets and other assets

(In € thousand)	31/12/2023	31/12/2022
Prepaid operating expenses	149	57
of which letting	–	–
of which external and other expenses	149	57
Prepaid financial expenses:	15,833	20,386
of which agent commissions	929	118
of which renegotiation of equalisation payments	14,904	20,268
of which IOP temporary account[1]	–	–
Total prepaid expenses	**15,982**	**20,443**
Total deferred expenses of which loan issue costs	**5,735**	**7,989**
Bond redemption premiums		
of which €350 million bond[2]	2,246	2,796
Total Bond redemption premiums	**2,246**	**2,796**
Currency translation gains[3]		
Increase in liabilities	10,531	2,301
Decrease in receivables	4,525	902
Total currency translation gains	**15,056**	**3,202**
TOTAL	**39,019**	**34,430**

(1) Whenever the instrument no longer meets the qualification criteria, or if the company drops the hedging relationship, hedge accounting continues to apply to the accumulated unrealised gains or losses on the hedging instrument up to the date the hedge ended, which must then be recognised in a suspense account offsetting a "cash instruments" account.

(2) The redemption premium amortised over the term of the €350 million bond, i.e. over seven years, up to 24 September 2025.

(3) At the end of the fiscal year, receivables and debt are converted at the closing rate. These conversion differences are recorded in transitional accounts, pending subsequent adjustment. The currency translation gains increasing the debt are mainly calculated on the £400 million loan. As the amount is stable, this is due to an exchange rate effect. The currency translation gains decreasing the receivables is calculated on intragroup loans denominated in GBP.

4.5.3.2.4 Treasury instruments

This item corresponds to the premiums paid when hedging instruments are subscribed. This premium is spread in profit or loss over the term of the hedge.

4.5.3.2.5 Income receivable

(In € thousand)	31/12/2023	31/12/2022
Other financial assets (accrued interest on loans)	22,603	15,302
Trade receivables and related accounts (invoice not yet submitted)	562	2,449
Other receivables	134	210
Accrued interest receivable	259	-
TOTAL	**23,558**	**17,961**

4.5.3.3 Shareholders' equity

At 31 December 2023, the share capital comprised 148,141,452 shares, all of the same class, with a par value of €4 each and totalling €592,565,808. On the closing date, the company held 7,687 shares.

		Increase			Decrease		
(In € thousand)	31/12/2022	Increase during the year	Capital increase	Change in accounting method	Other changes during the year	Appropriation of net income/ Dividend distribution	31/12/2023
Share capital	592,566	-		-	-	-	592,566
Share premium account	1,270,295	-		-	-	-	1,270,295
Merger premiums	368,741	2,413		-	-	-43,513	327,640
Additional paid-in capital	61,587	-		-	-	-	61,587
Legal reserve	59,257	-		-	-	-	59,257
Other reserves	-						-
Retained earnings	99,774			-	-	-99,770	4
Net income for the fiscal year	42,389	20,439		-	-	-42,389	20,439
Regulated provisions	7,247	1,210		-	-54	-	8,403
SHAREHOLDERS' EQUITY	**2,501,853**	**24,063**	**-**	**-**	**-54**	**-185,672**	**2,340,190**

Appropriation of earnings for the prior fiscal year:
The Ordinary Combined General Meeting on 18 April 2023 allocated prior year income as described below and paid an ordinary dividend of €1.25 per share.

(In € thousand)	Amount
Net income for the fiscal year ended 31 December 2022	42,389
Share premium account	-
Retained earnings	99,774
Part of the merger premium distributed	43,513
TOTAL TO BE ALLOCATED	**185,676**
Legal reserve	-
Share premium account	-
Dividends paid(1)	185,672
Merger premiums	-
Share premium account	-
Retained earnings - dividends on treasury shares	4
TOTAL ALLOCATED	**185,677**

(1) The €185,677 thousand in dividends paid out breaks down as follows:
- €500 thousand in preferred dividends paid to Covivio Hotel Gestion
- €185,177 thousand in dividends paid in cash
- €4 thousand in dividends on treasury shares, recognised as Retained earnings.

Regulated provisions:

These are capital cost allowances used on assets for which a finance lease option was exercised for €3,245 thousand.

The remaining €5,158 thousand concern the capital cost allowances on acquisition costs for the securities of OPCI Oteli and SAS Kombon.

These acquisition costs were included in the cost price of financial assets for an amount of €5,729 thousand and amortised over five years in the form of accelerated depreciation. As a result, there is still a total of €571 thousand to be amortised until 31 December 2024.

4.5.3.4 Provisions for risks and charges

(In € thousand)	Note 4.5	31/12/2022	Increase: TUP	Increase: Charges	Decrease: Reversals of provisions (amount used)	Decrease: Reversals of provisions (amount not used)	Decrease: Change in accounting method	31/12/2023
Provisions for risks	**4.5.3.4.1**	**2,246**	**3,040**	**13,615**	**-**	**1,815**	**-**	**17,086**
Provision for foreign exchange losses		1,780	-	13,566	-	1,780		13,566
Provisions for free share contributions		153	-	49	-	34		167
Provisions for disputes		313	3,040		-	-		3,353
Provisions for charges		**106**	**-**	**12**	**-**	**6**	**-**	**111**
End-of-career benefits	4.5.3.4.2	52	-	12	-	-	-	63
Long service award		54	-	-	-	6	-	48
Departure		-	-	-	-	-		-
TOTAL		**2,352**	**3,040**	**13,627**	**-**	**1,821**	**-**	**17,198**

4.5.3.4.1 Provisions for risks

On 25 July 2018, through the intermediary of its subsidiary Murdelux, Covivio Hotels acquired a portfolio of hotel real estate situated in the United Kingdom. To finance this transaction, Covivio Hotels took out a bank loan in the amount of £400,000 thousand and transferred the funds to its subsidiary Murdelux as an intra-group loan. This debt was partially repaid in 2019 for €189,180 thousand (or £169,181 thousand).

On 6 December 2023, a debt restructuring was carried out. Murdelux partially repaid its debt in the amount of €294,510 thousand (£252,463 thousand). In return, Covivio Hotels issued new intra-group loans in GBP to the British subsidiaries in the amount of £273,565 thousand.

At 31 December 2023, Covivio Hotels had a £400,000 thousand bank debt denominated in GBP and £316,421 thousand in receivables related to GBP-denominated investments. The exchange rate effects of these financial debts and receivables as well as current account debts led to the recognition of a €13,566 thousand provision for translation losses.

4.5.3.4.2 End-of-career benefits

From the 2013 fiscal year, Covivio Hotels has applied the recommendation of the French Accounting Standards Authority (Autorité des Normes Comptables) No. 2013-02 of November 2013 on the valuation and recognition of end-of-career commitments and similar benefits, updated in November 2021 following the IFRC IC 2021 decision on the allocation of post-employment benefits over periods of service. This recommendation allows the measurement of the provision for post-employment benefits in accordance with IAS 19R.

Regarding the recognition of these retirement commitments, Covivio Hotels opted for the immediate and full recognition in profit or loss of the result of the recognition of actuarial gains and losses.

Main assumptions used for end-of-career benefits and long-service awards:

Parameters	31/12/2023	31/12/2022
Discount rate	3.370%	3.130%
Annual inflation	-	-
Annual wage growth		
Managers	2%	4%
Non-managers	2%	3%
Payroll tax rate (end-of-career benefits only)	49.44%	47.17%
Mortality rate	TGF05/TGH05	TGF05/TGH05
	11% (20 years)	9.11% (20 years)
	11% (30 years)	9.11% (30 years)
	11% (40 years)	9.11% (40 years)
Turnover	0% (50 years)	0% (50 years)
Reason for retirement	At the initiative of the employee	At the initiative of the employee

4.5.3.5 Debt

(In € thousand)	Note 4.5	31/12/2023	Amount due in less than 1 year	Amount due in 1 to 5 years	Amount due in over 5 years	31/12/2022
Non-convertible bonds	4.5.3.5.1	953,361	4,361	350,000	599,000	1,156,010
Loans and debts with credit institutions	4.5.3.5.2	831,662	232,959	598,703	–	645,786
Other sundry loans and borrowings	4.5.3.5.3	127,260	127,260	–	–	89,495
Advances and advanced payments		–	–	–	–	–
Trade payables and related accounts		9,875	9,875	–	–	4,254
Tax and social security liabilities	4.5.3.5.4	2,097	2,097	–	–	2,387
Debt on fixed assets and related accounts	4.5.3.5.5	6,426	6,426	–	–	50
Other liabilities	4.5.3.5.6	506	506	–	–	2,213
Pre-booked income		600	600	–	–	–
Treasury instruments	4.5.3.5.7	80	80	–	–	105
TOTAL		**1,931,867**	**384,164**	**948,703**	**599,000**	**1,900,300**

4.5.3.5.1 Non-convertible bonds

Bonds:

The features of these bonds are as follows:

Issue date	27/07/2021 and 02/11/2021
Amount of the issue (in €M)	599
Partial redemption	0
Par value following partial redemption	599
Nominal rate	1.000%
Maturity	27/07/2029

The balance of the bond amounts to €601,586 thousand, corresponding to accrued interest for €2,586 thousand and outstanding capital of €599,000 thousand.

Issue date	24/09/2018
Amount of the issue (in €M)	350
Partial redemption	0
Par value following partial redemption	350
Nominal rate	1.875%
Maturity	24/09/2025

The balance of this bond is €351,775 thousand, corresponding to accrued interest for €1,775 thousand and outstanding capital of €350,000 thousand.

4.5.3.5.2 Loans and debts with credit institutions

New commercial paper was subscribed during the year. The amount was €213 million at 31 December 2023.

The table of changes in bank debt is set out below:

(In € thousand)	31/12/2022	Increase	Decrease	31/12/2023
Loans and debts with credit institutions[1]	627,371	220,926	30,011	818,286
Accrued interest	8,190	13,376	8,190	13,376
Bank overdrafts	10,225	–	10,225	–
TOTAL	**645,786**	**234,302**	**48,426**	**831,662**

(1) Including an increase of €7,926 thousand related to the foreign exchange effect on the debt of £400 million.

4.5.3.5.3 Other sundry loans and borrowings

Other sundry loans and borrowings consist of current accounts in credit for €127,259 thousand:

(In € thousand)	31/12/2023	31/12/2022
Ruhl Côte d'Azur	776	–
Foncière Otello	5,066	172
Hotel 37 Pl Rene Clair	1,349	115
Murdelux S.À.R.L	35,525	4,565
SCI Rosace	4,519	–
SCI Hotel Porte Dorée	582	–
B&B Invest Spain	1,137	951
Ste Lilloise Invest. Hotelier	2,734	1,752
Investment Fdm Rocaterria	20,867	41,068
Bardiomar Sl	12,778	11,971
Trade Center Hotel	5,796	1,815
Constance	–	4,654
George Hotel Investments Holdco Ltd	241	276
Grand Central Hotel Company Holdco Ltd	112	151
Lagonda York Holdco Ltd	327	354
Roxburghe Investments Holdco Ltd	5,129	4,822
The St David's Hotel Cardiff Holdco	–	–
Wotton House Properties Holdco Ltd	330	352
Blythswood Square Hotel Glasgow	3,399	1,521
George Hotel Investments Ltd	591	–
Grand Central Hotel Company Ltd	1,978	542
Lagonda Leeds Propco Ltd	3,844	4,658
Lagonda Palace Propco Ltd	6,316	4,412
Lagonda Russell Propco Ltd	–	–
Lagonda York Propco Ltd	1,834	590
Oxford Spiers Hotel Ltd	1,773	–
Oxford Thames Ltd	4,462	3,319
Roxburghe Investments Propco Ltd	–	–
The St David's Hotel Cardiff Ltd	3,444	1,434
Wotton House Properties Ltd	1,321	–
Pal. Gaddi Florence Propco Srl	–	
Slih Ghb	1,028	–
TOTAL	**127,259**	**89,494**

4.5.3.5.4 Tax and social security liabilities

Tax and social security liabilities comprise:

(In € thousand)	31/12/2023	31/12/2022
VAT	1,049	1,404
Social security charges/wages	347	482
Personnel - accrued expenses	388	356
Government - Tax payable	314	145
TOTAL	**2,097**	**2,387**

4.5.3.5.5 Fixed asset liabilities

Fixed asset liabilities comprise:

(In € thousand)	31/12/2023	31/12/2022
Holdback	120	50
Trade payables on fixed assets	529	-
Acquisition of Immobilière Verdun	5,778	-
TOTAL	**6,426**	**50**

4.5.3.5.6 Other liabilities

(In € thousand)	31/12/2023	31/12/2022
Trade payables(1)	257	973
Credit notes to be issued (settlement of Accor variable rents)	250	86
Other liabilities	-	-
TOTAL	**506**	**1,059**

(1) Including €56 thousand in Group trade payables.

4.5.3.5.7 Treasury instruments

This item corresponds to the premiums received on the acquisition of hedging instruments. These premiums received are spread in income over the term of the instruments.

4.5.3.5.8 Bank covenants

Consolidated LTV	Scope	Covenant threshold	Ratio
€130 million (2013) – REF I	Covivio Hotels	≤ 60%	In compliance
€279 million (2017) – Roca	Covivio Hotels	< 60%	In compliance
£400 million (2018) – Rocky	Covivio Hotels	≤ 60%	In compliance

LTV	Scope	Covenant threshold	Ratio
€150 million (2023) - Refinanc B&B	Covivio Hotels	< 60%	In compliance

Consolidated ICR	Scope	Covenant threshold	Ratio
€130 million (2019) – REF I	Covivio Hotels	> 200%	In compliance
€279 million (2017) – Roca	Covivio Hotels	> 200%	In compliance
£400 million (2018) – Rocky	Covivio Hotels	≥ 200%	In compliance

ICR	Scope	Covenant threshold	Ratio
€150 million (2023) - Refinanc B&B	Covivio Hotels	≥ 200%	In compliance

At 31 December 2023, the company was in compliance with all its ICR and LTV guaranteed corporate credit banking covenants: LTV < 60%, ICR > 200%.

4.5.3.5.9 Accrued expenses

(In € thousand)	31/12/2023	31/12/2022
Accrued interest on borrowings	17,709	15,200
Invoices not received	10,518	2,064
Other payables (credit notes to be issued)	250	86
Tax and social security liabilities	619	611
Accrued interest on current bank overdrafts	28	-
TOTAL	**29,123**	**17,961**

4.5.3.5.10 Accruals Liabilities

(In € thousand)	31/12/2023	31/12/2022
Currency translation losses		
Decrease in liabilities	414	355
Increase in receivables	1,075	1,067
TOTAL	**1,490**	**1,422**

At the end of the fiscal year, receivables and debt are converted at the closing rate. These conversion differences are recorded in transitional accounts, pending subsequent adjustment.

4.5.4 Notes to the income statement

In 2023, net income amounted to a positive €20,439 thousand, compared with a profit of €42,389 thousand in 2022.

4.5.4.1 Operating income

4.5.4.1.1 Revenue

(In € thousand)	31/12/2023	31/12/2022
Rental income[(1)]	**43,547**	**38,705**
Rental income from the Hotels segment	40,924	34,779
Rental income from retail premises	2,890	4,168
Rental rebates, discounts and other credits	–	-688
Rent-free periods	-843	-
Spreading of rent-free periods	577	445
Provision of services[(2)]	**22,410**	**19,806**
TOTAL	**65,957**	**58,511**

(1) No rent-free periods were granted in 2023.

(2) Service provisions include the rebilling of taxes to tenants and of network costs to subsidiaries.

4.5.4.1.2 Reversals of provisions and transferred operating expenses

Reversal of provisions and transferred operating expenses include:

(In € thousand)	31/12/2023	31/12/2022
Reversals of provisions for operating risks and charges	**440**	**3,635**
Reversals of impairment on tangible fixed assets	**1,099**	**3,169**
Transferred charges	**460**	**122**
Loan issue costs[(1)]	282	90
Insurance repayment	116	17
Operating expenses	57	-
Personnel expenses	5	15
TOTAL	**1,999**	**6,926**

(1) The transferred expenses item is impacted by the transfer to deferred expenses of loan issuance costs relating to financing set up over the fiscal year and initially recognised as external expenses.

4.5.4.1.3 Operating expenses

(In € thousand)	31/12/2023	31/12/2022
Other purchases and external expenses	13,726	10,960
Taxes and related payments	4,598	7,333
Wages	2,508	2,036
Social security charges	1,099	688
Depreciation, amortisation, impairment and provisions[1]	19,612	16,660
Other operating expenses[2]	2,429	9,697
TOTAL OPERATING EXPENSES	**43,972**	**47,374**

(1) Breakdown of depreciation, amortisation impairment and provisions:

(In € thousand)	31/12/2023	31/12/2022
Depreciation and amortisation of operating properties and intangible fixed assets	–	–
Depreciation of rental assets	13,414	12,191
Depreciation of merger deficits	–	–
Depreciation of furniture and equipment	–	–
Depreciation of deferred expenses	2,536	2,504
Sub-total for depreciation and amortisation	**15,950**	**14,695**
Provisions for trade receivables	1,342	1,371
Provisions for fixed assets	2,259	538
Provisions for risks and charges	62	56
Sub-total provisions for impairment and provisions	**3,662**	**1,965**
TOTAL	**19,612**	**16,660**

(2) Breakdown of other operating expenses.

The increase in this item is mainly due to the increase in impairment of assets recorded during the year.

(In € thousand)	31/12/2023	31/12/2022
Directors' fees	29	30
Statutory remuneration[3]	1,933	1,218
Exchange loss on operating expenses	86	191
Losses on bad debts	378	–
Miscellaneous expenses	4	77
Termination compensation	–	8,181
TOTAL	**2,429**	**9,697**

(3) Including €19 thousand in remuneration for prior years.

The decrease in the balance is explained by the termination fees of €8,181 thousand in 2022 not present in 2023.

4.5.4.2 Net financial income

(In € thousand)	Note 4.5	31/12/2023	31/12/2022
Financial income from investments		**102,234**	**60,653**
Dividends received from subsidiaries and equity investments	4.5.4.2.1	102,234	60,653
Loans and similar income		**43,540**	**38,165**
Income from loans to subsidiaries		43,540	38,165
Income from other loans		-	-
Other interest and similar income		**58,941**	**38,852**
Interest on group current accounts		2,647	1,389
Income from swaps		55,304	15,271
Other income		734	66
Merger premiums		257	22,126
Default interest		-	-
Reversals of provisions and transferred expenses	**4.5.4.2.2**	**2,300**	**30,656**
Reversals of provisions for financial contingencies and charges		1,780	7,520
Reversals of provisions on financial assets		520	23,136
Positive exchange differences		**9,703**	**173**
Exchange gain	4.5.4.2.3	9,703	173
Net income from disposal of marketable securities		**-**	**-**
Total financial income		**216,718**	**168,499**
Provisions for financial risks and charges		**112,791**	**91,420**
Bond redemption premium		550	550
Provisions for financial risks		13,640	1,780
Provisions on financial assets	4.5.4.2.4	98,601	89,090
Interest and similar expenses		**115,957**	**66,846**
Interest on borrowings		99,443	55,106
Interest on group current accounts		4,711	1,081
Restructuring payments hedging		5,364	8,359
Amortisation of IOP (Isolated Open Positions) instruments		4,562	596
Bank interest and financing operations		1,877	1,703
Negative exchange differences		**217**	**149**
Exchange loss	4.5.4.2.3	217	149
Net expenses from disposal of marketable securities		**-**	**-**
Other financial expenses		**-**	**6,310**
Total financial expenses		**228,965**	**164,726**
NET FINANCIAL INCOME		**-12,246**	**3,773**

4.5.4.2.1 Breakdown of dividends

Dividends received from subsidiaries are as follows:

Distribution companies (In € thousand)	Dividends received in 2023	Dividends received in 2022
Murdelux	39,622	16,961
OPCI B2 Hotel Invest	5,955	9,289
FDM Rocatierra	8,091	4,270
Trade Center Hôtel	5,352	1,375
Bardiomar	4,834	2,128
Ruhl Côte d'Azur	6,209	2,157
Oteli	359	1,307
OPCI Iris Invest 2010	185	397
SNC Foncière Otello	8,728	598
SCI René Clair	1,086	–
OPCI Camp Invest	4,001	1,715
Samoëns	–	18,998
SNC Covivio Hôtel Gestion Immobilière	343	31
Kombon	271	–
B&B Invest Spain	180	85
FDM M Lux	15,450	–
LHM Holding Lux	990	1,181
SCI Hotel Porte Dorée	577	161
TOTAL	**102,234**	**60,653**

4.5.4.2.2 Breakdown of reversals of provisions and transfers of financial expenses

(In € thousand)	31/12/2023	31/12/2022
Transferred financial expenses	**-**	**-**
Interest on borrowings	–	–
Reversal of provision	**2,300**	**30,656**
Provision for foreign exchange losses(1)	1,780	7,520
Provision for over-hedging	–	–
Provision for impairment of securities	520	23,136
TOTAL	**2,300**	**30,656**

(1) The unrealised loss on currency translation differences in 2022 gave rise to a provision for foreign exchange losses of €1,780 thousand, reversed in the amount of €1,780 thousand in 2023.

4.5.4.2.3 Positive and negative exchange rate differences

Foreign exchange gains and losses in 2023 concern the early repayment of the Murdelux loan of £252 million, generating a gain of €9.3 million.

Other items mainly concern revaluations of banks in foreign currencies.

4.5.4.2.4 Provisions for financial assets

Charges to provision on equity investments

Securities are impaired when the net remeasured position of subsidiaries is less than the net book values of the securities:

(In € thousand)	31/12/2023	31/12/2022
FDM M Lux	20,385	45,580
SCI Rosace	–	237
Société Immobilière Verdun	–	43,272
Covivio Hôtels Gestion Immobilière	1	–
Lhm Holding Lux S.À.R.L	777	–
Constance	49,921	–
SAS Kombon	6,675	–
Rocky 1	2,484	–
Rocky 2	2,484	–
Rocky 3	2,484	–
Rocky 4	2,484	–
Rocky 5	2,484	–
Rocky 6	2,484	–
Rocky 7	2,484	–
Rocky 8	2,484	–
Rocky 9	2,484	–
Rocky 10	2,484	–
Rocky 11	2,484	–
TOTAL	**105,080**	**89,090**

Other allocations to financial provisions

In addition during the fiscal year, the following were recognised:

- a provision for customer receivables on Covivio Hotels Gestion Immobilière for €74 thousand
- the amortisation of the redemption premium amounting to €550 thousand
- the provision for foreign exchange losses in the amount of €13,566 thousand.

4.5.4.3 Net non-recurring income

Income (in €k)	31/12/2023	31/12/2022	Expenses (in €k)	31/12/2023	31/12/2022
Non-recurring income on management transactions	**4,208**	**67**	**Non-recurring expenses on management transactions**	**731**	**199**
			Market penalties	69	-
Miscellaneous income	4,208	67	Miscellaneous expenses	662	199
Income on capital transactions	**9,783**	**43,506**	**Expenses on capital transactions**	**3,753**	**21,911**
Non-recurring income on disposal of buildings[1]	9,000	43,457	Book value of buildings sold[1]	3,266	21,402
			NBV of component outputs	450	460
Income from disposal of securities	-	-	Book value of securities sold	-	-
Miscellaneous non-recurring income	783	49	Non-recurring expenses	37	49
Reversals of provisions	**116**	**233**	**Depreciation and provisions**	**1,273**	**1,322**
Reversals of capital cost allowances	54	122	Accelerated depreciation[2]	1,210	1,212
Reversal of impairment of equity investments	-	-	Depreciation and amortisation charges	62	110
Reversal of depreciation	62	110			
Non-recurring income	**14,108**	**43,806**	**Non-recurring expenses**	**5,757**	**23,432**
NON-RECURRING INCOME	**8,351**	**20,374**			

(1) For the breakdown of disposals of assets, see Section 4.5.1.2 "Disposals of real estate assets".

(2) Capital cost allowances concern assets purchased under finance leases for which options were exercised (€66 thousand) and acquisition costs for the securities of OPCI Oteli (€777 thousand) and SAS Kombon (€369 thousand). There is still a total of €571 thousand to be amortised until 31 December 2024.

4.5.4.4 Income tax

None.

4.5.4.5 Increases and reductions in future tax liabilities

Tax loss carry forwards amounted to €116,918 thousand at 31 December 2023.

4.5.5 Off-balance sheet commitments

4.5.5.1 Commitments given

Commitments given (In € million)	Deadline	31/12/2023	31/12/2022
Commitments related to consolidated companies		**0.0**	**0.0**
Investment commitments[1]		0.0	0.0
Commitments given for specific transactions		0.0	0.0
Commitments related to financing		**506.4**	**586.7**
Financial guarantees given (CRD of pledged debt)		506.4	586.7
Commitments related to operating activities (A + B + C)		**155.2**	**27.2**
A- Commitments given related to business development		**87.5**	**0.6**
Work commitments outstanding on assets under development[2]		0.0	0.0
Purchase commitments		0.0	0.0
- Compensation commitments on acquisition projects/works		**0.0**	**0.0**
Bank guarantees and other guarantees given		87.5	0.6
B- Commitments related to the implementation of operating contracts		**9.2**	**17.5**
Other contractual commitments given related to "Lease payments due"		0.0	9.4
- Exercise of finance lease options		**0.0**	**0.0**
Work commitments outstanding on investment properties[3]		9.2	8.1
- Guarantee of management fees		**0.0**	**0.0**
C- Commitments related to asset disposals		**58.5**	**12.8**
Rental guarantees on assets sold		0.0	0.0
Preliminary sale agreements given		58.5	12.8

(1) Investment commitments after deduction of advanced payments.

(2) Commitments relating to work on assets under development.

(3) Commitments relating to work on investment properties.

(In € million)	Amount of works budgets signed*	Amount of works accounted for	Delivery date
Accor Hotels 2021-2026	13.4	4.2	2026
Grand total	**13.4**	**4.2**	

* The budgets signed for building works are monitored and updated regularly.

4.5.5.1.1 Swap-style forward financial instruments

A borrower at floating rates and in foreign currencies, Covivio Hotels is subject to the risks of interest rate rises and fluctuations in exchange rates over time. The exposure to this risk is limited through hedging (swaps, cross-currency swaps, caps and floors).

Asset acquisitions are generally debt-financed, mainly at floating rates. The interest rate risk management policy followed consists of systematically hedging floating-rate debt as soon as it is put in place, in order to secure the financial flows. Floating-rate debt is hedged in principle over the expected term for which the assets will be held, a term that must exceed the debt's maturity.

Real estate assets may not be sold before the associated debt is extinguished. In the event of disposal, the debt is repaid early. The hedging policy is flexible to limit any risk of over-hedging in the event of the disposal of assets.

Covivio Hotels' loans and debts with credit institutions have been covered by swap agreements.

The table below summarises the major features of these swap contracts in euros:

Start date	End date	Ref	Bank	Rate type	Notional (in €k)	Fair value (in €k)
24/09/2018	24/09/2025	FR borrower swap	CM-CIC	0.6210%	150,000	-5,704
24/09/2018	24/09/2025	FR borrower swap	LCL	0.6210%	100,000	-3,803
24/09/2018	24/09/2025	FR borrower swap	NATIXIS	0.6210%	100,000	-3,803
15/01/2019	15/01/2029	FR lender swap	CIC-EST	0.8920%	100,000	6,546
15/01/2020	15/01/2030	FR lender swap	NATIXIS	0.6070%	100,000	9,351
15/01/2021	15/01/2030	FR lender swap	CACIB	0.6950%	100,000	8,852
15/04/2020	15/01/2030	FR lender swap	CIC-EST	0.4050%	50,000	5,248
15/01/2021	15/04/2030	FR lender swap	CIC-EST	-0.2402%	50,000	29,177
15/07/2021	15/07/2031	FR lender swap	NATIXIS	-0.1775%	150,000	25,583
27/07/2021	27/07/2029	FR borrower swap	NATIXIS	-0.1860%	260,000	-33,736
15/04/2022	15/01/2032	FR lender swap	CIC-EST	1.0000%	70,000	6,632
16/01/2023	17/01/2033	FR lender swap	SOCIÉTÉ GÉNÉRALE	0.9180%	100,000	11,406
16/01/2023	15/01/2032	FR lender swap	LCL	0.9190%	100,000	10,073
15/01/2021	15/01/2032	FR lender swap	CIC-EST	0.7380%	100,000	11,410
15/01/2022	15/01/2032	FR lender swap	NATIXIS	0.9040%	100,000	10,184
TOTAL					**1,630,000**	**87,416**

The table below summarises the major features of these swap contracts in pounds sterling:

Start date	End date	Ref	Bank	Rate type	Notional (in £k)	Fair value (in €k)
17/01/2022	30/06/2026	FR lender swap	SOCIÉTÉ GÉNÉRALE	1.4170%	90,000	6,100
17/01/2022	30/06/2026	FR lender swap	NATIXIS	1.3500%	100,000	6,959
17/01/2022	30/06/2026	FR lender swap	NATIXIS	1.2120%	90,000	6,600
17/01/2022	30/06/2026	FR lender swap	CIC-EST	1.4680%	100,000	6,640
15/01/2019	30/06/2026	FR lender swap	SANTANDER	1.4670%	100,000	6,618
15/01/2022	15/01/2032	FR lender swap	SOCIÉTÉ GÉNÉRALE	1.4550%	100,000	10,184
TOTAL					**580,000**	**43,100**

4.5.5.1.2 Caps and floors

Covivio Hotels' loans and debts with credit institutions are subject to a cap and floor contract.

In the 2023 fiscal year, no cap and floor contracts were subscribed.

4.5.5.1.3 Cross-Currency Swaps

A cross-currency swap contract was taken out to cover the net investment in companies in the United Kingdom. (Borrower GBP/Lender EUR).

The table below summarises the major features of these cross-currency swap contracts:

Start date	End date	Ref	Bank	Rate type	Notional (in €k/£k)	Fair value (in €k)
17/01/2022	30/06/2026	FR lender CCS	CIC-EST	2.3000%	85,616 / 75,000	-5,786
17/01/2022	30/06/2026	FR lender CCS	NATIXIS	2.3000%	56,427 / 50,000	-4,074
17/01/2022	30/06/2026	FR lender CCS	CIC-EST	2.3000%	141,300 / 125,000	-10,224
TOTAL					**283,343 / 250,000**	**-20,085**

4.5.5.2 Commitments received

4.5.5.2.1 Commitments related to operating activities and financing

Commitments received (In € million)	Deadline	31/12/2023	31/12/2022
Commitments related to consolidated companies		**0.0**	**0.0**
Commitments related to financing		**447.7**	**432.6**
Financial guarantees received (authorised lines of credit not used)		447.7	432.6
Commitments related to operating activities		**194.1**	**180.4**
Other contractual commitments received related to "rental income due" activities		86.9	145.1
Assets received in pledge, mortgage or collateral, as well as guarantees received		39.5	18.1
Other contractual commitments received related to business activities		0.0	0.0
Preliminary sale agreements received = Preliminary sale agreements given		58.5	12.8
Works committed outstanding (fixed assets) = (2) + (3) of commitments given		9.2	4.4
Acquisition commitments (fixed assets)		0.0	0.0

Investment commitments after deduction of advanced payments for:

(2) Commitments relating to work on assets under development.

(3) Commitments relating to work on investment properties.

4.5.6 Miscellaneous information

4.5.6.1 Average headcount during the fiscal year and headcount at the end of the fiscal year

	2023	2022
Managers	18	20
Supervisors	0	0
TOTAL EXCLUDING APPRENTICES	**18**	**20**
Apprentices	1	0
TOTAL	**19**	**20**

The company's headcount at 31 December 2023 was 19 people, of which 18 on permanent contracts.

4.5.6.2 Remuneration of corporate officers

4.5.6.2.1 Directors' fees

The Directors' fees paid over the fiscal year by Covivio Hotels amounted to €29 thousand.

4.5.6.2.2 Remuneration of the Manager and the limited partners

The Managing Partner, Covivio Hotels Gestion, received €1.9 million excluding taxes for its work in respect of 2023. The terms of this remuneration are governed by Article 11 of the Articles of Association of Covivio Hotels.

In 2023, Covivio Hotels paid €0.5 million in preferred dividends to the limited partner, Covivio Hotels Gestion in respect of fiscal year 2022.

4.5.6.3 Information on transactions between related parties

All related-party transactions are concluded under normal market conditions or are immaterial.

The term related parties as used here is defined in Article R. 123-199-1 of the French Commercial Code. In particular, it covers all entities consolidated by Covivio Hotels, regardless of the consolidation method used. It also covers:

- persons or close family members of persons exercising joint control, significant influence, or who are key executives of Covivio Hotels;
- controlled or jointly controlled entities, over which significant influence is exercised, or managed by the persons defined in the previous point.

4.5.6.4 Information on items with related companies

The table below includes all related-party transactions for the fiscal year ended 31 December 2023, including transactions with wholly-owned subsidiaries.

Items	Amount
Advances and advanced payments on fixed assets	0
Investments	2,284,227
Investment-related receivables	0
Loans	1,689,139
Trade receivables and related accounts	58,393
Other receivables	0
Other sundry long-term loans and borrowings	0
Other sundry short-term loans and borrowings	0
Advances and advanced payments received on orders in progress	0
Trade payables and related accounts	132,398
Debt on fixed assets and related accounts	0
Other liabilities	0
Income from investments	102,233
Other financial income	46,184
Financial expenses	-7,250

4.5.6.5 Subsidiaries and equity investments

Subsidiaries and equity investments as of 31 December 2023 (Article L. 233-15 of the French Commercial Code).

Companies or groups of companies (In € thousand)	Capital	Equity other than capital	Capital interest (%)	Book value of securities held Gross	Book value of securities held Net
I. Detailed information					
A. Subsidiaries (at least 50% of the capital held by the company)					
Real estate activities					
a) Rental					
SNC Foncière Otello	1	33,170	99.92%	33,071	33,071
SNC Hôtel René Clair	6,761	4,821	100.00%	9,833	9,833
B&B Invest Spain	41	4,313	100.00%	4,089	4,089
Investment Rocatierra FDM	11,104	113,003	100.00%	111,004	111,004
Bardiomar	7,631	12,694	100.00%	79,224	78,408
Trade Center Hôtel	12,020	25,340	100.00%	96,585	96,585
SCI Porte Dorée	1,864	8,161	100.00%	14,751	14,751
Ruhl Côte d'Azur	1	12,586	100.00%	29,584	29,584
b) Holding company					
SARL Loire	2	12	100.00%	86	86
Murdelux	29,731	405,141	100.00%	754,126	754,126
Covivio Hôtels Gestion Immobilière	1	-75	99.90%	1	–
OPCI B2 Hôtel Invest	255,233	1,850	50.20%	128,142	128,142
FDM M Lux	12	123,973	100.00%	390,045	282,182
SCI Rosace	1,000	5,903	100.00%	13,323	13,323
Constance	16,229	92,334	100.00%	157,335	113,894
LHM Holding Lux	12	4,400	100.00%	20,973	20,196
Rocky 1	2,576	20,695	100.00%	25,755	23,271
Rocky 2	2,576	20,695	100.00%	25,755	23,271
Rocky 3	2,576	20,695	100.00%	25,755	23,271
Rocky 4	2,576	20,695	100.00%	25,755	23,271
Rocky 5	2,576	20,695	100.00%	25,755	23,271
Rocky 6	2,576	20,695	100.00%	25,755	23,271
Rocky 7	2,576	20,695	100.00%	25,755	23,271
Rocky 8	2,576	20,695	100.00%	25,755	23,271
Rocky 9	2,576	20,695	100.00%	25,755	23,271
Rocky 10	2,576	20,695	100.00%	25,755	23,271
B. Investment (10% to 50% of capital held by the company)					
Real estate activities					
a) Rental					
SCI Dahlia	6,038	34,211	20.00%	12,076	12,076
Oteli	125,242	105,662	31.15%	67,890	67,890
Kombon	4,594	34,238	33.33%	31,999	25,324
b) Holding company					
Iris Holding France	9,582	8,264	19.90%	6,588	6,588
Iris Invest 2010	110,869	5,721	19.90%	22,624	22,624
Camp Invest	88,299	6,613	19.90%	17,572	17,572
II. Overall information					
A. Subsidiaries not included in paragraph 1					
a) French subsidiaries (total)					
b) Foreign subsidiaries (total)					
B. Investments not included in paragraph 1					
a) In French companies (total)					
b) In Foreign companies (total)					
III. Overall information on securities					
A. Subsidiaries I+II					
a) French subsidiaries (total)	306,852	365,712		643,679	575,398
b) Foreign subsidiaries (total)	60,551	688,864		1,456,045	1,346,589
B. Equity investments I+II					
a) In French companies	344,624	194,709		158,748	152,073
b) In Foreign companies	0	0		–	–

Loans and advances granted by the company and not repaid	Guarantees and sureties given by the company	Revenues net of tax for the most recent year ended	Profit (loss) for the most recent year ended	Dividends received by the company over the year	Observations
88,157		20,241	13,940	8,728	
3,000		2,236	1,373	1,086	
5,962		855	248	180	
208,281		25,706	10,889	8,091	
8,798		6,137	4,902	4,834	
–		7,372	8,183	5,352	
3,447		2,233	703	577	
2,412		7,239	6,710	6,209	
–		–	-5	–	
507,120		644	10,290	39,622	
–		6,234	-76	343	
–		–	11,760	5,955	
138,337		–	3,491	15,450	
30,200		4,564	1,244	–	
77,092		–	-39,413	–	
28,960		–	980	990	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
6,322		–	-2,485	–	
–		9,482	3,193	–	
31,138		10,383	9,353	359	
19,181		7,322	485	271	
6,745		95	-490	–	
–		–	3,180	185	
–		–	17,601	4,001	
267,526	0	42,747	-28,614	22,898	
897,458	0	40,714	38,983	74,519	
57,063	0	27,282	33,322	4,817	
–	0	–	0	–	

4.5.7 Post-closing events

None.

4.6 Statutory Auditors' report on the annual financial statements

Year ended 31 December 2023

To the General Meeting of Covivio Hotels,

Opinion

In compliance with the engagement entrusted to us by the General Meeting, we audited the accompanying annual financial statements of Covivio Hotels for the fiscal year ended 31 December 2023 as attached to the present report.

In our opinion, the accompanying annual financial statements give a true and fair view of the results of its operations for the past fiscal year and of the assets and liabilities and financial position of the company at the end of the fiscal year, in accordance with French accounting standards.

The opinion set out below reflects the content of our report to the Audit Committee.

Basis of Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe the information we have collected to be sufficient and appropriate to form an opinion.

Our responsibilities by virtue of those professional standards are set out in the latter part of the present report under the heading "Responsibilities of the Statutory Auditors for the audit of the annual financial statements".

Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and in the French Code of Ethics for Statutory Auditors, for the period from 1 January 2023 to the date of this report, and in particular we did not provide any prohibited services referred to in Article 5 (1) of Regulation (EU) 537/2014.

Justification of Assessments – Key Audit Matters

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to these risks.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report. We do not express any opinion on isolated elements of the annual financial statements.

Valuation of equity investments, related receivables and provisions for any contingencies relating thereto

Risk identified	How the matter was addressed

At 31 December 2023, the company's equity investments and related receivables were included in its statement of financial position at a net book value of €3,802 million or 89% of the total assets. As stated in note 4.5.2.4 "Financial assets" to the annual financial statements, they are measured at cost or at the applicable contribution value less any impairment allowance required to reduce them to their value in use.
In the case of investments held for the long term, value in use is assessed on the basis of the investee's net assets plus any unrecognised capital gains associated with the investee's non-current assets.
At the end of the fiscal year, the carrying value of investments is compared to their current value. The lowest of these is retained in the financials. The inventory value of the securities corresponds to their value in use for your company.
As stated in note 4.5.2.8 "Provisions for risks and charges" to the annual financial statements, provisions may also be recognised in the amount of any negative revalued equity associated with subsidiaries for which any associated assets have already been impaired.
Given the weight of the company's equity investments and related receivables and the sensitivity of their valuation to the applicable assumptions in particular as regards the estimation of the applicable unrecognised capital gains, we considered their valuation and that of any applicable provisions as a key audit matter.
	We reviewed the process for determining the value in use of equity investments.
	Our procedures also involved:
	• assessing the appropriateness of the valuation methods used and the assumptions underlying the determination of the value in use of the equity investments;
	• examining, on a sample basis, the elements used to estimate the values in use and in particular that:
	  • the shareholders' equity presented is consistent with the financial statements of the valued entities that have been subject to an audit or analytical procedures, where applicable,
	  • the adjustments made to this shareholders' equity to calculate the net asset value, mainly related to unrealised capital gains on real estate assets, are estimated on the basis of appraised values. Our audit approach to the appraisal values of real estate assets is described in the key audit point "Valuation of real estate assets";
	• analysing the impairment losses recognised on equity investments and related receivables by reconciling the net asset value with the net book value;
	• assessing the recoverable nature of related receivables in view of the analyses of the equity investments;
	• reviewing the need to recognise a provision for risk to cover the net revalued position of subsidiaries when this is negative and when all of the subsidiary's assets have been impaired;
	• assessing the appropriateness of the information provided in the notes to the annual financial statements.

Valuation of real estate assets

Risk identified	How the matter was addressed
At 31 December 2023, real estate assets represented a value of €372 million, out of a total balance sheet of €4,291 million. They mainly consist of buildings owned by your company. Real estate assets are recognised at acquisition cost or production cost and are depreciated on a straight-line basis. As indicated in note 4.5.2.3 "Impairment of tangible and intangible fixed assets" to the annual financial statements, at each closing date your company conducts an assessment to determine the existence of indicators showing that an asset may have lost significant value. In such cases, an impairment charge may be recorded in income. These impairment losses are determined by a comparison between the market value (excluding charges), calculated on the basis of independent appraisals, and the net book value of the properties. Property valuation is a complex matter requiring the exercise of significant judgement by the company's professional real estate appraisers based on the data communicated by your company. Given the weight of the company's real estate assets and the sensitivity of their valuation to the applicable assumptions requiring the exercise of judgement, we considered their valuation as a key audit matter.	We obtained an understanding of your company's process of valuation of its real estate assets. Our procedures also involved: • assessing the competence and independence of the real estate appraisers by examining the application of the rotation rules and the forms of remuneration offered by your company; • obtaining an understanding of the company's written instructions to its professional real estate appraisers describing the nature of the services required and the scope and limitations of the applicable procedures with particular regard to the verification of the information provided by your company; • assessing, on a test basis, the relevancy of the information provided by the company's Finance Department to the professional real estate appraisers for the purpose of determining the fair value of the company's real estate assets, including rent schedules, other accounting data and capital expenditure budgets; • analysing the assumptions used by the real estate appraisers, including discount rates, yield rates, rental data and market rental values, by comparing them, in the economic context of inflation and the increase in interest rates, with available market data; • interviewing certain professional real estate appraisers in the presence of the entities' Finance Departments and assessing, with the assistance of our valuation specialists, the consistency and relevancy of the valuation approach applied and of the main judgements made; • verifying, on a sample basis, that impairment allowances are recognised when appraisal values (excluding duties) are lower than the net book values and that the criteria presented in note 4.5.2.3 of the appendix to the annual financial statements are met; • recalculating, on a sample basis, the impairment allowances and reversals recorded in your company's annual financial statements.

Specific verification

We have also performed, in accordance with professional standards applicable in France, the other specific verifications required by French law and regulations.

Information given in the management report and in the other documents on the financial position and the annual financial statements sent to shareholders

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the manager's management report and in the other documents on the financial position and the annual financial statements sent to shareholders.

We confirm the true and fair nature and the consistency with the annual financial statements of the information on payment terms in Article D. 4416 of the French Commercial Code.

Corporate governance report

We confirm the existence, in the Supervisory Board's corporate governance report, of the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

As regards the information on the remuneration and other benefits paid or allocated to corporate officers, and on any guarantees provided in their favour, required by Article L. 22-10-9 of the French Commercial Code, we verified its agreement with the company's financial statements or underlying data and, if necessary, with the elements gathered by your company from other companies it controls, included in the scope of consolidation. Based on this work, we confirm the accuracy and fair presentation of that information.

As regards the information on matters liable, in the view of your company, to have an impact in the event of any public offer for the purchase or exchange of the company's securities and required under Article L. 22-10-11 of the French Commercial Code, we verified its agreement with the applicable source documents communicated to us. Based on this work, we have no matters to report in respect of this information.

Other information

As required by law, we verified that the requisite information on purchases of shares and controlling interests and the identity of the company's shareholders, and their voting rights, have been communicated to you in the management report.

Other verifications or reporting envisaged by law and regulations

Format of the annual financial statements intended to be included in the annual financial report

In accordance with professional standards on the Statutory Auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format defined by the European Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of management.

On the basis of our work, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Covivio Hotels by your General Meeting of 30 November 2004 for MAZARS and of 11 April 2013 for ERNST & YOUNG et Autres.

As at 31 December 2023, MAZARS was in the twentieth straight year of its engagement and ERNST & YOUNG et Autres in the eleventh year.

Prior to this, the firm Groupe PIA, which later became Conseil Audit & Synthèse (acquired by ERNST & YOUNG Audit in 2010), was Statutory Auditor from 2007 to 2012.

Responsibilities of management and those charged with governance in relation to the annual financial statements

The management is responsible for the preparation of annual financial statements presenting a true and fair view in accordance with French accounting standards and for the implementation of the system of internal control it deems necessary for the preparation of annual financial statements free from material misstatement whether resulting from fraud or error.

In preparing the annual financial statements, management is responsible for evaluating the company's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations.

The Audit Committee is responsible for overseeing the process for preparing financial information and monitoring the effectiveness of the risk management and internal control systems, as well as, where applicable, the internal audit system, regarding the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Management Board.

Responsibilities of the Statutory Auditors for the audit of the annual financial statements

Objectives and audit process

We are required to prepare a report on the company's annual financial statements. Our purpose is to obtain reasonable assurance about whether the annual financial statements, taken as a whole, are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement where one exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users as taken on the basis of these financial statements.

As indicated in Article L. 821-55 of the French Commercial Code, in auditing the financial statements we are not asked to guarantee the viability or quality of the company's management.

In the course of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement throughout the audit. We also:

- identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, design and perform audit procedures in accordance with those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the circumvention of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- assess the appropriateness of the company's accounting methods, the reasonableness of management's estimates and the adequacy of the related additional disclosures provided in the annual financial statements;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may call into question the company's ability to continue as a going concern. If the auditor concludes as to the existence of any material uncertainty, the attention of readers of the audit report is drawn to the information provided in that respect in the annual financial statements or, if such information is not provided or is not relevant, the auditor formulates a qualified audit opinion or a disclaimer of opinion;
- assess the overall presentation of the annual financial statements and judge whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee that in particular covers the scope of the audit work and the schedule of work undertaken, along with our findings. We also inform it, as applicable, of any material weaknesses we identified in the internal control system regarding the procedures relating to the preparation and processing of accounting and financial information.

The elements communicated in the report to the Audit Committee equally include the risks of material misstatement which, in our professional view, have presented the greatest significance for the audit of the annual financial statements for the fiscal year and which as such constitute key audit matters we are required to describe in this report.

We also provide the Audit Committee with the confirmation in writing provided for in Article 6 of Regulation (EU) 537/2014 regarding our independence, as per the applicable rules in France found in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where necessary, we discuss with the Audit Committee the threats to our independence and the safeguards applied to mitigate those threats.

Paris-La Défense, 18 March 2024

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Claire Gueydan-O'Quin, Anton Lissorgues	Jean-Roch Varon, Pierre Lejeune

4.7 Statutory Auditors' special report on regulated agreements

General Meeting to approve the financial statements for the fiscal year ending 31 December 2023

To the General Meeting of Covivio Hotels,

As Statutory Auditors of your company, we hereby present our report on the regulated agreements.

Our role is to inform you, based on the information that was disclosed to us, of the characteristics, essential terms and conditions and reasons justifying the interest for the company of the agreements of which we were informed or that we discovered during our assignment, without having to express an opinion on their usefulness or merit nor to look for the existence of other agreements. It is your role, under the terms of Article R. 226-2 of the French Commercial Code, to assess the interest attached to the signature of these agreements for the purpose of their approval.

Moreover, it is our role, if applicable, to provide you with the information stipulated in Article R. 226-2 of the French Commercial Code on the execution, during the fiscal year just ended, of the agreements already approved by the General Meeting.

We carried out the work we deemed necessary in the light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this responsibility. This work consisted of verifying the consistency of the information provided to us with the basic documents from which it was extracted.

Agreements submitted for approval by the General Meeting

We hereby inform you that we have not been informed of any agreement authorised and entered into during the past fiscal year to be submitted for the approval of the General Shareholders' Meeting pursuant to the provisions of Article L. 226-10 of the French Commercial Code.

Agreements already approved by the General Meeting

Pursuant to Article R. 226-2 of the French Commercial Code, we have been informed of the execution of the following agreements, already approved by the General Meeting during previous fiscal years that continued during the past fiscal year.

1. With Covivio Alexanderplatz S.A.S., subsidiary of Covivio holding over 10% of the share capital of your company and member of the Supervisory Board of the latter

Agreement covering payment of compensation in respect of the "Alexanderplatz" project

Nature, purpose and terms

This agreement was signed on 26 April 2019 and provides for the payment by Covivio Alexanderplatz S.A.S, subsidiary of Covivio, to BRE/GH II Investor GmbH, indirect subsidiary of your company, of compensation of €26.5 million for the full demolition of certain retail units and the partial demolition of Primark with payment taking place within 30 days from the start of demolition.

2. With Caisse des Dépôts et Consignations and the company Sogecap, members of the supervisory board of your company holding less than 10% of the share capital

1) Shareholders' agreement relating to Kombon S.A.S.

Nature, purpose and terms

This agreement was signed on 1 July 2019 between Caisse des Dépôts et Consignations, Sogecap, Covivio Hotels Gestion Immobilière, Kombon S.A.S. and your company.

The aim of this pact is to organise:

- the relations between the associates, investors, Chairman, Covivio Hotels Gestion Immobilière and Kombon S.A.S.;
- the management and governance of Kombon S.A.S.;
- the terms and conditions for the transfer of shares.

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

2) Shareholders' agreement relating to Oteli France

Nature, purpose and terms

This agreement was entered into on 1 July 2019 between Caisse des Dépôts et Consignations, SASU Fonae, Sogecap, Orientex Holdings, Covivio SGP, Covivio Hotels Gestion Immobilière, Oteli France and your company.

The aim of this pact is to organise:

- the relations between the associates, investors, the management company Covivio SGP, Covivio Hotels Gestion Immobilière and Oteli France;
- the management and governance arrangements for Oteli France and its subsidiaries;
- the terms and conditions for the transfer of shares.

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

3) Shareholders' agreement relating to Jouron S.P.R.L.

Nature, purpose and terms

This agreement was signed on 1 July 2019 between Caisse des Dépôts et Consignations, Simplon Belgique, Sogecap, Murdelux, Covivio Hotels Gestion Immobilière, Jouron S.P.R.L. and your company.

The aim of this pact is to organise:

- the relations between the partners, investors, the manager and Covivio Hotels Gestion Immobilière and Jouron S.P.R.L.;
- the management and governance arrangements for Jouron S.P.R.L. and its subsidiaries;
- the terms and conditions for the transfer of shares.

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

3. With Predica and ACM Vie, members of the supervisory board of your company and holding over 10% of the share capital

Shareholders' agreement on the Angel transaction

Nature, purpose and terms

This agreement was signed on 6 November 2012 between your company and the Crédit Agricole Group and its affiliates and ACM Vie and its affiliates.

The shareholders' agreement governs the relations between the shareholders within B2 Hotel Invest and Foncière B2 Hotel Invest and notably includes:

- a prohibition on the transfer of OPCI securities until the end of the fourth anniversary of the agreement signature date;
- a right to first refusal of shareholders in the assumption that one of them wishes to dispose of their investment after the expiry of the lock-up period;
- a tag-along right, a right of expulsion and a rendez-vous clause;
- the setting of the terms and conditions of the exit price.

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

4. With Predica, member of the supervisory board of your company and holding over 10% of the share capital

1) Shareholders' agreement on the Pei transaction

Nature, purpose and terms

This agreement was signed on 24 May 2011 between your company and Predica, Pacifica, Imefa Cent Deux and Imefa Cent Vingt-Huit.

The shareholders' agreement governs the relations between the shareholders within Camp Invest and Campeli, and notably includes:

- a ban on the transfer of OPCI securities Camp Invest until the end of the fifth anniversary of the completion of the transaction;
- a right to first refusal of shareholders in the assumption that one of them wishes to dispose of their investment after the expiry of the lock-up period;
- a tag-along right and a right of expulsion;
- the setting of the terms and conditions of the exit price.

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

2) Partners' agreement on the Dahlia transaction

Nature, purpose and terms

This agreement was entered into on 29 November 2011 between your company, SCI Holding Dahlia and Predica.

The partners' agreement governs the relations between the associates of SCI Holding Dahlia.

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

3) Partners' agreement on the Iris transaction

Nature, purpose and terms

This agreement was signed on 6 December 2010 between your company and Predica.

The partners' agreement governs the relations between the partners within Iris Holding France and Iris Invest 2010 and notably includes:

- a prohibition on the transfer of OPCI's or Iris Holding France's securities until the end of the fifth anniversary of the completion date of the transaction;
- a right to first refusal of shareholders in the assumption that one of them wishes to dispose of their investment after the expiry of the lock-up period;
- a tag-along right and a right of expulsion;
- the setting of the terms and conditions of the exit price.

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

4) Memorandum of understanding signed with AccorInvest relating to the B&B transaction

Nature, purpose and terms

This agreement was signed on 15 March 2022 between AccorInvest, Foncière Otello, SCI Dahlia, Iris Invest 2010, Iris Holding France, Foncière Iris, Foncière Liège, Oteli France and CBI Orient and your company. This memorandum of understanding provides for the following transactions, subject to certain conditions precedent:

- the conclusion with B&B Hotels of new fixed-rent leases for a firm period of twelve years relating to the assets in which the business assets of the hotels concerned are operated;
- prior to the conclusion of the new leases with B&B Hotels, the existing leases entered into with AccorInvest will be terminated. All leases were in variable rent on hotel revenue;
- Financière B&B Hotels will jointly guarantee the tenants for the signing of the new leases; then
- the sale by AccorInvest (and/or its affiliated entities) of the hotel business in these assets to Financière B&B Hotels (and/or its affiliated entities).

In respect of the fiscal year ended 31 December 2023, this agreement did not have an impact on the financial statements of your company.

Paris-La Défense, 18 March 2024

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Claire Gueydan-O'Quin, Anton Lissorgues	Jean-Roch Varon, Pierre Lejeune

4.8 Presentation of the agenda and draft resolutions for the Combined General Meeting of 15 April 2024

4.8.1 Agenda

Ordinary resolutions

- Approval of the parent company's financial statements for the year ended 31 December 2023.
- Approval of the consolidated financial statements for the year ended 31 December 2023.
- Appropriation of net income – Dividend distribution.
- Approval of the special report by the Statutory Auditors prepared in accordance with Article L. 225-40 of the French Commercial Code and the regulated agreements referred to in Article L. 226-10 of the French Commercial Code mentioned therein.
- Approval of the information mentioned in Article L. 22-10-9 I. of the French Commercial Code relating to all remuneration of corporate officers for the fiscal year ended 31 December 2023.
- Approval of fixed, variable and exceptional components of the overall remuneration and benefits in kind paid during the fiscal year ended 31 December 2023 or allocated for the same fiscal year to Mr Christophe Kullmann as Chairman of the Supervisory Board.
- Approval of fixed, variable and exceptional components of the overall remuneration and benefits in kind paid during the fiscal year ended 31 December 2023 or allocated for the same fiscal year to the company Covivio Hotels Gestion as Manager.
- Approval of the remuneration policy applicable to the Manager.
- Approval of the remuneration policy applicable to members of the Supervisory Board.
- Renewal of the term of office of Ms Adriana Saitta as a member of the Supervisory Board.
- Renewal of the term of office of Mr Christophe Kullmann as a member of the Supervisory Board.
- Renewal of the term of office of Mr Olivier Estève as a member of the Supervisory Board.
- Renewal of the term of office of Caisse des Dépôts et Consignations as a member of the Supervisory Board.
- Renewal of the term of office of SOGECAP as a member of the Supervisory Board.
- Renewal of the term of office of ACM Vie as a member of the Supervisory Board.
- Appointment of KPMG S.A. as Statutory Auditor, to replace Mazars, which resigned.
- Appointment of ERNST & YOUNG et Autres as Statutory Auditors in charge of certifying sustainability information.
- Authorisation to be granted to the Manager for the purposes of the company's purchase of its own shares.

Extraordinary resolutions

- Delegation of authority to the Manager to increase the company's share capital through the capitalisation of reserves, profits or premiums.
- Authorisation to be granted to the Manager to reduce the company's share capital through the cancellation of shares.
- Delegation of authority to the Manager to issue shares and/or securities giving access to the company's equity, maintaining the shareholders' preferential subscription rights.
- Delegation of authority to the Manager to issue, through public offering, shares and/or securities giving access to the company's equity, with waiver of the shareholders' preferential subscription rights and a mandatory priority period for share issues.
- Delegation of authority to the Manager in the event of a capital increase with or without a preferential subscription right, to increase the number of shares to be issued.
- Delegation of authority to the Manager to issue shares and/or securities convertible into equity, in order to compensate the contributions in kind granted to the company, consisting of capital securities or securities convertible into equity.
- Delegation of authority to the Manager to issue shares and/or securities giving access to the company's equity, with waiver of shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the company.
- Delegation of authority to the Manager to carry out capital increases reserved for company employees who are members of a savings plan, with waiver of shareholders' preferential subscription right.
- Powers for formal recording requirements.

4.8.2 Text of the draft resolutions

Ordinary resolutions

RESOLUTION 1

Approval of the parent company's financial statements for the year ended 31 December 2023

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the parent company's financial statements for the fiscal year ending 31 December 2023 and the report of the Manager, the report of the Supervisory Board and the report by the Statutory Auditors on the annual financial statements, approves in full the reports of the Manager, the Supervisory Board and the parent company's financial statements for the fiscal year ending 31 December 2023, which include the balance sheet, income statement and notes, as presented, and showing a profit of €20,439,189.75.

The General Meeting consequently approves the transactions posted to these financial statements or summarised in these reports.

The General Meeting notes that there were no expenditure and expenses covered by Article 39-4 of the French General Tax Code, and observes that there is no corporate income tax payable in this respect.

RESOLUTION 2

Approval of the consolidated financial statements for the year ended 31 December 2023

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager, the report of the Supervisory Board and the report by the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements for the fiscal year ending 31 December 2023, which include the balance sheet, consolidated income statement and notes, as presented, as well as the transactions posted to these financial statements and summarised in these reports.

The General Meeting approves the consolidated net income of the Group as at 31 December 2023, which amounts to -€11,574 thousand.

RESOLUTION 3

Appropriation of net income - Dividend distribution

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having noted that profit for the fiscal year amounting to €20,439,189.75, increased by the retained earnings of €4,325, brings the distributable profit to an amount of €20,443,514.75, decides, on a proposal by the Manager, to allocate the distributable profit as follows:

- payment of the preferential dividend of €1,000,000 to the limited partner in respect of the fiscal year
- payment of €19,443,514.75 in dividends
- distribution of €173,140,372.85 from the "Merger premium" account, which will thus be increased to €154,498,120.76.

Each share will thus receive a dividend of €1.30.

In accordance with the law, shares held by the company on the dividend payment date do not hold any dividend rights. The General Meeting resolves that the amount corresponding to treasury shares on the dividend payment date, as well as the amount the shareholders may have waived, will be allocated to the "Retained earnings" account.

The dividend will be paid on 19 April 2024.

Based on the total number of shares that made up the share capital at 31 December 2023, i.e. 148,141,452 shares, and subject to the potential application of the provisions of Article 9 of the company's Articles of Association to the Shareholders subject to Withholding, a total dividend of €192,583,887.60 will be distributed, excluding the preferential dividend. This dividend only carries entitlement to the 40% rebate in the event that the global annual election has expressly and irrevocably been made for the income tax scale option in accordance with the provisions of Article 200 A 2 of the French General Tax Code, and only for the portion of this dividend deducted, where applicable, from earnings liable for corporate income tax. In accordance with Article 158 3, 3° b bis of the French General Tax Code, this rebate is not applicable to profits exempt from corporate income tax under the SIIC regime, pursuant to Article 208 C of the French General Tax Code.

Dividends drawn against the company's profits exempt from corporate income tax pursuant to Article 208 C of the French General Tax Code, excluding the preferential dividend and not eligible for the 40% rebate total €80,934,621. The dividend drawn against profits subject to corporate income tax amounts to €111,649,266.60.

In accordance with the law, the General Meeting confirms that the dividends distributed for the previous three fiscal years were as follows:

Fiscal year	Number of shares	Dividend paid per share	Amount of dividend eligible for the 40% rebate	Amount of dividend not eligible for the 40% rebate
2022	148,141,452	€1.25	€0 or €0.6999 if the income tax scale option is chosen	€1.25 or €0.5501 if the income tax scale option is chosen
2021	148,141,452	€0.65	€0 or €0.3414 if the income tax scale option is chosen	€0.65 or €0.3086 if the income tax scale option is chosen
2020	132,547,616	€0.26	€0	€0.26

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RESOLUTION 4

Approval of the special report by the Statutory Auditors prepared in accordance with Article L. 225-40 of the French Commercial Code and the regulated agreements referred to in Article L. 226-10 of the French Commercial Code mentioned therein

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the special report by the Statutory Auditors on the regulated agreements referred to in Article L. 226-10 of the French Commercial Code, approves said report and said agreements concluded or executed during the fiscal year ended 31 December 2023.

RESOLUTION 5

Approval of the information covered by Article L. 22-10-9 I. of the French Commercial Code relating to all remuneration of corporate officers for the fiscal year ended 31 December 2023

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Supervisory Board's report on corporate governance prepared in accordance with Article L. 22-10-78 of the French Commercial Code, approves, in accordance with Article L. 22-10-77 I. of the French Commercial Code, the information referred to in Article L. 22-10-9 I. of the Code on all remuneration paid to corporate officers in respect of the fiscal year ended 31 December 2023, and appearing in Section 5.2.4.2 of the company's Universal Registration Document for 2023.

RESOLUTION 6

Approval of fixed, variable and exceptional components of the overall remuneration and benefits in kind paid during the fiscal year ended 31 December 2023 or allocated for the same fiscal year to Mr Christophe Kullmann, as Chairman of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Supervisory Board's report on corporate governance prepared in accordance with Article L. 22-10-78 of the French Commercial Code, duly notes, pursuant to Article L. 22-10-77 II. of the French Commercial Code, that Mr Christophe Kullmann, in his capacity as Chairman of the Supervisory Board, does not receive any fixed, variable or exceptional items or benefits in kind paid during the fiscal year ended 31 December 2023 or granted in respect of the same fiscal year, as specified in said report, and appearing in Section 5.2.4.3.1 of the company's Universal Registration Document for the 2023 fiscal year.

RESOLUTION 7

Approval of fixed, variable and exceptional components of the overall remuneration and benefits in kind paid during the fiscal year ended 31 December 2023 or allocated for the same fiscal year to the company Covivio Hotels Gestion as Manager

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Supervisory Board's report on corporate governance prepared in accordance with Article L. 22-10-78 of the French Commercial Code, approves, in application of Article L. 22-10-77 II. of the French Commercial Code, the fixed, variable and exceptional remuneration making up overall remuneration and benefits in kind paid during the fiscal year ended 31 December 2023 or allocated for the same fiscal year to Covivio Hotels Gestion in its role as Manager, as described in said report and described in Section 5.2.4.3.2 of the company's Universal Registration Document for the 2023 fiscal year.

RESOLUTION 8

Approval of the remuneration policy applicable to the Manager

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Supervisory Board's report on corporate governance prepared in accordance with Article L. 22-10-78 of the French Commercial Code specifically describing the components of the remuneration policy for corporate officers, approves, in application of Article L. 22-10-76 II. of the French Commercial Code, the remuneration policy applicable to the Manager presented therein and described in Section 5.2.4.1.1 of the company's Universal Registration Document for the 2023 fiscal year.

RESOLUTION 9

Approval of the remuneration policy applicable to members of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Supervisory Board's report on corporate governance prepared in accordance with Article L. 22-10-78 of the French Commercial Code specifically describing the components of the remuneration policy for corporate officers, approves, in application of Article L. 22-10-76 II. of the French Commercial Code, the remuneration policy applicable to the members of the Supervisory Board presented therein and described in Section 5.2.4.1.2 of the company's Universal Registration Document for the 2023 fiscal year.

RESOLUTION 10

Renewal of the term of office of Ms Adriana Saitta as a member of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager, and having noted that the term of office of Ms Adriana Saitta as a member of the Supervisory Board is due to expire at this General Meeting, resolves to renew, as of this day, the term of office of Ms Adriana Saitta as a member of the company's Supervisory Board for a period of three years expiring at the end of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending 31 December 2026.

RESOLUTION 11

Renewal of the term of office of Mr Christophe Kullmann as a member of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager, and having noted that the term of office of Mr Christophe Kullmann as a member of the Supervisory Board is due to expire at this General Meeting, resolves to renew, as of this day, his term of office as a member of the company's Supervisory Board for a period of three years expiring at the end of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending 31 December 2026.

RESOLUTION 12

Renewal of the term of office of Mr Olivier Estève as a member of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager, and having noted that the term of office of Mr Olivier Estève as a member of the Supervisory Board is due to expire at this General Meeting, resolves to renew, as of this day, his the term of office as a member of the company's Supervisory Board for a period of three years expiring at the end of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending 31 December 2026.

RESOLUTION 13

Renewal of the term of office of Caisse des Dépôts et Consignations as a member of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager, and having noted that the term of office of Caisse des Dépôts et Consignations as a member of the Supervisory Board is due to expire at this General Meeting, resolves to renew, as of this day, its term of office as a member of the company's Supervisory Board for a period of three years expiring at the end of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending 31 December 2026.

RESOLUTION 14

Renewal of the term of office of the company SOGECAP as a member of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager, and having noted that the term of office of SOGECAP as a member of the Supervisory Board is due to expire at this General Meeting, resolves to renew, as of this day, its term of office as a member of the company's Supervisory Board for a period of three years expiring at the end of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending 31 December 2026.

RESOLUTION 15

Renewal of the term of office of ACM Vie as a member of the Supervisory Board

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager, and having noted that the term of office of ACM Vie as a member of the Supervisory Board is due to expire at this General Meeting, resolves to renew, as of this day, its term of office as a member of the company's Supervisory Board for a period of three years expiring at the end of the Ordinary General Meeting called in 2027 to approve the financial statements for the fiscal year ending 31 December 2026.

RESOLUTION 16

Appointment of KPMG S.A. as Statutory Auditor, to replace Mazars, which resigned

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Manager's report, and having noted that Mazars, the incumbent Statutory Auditor, has resigned from its duties, effective at the end of this Shareholders' Meeting, resolves to appoint, as of this date, the company KPMG S.A., a limited company whose registered office is located at Tour Eqho, 2 avenue Gambetta, 92066 Paris La Défense CEDEX, registered in the French Trade and Companies Registry of Nanterre under number 775 726 417, as Statutory Auditor, for the remainder of Mazars' term of office, i.e. until the General Shareholders' Meeting called in 2028 to approve financial statements for the year ended 31 December 2027.

RESOLUTION 17

Appointment of ERNST & YOUNG et Autres as Statutory Auditors in charge of certifying sustainability information

The General Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Manager's report, resolves to appoint, from this date, ERNST & YOUNG et Autres, a joint-stock company with variable capital whose registered office is located at 1-2 Place des Saisons, Paris La Défense 1, 92400 Courbevoie, registered in the Trade and Companies Register of Nanterre under number 438 476 913, as Statutory Auditor in charge of certifying information on sustainability, for a period of one (1) fiscal year corresponding to the duration of its term of office remaining to run in respect of its mission to certify the company's financial statements, and expiring at the end of the General Shareholders' Meeting called in 2025 to approve the financial statements for the fiscal year ended 31 December 2024.

RESOLUTION 18

Authorisation to be granted to the Manager for the purposes of the company's purchase of its own shares

The General Meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the report of the Manager and in accordance with the provisions of Articles L. 225-210 et seq. and L. 22-10-62 et seq. of the French Commercial Code, European Regulation 596/2014 of the European Parliament and of the Council of 16 April 2014, Articles 241-1 to 241-7 of the General Regulation of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) and accepted market practices by the French Financial Markets Authority:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- authorises the Manager, which may further delegate such authority under the conditions provided for by legal and regulatory provisions, to purchase its own shares or have them be purchased, on one or more occasions and at the times of its choosing; and

- decides that purchases of company shares, as described in the paragraph above, may be for a number of shares such that the number of shares that the company would purchase during the buyback programme does not exceed 10% of the shares making up the company's equity (at any time whatsoever, and this percentage applies to adjusted capital based on transactions that affect it after this meeting). It is stipulated that (i) a maximum of 5% of the shares comprising the company's equity may be held with a view to subsequent payment or exchange as part of a merger, demerger or contribution in kind, and (ii) for shares acquired as part of a liquidity agreement, the number of shares counting toward the abovementioned limit of 10% of the company's equity shall be the number of shares purchased less the number of shares resold during the term of this authorisation and (iii) purchases made by the company may not under any circumstances lead to it owning more than 10% of the share capital of the company.

The maximum purchase price paid by the company for its own shares must not exceed thirty-five euros (€35) per share (excluding acquisition costs). In case of capital transactions, specifically through the incorporation of reserves and/or the splitting or reverse splitting of shares, this price will be adjusted by a multiplier coefficient equal to the ratio between the number of shares comprising the share capital prior to the transaction and the same number after the transaction. Accordingly, in the event of a change in the par value of the share, a capital increase through the incorporation of reserves, the splitting or reverse splitting of shares, the distribution of reserves or any other assets, the amortisation of the share capital or any other transaction affecting shareholders' equity, the General Meeting delegates to the Manager the authority to adjust the aforementioned maximum purchase price in order to take into consideration the effect of these transactions on the share value.

The maximum amount of funds reserved for the share buyback program will be two hundred million euros (€200,000,000).

In compliance with the applicable legal and regulatory provisions, these purchase, sale, exchange or transfer transactions may be carried out by any means, including by trading on a regulated market, on a multilateral trading facility, with systematic or over-the-counter internalisers, in particular by acquisition or sale of blocks (on the market or off-market), by way of takeover or exchange offer or through the use of financial instruments, in particular derivative financial instruments traded on a regulated market or over-the-counter, such as call or put options or any combination thereof, or through the use of warrants, either directly or indirectly through an investment services provider, under the conditions authorised by the competent market authorities and at the times that the Manager of the company deems appropriate. The maximum portion of the share capital acquired or transferred in the form of blocks of shares may comprise up to the entire program.

These transactions may take place at any time, subject to compliance with regulations in force, unless a third party files a public offering for the shares of the company in which case they cannot take place until the end of the offer period.

This authorisation is intended to allow the company to pursue the following objectives, in compliance with the applicable legal and regulatory provisions:

- remit the shares during the exercise of rights attached to securities giving the right, immediately or in the future, through redemption, conversion, exchange, presentation of a warrant or any other manner, to the allocation of company shares, as well as to engage in any hedging transaction in relation to the issuance of such securities, under the conditions stipulated by the market authorities and at such times as the Manager or the individual acting on behalf of the Manager deems fit
- keep the shares and remit them later as payment or in exchange in the context of potential transactions for external growth, merger, demerger or contribution in kind
- cancel all or part of the shares through a reduction in the share capital (specifically in order to optimise cash management, return on equity or income per share), subject to this General Meeting adopting Resolution 20 below
- facilitate the liquidity of transactions and consistency in the trading of the company's shares or to prevent price swings not justified by market trends within the framework of a liquidity agreement entered into with an investment services provider operating with complete independence, under the conditions and in accordance with the methods set by regulation and recognised market practice and consistent with a Code of Ethics recognised by the French Financial Markets Authority
- also with a view to any other practice that could be recognised by the law or the French Financial Markets Authority or any other purpose to be authorised by the law or regulations in effect in future. In such a case, the company would inform its shareholders by sending out a notice.

This authorisation is given for eighteen (18) months as from the date of this General Meeting.

The General Meeting grants complete authority to the Manager, who may further delegate such authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- to place all orders on the stock exchange or over the counter
- to enter into any agreements specifically with a view to maintaining records on the purchase and sale of shares
- to prepare any documents, specifically for information purposes
- to allocate or reallocate the shares acquired for the various purposes in question, under the applicable legal and regulatory conditions; and
- to prepare any statements and execute any recording requirements of the French Financial Markets Authority or any other public authority and, in general, to take all necessary measures.

The General Meeting notes that the Manager must account for any use made of this authorisation in the report required by Article L. 225-100 of the French Commercial Code, in accordance with Article L. 225-211 of the French Commercial Code on referral from Article L. 226-1 of the French Commercial Code.

Extraordinary resolutions

RESOLUTION 19

Delegation of authority to the Manager to increase the company's share capital through the capitalisation of reserves, profits or premiums

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the report of the Manager:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- hereby fully authorises the Manager, in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-130 and L. 22-10-50 of the French Commercial Code, who may further delegate such authority, to decide to increase the company's share capital, on one or more occasions, in the proportions and at the times that they deem fit, by incorporating all or part of the reserves, profits, premiums or any other sums that may be capitalised, to be executed through the issue of new free shares or an increase in the par value of the company shares or a combination of these two procedures
- resolves, notwithstanding the foregoing, that the Manager may not, without prior authorisation by the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer for the shares of the company, until the end of the offer period
- resolves that the maximum nominal amount of the capital increases performed under this delegation, immediately and/or in the future, may not exceed a total of fifty-nine million euros (€59,000,000), plus, if applicable, the par value of the additional shares to be issued in order to protect the rights of the holders of securities giving access to the share capital, as required by legal, regulatory and contractual stipulations; it is specified that this amount has been set independently and separately from the caps on capital increases as a result of share or securities issues authorised by Resolutions 21 to 26
- resolves that this delegation is valid for a period of twenty-six (26) months from the date of this general meeting
- resolves that the rights forming fractional shares will be neither tradable nor transferable and that the corresponding shares will be sold; the sums resulting from the sale will be awarded to the holders of the rights as provided for under the legislative and regulatory provisions applicable; and
- resolves that the Manager, who may further delegate such authority under the conditions stipulated by the legal and regulatory provisions, will have all powers to implement this delegation, specifically for the purposes of:
  - (i) determining the terms and conditions of the operations authorised above, and more specifically determining in this respect the amount of sums to be capitalised and the shareholders' equity account or accounts against which they will be drawn
  - (ii) setting the amounts to be issued and the dividend entitlement date, applied retroactively or not, for the securities to be issued
  - (iii) making any adjustments in order to take into account the impact of operations on the company's equity
  - (iv) setting the terms and conditions under which the rights of holders of securities giving access to the company's equity will be maintained, as relevant, in accordance with the legal and regulatory provisions in force and the contractual provisions in force
  - (v) performing, either on its own or through an agent, all acts and formalities to make definitive any capital increases that may be carried out as authorised under this Resolution, and
  - (vi) amending the Articles of Association accordingly and, in general, doing whatever is necessary.

RESOLUTION 20

Authorisation to be granted to the Manager to reduce the company's share capital through the cancellation of shares

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Manager and the special report of the Statutory Auditors, and in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- authorises the Manager, who may further delegate such authority, for a period of eighteen (18) months from the date of this General Meeting, to cancel, on one or more occasions and at the times he or she deems fit, the shares acquired by the company under the authority of Resolution 18 or any other resolution with the same purpose and same legal basis, within the limit of 10% of the company's share capital per period of twenty-four (24) months, and to reduce the share capital accordingly, on the understanding that this percentage applies to the capital following any adjustments to take into account the impact of transactions subsequent to this general meeting; and
- authorises the Manager to allocate the difference between the purchase value of the cancelled shares and their par value to the share premium account or to any available reserves account, including the legal reserve, up to a maximum of 10% of the realised capital reduction.

The General Meeting grants all authority to the Manager, who may further delegate such authority under the conditions stipulated by the legal and regulatory provisions, to undertake this (these) transaction(s) involving share cancellations and capital reductions, specifically to set the final value of the capital reduction, set the conditions and confirm its fulfilment and undertake the corresponding amendment of the company's Articles of Association, to carry out any formalities, procedures and make any declarations to any public bodies and, in general, to do all that is necessary.

RESOLUTION 21

Delegation of authority to the Manager to issue shares and/or securities giving access to the company's equity, maintaining the shareholders' preferential subscription rights

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Manager and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-129 et seq., in particular Articles L. 225-129-2, L. 225-132 to L. 225-134 and the provisions of Articles L. 228-91 et seq. of the French Commercial Code:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- delegates to the Manager, who may further delegate such authority, for a period of twenty-six (26) months as from the date of this General Meeting, the power to decide, on one or more occasions, in the proportions and at the times he or she deems fit, on the issuance, in France or abroad, in euros or in foreign currency, either free of charge or against payment, of company shares and/or securities (including new or existing stock warrants) giving access by any means to the company's equity either immediately or in the future, with maintenance of shareholders' preferential subscription rights; it is specified that this delegation may allow the issue of transferable securities under the conditions provided for in Article L. 228-93 of the French Commercial Code
- resolves, notwithstanding the foregoing, that the Manager may not, without prior authorisation by the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer for the shares of the company, until the end of the offer period
- resolves that the maximum nominal amount of the capital increases performed by the company under this delegation, immediately or in the future, may not exceed a total of two hundred and ninety-six million euros (€296,000,000), plus, where applicable, the par value of any additional shares to be issued to protect the rights of the holders of securities giving access to the company's equity as required by applicable legal, regulatory and contractual stipulations; it is specified that this amount has been set independently and separately from the caps on capital increases as a result of issues of shares and/or other securities authorised by Resolutions 19 and 22 to 26
- resolves furthermore that the nominal amount of all debt securities giving access to the company's share capital, immediately or in the future, liable to be issued under this delegation, may not exceed a total of one billion euros (€1,000,000,000) or the equivalent of this amount on the date of the issuance decision, in the event of issuance in foreign currency or in a unit of account set by reference to several currencies; it is specified that the nominal amount of all debt securities giving access to the company's share capital, immediately or in the future, liable to be issued under this delegation and Resolutions 22 to 25, may not exceed a total amount of one billion euros (€1,000,000,000), the overall cap for all debt securities issuances. This amount is independent of the amount of the debt securities for which issuance is decided or authorised by the Manager in accordance with Article L. 228-40 of the French Commercial Code.

Shares or securities providing access to the company's equity may be subscribed for either in cash or by offsetting receivables against the company.

Shareholders have a preferential right, in proportion to the value of their shares, to subscribe the shares and securities issued under this resolution. The Manager may establish, for shareholders, a subscription right on a reducible basis for the shares or securities issued, which will be exercised in proportion to their subscription rights and up to the maximum of their orders.

Consequently, if subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue of shares or securities as defined above, the Manager may use all or some of the options below, in the order he or she deems appropriate:

- to restrict the issue to the amount of subscriptions, it being specified that in the event of a share issue, this limit may only be applied by the Manager on condition that the subscriptions amount to at least three-quarters (3/4) of the issue decided
- to freely distribute all or part of any securities not subscribed on an irreducible basis and, where relevant, on a reducible basis; and
- to offer to the public all or part of the non-subscribed shares on the French and/or international markets and/or abroad.

The General Meeting acknowledges that the authorisation implies, as applicable, in favour of the holders of such securities giving access to the company's equity and may be issued under this delegation, automatic waiver by the shareholders of their preferential subscription rights to shares in connection with such securities.

The General Meeting resolves that company stock warrants may be issued by subscription offer, as well as by free allocations to owners of existing shares, and that, in the event of a free allocation of stock warrants, the Manager will be entitled to resolve that fractional allocation rights will not be negotiable and that the corresponding securities must be sold.

The General Meeting grants complete authority to the Manager, who may further delegate such authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- determining the dates, prices and other conditions of the issues as well as the form and features of the transferable securities to be created
- setting the amounts to be issued and the dividend entitlement date, applied retroactively or not, for the securities to be issued
- determining the method of payment for the shares or other securities issued and, if applicable, the conditions for their redemption or exchange
- suspending, if applicable, the exercise of the share allocation rights attached to the securities to be issued, for a period no longer than three (3) months
- setting the terms and conditions under which the rights of holders of securities providing access to the company's equity will be maintained, as relevant, in accordance with the legal and regulatory provisions in force and the conditions of any contractual provisions providing for other adjustments

- charging any amounts against the share premium as required, in particular the fees occasioned by the issue, and deducting from this the required 10% of the nominal value of each issue for the legal reserve after each increase
- performing all required formalities for the rights, shares and other securities issued to be listed on a regulated market in France or abroad, providing financial services of the securities in question and ensure the exercise of their attached rights
- deciding, in the event of an issue of transferable securities representing debt securities providing access to the company's equity, subject to the conditions defined by law, whether or not they are subordinated, setting the interest rate and the currency, the maturity, which may be perpetual if applicable, the fixed or variable redemption price with or without premium, the conditions for amortisation based on market conditions, and the conditions under which these securities will give entitlement to company shares and the other conditions for issue (including the act of granting guarantees or securities) and amortisation; and
- in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue carried out under this delegation, and amending the company's Articles of Association accordingly.

RESOLUTION 22

Delegation of authority to the Manager to issue, through public offering, shares and/or securities giving access to the company's equity, with waiver of the shareholders' preferential subscription rights and a mandatory priority period for share issues

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Manager and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-129 et seq., in particular Articles L. 225-129-2, L. 225-135 and the provisions of Articles L. 22-10-51, L. 225-136, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- delegates to the Manager, with the option of subdelegation, the authority to decide, on one or more occasions, in the proportions and at the times it deems appropriate for a period of twenty-six (26) months from the date of this General Meeting, on the issuance, by public offering (including the offers referred to in 1 of Article L. 411-2 of the French Monetary and Financial Code), in France or abroad, in euros or foreign currency, with waiver of shareholders' preferential subscription rights, company shares and/or any securities giving access by any means, immediately or in the future, to the company's share capital. It is specified that this delegation of authority may allow for the issue of transferable securities under the conditions set forth by Article L. 228-93 of the French Commercial Code
- resolves, notwithstanding the foregoing, that the Manager may not, without prior authorisation by the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer for the shares of the company, until the end of the offer period
- resolves that the maximum nominal amount of the company's capital increases that may be carried out, immediately and/or in the future, under this delegation may not exceed fifty-nine million euros (€59,000,000). Added to this cap, as necessary, will be the additional par value of the shares or other equity securities to be issued, in accordance with the applicable legal and regulatory provisions and any applicable contractual stipulations providing for other cases of adjustment, to preserve the rights of holders of securities representing receivables providing access to the share capital. This cap is set independently and separately from the caps for capital increases resulting from the issue of shares and/or securities authorised by Resolutions 19, 21, and 23 to 26; and
- resolves that the nominal amount of all debt securities giving immediate and/or deferred access to the company's share capital, liable to be issued under this delegation, may not exceed a total of one billion euros (€1,000,000,000), the overall cap for all issues of debt securities in this delegation and in Resolutions 21 and 23 to 25, or the counter-value of this amount, on the date of the issue decision, in the case of issuance in foreign currency or in a unit of account set by reference to several currencies. This amount is independent of the amount of the debt securities for which issuance is decided or authorised by the Manager in accordance with Article L. 228-40 of the French Commercial Code.

Issuances decided under this delegation will be completed through public offering.

This delegation of authority expressly excludes the issue of preference shares or marketable securities giving access by any means to preference shares either immediately or in the future.

Shares or securities providing access to the company's equity may be subscribed for either in cash or by offsetting receivables against the company.

The General Meeting resolves:

- to waive, as required, the shareholders' preferential subscription rights to the shares and/or securities issued under this delegation
- to provide shareholders with a mandatory priority period of at least three (3) trading days, in accordance with Articles L. 22-10-51 and R. 225-131 of the French Commercial Code, on all share issues carried out under this resolution; and
- to delegate to the Manager the right to grant such a priority period for issues of securities other than shares carried out under this resolution.

A priority subscription period that does not lead to the creation of negotiable rights must be exercised in proportion to the portion of equity owned by each shareholder and could potentially be topped up by a subscription on a reducible basis, in the understanding that unsubscribed shares will be sold to public investors in France or, where applicable, abroad.

In accordance with Article L. 22-10-52 of the French Commercial Code, the General Meeting resolves that:

- the issue price of shares will be at least equal to the minimum price authorised by law and regulations in force at the time this delegation is used (which, for indicative purposes, at the time of this General Meeting was a price at least equal to the weighted average market price quoted for Covivio Hotels shares on Euronext Paris over the last three trading days preceding the beginning of the public offering as defined in Regulation (EU) 2017/1129 of 14 June 2017, less, where applicable, a maximum discount of 10%); and
- the issue price of securities providing access to the company's share capital (whether immediately or in the future), issued under this delegation will be such that the sum immediately received by the company, plus any amount it might receive subsequently, for each share or other equity security issued as a consequence of the issuance of these securities, will be at least equal to the minimum subscription price defined in the previous paragraph, after a possible adjustment of that amount to cover any difference in dividend eligibility dates.

If subscriptions have not absorbed the entire issue of shares or other securities as defined above, the Manager may use all or some of the options below, as it deems fit, and in the order he or she deems appropriate:

- limit the issue to the amount subscribed, provided that this is equal to at least three quarters (3/4) of the agreed value of the issue
- freely distribute all or part of the unsubscribed securities; and
- offer all or part of the unsubscribed securities to the public.

The General Meeting acknowledges that this authorisation implies automatic waiver by shareholders, in favour of the holders of any securities issued under this delegation giving access to the company's equity, of their preferential subscription rights to shares in connection with such securities.

The General Meeting grants complete authority to the Manager, who may further delegate such authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- determining the dates and conditions of the issues as well as the features of the transferable securities and shares to be created or associated with them
- setting the number of shares and/or other securities to be issued, as well as their terms and conditions, in particular their issue price and, as applicable, the amount of the premium
- determining the terms of payment for the shares and/or other securities issued
- setting the dividend entitlement date, with or without retroactive effect, of the securities to be issued and, if applicable, the conditions for their redemption or exchange
- suspending, as applicable, exercise of the rights attached to the securities for a period of no longer than three (3) months under the limits stipulated by the applicable legal and regulatory provisions
- setting the conditions to ensure the preservation of the rights of holders of securities or other instruments giving access to the company's equity, in accordance with applicable legal and regulatory provisions and, as necessary, the applicable contractual provisions providing for other adjustments
- charging any amounts against the share premium as required, in particular the fees occasioned by the issue, and deducting from this the required 10% of the nominal value of each issue for the legal reserve after each increase
- performing all required formalities for the rights, shares and other securities issued to be listed on a regulated market in France or abroad, providing financial services of the securities in question and ensure the exercise of their attached rights
- deciding, in the event of an issue of transferable securities representing debt securities providing access to the company's equity, subject to the conditions defined by law, whether or not they are subordinated (and setting their subordination rank where applicable), setting their interest rate, currency, maturity (which may be perpetual), their fixed or variable redemption price (with or without premium), the conditions for amortisation based on market conditions, and the conditions under which these securities will give entitlement to company shares and the other conditions for issue (including the act of granting guarantees or securities) and amortisation; and
- in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue carried out under this delegation, and amending the company's Articles of Association accordingly.

RESOLUTION 23

Delegation of authority to the Manager in the event of a capital increase with or without a preferential subscription right, to increase the number of shares to be issued

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Manager and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-135-1 and R. 225-118 of the French Commercial Code:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- authorises the Manager, who may further delegate such authority under the conditions defined by law, to decide, for each of the issues decided under Resolutions 21 and 22, to increase the number of equity securities and/or securities to be issued in accordance with the conditions provided for by Article L. 225-135-1 of the French Commercial Code at the same price as that of the initial issue
- resolves that the nominal amount of capital increases decided under this Resolution will be deducted from the amount of the cap applicable to the initial issue.

This authorisation is given for twenty-six (26) months as from the date of this General Meeting.

RESOLUTION 24

Delegation of authority to the Manager to issue shares and/or securities convertible into equity, in order to compensate the contributions in kind granted to the company, consisting of capital securities or securities convertible into equity

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Manager and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, and in particular Article L. 225-147, and Article L. 22-10-53 of said Code:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- delegates to the Manager, who may further delegate such authority, for a period of twenty-six (26) months as from the date of this General Meeting, the power to decide, based on the report of the Statutory Auditor mentioned in paragraphs 1 and 2 of Article L. 225-147 of the French Commercial Code, the issue of shares and/or securities giving access by any means to the company's new or existing shares or equity securities, immediately or in the future, pursuant to Articles L. 228-91 et seq. of the French Commercial Code, to pay for contributions in kind granted to the company consisting of capital shares or securities giving access to equity, when the provisions of Article L. 22-10-54 of the French Commercial Code do not apply
- resolves, notwithstanding the foregoing, that the Manager may not, without prior authorisation by the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer for the shares of the company, until the end of the offer period
- resolves that the maximum nominal amount of the capital increases liable to be performed by the company under this delegation, immediately or in the future, may not exceed 10% of the company's share capital (as at the date of the Manager's use of this delegation); it is specified that this amount is set independently and separately from the caps on capital increases as a result of issues of shares and/or other marketable securities authorised by Resolutions 19, 21 to 23, 25 and 26
- resolves that the nominal amount of all debt securities giving immediate or deferred access to the company's share capital, liable to be issued under this delegation, may not exceed a total of one billion euros (€1,000,00,000), the overall cap for all issues of debt securities in this delegation and in Resolutions 21 to 23 and 25 or the counter-value of this amount, on the date of the issue decision, in the case of issuance in foreign currency or in a unit of account set by reference to several currencies. This amount is independent of the amount of the debt securities for which issuance is decided or authorised by the Manager in accordance with Article L. 228-40 of the French Commercial Code
- acknowledges the absence of preferential subscription rights of shareholders to these shares and securities issued under this delegation, as their purpose is solely to compensate contributions in kind; and
- acknowledges that the authorisation implies automatic waiver by shareholders, in favour of the holders of any securities issued under this delegation giving access to the company's equity, of their preferential subscription rights to shares in connection with such securities.

The General Meeting grants complete authority to the Manager, who may further delegate such authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- ruling on the report of the contribution auditors regarding capital contributions
- defining the terms, conditions and details of the operation, within the limits set by this Resolution and applicable legal and regulatory provisions
- determining the exchange ratio as well as any amount payable in cash
- recording the number of securities issued in remuneration for the contributions in kind
- determining the dates and issue conditions, in particular the price and the entitlement date (even retroactive) of the new shares or other equity securities and, if relevant, the securities giving immediate or future access to a proportion of the company's equity, evaluating the contributions and any special benefits that may be granted, and reducing the value of the contributions and any special benefits if agreed by the tenderers
- recording the difference between the issue price of the new shares and their par value under an "Additional paid-in capital" account, which will cover the rights of all shareholders, in the liabilities section of the balance sheet
- at their sole initiative, charging the fees for any issuance to the amount of the "Additional paid-in capital" and deducting from this the required 10% of the nominal value of each issue for the legal reserve after each increase; and
- in general, taking any measure that may be required, entering into any agreements (in particular to ensure the successful outcome of the issue), requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increase(s) resulting from any issue carried out under this delegation, amending the company's Articles of Association accordingly, requesting the listing on a regulated market in France or abroad of all rights, shares or other securities issued under this delegation and ensuring the financial servicing of the securities in question and exercise of the corresponding rights.

RESOLUTION 25

Delegation of authority to the Manager to issue shares and/or securities giving access to the company's equity, with waiver of shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the company

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Manager and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-129 et seq., L. 22-10-54 and L. 228-91 et seq. of the French Commercial Code:

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- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- delegates to the Manager, who may further delegate such authority, for a period of twenty-six (26) months as from the date of this General Meeting, the power to decide, on one or more occasions, in the proportions and at the times they deem fit, the issue of company shares and/or securities giving access by any means to the company's equity, immediately or in the future, to compensate securities contributed to a public exchange offering launched by the company, in France or (depending on local criteria and regulations) abroad, for shares of another company whose securities are admitted for trading on a regulated market pursuant to Article L. 22-10-54 of the French Commercial Code
- resolves, notwithstanding the foregoing, that the Manager may not, without prior authorisation by the General Meeting, make use of this delegation of authority as from the filing by a third party of a draft public offer for the shares of the company, until the end of the offer period
- resolves to waive, as required, the shareholders' preferential subscription rights to the shares and/or securities issued under this delegation
- acknowledges that the authorisation implies automatic waiver by shareholders, in favour of the holders of any securities issued under this delegation giving access to the company's equity, of their preferential subscription rights to shares in connection with such securities
- resolves that the maximum nominal amount of increases in the company's share capital made immediately or in the future under this delegation may not exceed fifty-nine million euros (€59,000,000); it is specified that this amount is set independently and separately from the caps on capital increases as a result of issues of shares and/or other marketable securities authorised by Resolutions 19, 21 to 24 and 26; and
- resolves that the nominal amount of all debt securities giving immediate or deferred access to the company's share capital, liable to be issued under this delegation, may not exceed a total of one billion euros (€1,000,000,000), the overall cap for all issues of debt securities in this delegation and in Resolutions 21 to 24, or the counter-value of this amount, on the date of the issue decision, in the case of issuance in foreign currency or in a unit of account set by reference to several currencies. This amount is independent of the amount of the debt securities for which issuance is decided or authorised by the Manager in accordance with Article L. 228-40 of the French Commercial Code.

The General Meeting grants complete authority to the Manager, who may further delegate such authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- defining the terms, conditions and details of the operation, within the limits set by this Resolution and applicable legal and regulatory provisions
- determining the exchange ratio as well as any amount payable in cash
- recording the number of securities tendered to the exchange offer
- determining the dates and issue conditions, in particular the price of the shares to be issued and their dividend entitlement date (possibly retroactive), or where applicable the dates and issue conditions of securities granting access, now or in future, to company shares to be issued
- taking all required measures to protect the rights of holders of securities or other instruments providing access to the share capital, in accordance with applicable legal and regulatory provisions and any contractual provisions providing for other adjustments
- recording the difference between the issue price of the new shares and their par value under an "Additional paid-in capital" account, which will cover the rights of all shareholders, in the liabilities section of the balance sheet
- at their sole initiative, charging the fees for any issuance to the amount of the "Additional paid-in capital" and deducting from this the required 10% of the nominal value of each issue for the legal reserve after each increase
- performing all required formalities for the rights, shares and other securities issued to be listed on a regulated market in France or abroad, providing financial services of the securities in question and ensure the exercise of their attached rights; and
- in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue carried out under this delegation, and amending the company's Articles of Association accordingly.

RESOLUTION 26

Delegation of authority to the Manager to carry out capital increases reserved for company employees who are members of a savings plan, with waiver of shareholders' preferential subscription right

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Manager and the special report of the Statutory Auditors, to enable a capital increase to take place, reserved for employees belonging to a company or group savings plan at a level that remains consistent with the amount of the share capital, and in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6, L. 225-138 et seq. of the French Commercial Code, and L. 3331-1 et seq. of the French Labour Code:

- terminates, with immediate effect, for the unused portion, the delegation granted by the Combined General Meeting of 18 April 2023
- delegates to the Manager, who may further delegate such authority, for a period of twenty-six (26) months as from the date of this General Meeting, the power to decide, on one or more occasions, in the proportions and at the times they deem fit, on the issuance of company shares and/or securities giving access to the company's equity, not to exceed a maximum nominal amount of five hundred thousand euros (€500,000), reserved for members of a company or group savings plan belonging to the company or companies and economic interest groupings linked to the company under the conditions provided for in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code; it being specified that this amount is set independently and separately from the caps on capital increases resulting from issues of shares or securities authorised under Resolutions 19 and 21 to 25

- resolves to cancel, in favour of said participants, shareholders' preferential subscription rights to shares or securities giving access to the company's equity issued pursuant to this delegation
- resolves, in accordance with Articles L. 3332-18 to L. 3332-24 of the French Labour Code, that the discount offered may not exceed 30% of the average prices listed for the company's shares over the twenty trading days prior to the date on which the subscription opening date is set, and 40% of the same average when the expected period of unavailability under the plan is ten years or more; however, the General Meeting explicitly authorises the Manager to cancel or reduce the aforementioned discount, if he or she deems this appropriate, in response, inter alia, to local legal, accounting, tax and social security regimes. The Manager may also replace all or part of the discount through the allocation of shares or other securities pursuant to the following provisions; and
- resolves that the Manager may decide the free allocation of shares or other securities giving access to the company's equity, on the understanding that the total benefit resulting from this allocation in respect of the additional contribution or, where applicable, discount from the subscription price, may not exceed the legal and regulatory limits, and that shareholders waive all rights in respect of the shares or other securities giving access to the company's equity that may be issued pursuant to this Resolution.

The General Meeting grants complete authority to the Manager, who may further delegate such authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- determining, within the above-mentioned limits, the features, amount and conditions for any issue
- determining that the issues or allocations may be made directly to the beneficiaries or through an intermediate collective body
- conducting the capital increases resulting from this delegation, up to the cap set above
- setting the subscription price of the shares in cash pursuant to legal provisions
- providing, as needed, for the establishment of a new company or group savings plan or the modification of existing plans
- determining the list of the companies whose employees will be the beneficiaries of the issues conducted under this delegation, set the period for payment of the shares and, as applicable, the seniority required for employees to participate in the operations, within the legal limits
- making all adjustments in order to take into account the impact of operations on the company's share capital, particularly in the case of a change in the par value of the share, a capital increase through capitalisation of reserves, a free allocation of shares, a stock split or reverse split, a distribution of reserves or any other assets, the amortisation of capital, or any other operation involving shareholders' equity
- as required, charging the fees incurred by the share capital increases to the amount of the related premiums and deducting from this the required 10% of the nominal value of each issue for the legal reserve after each increase
- undertaking any formalities necessary for the listing for trading on a regulated market in France or abroad of the rights, shares or securities issued, and ensuring the financial servicing of the securities issued under this delegation and the exercise of the corresponding rights
- performing, either on its own or through an agent, all acts and formalities to make definitive any capital increases that may be carried out as authorised under this Resolution; and
- amending the Articles of Association accordingly and, in general, doing whatever is necessary.

RESOLUTION 27

Powers for formal recording requirements

The General Meeting, ruling under the quorum and majority conditions required by law, grants complete authority to the bearer of an original, a copy or an extract of these minutes recording its resolutions, in order to fulfil all legal or administrative requirements and to undertake any filings or notifications required by current law.

4.9 Statutory Auditors' report on the capital reduction

Shareholders' Meeting of 15 April 2024

RESOLUTION 20

To the General Meeting of Covivio Hotels,

In our capacity as Statutory Auditors of your company and in compliance with Article L. 22-10-62 of the French Commercial Code in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions of the proposed reduction in capital.

Your General Manager requests that it be authorised, including the power of delegation, for a period of eighteen months starting on the date of the present General Meeting, to proceed with the cancellation of shares the company was authorised to repurchase, representing an amount not exceeding 10% of its total share capital, per twenty-four month period, in compliance with the Article mentioned above.

We carried out the work we deemed necessary in the light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this responsibility. The procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report on the terms and conditions of the proposed reduction in capital.

Paris-La Défense, 18 March 2024

The Statutory Auditors

MAZARS	ERNST & YOUNG et Autres
Claire Gueydan-O'Quin, Anton Lissorgues	Jean-Roch Varon, Pierre Lejeune

4.10 Statutory Auditors' report on the issue of shares and other securities with or without waiver of shareholders' preferential subscription right

Shareholders' Meeting of 15 April 2024

RESOLUTION 26

To the General Meeting of Covivio Hotels,

In our capacity as your company's Statutory Auditors and in accordance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby report to you on the proposal, submitted for your authorisation, for delegation to the General Manager of authority to decide on the issue of shares and/or securities conferring access to the company's equity, with waiver of shareholders' preferential subscription right, reserved for the benefit of employees of your company and the economic interest groupings related to your company, within the limit of €500,000 (five hundred thousand euros).

This operation is submitted for your authorisation in accordance with Articles L. 225129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labour Code.

On the basis of its report, your General Manager proposes that you authorise it, with powers to subdelegate, for a period of twenty-six months, to decide on an issue of securities, subject to waiver of your existing preferential subscription right. The General Manager would also be empowered to decide on the final terms and conditions applicable to any such issue of securities.

The General Manager is responsible for preparing a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to report on the fairness of any financial data extracted from the company's financial statements, on the proposal for waiver of shareholders' preferential right of subscription, and on certain other information related to the issue of securities provided in that report.

We carried out the work we deemed necessary in the light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this responsibility. Our procedures consisted in verifying the content of the report of the General Manager on this operation and the bases of determination of the issue price for equity securities to be issued.

Subject to later examination of the terms and conditions applicable to any issue of securities actually decided on, we have no matters to report with regard to the bases of determination of the issue prices for the equity securities to be issued as described in the report of the General Manager.

As the final terms and conditions applicable to any actual issue of securities have not been established, we do not at present express any opinion in their respect nor, therefore, in respect of the proposal for waiver of shareholders' preferential right of subscription.

In accordance with Article R. 225-116 of the French Commercial Code we will prepare an additional report on those matters in the event of any actual use by the General Manager of the proposed delegation of authority for the issue of shares or other equity securities providing access to the company's equity or other securities providing access to equity securities to be issued subsequently.

Paris-La Défense, 18 March 2024

The Statutory Auditors

MAZARS	ERNST & YOUNG et Autres
Claire Gueydan-O'Quin, Anton Lissorgues	Jean-Roch Varon, Pierre Lejeune

4.11 Statutory Auditors' report on the issue of ordinary shares or other transferable securities reserved for the benefit of subscribers to a corporate savings plan

Shareholders' Meeting of 15 April 2024

RESOLUTION 26

To the General Meeting of Covivio Hotels,

In our capacity as your company's Statutory Auditors and in accordance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby report to you on the proposal, submitted for your authorisation, for delegation to the General Manager of authority to decide on the issue of shares and/or securities conferring access to the company's equity, with waiver of shareholders' preferential subscription right, reserved for the benefit of employees of your company and the economic interest groupings related to your company, within the limit of €500,000 (five hundred thousand euros).

This operation is submitted for your authorisation in accordance with Articles L. 225129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labour Code.

On the basis of its report, your General Manager proposes that you authorise it, with powers to subdelegate, for a period of twenty-six months, to decide on an issue of securities, subject to waiver of your existing preferential subscription right. The General Manager would also be empowered to decide on the final terms and conditions applicable to any such issue of securities.

The General Manager is responsible for preparing a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our role is to report on the fairness of any financial data extracted from the company's financial statements, on the proposal for waiver of shareholders' preferential right of subscription, and on certain other information related to the issue of securities provided in that report.

We carried out the work we deemed necessary in the light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this responsibility. Our procedures consisted in verifying the content of the report of the General Manager on this operation and the bases of determination of the issue price for equity securities to be issued.

Subject to later examination of the terms and conditions applicable to any issue of securities actually decided on, we have no matters to report with regard to the bases of determination of the issue prices for the equity securities to be issued as described in the report of the General Manager.

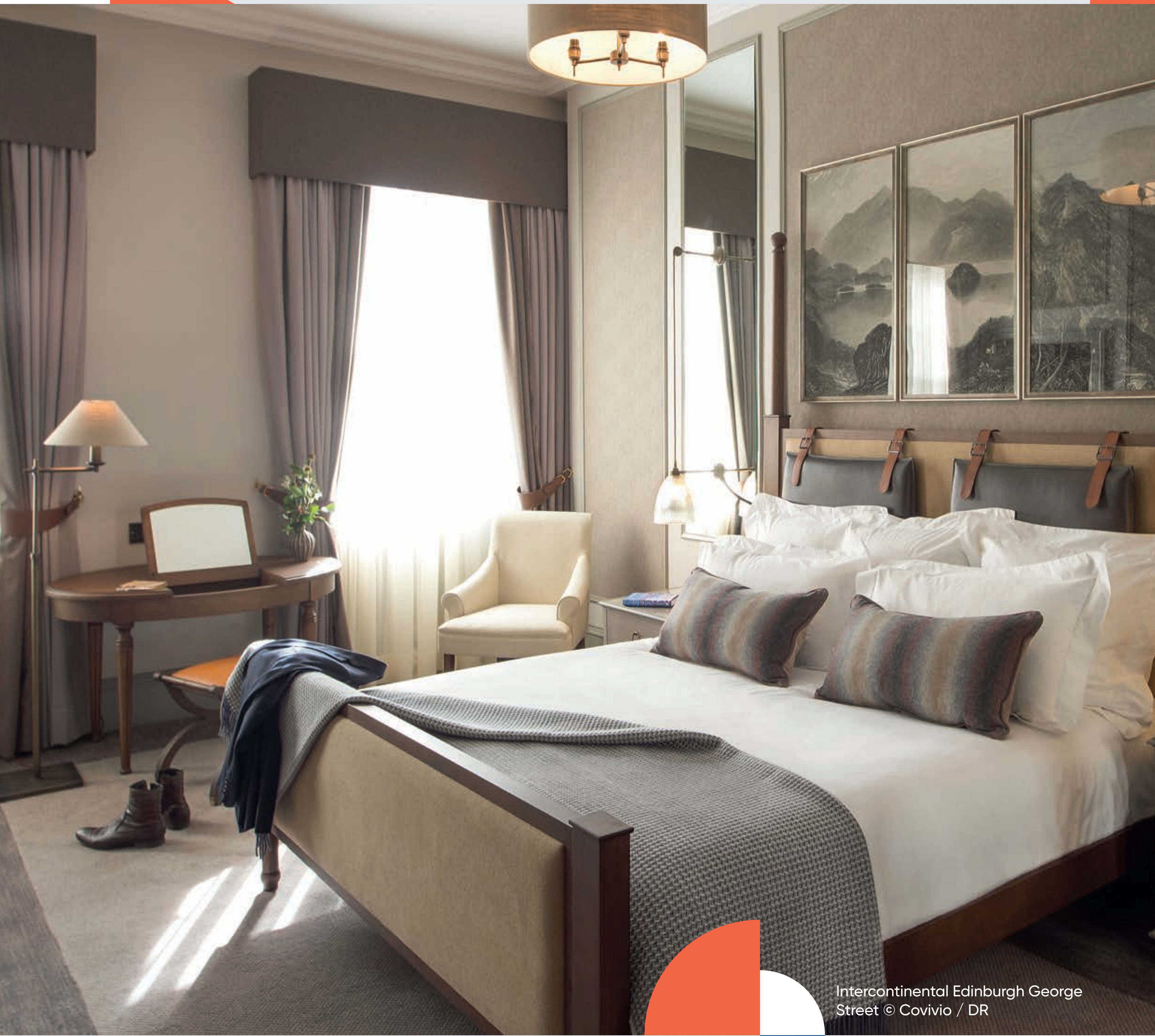
As the final terms and conditions applicable to any actual issue of securities have not been established, we do not at present express any opinion in their respect nor, therefore, in respect of the proposal for waiver of shareholders' preferential right of subscription.

In accordance with Article R. 225-116 of the French Commercial Code we will prepare an additional report on those matters in the event of any actual use by the General Manager of the proposed delegation of authority for the issue of shares or other equity securities providing access to the company's equity or other securities providing access to equity securities to be issued subsequently.

Paris-La Défense, 18 March 2024

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Claire Gueydan-O'Quin, Anton Lissorgues	Jean-Roch Varon, Pierre Lejeune



Intercontinental Edinburgh George Street © Covivio / DR

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years of lease duration.

5

Control of the company

5.1 Report by the Supervisory Board to the Combined General Meeting of 15 April 2024

Ladies and Gentlemen,

In accordance with the law and the Articles of Association of the company, the Supervisory Board is required to present a report to the General Meeting on its audit mission with respect to the accuracy and consistency of the financial statements and the main accounting documents of the company.

Since its establishment, the Supervisory Board has been regularly informed by the General Manager of the progress of the business and activity of the company and its Group, and was able, within the framework of the audit mission, to make the verifications that it deemed necessary.

The Manager has presented to you the financial statements and activity report of the company for fiscal year 2023.

5.1.1 Main highlights of the year

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, 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 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 Colón 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 Meliá 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%.

Covivio Hotels also provides asset management expertise for its portfolio of operating properties. Covivio Hotels has launched a 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 12 new rooms and a fitness area. The building's carbon footprint will also be significantly improved, mainly through the 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 million (5% yield) and the agreed value of the business assets acquired by Covivio Hotels is approximately €260 million (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 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 million 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).

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.

5.1.2 Overview of activity and results for the fiscal year

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 real estate 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:

- quality locations: the average rating on the "geographic location" of hotels given by guests on Booking.com was 8.9/10; a diversified portfolio, in terms of countries (12 countries) and segments (68% economy and mid-range hotels, 32% upscale hotels)
- 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.

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.

13% growth in hotel revenues in 2023

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).

- 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): 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 entirely 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 NAV was €3,550 million compared to €3,722 million at the end of 2022. On a per-share basis, it was €24, down 4.6% *vs* 2022.

Taking into account the fair value adjustment of interest rate hedges and fixed-rate debt, the EPRA NDV (net disposal value) rose to €3,512 million from €3,763 million at end-December 2022, down 6.7%. It stands at €23.7/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 2024 General Meeting, Covivio Hotels will propose a cash dividend of €1.30 per share (€1.25 per share in 2022), putting the pay-out ratio at 81%.

5.1.3 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.

The Supervisory Board has no specific comments to make on the management report of the General Manager and the 2023 results and invites you to approve the financial statements for the 2023 fiscal year, the proposed allocation of net income and the various resolutions that are being presented to you.

Pursuant to Article 14 of the Articles of Association, the Supervisory Board approves all delegations of authority given to the General Manager with respect to capital increases and reductions.

Finally, we would like to thank the General Manager and teams for the work accomplished over the past year.

Supervisory Board

5.2 Report by the Supervisory Board on corporate governance

To the shareholders,

This report, prepared by the Supervisory Board in accordance with Article L. 22-10-78 of the French Commercial Code and attached to the General Manager's report, reports to the shareholders, in accordance with the provisions of Articles L. 22-10-8 to L. 22-10-11 and L. 225-37-4 of the French Commercial Code, the composition of the Supervisory Board, conditions for the preparation and organisation of its work, information relating to the remuneration policy and the overall and individual remuneration of corporate officers for the 2023 fiscal year, and items likely to affect any public offering.

This report also discusses the powers of the General Management and its limitations, information on the terms of office held and functions exercised by the corporate officers, the procedure for evaluating existing agreements, procedures for the participation of shareholders at General Meetings, regulated agreements made between a corporate officer or a shareholder holding more than 10% of voting rights of the company and a company subject to its control in the meaning of Article L. 233-3 of the French Commercial Code and a summary of financial delegations in effect for capital increases.

Finally, it presents the diversity policy applied to the members of the Supervisory Board, the objectives of that policy, the terms of its implementation and the results obtained. This description is further supplemented by information on how the company seeks a balanced representation of women and men in the management bodies of the company.

This report was prepared on the basis of the Supervisory Board's deliberations with the assistance of the Corporate M&A Legal Department and the Secretary General, which, for their preparations, referred to the work of the High Commission on corporate governance and various recommendations of the French Financial Markets Authority (Autorité des Marchés Financiers - AMF).

This report was approved by the Supervisory Board at its Meeting on 15 February 2024. It was made public at the time of its publication on the company's website and was certified by the Statutory Auditors in the report on the annual financial statements (see Section 4.6).

Preamble: governance principles

1. Adherence to the Afep-Medef Code

The Supervisory Board of Covivio Hotels has adopted the Afep-Medef Code as the reference framework for the corporate governance of listed companies. This decision was published by Covivio Hotels on 30 December 2008. Therefore, the company refers to the Afep-Medef Code in its updated version from December 2022, which can be consulted on the HCGE website at: https://hcge.fr/le-code-Afep-Medef.

Covivio Hotels continuously analyses the best practices of corporate governance contained in the December 2022 revision of the Afep-Medef Code and strives to follow its recommendations.

Covivio Hotels' corporate governance policy reflects the principles and recommendations of the Afep-Medef Code, insofar as they are compatible with the organisation, functioning and position of the company. Covivio Hotels has endeavoured to align itself with the governance objectives defined by this Code and to comply with it, particularly with regard to the assessment of the Board's work and attention to the risks of conflicts of interest. However, certain provisions of the Code have not yet been fully implemented by the company. In accordance with the provisions of Article L. 22-10-10 paragraph 4, of the French Commercial Code and of Article 28.1 of the Afep-Medef Code relating to the "comply or explain" rule, the exceptions to the implementation of the Code are described in the table, below:

Afep-Medef Code	Covivio Hotels Practices
Independent Directors to represent at least one third of the Supervisory Board's members	The proportion of independent members on the Supervisory Board at 31 December 2023 was 23%. The current shareholder structure, with a main shareholder holding 43.86% of the company's equity and six institutional shareholders holding between 5% and 16.5%, bound by a shareholders' agreement concluded on 21 November 2019 which specifies a distribution of seats within the Supervisory Board in proportion to their investment in the company's equity and a free float below 3%, justifies a rate of independence slightly below the recommendation of the Afep-Medef Code.
Independent Directors to represent at least two thirds of the Audit Committee	The independence rate of the Audit Committee is 25%. While this threshold is insufficient with regard to the recommendations of the Afep-Medef Code, the choice of members of the Audit Committee is primarily dictated by their financial and/or accounting expertise. All members of the Audit Committee therefore have the expertise recommended by the Afep-Medef Code.
Absence of an Appointments and Remuneration Committee and a succession plan	Since Covivio Hotels is a subsidiary controlled by Covivio, which defines and implements an overall remuneration policy for the Group, the Supervisory Board did not consider it useful, at the company level, to set up an Appointments Committee or Remuneration Committee.
Holding of at least one Board or Committee meeting each year without the presence of executive corporate officers	In accordance with the provisions of Article 13 3) of the company's Articles of Association, the Manager is invited to meetings, which he attends in a purely advisory capacity, to answer questions from the Supervisory Board and enable it to exercise its continuous control of the company. No Board Meetings were held in the absence of the Manager in 2023, as members of the Supervisory Board expressed no wish to hold such a meeting during the fiscal year. However, the conditions for a free discussion without the presence of the executive officers were created in such a way that it could easily take place if the need arose.

The Covivio Hotels corporate governance process is also based on the company's Articles of Association supplemented by the provisions of the Internal Regulations of the Supervisory Board (including, in the notes, the guide on the prevention of insider dealing), it being specified that the Internal Regulations of the Board are regularly reviewed to adapt them to changes in governance rules and practices. They were amended by the Supervisory Board at the following meetings:

- 16 November 2023: Insertion of the procedure for selecting independent members, in accordance with the recommendations made in the report of the High Committee on Corporate Governance (HCGE) of November 2022 and addition of the methods for assessing the work of the Supervisory Board in accordance with Article 11 of the Afep-Medef Code.

The complete version of the Articles of Association and the updated Internal Regulations of the Supervisory Board are on the company's website at the following address: https://www.covivio-hotels.fr/conseil-de-surveillance.

2. Balance of powers

A partnership limited by shares is a partnership with two categories of partners:

- one or more General Partners, indefinitely responsible for corporate liabilities on their own assets
- Limited Partners (shareholders) who are in the same situation as the shareholders of a public limited company: their shares are tradable under the same conditions and their liability is limited to the amount of their contribution. They are represented by a Supervisory Board.

Governance in a limited partnership by shares (*Société en commandite par actions*/SCA) is organised around the principle of a separation of powers. Executive powers are exercised by the management and oversight powers by the Supervisory Board.

The partnership limited by shares is managed by one or more General Managers, individuals or legal entities, chosen from among the General Partners or from non-partner third parties.

Given the existence of two categories of partners, collective decisions require a double consultation: that of the Limited Partners, meeting in General Meeting, and that of the General Partners. However, the Limited Partners alone appoint members of the Supervisory Board, and the General Partners, if they are also Limited Partners, do not take part in the vote.

In limited partnership by shares, management is assumed by the General Manager, not a collegiate body, Management Board or Board of Directors. As a result, developments relating to the collective nature of decisions of the Board of Directors and the separation of functions of Chairman of the Board of Directors and Chief Executive Officer cannot be transposed to limited partnership by shares.

In a partnership limited by shares, the financial statements are closed by the management and not by the Supervisory Board.

5.2.1 Management bodies

5.2.1.1 Composition of management

The company is managed and administered by one or more Managers.

The management of the company has been exercised since 30 November 2004 by a single Manager: Covivio Hotels Gestion.

The term of office of Manager of Covivio Hotels Gestion was renewed, in the decisions of the Supervisory Board, on 9 February 2010, 9 February 2016 and 18 February 2022, for successive periods of six years, the last one expiring at the end of the Supervisory Board meeting on the Management's report on the company's activities for the fiscal year ending 31 December 2027.

In accordance with the provisions of Article L. 225-37-4 1° of the French Commercial Code and 12.1 of Appendix 1 of delegated Regulation (EU) 2019/980 dated 14 March 2019, we communicate below the list of all offices and functions exercised in all companies by each of the company Managers during the 2023 fiscal year and during the last five fiscal years, as well as the biography of the Chairman of Covivio Hotels Gestion:

Covivio Hotels Gestion

10 rue de Madrid 75008 Paris (since 26 February 2024)

Paris Trade and Companies Register 450 140 298

Number of Covivio shares held at 31 December 2023: 0

Office held with Covivio Hotels:

Managing partner

Date of appointment: GM of 30 November 2004

Date of renewal: Supervisory Board meetings of 9 February 2010, 9 February 2016 and 18 February 2022

Date of expiry of term: Supervisory Board meeting tasked with hearing the management report on the activities of the company in the fiscal year ending 31 December 2027

Offices held within the Covivio group:

Managing partner: Covivio Hotels (SCA), public company

Offices held outside the Group:

None

Terms of office expired within the last five fiscal years:

None

Tugdual Millet-Taunay

Main position:

Chief Executive Officer of Covivio Hotels

Born 18 May 1977 in Nancy (54)

French national

Business address since 26 February 2024:
10 rue de Madrid 75008 Paris

Number of shares held at 31 December 2023: 0

Biography

A graduate of ESCP Europe, Tugdual Millet began his career as Portfolio Manager at a vehicle owned by Morgan Stanley and Covivio in 2002. From 2004 to 2008, he worked at Covivio as Financial Analyst then Head of Corporate Development and Finance. After two years as Head of Finance – France Offices, he became Chief Financial Officer of Covivio in 2010, before taking over as Chief Executive Officer of Covivio Hotels in 2021.

Office held with Covivio Hotels:

Chairman of Covivio Hotels Gestion

Managing Partner of Covivio Hotels

Date of appointment: 27 May 2011

Date of renewal: Supervisory Board meetings of 9 February 2010, 9 February 2016 and 18 February 2022

Date of expiry of term: Supervisory Board meeting tasked with hearing the management report on the activities of the company in the fiscal year ending 31 December 2027

Offices held within the Covivio group:

Chairman of Covivio Hotels Gestion, Managing Partner: Covivio Hotels (SCA), public company

Chairman of the Board of Directors: B2 Hôtel Invest (SPPICAV)

Chairman: Covivio Hotels Gestion (SAS), Foncière B2 Hôtel Invest SAS, Foncière B3 Hôtel Invest SAS, Foncière B4 Hôtel Invest SAS

Chairman of Covivio Hotels Gestion, Managing Partner of Covivio Hotels, General Manager: Foncière Otello (SNC), Hôtel 37 place René Clair (SNC), SCI Hôtel Porte Dorée, SCI Ruhl Côte d'Azur

Chairman of Covivio Hotels Gestion, Managing Partner of Covivio Hotels, Chairman: ROCKY I, ROCKY II, ROCKY III, ROCKY IV, ROCKY V, ROCKY VI, ROCKY VII, ROCKY VIII, ROCKY IX, ROCKY X, ROCKY XI

General Manager of Covivio Hotels Gestion Immobilière, Director of the Belgian companies: Foncière IGK SA, Foncière Gand Cathédrale SA, Foncière Bruxelles Sainte Catherine SA

General Manager: Loire (SARL), Covivio Hotels Gestion Immobilière (SNC)

Director of British limited companies: Lagonda York Opco Limited, Wotton House Properties Opco Limited, Lagonda Leeds Opco Limited, Rocky Covivio Limited

Co-Manager of Irish public limited companies: Kilmainham Property Holdings Limited, Honeypool Limited, Thornmont Limited

Co-Manager of Polish companies: Sardobal Investments Spółka, Redwen Investments Spółka, Noxwood Investments Spółka, Cerstook Investments Spółka, Forsmint Investments Spółka

Director of Belgian public companies: Ulysse Belgique, Iris Trefonds, Sunparks Trefonds, Ulysse Trefonds, Foncière Vielsalm, Foncière Kempense Meren, Foncière No Bruxelles Grand-Place, Foncière IB Bruges Centre, Foncière IB Bruxelles Aéroport, Foncière IB Bruxelles Grand-Place, Foncière Gand Opéra, Foncière Gand Centre, Foncière Bruxelles Expo Atomium, Foncière Antwerp Centre, Foncière No Bruxelles Aéroport, Tulipe Holding Belgique, Narcisse Holding Belgique, Foncière Brugge Station, Foncière Bruxelles Sud, Foncière Louvain Centre, Foncière Liège, Foncière Bruxelles Aéroport, Foncière Bruxelles Tour Noire, Foncière Louvain, Foncière Malines, Foncière Bruxelles Gare Centrale, Foncière Namur, Sunparks Oostduinkerke, Foncière No Bruges Centre

Chief Executive Officer of German companies: Iris Berlin GmbH, Iris Essen Bochum GmbH, Iris Frankfurt GmbH, Iris General Partner GmbH, Iris Investor Holding GmbH, Iris Nürnberg GmbH, Iris Stuttgart GmbH, BRE/GH II Berlin I Investor GmbH, BRE/GH II Berlin II Investor GmbH, BRE/GH II Berlin III Investor GmbH, BRE/GH II Dresden I Investor GmbH, BRE/GH II Dresden II Investor GmbH, BRE/GH II Dresden III Investor GmbH, BRE/GH II Dresden IV Investor GmbH, BRE/GH II Dresden V Investor GmbH, BRE/GH II Erfurt I Investor GmbH, BRE/GH II Leipzig I Investor GmbH, BRE/GH II Leipzig II Investor GmbH

Terms of office expired within the last five fiscal years:

Director: OFFICE CB 21 (SPPICAV) (until 2021), RÉPUBLIQUE (SA) (until 2022)

Manager: Foncière Manon (SARL) (until 2021), Batisica S.à.r.l (SARL under Luxembourg law) (until 2021), Covivio Lux S.à.r.l (SARL under Luxembourg law) (until 2021), INGRID FRANCE (SARL) (until 2022)

Committee member: SAS Samoëns Partnership Committee (until 2022)

Chairman of Covivio Hotels Gestion, Managing Partner of Covivio Hotels, Chairman: Sté Immobilière Verdun (SAS) (until 28/08/2023), SAS SAMOËNS (until 2022)

Tugdual Millet-Taunay

Main position:

Chief Executive Officer of Covivio Hotels

Born 18 May 1977 in Nancy (54)

French national

Business address since 26 February 2024:
10 rue de Madrid 75008 Paris

Number of shares held at 31 December 2023: 0

General Managers of Spanish companies: Investment FDM Rocatierra SL, Bardiomar SL, Trade Center Hôtel SL, B&B Invest Spain SL

Member of the Board of Directors of Italian companies: Roco Italy HoldCo Srl, (since 22/03/2022), Bellini Venice PropCo Srl, (since 15/03/2022), Dei Dogi Venice PropCo Srl, (since 15/03/2022), Palazzo Gaddi Florence PropCo Srl, (since 15/03/2022), Palazzo Naiadi Rome PropCo Srl (since 15/03/2022)

Director: Covivio Foundation (the corporate foundation)

Offices held in companies in which the Covivio group holds a minority stake but exercises operational control:

Chairman of the Board of Directors: OTELI France (SPPICAV incorporated as a SAS), KOMBON SAS

Director: IRIS INVEST 2010 SPPICAV, Camp Invest SPPICAV

Chairman: FONCIÈRE IRIS (SAS), SABLES D'OLONNE (SAS), CAMPELI (SAS)

Chief Executive Officer (CEO): IRIS Holding France (SAS)

General Manager of Covivio Hotels Gestion Immobilière, Chairman: CBI ORIENT SAS, CBI EXPRESS SAS, KOMBON SAS

General Manager of Covivio Hotels Gestion Immobilière, Sole General Manager: JOURON SPR (Belgian company)

Member of the following committees: Strategic Committee of IRIS Holding France SAS, Management Board of SCI Dahlia

Offices held outside the Group:

None

5.2.1.2 Powers of the Manager and its limitations

Powers of the General Manager

The Manager assumes the management of the company and as such is vested with the broadest powers to act in all circumstances on behalf of the company.

As such, his responsibilities include:

- defining and implementing Group strategy
- directing Group activities
- preparing and implementing internal control and risk management procedures
- preparing the parent company and consolidated financial statements
- defining the financial reporting policy
- calling General Meetings and setting their agenda
- writing the management report for the General Meeting.

He may delegate part of the powers belonging to it to one or more persons, employed or not by the company and with or without a contractual relationship to it. Such delegation does not affect his duties and responsibilities with respect to the exercise of such powers.

He also chairs the various General Meetings of the company and implements the authorisations and delegations of authority conferred upon it by the General Meeting.

The General Manager is a limited partner and therefore jointly and severally responsible for the company's liabilities. This situation, arising from the corporate form of the company as a partnership limited by shares, offers shareholders a guarantee of diligence in the company's administration and management.

The management is overseen by a Supervisory Board representing the limited partners.

Limitations of the powers of the General Manager

The General Manager acts within the limits of the corporate purpose and subject to the powers expressly granted by law or by the Articles of Association to the Shareholder Meetings and the Supervisory Board.

In accordance with Article 14 of the Articles of Association, prior authorisation of the Supervisory Board, acting with a 3/5 majority, is required for the following transactions:

i) subscription to bank borrowings

ii) purchase of buildings or equity investments

iii) divestments

iv) granting of any guarantee, comfort letter or pledge

it being understood that the transactions mentioned in paragraphs (i) to (iv) are subject to such prior authorisation only where their amount exceeds €10 million.

Where their amount does not exceed €50 million, the Supervisory Board may authorise it in a single deed signed by the members of the Supervisory Board ruling by a 3/5 majority.

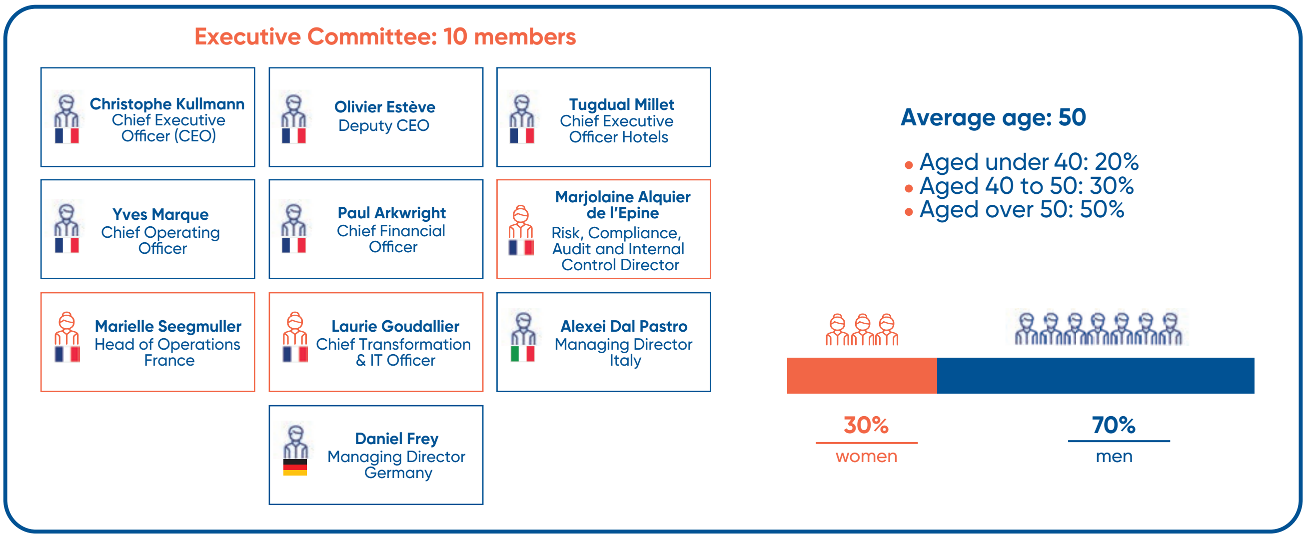
5.2.1.3 Investment in the Manager's share capital

The General Manager, Covivio Hotels Gestion, is not a shareholder of the company.

5.2.1.4 Role of Covivio's Executive Committee and Management Committees in General Management

General Management is structured around various committees set up within Covivio, including the Executive Committee at European level.

The Executive Committee, at the heart of the corporate governance system, is a forum for reflection, consultation and decision-making on the Group's major strategies. Composed of representatives from all of the Group's "country" and "product" activities, as well as corporate functions, it is in charge of implementing the strategy defined by Covivio's Board of Directors, and of monitoring transnational and cross-functional projects, and the coordination of European activities. It aims at ensuring coordination and consultation between its members whenever a transaction or an important decision affecting the general approach of the company or Group must be considered or taken. In particular, it is consulted for each major decision or transaction concerning its asset rotation policy, monitoring of subsidiaries and holdings, and financial policy. It also addresses issues of organisation, tools, etc. It validates all investment and disposal files whose value exceeds €5 million. In addition, its members are in charge of implementing the CSR objectives of the Group set by the Covivio Board of Directors within their particular area of responsibility in coordination with the Sustainable Development Department.



The Executive Committee is supported by Management Committees set up in France, Germany and Italy, in charge of (i) monitoring operations, (ii) implementing the budget (finance, asset management, and portfolio) and (iii) corporate matters.

The diversity of these governing bodies, both in terms of gender balance and in terms of nationality, age, experience and skills, enables the company to best support the Group's strategic challenges in the various markets where the Group operates.

5.2.1.5 Diversity policy within governing bodies

The fight against discrimination and the promotion of diversity are strong commitments for Covivio, implemented *via* a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in the company's governing bodies.

Covivio was a signatory to the Diversity Charter in 2010 and the Global Compact in 2011. Its General Management is convinced that diversity, *i.e.* the variety of human profiles, is a factor favouring innovation, performance and quality of life within the company. The Human Resources Department is committed to diversifying the talent profiles that support the Group's growth. Covivio also encourages more women in management and guarantees women employment conditions equivalent to those of men, in particular by establishing pay gap analyses within the same business line, in conjunction with employee representative bodies, and by correcting, if necessary, any discrepancy not justified by objective evidence.

The distribution of the female workforce in France is slightly up: 57.8% at the end of 2023, compared to 54.7% at the end of 2022. In managerial functions, the company has achieved gender equality: 49.4% of managers were women on 31 December 2023, against 49.3% at the end of 2022.

After having been at 36% throughout the year, following a departure at the end of the year, the proportion of women on Covivio's Executive Committee stood at 30% at the end of 2023. The share in the France and Italy Management Committees was stable at 50%, and in Germany, it reached 25% at the end of 2023. The share of women in the 10% of positions with the highest responsibility is 47.3%.

Covivio's General Management promotes an environment conducive to gender parity at all levels of the Group, in particular *via* the following actions:

- improve gender balance in recruitment
- ensure equal opportunities in career paths, including women only mentoring programmes
- guarantee equal pay for men and women in the same job, for the same level of skills, responsibilities and results
- guarantee equality in terms of professional development and salary in the event of a career break in the context of parental, maternity or adoption leave.

In 2017, Covivio launched the *ex-aequo* programme with the objective of fostering the promotion of women within the Group. It consists of two main components:

1. actions to raise awareness among all employees about gender equality through surveys and information meetings
2. a mentoring programme designed to support and guide women who wish to receive guidance on their professional career and benefit from the support of a mentor who is a member of the European Management team.

In November 2023, the Appointments and Remunerations Committee proposed to Covivio's Board of Directors, which accepted it, that one of the performance targets for free shares granted to executive corporate officers should be linked to the number of women in management every other year, alternating with employee engagement. Accordingly, the Board set a quantified target for women in management based on a composite index comprising:

- the proportion of women in the Executive Committee
- the proportion of women on the Country Management Committees
- the proportion of women managers
- the annual equality index.

In addition, upon the proposal of General Management, and after review by the Covivio Appointments and Remunerations Committee, the Board of Directors of Covivio set, at its meeting of 16 December 2020, the target of gradually increasing the number of women on the Executive Committee to 40% or more by 2023. To date, this objective has not been achieved: following a departure at the end of 2023, the proportion of women on the Executive Committee, which was 36% throughout the year, fell to 30%. However, the target of 40% is maintained. Similarly, the Board has set the objective of increasing the average proportion of women in the three national Management Committees (France, Germany and Italy), to 40% by 2023. This objective has been achieved, with an average of 42% at the end of 2023.

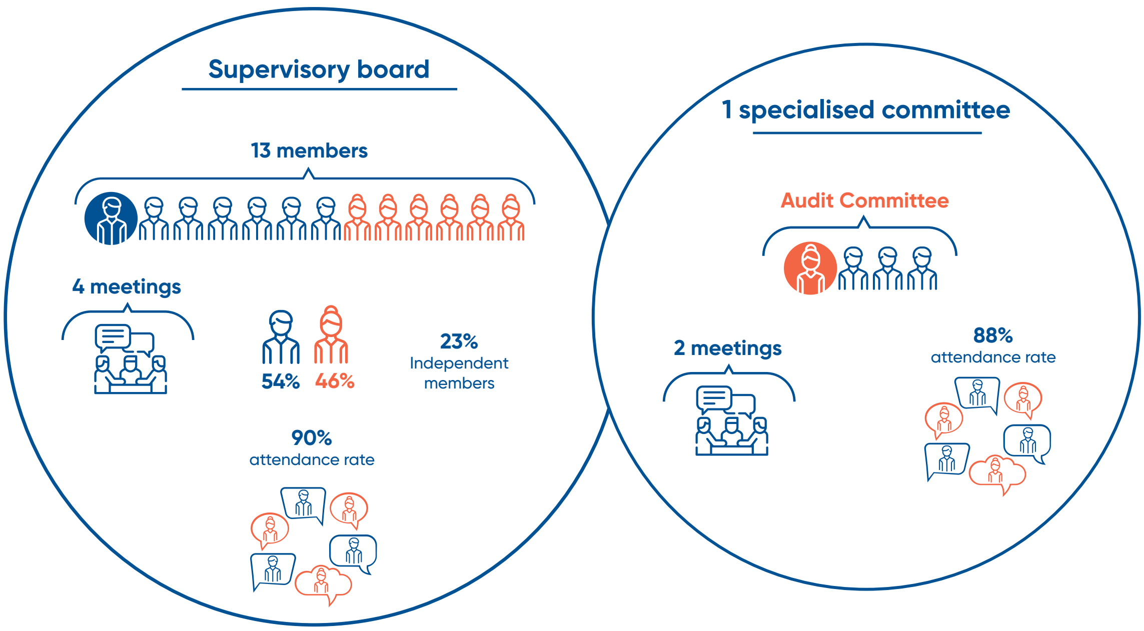
Finally, to promote balanced representation of men and women in General Management and in application of the provisions of Article L. 225-53 of the French Commercial Code, the Internal Regulations of Covivio's Board of Directors guarantee that there is always one person of each sex among the candidates throughout the selection process for Deputy CEOs.

5.2.2 Supervisory Board

5.2.2.1 Composition of the Supervisory Board in 2023

The Articles of Association state that the Supervisory Board shall be comprised of at least three members appointed by the Ordinary General Meeting of Shareholders (see current composition below) and chosen exclusively from among shareholders who are not partners or the General Manager. The Supervisory Board elects a Chairman from among its members and chooses a Secretary, who may or may not be a member of the Supervisory Board.

As at 31 December 2023, the Supervisory Board had 13 members.



				Date of first appointment			
Member's first name and surname or company name	Nationality	Gender	Age	Legal entity	Permanent representative/ natural person	Date of last renewal	Date of expiry of term of office
Christophe Kullmann		M	58	/	30/11/2004	08/04/2021	2024
Olivier Estève		M	59	/	06/04/2011	08/04/2021	2024
Najat Aasqui		W	42	/	07/05/2020	18/04/2023	2026
Covivio Participations represented by Joséphine Lelong-Chaussier		W	41	18/11/2015	26/10/2018	18/04/2023	2026
Covivio represented by Céline Leonardi		W	41	30/11/2004	18/10/2019	07/04/2022	2025
Foncière Margaux represented by Marielle Seegmuller[(1)]		W	51	13/07/2018	07/04/2017[(1)]	18/04/2023	2026
Predica, represented by Emmanuel Chabas		M	47	30/11/2004	17/02/2016	07/04/2022	2025
ACM Vie, represented by François Morrisson		M	58	30/11/2004	22/03/2011	08/04/2021	2024
Generali Vie, represented by Sébastien Pezet		M	48	30/11/2004	01/11/2008	07/04/2022	2025
Cardif Assurance Vie represented by Nathalie Robin		W	61	19/02/2008	19/02/2008	07/04/2022	2025
Sogecap represented by Yann Briand		M	49	06/04/2018	06/04/2018	08/04/2021	2024
Caisse des Dépôts et Consignations, represented by Arnaud Taverne		M	50	06/04/2018	06/04/2018	08/04/2021	2024
Adriana Saitta		W	53	/	15/07/2020	08/04/2021	2024
Percentage of independent: 23%			**Average age: 50**				**Average seniority**
Percentage of women: 46%							

(1) Marielle Seegmuller was the permanent representative of GFR Kléber which resigned on 30 May 2018.

Seniority on the Board								
Legal entity	Permanent representative/ legal person	Indepen-dence	Main position	Board committees	Attendance at meetings of the Supervisory Board	Attendance at meetings of the Audit Committee	Number of directorships in listed companies outside the Covivio group	Number of shares held at 31/12/2023
/	19.2 years	NO	Chief Executive Officer of Covivio	/	100%	/	0	2,779
/	12.8 years	NO	Deputy CEO of Covivio	Member of the Audit Committee	100%	100%	0	842
/	3.8 years	NO	Head of listed equities at Crédit Agricole Assurances	/	75%	/	3	6
8.2 years	5.3 years	NO	Head of Corporate Legal M&A of the Covivio group	/	100%	/	1	1
19.2 years	1 year	NO	Head of Marketing Covivio	/	75%	/	0	64,975,763
5.6 years	6.8 years	NO	Covivio Head of Operations France	/	75%	/	0	1
19.2 years	8 years	NO	Crédit Agricole Assurances Head of Real Estate Investments	Member of the Audit Committee	75%	100%	3	21,266,436
19.2 years	12.8 years	NO	Senior Equity Manager ACM	/	100%	/	0	11,473,544
19.2 years	15.2 years	NO	Head of WESTERN EUROPE REGION for GRE	/	100%	/	0	9,287,413
16 years	16 years	NO	Head of Real Estate BNP Paribas Cardif	Chairwoman of the Audit Committee	100%	50%	2	14,790,438
5.8 years	5.8 years	YES	Head of Real Estate Sogecap	/	100%	/	2	7,639,782
5.8 years	5.8 years	YES	Chief Executive Officer of CDC Investissement Immobilier	Member of the Audit Committee	75%	100%	1	7,985,188
/	3.6 years	YES	Head of Payments at La Banque Postale	/	100%	/	2	10
13.1 years	**8.9 years**			**Average attendance rate**	**90%**	**88%**		

5.2.2.1.1 Changes in the composition of the Supervisory Board in 2023

Changes made to the composition of the governance bodies during 2023

Governance body	Date	Departure	Appointment	Renewal
General Meeting	18 April 2023			FONCIÈRE MARGAUX represented by Marielle Seegmuller COVIVIO PARTICIPATIONS represented by Joséphine Lelong-Chaussier Najat Aasqui
Supervisory Board	10 February 2023	Laurie Goudallier	Céline Leonardi	

	Number of members		Percentage of independent		Percentage of women		Average age	
Body	2022	2023	2022	2023	2022	2023	2022	2023
Supervisory Board	13	13	23%	23%	46%	46%	49	50
Audit Committee	4	4	25%	25%	25%	25%	53	54

5.2.2.1.2 Change in the composition of the Supervisory Board proposed for the fiscal year 2024

At the next General Meeting of 15 April 2024, the following proposals will be proposed to shareholders:

- to renew, for a period of three years, the terms of office of the following members of the Supervisory Board, which expire in 2024:
  - Adriana Saitta
  - Christophe Kullmann
  - Olivier Estève
  - Caisse des Dépôts et Consignations, represented by Arnaud Taverne
  - SOGECAP represented by Yann Briand
  - ACM Vie, represented by François Morrisson.

Impacts of changes in the composition of the Supervisory Board subject to the approval by the Combined General Meeting of 15 April 2024 of the above-mentioned renewals of terms of office of Supervisory Board members.

5.2.2.1.3 Profile, experience and expertise of non-executive corporate officers (information as of 31 December 2023)

The renewal of the terms of office of members of the Board which expired in 2023 has enabled the Board to maintain, with its 13 members, the requisite balance of skills and expertise for the proper governance of the company. The members of the Board collectively have the skills necessary for the proper running of the Supervisory Board:

Skills/Experience	Christophe KULLMANN	Najat AASQUI	ACM VIE - François MORRISSON	CAISSE DES DEPOTS ET CONSIGNATION - Arnaud TAVERNE	CARDIF ASSURANCE VIE - Nathalie ROBIN	COVIVIO - Céline LEONARDI	COVIVIO PARTICIPATIONS - Joséphine LELONG-CHAUSSIER	Olivier ESTEVE	Margaux FONCIERE - Marielle SEEGMULLER	GENERALI VIE - Sébastien PEZET	PREDICA - PREVOYANCE DIALOGUE DU CREDIT AGRICOLE - Emmanuel CHABAS	Adriana SAITTA	SOGECAP - Yann BRIAND
Real estate and hotels	✓	✓		✓	✓	✓		✓	✓	✓	✓		✓
Banking and Finance	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓
Environment and CSR	✓				✓	✓	✓	✓	✓			✓	✓
Strategy and M&A	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓
Experience of listed companies	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
International experience	✓		✓					✓	✓	✓		✓	

In accordance with the provisions of Article L. 225-37-4 1° of the French Commercial Code and 12.1 of Appendix 1 of delegated Regulation (EU) 2019/980 dated 14 March 2019, we communicate below the list of all offices and functions exercised in all companies by each of the corporate officers of the company during the 2023 fiscal year and during the last five fiscal years, as well as the biography of each of them:

Biography

Christophe Kullmann has spent his whole career in the real estate industry. He was in charge of the Finance Department at Immobilière Batibail, a publicly traded real estate development company, from 1992 until its merger in 1999 with Gecina, where he oversaw its financial management.

At the helm of Covivio since its creation in 2001, Christophe Kullmann serves as Chief Executive Officer and is a member of the Board of Directors.

A founding member of the Palladio Foundation with Covivio, he is also Honorary Chairman of the *Fédération des Entreprises Immobilières* (formerly FSIF).

Christophe Kullmann

Main position:

Chief Executive Officer of Covivio

Born on 15 October 1965 in Metz (57000)

French national

Business address since 26 February 2024: 10 rue de Madrid 75008 Paris

Number of shares held at 31 December 2023: 2,779

Offices held with Covivio Hotels:

Chairman of the Supervisory Board

Date of appointment: GM of 30 November 2004

Date of renewal: GMs of 15 April 2008, 4 April 2011, 16 April 2014, 7 April 2017, 6 April 2018 and 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Chief Executive Officer (CEO) and Director: Covivio (SA), public company

Chairman of the Supervisory Board: Covivio Hotels (SCA), public company, Covivio Immobilien SE (European company incorporated under German law)

Legal representative of Covivio, Chairman: Technical (SASU), 6, rue Fructidor (SAS)

Legal representative of Covivio, Manager: SCI Latécoère, SCI Latécoère 2, SCI Lenovilla, SCI Meudon Saulnier, SCI du 15, rue des Cuirassiers, SCI du 9, rue des Cuirassiers, SCI N2 Batignolles, SCCV Bobigny Le 9e Art, Chartres Avenue de Sully (SCCV), SCI Meudon Juin. Legal representative of Covivio, Co-Manager: SNC Cœur d'Orly Promotion, Fontenay-sous-Bois Rabelais (SCCV)

Offices held outside the Group:

Honorary Chairman: *Fédération des Entreprises Immobilières* (FEI-professional association)

Director: IEIF (*Institut de l'Épargne Immobilière et Foncière*) (think tank)

Representative of Covivio, member of the Executive Committee: Fondation Palladio

Terms of office expired within the last five fiscal years:

Chairman of the Board of Directors: Foncière Développement Logements - FDL (SA) (ended in 2022), FSIF now FEI (ended in 2019)

Legal representative of Covivio, Manager: SCI Le Ponant 1986 (until 29/12/2023), SCI Esplanade Belvédère II (ended in 2022), SCI 11 Place de l'Europe (ended in 2022), SCI du 288 rue Duguesclin (ended in 2021), SCI Ruhl Côte d'Azur (ended in 2019)

Legal representative of Covivio, Co-Manager: Chartres Avenue de Sully (SCCV) (ended in 2020)

Chairman of the Fellowships Committee: Fondation Palladio (ended in November 2023)

Olivier Estève

Main position:

Deputy CEO of Covivio

Born on 18 September 1964
in Algiers – Algeria

French national

Business address
since 26 February 2024:
10 rue de Madrid 75008 Paris

Number of shares held at 31 December 2023: 842

Biography

Olivier Estève is a graduate of *École Spéciale des Travaux Publics* (ESTP). After a 12-year career in the Bouygues Group (1990-2001), where he served as Director of Development in the SCREG Bâtiment subsidiary, he joined Covivio in September 2002.

After having been Real Estate Director, he now oversees all of Covivio's Development activities, and the Wellio Marketing, UX Design and development. Olivier Estève has been Deputy CEO of Covivio since 2011.

Offices held with Covivio Hotels:

Member of the Supervisory Board

Member of the Audit Committee

Date of appointment: Supervisory Board meeting of 6 April 2011

Date of renewal: GMs of 16 April 2014, 7 April 2017, 6 April 2018 and 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Deputy CEO: Covivio (SA), public company

Chairman: Covivio 2 (SAS), Société du Parc Trinité d'Estienne d'Orves (SAS), Hotel N2 (SASU)

Member of the Audit Committee: Covivio Hotels (SCA), public company

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Vice-Chairman of the Supervisory Board: Covivio Immobilien SE (European company incorporated under German law)

Chairman of the Board of Directors: Central Societa Di Investimento Per Azioni a Capitale Fisso (Italian share-based company)

General Manager: SNC Boulogne Jean Bouveri, SCI Factor E, SNC Jean Jacques Bosc, SCI Terre Neuves, SCI Rue de la Louisiane, Covivio Ravinelle (SARL), EuroMarseille Invest (EURL), Covivio 4 (EURL), Covivio 7 (EURL), BGA Transaction (SARL), Foncière Margaux (SARL), SARL du 106-110, rue des Troènes, Telimob Paris SARL, Imefa 127 (SCI), SCI Atlantis, SNC Palmer Plage, SCI Dual Center, SCI Charenton, Latepromo (SNC), Covivio Participations (EURL), SCI Avenue de la Marne, Omega B (SARL), SCI Rueil B2, Wellio SNC, SNC Bordeaux Lac, SNC Sucy Parc, SNC Gambetta Le Raincy, SCI du 21, rue Jean Goujon, SNC Villouvette Saint Germain, SNC Normandie Niemen Bobigny, SCI Cité Numérique, SCI Danton Malakoff, SNC Meudon Bellevue, SNC Valence Victor Hugo, SNC Nantes Talensac, SNC Marignane St Pierre, Fructipromo, SNC André Lavignolle, SNC Saint Germain Hennemont, SNC Antony Avenue De Gaulle, SNC Aix en Provence Cezanne, Covivio Alexanderplatz S.à.r.l (Luxembourg share-based company)

Co-Manager: SCI EuroMarseille 1, SCI EuroMarseille 2

Terms of office expired within the last five fiscal years:

Chairman and Chief Executive Officer, and Director: République (SA) (ended in 2022)

Permanent representative of Covivio, Director: Foncière Développement Logements - FDL (SA) (ended in 2022)

Legal representative of République, Manager: Gespar (SC) (ended in 2022), Parking de la Comédie (SNC) (ended in 2022), Parking de la Gare Charles de Gaulle (SNC) (ended in 2022)

Legal representative of Fédération, General Manager: Federimmo (SCI) (ended in 2022)

Legal representative of République, Chairman: Société du Parc Trinité d'Estienne d'Orves (ended in 2021)

Legal representative of Covivio 2, Manager: SNC Cœur d'Orly Commerces (ended in 2019)

Legal representative of Covivio, Manager: SCI Le Ponant 1986 (until 29/12/2023), SCI Esplanade Belvédère II (ended in 2022), SCI 11 place de l'Europe (ended in 2022), SCI du 288, rue Duguesclin (ended in 2021), SCI Ruhl Côte d'Azur (ended in 2019)

Manager: Silexpromo (SNC) (until 29/12/2023), SCI Pompidou Metz (until 30/11/2023), Orly Promo (SNC) (until 30/11/2023), SCI Factor E (until 31/07/2023), SCI La Marina Frejus (until 31/03/2023), Fédération (EURL) (ended in 2022), Covivio Développement (SNC) (ended in 2020), Lenopromo (SNC) (ended in 2022), Promomurs (SNC) (ended in 2022), SNC Le Clos Chanteloup (ended in 2022), SNC Gauguin St-Ouen-l'Aumône (ended in 2022), SNC Le Printemps Sartrouville (ended in 2022), SNC Tours Coty (ended in 2022), SARL du 2, rue Saint Charles (ended in 2021), SNC Sully Chartres (ended in 2021), SCI Rueil B3 B4 (ended in 2019), SCI Palmer Montpellier (ended in 2019), SARL du 25-27 Quai Félix Faure (ended in 2019)

Legal representative of Foncière Margaux, Manager: SCI du 1, rue de Châteaudun (until 29/12/2023), SCI du 1630 Avenue de la Croix Rouge (ended in 2022) SCI du 2, rue de l'Ill (ended in 2021), SCI du 35/37, rue Louis Guérin (ended in 2020), SCI du 8 rue M. Paul (ended in 2020), SCI du 682, cours de la Liberation (ended in 2019)

Legal representative of Télimob Paris SARL, Manager: Télimob Ouest SNC (ended in 2022), Télimob EST SNC (ended in 2021)

Legal Representative of SCI Euromarseille 1, Manager: SCI EuroMarseille BH (ended in 2021)

Legal representative of Covivio, Co-Manager: Chartres Avenue de Sully (SCCV) (ended in 2020)

Olivier Estève

Main position:

Deputy CEO of Covivio

Born on 18 September 1964
in Algiers – Algeria

French national

Business address
since 26 February 2024:
10 rue de Madrid 75008 Paris

**Number of shares held
at 31 December 2023: 842**

Offices held within the Covivio group:

Legal representative of Télimob Paris SARL, Manager: Télimob Nord SNC, Télimob Ouest SNC, Télimob PACA SNC, Télimob Paris SNC, Télimob Rhône-Alpes SNC, Télimob Sud-Ouest SNC

Legal representative of Foncière Margaux, Manager: SCI du 3, place A. Chaussy, SCI du 10 bis et 11 à 13, allée des Tanneurs, SCI du 20, avenue Victor Hugo, SCI du 32, avenue P. Grenier, SCI du 40, rue Jean-Jacques Rousseau, SCI du 125, avenue du Brancolar

Legal representative of SCI EuroMarseille 1, Manager: SCI EuroMarseille BI

Legal Representative of SCI Euromarseille 2, Manager: SCI EuroMarseille PK, SCI EuroMarseille H

Legal representative of Covivio 2, Manager: SCI Cœur d'Orly Bureaux

Legal representative of Covivio, Manager: SCI Meudon Juin, SCI Lenovilla, SCI Latécoère, SCI Latécoère 2, SCI Meudon Saulnier, SCI du 15, rue des Cuirassiers, SNC du 9, rue des Cuirassiers, SCI N2 Batignolles, SCCV Bobigny Le 9e Art, Chartres Avenue de Sully (SCCV)

Legal representative of Covivio, Chairman: Technical (SASU), 6, rue Fructidor (SAS)

Legal representative of Covivio, Co-Manager: Fontenay-sous-Bois Rabelais (SCCV), SNC Cœur d'Orly Promotion

Committee Member: SCI N2 Batignolles, SCI Latécoère, SCI Lenovilla, SCI Latécoère 2, SCI du 9 rue des Cuirassiers, SCI du 15 rue des Cuirassiers, SNC N2 Promotion, SCI Euromarseille 1, SCI Euromarseille 2

Offices held outside the Group:

None

Najat Aasqui

Main position:

**Head of listed equities at
Crédit Agricole Assurances**

Born on 30 January 1982 in Lille

French national

Business address:
16/18, boulevard de Vaugirard
75015 Paris

**Number of shares held
as of 31 December 2023:
six (including one lent)**

Biography

Najat Aasqui holds a DESS postgraduate degree in Banking and Finance (Paris X) and a master's degree in Economics (Lille I). She joined Crédit Agricole Assurances in 2017 as investment manager (private equity and listed shares). In March 2019, she was appointed Head of Investment Portfolios for listed shares & real estate at CAA. Najat previously held several positions in corporate banking, particularly in acquisition finance at Crédit Agricole group.

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 7 May 2020

Date of renewal: GM of 18 April 2023

Date of expiry of the term of office: GM of 2026 approving the annual financial statements for the fiscal year ended 31 December 2025

Offices held within the Covivio group:

None

Offices held outside the Group:

Permanent representative of Predica: Member of the Supervisory Board of Altarea COGEDIM, Member of the Supervisory Board of ARGAN (listed SA), Member of the Supervisory Board of Aéroport de Lyon

Member of the Audit Committee of ARGAN (listed SA)

Member of the Appointments and Remunerations Committee ARGAN (listed SA)

Terms of office expired within the last five fiscal years:

Permanent representative of Predica: Member of the Board of Directors of SFL (ended in 2021), Board Member of Edison Renewables SPA

Covivio

18, avenue François Mitterrand
57000 Metz

Metz Trade and Companies Register 364 800 060

Number of shares held at 31 December 2023: 64,975,763

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 30 November 2004

Date of renewal: GMs of 15 April 2008, 4 April 2011, 16 April 2014, 7 April 2017, 5 April 2019 and 7 April 2022

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Chairman: Technical (SAS), 6 Rue Fructidor

Manager: SCI Meudon Juin, SCI Lenovilla, SCI Latécoère, SCI Latécoère 2, SCI Meudon Saulnier, SCI du 15, rue des Cuirassiers, SCI du 9, rue des Cuirassiers, SCI N2 Batignolles, SCCV Bobigny Le 9e Art, Chartres Avenue de Sully

Co-Manager: SNC Cœur d'Orly Promotion, Fontenay-sous-Bois Rabelais (SCCV)

Offices held outside the Group:

Member of the Executive Committee: Fondation Palladio (foundation)

Terms of office expired within the last five fiscal years:

Manager: SCI Le Ponant 1986 (until 29/12/2023), SCI 11, place de l'Europe (ended in 2022), SCI Esplanade Belvédère II (ended in 2022), SCI du 288, rue Duguesclin (ended in 2021), SCI Ruhl Côte d'Azur (ended in 2019)

Co-Manager: Chartes Avenue de Sully (SCCV) (ended in 2020)

Director: Foncière Développement Logements - FDL (SA) (ended in 2022), République (SA) (ended in 2022)

Céline Leonardi

Main position:

Head of Marketing Covivio

Born on 3 March 1982
in Aubagne

French national

Business address since 26 February 2024:
10 rue de Madrid 75008 Paris

Number of shares held at 31 December 2023: 0

Biography

A graduate in notarial law, Céline Leonardi joined Covivio in 2009 after three years in the property law and real estate law divisions of the Cheuvreux firm.

She is currently Director of Office Letting and Director of the Wellio business after having previously held the positions of Executive Officer and Marketing Manager.

Office held with Covivio Hotels:

Permanent representative of Covivio, Member of the Supervisory Board

Date of appointment: 10 February 2023

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held outside the Group:

None

Terms of office expired within the last five fiscal years:

None

Covivio Participations

10 rue de Madrid 75008 Paris (since 26 February 2024)

Paris Trade and Companies Register 813 753 613

Number of shares held at 31 December 2023: 1

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: Supervisory Board meeting of 18 November 2015

Date of renewal: GMs of 7 April 2017, 7 May 2020 and 18 April 2023

Date of expiry of the term of office: GM of 2026 approving the annual financial statements for the fiscal year ended 31 December 2025

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Offices held outside the Group:

None

Terms of office expired within the last five fiscal years:

None

Joséphine Lelong-Chaussier

Main position:

Head of Corporate Legal M&A of the Covivio group

Born on 7 January 1983 in Neuilly-sur-Seine

French national

Business address since 26 February 2024: 10 rue de Madrid 75008 Paris

Number of shares held at 31 December 2023: 0

Biography

A graduate of the ESSEC business school and Paris I – La Sorbonne and a lawyer before the Paris Bar, Joséphine Lelong-Chaussier practiced for nearly ten years as a lawyer at Freshfields Bruckhaus Deringer, followed by De Pardieu Brocas Maffei, before joining Covivio in 2015. She is currently Head of Corporate Legal M&A of the Covivio group.

Offices held with Covivio Hotels:

Permanent representative of Covivio Participations, member of the Supervisory Board

Date of appointment: 26 October 2018

Date of renewal: GMs of 7 May 2020 and 18 April 2023

Date of expiry of the term of office: GM of 2026 approving the annual financial statements for the fiscal year ended 31 December 2025

Offices held within the Covivio group:

Permanent representative of Covivio Participations, member of the Supervisory Board: Covivio Hotels (SCA), public company

Director: B2 Hôtel Invest (SPPICAV), Office CB 21 (SPPICAV)

Offices held outside the Group:

Director: CBo Territoria (public company) (since 8 June 2022)

Chairwoman of the Appointments, Remuneration and Governance Committee: CBo Territoria (public company)

Terms of office expired within the last five fiscal years:

Member of the Fellowships Committee: Fondation Palladio (ended in November 2023)

Foncière Margaux

10 rue de Madrid 75008 Paris (since 26 February 2024)

Paris Trade and Companies Register 439 434 309

Number of shares held at 31 December 2023: 1

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: Supervisory Board meeting of 13 July 2018

Date of renewal: GMs of 7 May 2020 and 18 April 2023

Date of expiry of the term of office: GM of 2026 approving the annual financial statements for the fiscal year ended 31 December 2025

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Manager: SCI du 3, place A. Chaussy, SCI du 10 bis et 11 à 13, allée des Tanneurs, SCI du 20, avenue Victor Hugo, SCI du 32, avenue P. Grenier, SCI du 40, rue Jean-Jacques Rousseau, SCI du 125, avenue du Brancolar

Offices held outside the Group:

None

Terms of office expired within the last five fiscal years:

Manager: SCI du 1, rue de Châteaudun (until 29/12/2023), SCI du 1630, avenue de la Croix Rouge (ended in 2022), SCI du 2, rue de l'Ill (ended in 2021), SCI du 8, rue M. Paul (ended in 2020), SCI du 35/37 Rue Louis Guérin (ended in 2020), SCI du 682, cours de la Liberation (ended in 2019)

Marielle Seegmuller

Main position:

Head of Operations of Covivio

Born on 17 October 1972
in Saint-Brieuc

French national

Business address
since 26 February 2024:
10 rue de Madrid 75008 Paris

Number of shares held at 31 December 2023: 0

Biography

A graduate of Neoma Business School and of the HEC Executive MBA programme, Marielle Seegmuller also holds a DESCF/DECF accounting qualification.

With more than 20 years of experience in the real estate sector, Marielle Seegmuller worked at GE Real Estate from 1997, where she was in charge of various activities in France and in Europe (Investments, Business Development, Arbitrage, etc.), then head of department for the French entity.

Since September 2016, Marielle Seegmuller has occupied the position of Director of Operations at Covivio. In this capacity, she manages the Asset Management, Client Relations, Real Estate Engineering and Real Estate Legal activities in France. She is also in charge of managing the Wellio pro-working sites in France.

Marielle Seegmuller is a member of *Cercle des Femmes de l'Immobilier*.

Offices held with Covivio Hotels:

Permanent representative of Foncière MARGAUX, member of the Supervisory Board

Date of appointment: 7 April 2017

Date of renewal: GMs of 7 May 2020 and 18 April 2023

Date of expiry of the term of office: GM of 2026 approving the annual financial statements for the fiscal year ended 31 December 2025

Offices held within the Covivio group:

Permanent representative of Foncière MARGAUX, member of the Supervisory Board: Covivio Hotels (SCA), public company

Chairman of the Board of Directors: Office CB 21 SPPICAV

Manager: Covivio Property SNC

Committee Member: 6 Rue Fructidor (SAS), SCI Du 15 Rue Des Cuirassiers, SCI Du 9 Rue Des Cuirassiers, SCI Latécoère, SCI Latécoère 2, SCI EuroMarseille 1, SCI EuroMarseille 2, SCI N2 Batignolles

Offices held outside the Group:

None

Terms of office expired within the last five fiscal years:

Chief Executive Officer and Director: Foncière Développement Logements – FDL SA (until 2022)

Legal representative of Foncière Développement Logements – FDL, General Manager: Société Civile Immobilière du 26/28, rue Jacques Dulud à Neuilly-sur-Seine (SCI) (ended in 2021) IMEFA Quarante Six SCI (ended in 2019), Société Civile Immobilière Suresnes 2 SCI (ended in 2019), IMEFA Quatre Vingt Quinze SCI (ended in 2020), 25, rue Gutenberg (SCI) (ended in 2019)

Member of the Partnership Committee: Federimmo (SCI) (ended in 2022), SCI 11 Place De L'europe (ended in 2022)

Predica

16/18, boulevard de Vaugirard
75015 Paris

Paris Trade and Companies
Register 334 028 123

Number of shares held at 31 December 2023: 21,266,436

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 30 November 2004

Date of renewal: GMs of 15 April 2008, 4 April 2011, 16 April 2014, 7 April 2017, 5 April 2019 and 7 April 2022

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Director: Covivio (SA), public company, B2 Hôtel Invest OPPCI

Offices held outside the Group:

Director: AEW Immocommercial (OPCI), Fonds Nouvel Investissement 1 SICAV, Fonds Nouvel Investissement 2 SICAV, Aéroport de Paris SA (public company), Gecina (SA, public company), Messidor OPCI, Frey (SA, public company), Clariane (SA, public company), CAA Commerces 2 OPCI, Carmila (public company), Previseo Obsèques SA, Lesica, Semmaris, Fonds Stratégique de Participations SICAV, Française des Jeux (public company), OPCI Logistis SPPICAV, Fonds immobilier Ardian Luxembourg, Défense CB3 SAS, Prédi-Rungis

Member of the Supervisory Board: Altarea (SCA, public company), Effi Invest II SCA, Effi Invest III SCA, CA Grands Crus SAS, Sopresa SA, Interfimo SA, PREIM Healthcare, Patrimoine et Commerce SCA (public company), Argan SA (public company), Ofélia SAS, Willow, Unipierre Assurances SCPI

Co-Manager: Predicare (SARL)

Non-voting member: Siparex Associés SA

Chairman: Predi Rungis, Predica Bureaux (OPCI)

Terms of office expired within the last five fiscal years:

Director: La Medicale de France SA (ended in 2022), CAAM Mone Cash SICAV (ended in 2022), River Ouest OPCI (ended in 2019)

Non-voting member: Tivanna France Holding SAS (ended in 2022)

Emmanuel Chabas

Main position:

Crédit Agricole Assurances Head of Real Estate Investments

Born on 8 December 1976 in Boulogne-Billancourt (92100)

French national

Business address: 16/18, boulevard de Vaugirard 75015 Paris

Number of shares held at 31 December 2023: 0

Biography

Emmanuel Chabas is a graduate of ESSEC and holds a Company Director certificate (Sciences Po/IFA). He began his career in management control and internal audit within the BNP PARIBAS Group in 2001. He then joined BNP Paribas Cardif in 2006 as head of real estate acquisitions.

Since September 2015, he has occupied the position of Head of Real Estate Investment at Crédit Agricole Assurances.

Offices held with Covivio Hotels:

Permanent representative of Predica, member of the Supervisory Board

Member of the Audit Committee

Date of appointment: 17 February 2016

Date of renewal: GMs of 7 April 2017, 5 April 2019 and 7 April 2022

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held within the Covivio group:

Permanent representative of Predica, Director: B2 hotel Invest (OPPCI)

Permanent representative of Predica, member of the Supervisory Board: Covivio Hotels (SCA, public company)

Member of the Audit Committee: Covivio Hotels (SCA, public company)

Member of the Supervisory Board: Covivio Immobilien SE (European company incorporated under German law)

Member of the Partnership Committee: SCI Latécoère, SCI Latécoère 2,

Offices held outside the Group:

Permanent representative of Predica, Director: OPCI CAA Commerces 2, OPCI Predica Bureaux, SCI Frey Retail Villebon

Chairman of the Board of Directors: Camp Invest OPPCI, Iris Invest 2010 OPPCI, SAS Commerces 1, SAS Commerces 2

Permanent representative of Predica, member of the Supervisory Board: SCPI Unipierre Assurance, PREIM Healthcare

Permanent representative of Predica and Spirica: SCI Académie Montrouge

Representative of SCI Imefa 34, Director: OPCI Predica Habitation

Chairman of the Board of Directors: OPCI Messidor, OPCI Eco Campus, OPCI Predica Commerces, OPCI Massy Bureaux

Member of the Advisory Board: OPCI ALTA COMMERCES EUROPE

Representative of Predica: SCI Tour Merle, SAS Defense CB3

Member of the Strategic Committee: Heart of La Défense

Member of the Board of Directors and the Appointments and Remuneration Committee: Icade SA

Member of the Oversight Committee: Icade Santé SAS

Representative of Predica, member: Ardian Fund Advisory Committee

Co-Manager: CAA Stern GmbH (Austrian company)

Terms of office expired within the last five fiscal years:

Permanent Representative of Cardif Assurance Vie, Director: Siltel (ended in 2019), Meteore Italy Srf (ended in 2022), Météore Alcala, Météore Greece SA

Member of the Strategic Committee: FDM Management SAS (ended in 2018)

Chairman: SAS Francimmo Hôtel (ended in 2019)

Manager: SCI Montparnasse Cotentin (ended in 2019), Lux Leudelange SARL (Luxembourg company)

Director, Chairman and Chief Executive Officer: SA Foncière Hypersud

Member of the Partnership Committee: SCI 11, place de l'Europe

Representative of Predica: SCI Distripole Porte de France, SAS Fonds Euroffice

Emmanuel Chabas

Main position:

Crédit Agricole Assurances Head of Real Estate Investments

Born on 8 December 1976 in Boulogne-Billancourt (92100)

French national

Business address: 16/18, boulevard de Vaugirard 75015 Paris

Number of shares held at 31 December 2023: 0

Offices held outside the Group (continued):

Manager: SCI, 11 place de l'Europe, L2A SA (Luxembourg company), L2B SA (Luxembourg company), SCI AEV CA, SCI AEV CA 2, SCI Dahlia, SCI DS Campus, SCI New Vélizy, SCI Federimmo, SCI Imefa 1, SCI Imefa 2, SCI Imefa 3, SCI Imefa 4, SCI Imefa 5, SCI Imefa 6, SCI Imefa 8, SCI Imefa 9, SCI Imefa 10, SCI Imefa 11, SCI Imefa 12, SCI Imefa 13, SCI Imefa 16, SCI Imefa 17, SCI Imefa 18, SCI Imefa 20, SCI Imefa 22, SCI Imefa 25, SCI Imefa 32, SCI Imefa 33, SCI Imefa 34, SCI Imefa 35, SCI Imefa 36, SCI Imefa 37, SCI Imefa 38, SCI Imefa 39, SCI Imefa 42, SCI Imefa 43, SCI Imefa 44, SCI Imefa 45, SCI Imefa 47, SCI Imefa 48, SCI Imefa 49, SCI Imefa 50, SCI Imefa 51, SCI Imefa 52, SCI Imefa 53, SCI Imefa 54, SCI Imefa 57, SCI Imefa 58, SCI Imefa 60, SCI Imefa 61, SCI Imefa 62, SCI Imefa 63, SCI Imefa 64, SCI Imefa 66, SCI Imefa 67, SCI Imefa 68, SCI Imefa 69, SCI Imefa 72, SCI Imefa 73, SCI Imefa 74, SCI Imefa 76, SCI Imefa 77, SCI Imefa 78, SCI Imefa 79, SCI Imefa 80, SCI Imefa 81, SCI Imefa 82, SCI Imefa 83, SCI Imefa 84, SCI Imefa 85, SCI Imefa 89, SCI Imefa 91, SCI Imefa 92, SCI Imefa 96, SCI 100, SCI Imefa 101, SCI Imefa 102, SCI Imefa 103, SCI Imefa 104, SCI Imefa 105, SCI Imefa 107, SCI Imefa 108, SCI Imefa 109, SCI Imefa 110, SCI Imefa 112, SCI Imefa 113, SCI Imefa 115, SCI Imefa 116, SCI Imefa 117, SCI Imefa 118, SCI Imefa 120, SCI Imefa 121, SCI Imefa 122, SCI Imefa 123, SCI Imefa 126, SCI Imefa 128, SCI Imefa 129, SCI Imefa 131, SCI Imefa 132, SCI Imefa 140, SCI Imefa 148, SCI Imefa 149, SCI Imefa 150, SCI Imefa 155, SCI Lyon Tony Garnier (formerly Imefa 156), SCI Villeurbanne-La Soie Îlot H (formerly Imefa 157), SCI Imefa 158, SCI Imefa 159, SCI Imefa 161, SCI Imefa 162, SCI Imefa 163, SCI Imefa 164, SCI Imefa 165, SCI HDP Bureaux (formerly Imefa 166), SCI HDP Hôtel (formerly Imefa 167), SCI HDP la Halle (formerly Imefa 168), SCI Imefa 169, SCI Imefa 170, SCI Imefa 171, SCI Imefa 172, SCI Imefa 173, SCI Imefa 174, SCI Imefa 175, SCI Imefa 176, SCI Imefa 177, SCI Imefa 178, SCI Imefa 179, SCI Imefa 180, SCI Imefa 181, SCI Imefa 182, SCI Imefa 183, SCI Imefa 184, SCI Imefa 185, SCI Imefa 186, SCI Imefa 187, SCI Imefa 188, SCI Imefa 189, SCI Imefa 190, SCI Imefa 192, SCI Imefa 193, SCI Imefa 194, SCI Imefa 195, SCI Imefa 196, SCI Spirica Boisseau, SCI Imefa 198, SCI Imefa 199, SCI Imefa 201, SCI Imefa 202, SCI Imefa 203, SCI Imefa 204, SCI Imefa 205, SCI Imefa 206, SCI Imefa 207, SCI Imefa 208, SCI Imefa 209, SCI Imefa 210, SCI Imefa 211, SCI Imefa 212, SCI Fédérale Péreire Victoire, SCI Federlog, SCI Feder Londres, SCI Fédérale Villiers, SCI Grenier Vellefaux, SCI Médibureaux, SCI Medic Habitation, SCI Vicq d'Azir-Vellefaux, SCI Vicq Neuilly, SCI Féderpierre, SCI 1-3, place Valhubert, SCI Village Victor Hugo

Manager of Féderpierre, Manager: SCI Longchamp Montevideo, SCI Féderpierre Michal, SCI Féderpierre Caulaincourt, SCI Féderpierre Université, SCI Féderpierre Capucines

Manager of Vicq d'Azir Vellefaux, Manager: SCI Vicq Neuilly

Chairman: Iris Holding France SAS, SAS Holding EuroMarseille, SAS Resico, SAS CA Résidence Seniors, SAS 59-61 Rue Lafayette, SAS 81-91 Rue Falguière

Member of the Supervisory Board and Audit Committee: Patrimoine et Commerce

Member of the Board of Directors and the Audit Committee: AccorInvest Group SA (Luxembourg company)

Non-voting member on the Supervisory Board: Argan

Member of the Real Estate Committee: FFA

Director and member of the Remuneration Committee: SICAF Central (Italian company)

Director: OPCI Lapillus 1, SAS Cristal, Carmila SA, Alta Blue opci Icade Healthcare Europe

Chairman of the Partnership Committee: SCI Dahlia, Iris Holding France SAS, SCI Holding Dahlia

ACM Vie SA

4, rue Frédéric-Guillaume Raiffeisen 67000 Strasbourg

Strasbourg Trade and Companies Register 332 377 597

Number of shares held at 31 December 2023: 11,473,544

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 30 November 2004

Date of renewal: GMs of 15 April 2008, 4 April 2011, 16 April 2014, 7 April 2017, 6 April 2018 and 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Director: Covivio (SA), public company

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Offices held outside the Group:

Director: Serenis Assurances SA, ACM GIE, ACM Services SA, Foncière Masséna SA, Agrupació ACMI de Seguros y Reaseguros SA, GACM Seguros Generales, Compañía de Seguros y Reasuraguros SAU, GACM Spain SA, Valinvest Gestion

Member of the Supervisory Board: SCPI CMCIC Pierre Investissement, SCPI Crédit Mutuel Pierre 1, SCPI Selectipierre 1, SCPI Logipierre 1, SCPI Logipierre 3

Terms of office expired within the last five fiscal years:

None

François Morrisson

Main position:

Senior Equity Manager in the Finance Department of ACM

Born on 22 June 1965 in Levallois-Perret (92300) – France

French national

Address: 42 rue des Mathurins 75008 Paris

Number of shares held at 31 December 2023: 0

Biography

François Morrisson holds a DESS in finance from Université Paris-IX, Dauphine and a Charted Financial Analyst diploma. Since 2001, he has been equity manager for Assurances du Crédit Mutuel. Previously, François Morrisson served as a bond manager at Invesco (1997-2000) and Crédit Lyonnais (1994-1996).

Offices held with Covivio Hotels:

Permanent representative of ACM Vie, member of the Supervisory Board

Date of appointment: Supervisory Board meeting of 6 April 2011

Date of renewal: GMs of 16 April 2014, 7 April 2017, 6 April 2018 and 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Permanent Representative of ACM Vie, member of the Supervisory Board: Covivio Hotels (SCA), public company

Director: B2 Hôtel Invest SPPICAV

Offices held outside the Group:

None

Terms of office expired within the last five fiscal years:

Director: Eurosic SA, public company

Generali Vie

2, rue Pillet Will 75009 Paris

Paris Trade and Companies Register 602 062 481

Number of shares held at 31 December 2023: 9,287,413

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 30 November 2004

Date of renewal: GMs of 15 April 2008, 4 April 2011, 16 April 2014, 7 April 2017, 5 April 2019 and 7 April 2022

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Offices held outside the Group:

Director: Generali IARD SA, Generali Luxembourg SA, a foreign company, GFA Caraïbes, Association The Human Safety Net France (THSN France), Objectif Sélection (Lazard Frères Gestion), Fonds Nouvel Investissement 1, Fonds Nouvel Investissement 2, Risque et Sérénité, Covivio Immobilien SE (a European company), Carte Blanche Partenaires, Comgest Monde, Fonds de dotation The Human Safety Net France, Advize Group

Non-voting member of the Board of Directors: Fonds Logement Intermédiaire SICAV

Terms of office expired within the last five fiscal years:

Director: ASSOCIATION POUR LA LOCATION DU MONCEY - BEEOTOP (ended in 2019), VIGEO (ended in 2019), SICAV PALATINE MEDITERRANEA (ended in 2019), Mercialys (public company) (ended in 2022)

Sébastien Pezet

Main position:

Head of WESTERN EUROPE REGION for Generali Real Estate SpA

Born on 19 August 1975 in Rodez (12000)

French national

Business address: 2, rue Pillet Will 75009 Paris

Number of shares held at 31 December 2023: 0

Biography

Sébastien Pezet holds a master's degree in economics applied to financial auditing and business strategy from the University of Dauphine, a post-graduate degree in real estate engineering and a DECF. He began his career in 2000 at Archon Group. He then joined Generali in 2002. Since July 2015, he has held the position of Manager in France at Generali Real Estate SpA and for the United Kingdom and Belgium since 2018.

Offices held with Covivio Hotels:

Permanent representative of Generali Vie, member of the Supervisory Board

Date of appointment: Supervisory Board meeting of 18 November 2008

Date of renewal: GMs of 4 April 2011, 16 April 2014, 7 April 2017, 5 April 2019 and 7 April 2022

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held within the Covivio group:

Permanent Representative of Generali Vie, member of the Supervisory Board: Covivio Hotels (SCA), public company

Offices held outside the Group:

Manager in France of: Generali Real Estate SpA

Chairman of the Board of Directors and Director: OFI GR1, OFI GB 1 (SPPICAV SAS)

Representative of Generali Real Estate, Member of Board of Directors: Fédération des Sociétés Immobilières et Foncières

Terms of office expired within the last five fiscal years:

Permanent representative of Generali IARD, member and Director of: Association pour la location du Moncey - Beeotop (ended in 2019)

Representative of Generali Real Estate, Director of: Fédération des Sociétés Immobilières et Foncières

Representative of Generali to the FFA: Economic and Financial Real Estate Committee

Permanent Representative of Generali Vie, Manager: SCI Generali Pierre, SCI Parcolog Orchies

Permanent representative of Generali Vie, member of the Supervisory Board of: Immeo AG (European company)

Permanent Representative of Generali Vie, member of the Board of Directors: Mercialys (SA) (public company) (ended in 2022)

Cardiff Assurance Vie

1, boulevard Haussmann
75009 Paris

Paris Trade and Companies Register 732 028 154

Number of shares held at 31 December 2023: 14,790,438

Offices held with Covivio Hotels:

Member of the Supervisory Board

Chairman of the Audit Committee

Date of appointment: Supervisory Board meeting of 19 February 2008

Date of renewal: GMs of 4 April 2011, 16 April 2014, 7 April 2017, 5 April 2019 and 7 April 2022

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Chairman of the Audit Committee: Covivio Hotels (SCA), public company

Offices held outside the Group:

Director: Praemia Healthcare SA (formerly Icade Santé SA), AEW Immocommercial SPPICAV, BNP Paribas Diversipierre SPPICAV, Carmila SA, public company, Frey SA, public company, Powerhouse Habitat SAS, Health Property Fund 1 SPPICAV, Cardif El Djazair (joint stock company incorporated in Algeria), Assu-Vie Société Française d'Assurance sur la Vie SA, IHE Healthcare Europe SPPICAV SAS (formerly Icade Healthcare Europe SPPICAV SAS)

Member of the Supervisory Board: BNP Paribas REIM France SA, Opéra Rendement SCPI, Primonial, Capimmo SCI, Dauchez SA, CFH SAS, Placement Ciloger 3 SCPI, FLI SCI, Accès Valeur Pierre SCPI, Clariane & Partenaires Immobilier 1 SCI formerly Korian & Partenaires Immobilier 1 SCI, Clariane & Partenaires Immobilier 2 SCI formerly Korian & Partenaires Immobilier 2 SAS

Member of the Supervisory Committee: PREIM Healthcare SAS, PWH Sppicav SAS, Hemisphere SCI, Certivia 2 SICAV

Member of the Investment Committee: Frey SA, public company

Member of the Audit Committee: Frey SA, public company

Member of the CSR Committee: Carmila SA, public company

Manager: SCI Cardif Logements, SCI BNP Paribas Pierre I, SCI BNP Paribas Pierre II, SC Cardimmo, SC Corosa, SCI Défense Étoile, SCI Défense Vendôme, SCI Étoile du Nord, SCI Rue Moussorgski, SCI Odyssée, SCI Paris Cours de Vincennes, SCI Pantin Les Moulins, SCI Reuil Caudron, SCI Rueil Ariane, SCI Valeur Pierre Épargne, SCI 68/70 Rue de Lagny Montreuil, SCI Bobigny Jean Rostand, SCI Saint Denis Jade, SCI Saint Denis Landy, SCI Fontenay Plaisance, SCI Nanterre Guilleraies, SCI Nantes Carnot, SCI Citylight Boulogne, SCI Saint Denis Mitterrand, SCI Villeurbanne Stalingrad, SCI Le Mans Gare, SCI Paris Batignolles, SNC Les Résidences, SCI Turennes, SCI Bouleragny, SCI Vendôme Athènes, SECAR (Société Civile pour l'Étude et l'Aménagement du Centre d'Affaires Régional de Rungis), SCI Paris Grande Armée, SCI Bordeaux Armagnac

Chairman: SAS FDI Poncelet

Terms of office expired within the last five fiscal years:

Member of the Supervisory Board: France Investipierre SCPI (ended in 2020)

Member of the Supervisory Board: Plein Air Property Fund SPPICAV (ended in 2020)

Member of the Oversight Committee: Icade Santé SAS (ended in 2021)

Director: Shopping Property Fund 1 SPPICAV (ended in 2022)

Member of the Steering Committee: Forey (Frey public company)

Nathalie Robin

Main position:

Head of Real Estate BNP Paribas Cardif

Born on 19 November 1962 in Paris (75012)

French national

Business address: 8, rue du Port 92728 Nanterre Cedex

Number of shares held at 31 December 2023: 0

Biography

Nathalie Robin holds a DESS in Real Estate Law and has been the Head of Real Estate of BNP Paribas Cardif (following the merger of BNP and Paribas) since 2001. Previously, she was Head of Real Estate of Natio Vie (BNP Group) from 1989 to 2001.

Offices held with Covivio Hotels:

Permanent Representative of Cardif Assurance Vie, member of the Supervisory Board

Chairman of the Audit Committee

Date of appointment: Supervisory Board meeting of 19 February 2008

Date of renewal: GMs of 4 April 2011, 16 April 2014, 7 April 2017, 5 April 2019 and 7 April 2022

Date of expiry of the term of office: GM of 2025 approving the annual financial statements for the fiscal year ended 31 December 2024

Offices held within the Covivio group:

Permanent representative of Cardif Assurance Vie, member of the Supervisory Board: Covivio Hotels (SCA), public company

Member of the Supervisory Board: Covivio Immobilien SE (European company incorporated under German law)

Chairman of the Audit Committee: Covivio Hotels (SCA), public company

Offices held outside the Group:

Permanent representative of Cardif Assurance Vie, Director: AEW Immocommercial SPPICAV, Powerhouse Habitat SAS, Carmila SA, BNP Paribas Diversipierre SPPICAV, Frey SA, public company

Permanent representative of Cardif Assurance Vie, member of the Supervisory Board: BNP Paribas REIM France SA, Opéra Rendement SCPI, Dauchez SA, CFH SAS, Placement Cilogerr 3 SCPI, FLI SCI, Clariane & Partenaires Immobilier 1 SCI formerly Korian & Partenaires Immobilier 1 SCI, Clariane & Partenaires Immobilier 2 SAS formerly Korian & Partenaires Immobilier 2 SAS

Permanent representative of Cardif Assurance Vie, member of Supervisory Board: PREIM Healthcare SAS, PWH SPPICAV SAS, Hemisphere SCI, Certivia 2 SICAV

Permanent representative of Cardif Assurance Vie, member of the Investment Committee: Frey SA, public company

Permanent representative of Cardif Assurance Vie, member of the Audit Committee: Frey SA, public company

Permanent representative of Cardimmo, Director: High Street Retail SAS SPPICAV

Chairman of the Strategy and Investment Committee: Carmila

Member of the Investment Committee: Batipart Participations SAS

Member of the Advisory Board: Fonds de Logement Intermédiaire II (FL III) SAS SPPICAV, Hestia Holding SAS SPPICAV

Member of the Board of Partners: Société Civile pour l'Étude et l'Aménagement du Centre d'Affaires Régional de Rungis (SECAR)

Member of the Fund Committee: Hab'initio SLP

Permanent representative of Cardif Assurance Vie, Member of the CSR Committee: Carmila SA, public company

Terms of office expired within the last five fiscal years:

Permanent representative of Cardif Assurance Vie, member of the Supervisory Board: France Investipierre SCPI

Permanent representative of Cardif Assurance Vie, member of the Supervisory Committee: Icade Santé SAS

Permanent representative of Cardif Assurance Vie, member of the Supervisory Board: Plein Air Property Fund SPPICAV

Permanent representative of Cardif Assurance Vie, Member of the Steering Committee: Forey (Frey public company)

Permanent Representative of Cardif Assurance Vie, member of the Supervisory Board: Access Valeur Pierre SCPI (ended in 2022)

Permanent Representative of Cardif Assurance Vie, Director: Icade Healthcare Europe SPPICAV SAS (until 2023)

Permanent Representative of Cardif Assurance Vie, member of the Supervisory Board: Primonial Capimmo SCI (until 2023)

Adriana Saitta

Main position:

Head of Payments at La Banque Postale

Born 9 June 1970 in Rome

Italian national

Business address: 5, avenue Kléber 75007 Paris

Number of shares held at 31 December 2023: 10

Biography

Adrianna Saitta is a Business Administration graduate from Bocconi University and has an MBA from Insead Fontainebleau. She began her career at McKinsey & Company, where she worked for nine years in banking and financial services. During this period, she attended several leading Italian and European Financial Institutions and became a member of the European leadership Group for Banking and Securities Practice.

Adriana joined Banca Intesa in 2003, where she first served as Head of Consumers' Banking in the Italian Retail Banking Division and then as Head of Retail Banking in the Foreign Banking Division. She is the founder and Chairwoman of Intesa Sanpaolo Card d.o.o, and sits on several Boards of Directors of Intesa Sanpaolo Group in Eastern Europe.

Since 2015, she has been Chief Executive Officer of Intesa Sanpaolo in Paris and joined the Board of Directors of Beni Stabili, Covivio group, in 2016. From April 2019 to 2022 she was also a member of the Board of Directors and Executive Committee of Intesa Sanpaolo Luxembourg.

In October 2023, she joined La Banque Postale as Payments Director.

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: Supervisory Board meeting of 15 July 2020

Date of renewal: GM of 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Offices held outside the Group:

Member of the Board of Directors: Transactis

Vice-Chairwoman of the Visa France Client Council: Visa France

Independent member of the Board of Directors: Idex Biometrics

Terms of office expired within the last five fiscal years:

Independent advisor: Beni Stabili

Independent advisor: Intesa Sanpaolo Luxembourg

Sogecap

Tour D2 17 *bis*, place des Reflets 92919 Paris-La Défense 2

Nanterre Trade and Companies Register 086 380 730

Number of shares held at 31 December 2023: 7,639,782

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 6 April 2018

Date of renewal: GM of 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA), public company

Offices held outside the Group:

Director: Sogelife (an unlisted Luxembourg company), SA Carmila (public company), SA BG1 (Luxembourg company), SA la Marocaine Vie (Moroccan company), SA Frey (public company), SPICCAV Oteli France, Fonds Stratégique de Participations, Praemia Healthcare, Icade Healthcare Europe, Powerhouse habitat, PWH, PREIM Healthcare, Selectirente, Raise Immobilier, Raise Immobilier Impact

Chairman: SAS SGI Holding SIS, Orientex Holding SAS

Manager SCI: Sogevimmo, Pierre Patrimoine, Sogepierre, SGI Immo 1, SGI Healthcare, SGI Immo 3, SGA Immo 5, SGA 48-56 Desmoulins, SGI 1-5 Astorg, SGI 10-16 Ville-l'Évêque, SGI Caen, SGI Villette, SGI Visitation, SGI Kosmo, 89 Grande Armée, Massy 30, avenue Carnot, 83-85 Grande Armée

Terms of office expired within the last five fiscal years:

Director: UIB Assurance, Château Mazeyres Pomerol, SA Oradea Vie, Carmila SAS

Yann Briand

Main position:

Head of Real Estate Sogecap

Born on 31 May 1974
in Carhaix-Plouguer (29)

French national

Business address:
17 *bis*, place des Reflets
92919 Paris-La Défense 2

Number of shares held at 31 December 2023: 0

Biography

Yann Briand holds a master's degree in Space Management and Development and Local Authorities (Paris IV) and a postgraduate degree in Commercial Real Estate (Paris I). Since 1999, he has worked for Arthur Andersen, General Electric, Catella and Société Générale in investment, appraisal and real estate consulting. Since 2014, he has been Head of Real Estate of Sogecap in charge of investment and Asset Management activities.

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 6 April 2018

Date of renewal: GM of 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Permanent representative of Sogecap, member of the Supervisory Board: Covivio Hotels (SCA), public company

Permanent representative of SOGECAP, Director: OTELI France

Director: KOMBON SAS

Offices held outside the Group:

Permanent representative of Sogecap, Director: BG1 SA, Carmila, Frey, Praemia Healthcare, Icade Healthcare Europe, Powerhouse habitat, PWH, PREIM Healthcare, Raise Immobilier Impact

Permanent representative of Sogecap, member of the Audit Committee: Carmila

Permanent representative of Sogecap, member of the Appointments and Remuneration Committee and member of the Investment Committee: Frey

Other directorship: Sogecap Real Estate

Terms of office expired within the last five fiscal years:

Carmila SAS, SGA Resiparis

Caisse des Dépôts et Consignations

56, rue de Lille 75007 Paris

Special status establishment created by the budget law of 28 April 1816, codified in Articles L. 518-24 and R. 518-1 to R. 518-42 of the French Monetary and Financial Code

SIRENE register 180 020 026

Number of shares held at 31 December 2023: 7,985,188

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 6 April 2018

Date of renewal: GM of 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Member of the Supervisory Board: Covivio Hotels (SCA)

Offices held outside the Group:

Director: La Compagnie des Alpes (public company), Icade (public company)

Terms of office expired within the last five fiscal years:

Director: CNP Assurances (listed company), Veolia Environnement (public company)

Arnaud Taverne

Main position:

Chief Executive Officer (CEO) of CDC

Real estate investment

Born on 18 May 1973 in Paris

French national

Business address:
56, rue de Lille 75007 Paris

Number of shares held at 31 December 2023: 0

Biography

Arnaud Taverne is a graduate of Université Paris IX Dauphine with a master's in Banking, Finance and Insurance (License, master 1 and master 2) and a master 2 (DEA) in International Economics and Finance. He began his career at PWC in 1997 (Senior Banking and Insurance Auditor) before joining Arthur Andersen in 2000 (Restructuring Transaction Advisory Services Paris, Senior Manager). In 2006, he joined the Financial Department of Veolia Transport as Head of Acquisitions.

He joined the Financial Department of the Caisse des Dépôts Group at the end of 2007 within the own-account real estate department and took over the General Management of CDC Investissement Immobilier in July 2014, an Asset Management company 100% owned by the CDC.

Offices held with Covivio Hotels:

Member of the Supervisory Board

Date of appointment: GM of 6 April 2018

Date of renewal: GM of 8 April 2021

Date of expiry of the term of office: GM of 2024 approving the annual financial statements for the fiscal year ended 31 December 2023

Offices held within the Covivio group:

Permanent representative of Caisse des Dépôts et Consignations, member of the Supervisory Board: Covivio Hotels (SCA), public company

Director: OPCI OTELI France, KOMBON SAS

Offices held outside the Group:

Permanent representative of the CDC, member of the Board of Directors: OPCI AEW Immo commercial

Member of the Board of Directors: AIH France SA, Compagnie des Alpes (public company), Immobilière de la Laine SA (foreign company), AIH Monceau Marquis (foreign company)

Terms of office expired within the last five fiscal years:

Permanent representative of the CDC, member of the Board of Directors: OPCI River Ouest, Le Marquis SA

Permanent Representative of SASU Logistis 2, member of the Supervisory Board: OPCI Foncière Franklin

Member of the Board of Directors: Oteli Europe SARL

5.2.2.1.4 Shareholdings of members of the Supervisory Board

The participation in the capital of the members of the Supervisory Board is presented in the management report in Section 1.6.7.

5.2.2.2 Methods of organisation and operation of the Supervisory Board

5.2.2.2.1 Missions of the Supervisory Board

The Supervisory Board assumes permanent control over the management of the company as described in Articles L. 226-9 *et seq.* of the French Commercial Code.

It prepares a report for the Ordinary Annual General Meeting, which approves the company's financial statements, as well as at the time of any increase or reduction in the share capital proposed to the shareholders.

In addition to the operations already listed in the Internal Regulations that specifically require the Board's prior authorisation, any significant operation requires prior authorisation by the Supervisory Board. They are detailed in Section 5.2.1.2, concerning the limitation of the powers of the General Manager.

Furthermore, up to a limit of a certain annual amount it will determine, it may authorise the Manager to give guarantees in the company's name. Furthermore, it reviews the appointment or reappointment of the Chairman of the Audit Committee.

The Supervisory Board's prior agreement is also required for the appointment or renewal of any Manager with the exception of the appointment of the first Manager.

Accordingly, the Supervisory Board has a maximum of twenty (20) days from the notification it received from the limited partners on the appointment or renewal project, to give or to refuse its consent.

In the event that, on two successive occasions within a period of two months, the Supervisory Board refuses this consent for two successive candidates, even though the company is without a Manager and the management is temporarily carried out by the limited partners, consent may be given by the Ordinary General Meeting of the shareholders ruling in the majority, called by the limited partner or partners submitting one of these two candidates only.

In the case where the consent of the Supervisory Board or the General Meeting is not obtained pursuant to the foregoing sections, the general partner or partners shall appoint a third person. If the Supervisory Board does not give its consent to this new person, his or her appointment shall be submitted to the Ordinary General Meeting, which may only refuse its consent on a two-thirds majority of the shareholders present or represented.

If a disposal of significant assets is contemplated, the Board and the General Manager assess the strategic interest of the transaction and ensure that the process is conducted in accordance with the corporate interest. To that end, the Board may establish an *ad hoc* Committee. In addition, any significant transaction outside the announced strategy of the company must be approved by the Board.

It decides on the approval of related-party agreements submitted to it and implements a procedure to regularly assess whether the agreements relating to current transactions and concluded under normal conditions meet these conditions.

Moreover, the Supervisory Board strives to promote the value creation by the company over the long-term by considering the social and environmental issues of its activities.

In connection with the strategy that it has defined, it regularly reviews opportunities and financial, legal, operational, social and environmental and other risks and the measures taken as a result. It ensures, where appropriate, the establishment of procedures to prevent and detect corruption and the peddling of influence. It also ensures that the General Manager implements a policy of non-discrimination and diversity in terms of balanced representation of women and men on the governing bodies.

In this respect, at its meeting of 16 November 2023, the Supervisory Board examined the risk mapping presented to the Audit Committee on 13 July 2023, showing in particular the financial, legal, operational, social and environmental risks, as well as the corresponding action plans.

In addition, the Supervisory Board of 16 November 2023 examined the Group's CSR policy, which is part of a European policy for all Covivio group's activities and which has been the subject of a certain number of studies, including: a mapping of CSR risks, an analysis of the carbon trajectory and the preparation of the energy performance statement carried out at the European level. During this meeting, the Board also studied and approved the company's policy on professional and salary equality, the non-discrimination policy and the diversity policy implemented within the Board.

In addition, a CSR Committee in Covivio was created in July 2021, to support the work of Covivio's Board of Directors on matters of environmental, social, employment and governance responsibility and make sure relevant CSR issues are addressed in the Group strategy, which includes Covivio Hotels is part, and in its implementation within the Group.

The Supervisory Board, at its meeting of 15 February 2024, also approved the Supervisory Board's report on corporate governance, which sets out the diversity policy applied to the members of the Board and the company's management.

5.2.2.2.2 Agreements submitted to the Supervisory Board

5.2.2.2.2.1 Agreements referred to in Article L. 225-37-4 of the French Commercial Code

In accordance with Article L. 225-37-4 2° of the French Commercial Code, we inform you that no agreement was made during the 2023 fiscal year, directly or by any intermediary, between firstly, one of the corporate officers or one of the shareholders holding more than 10% of voting rights in the company, and secondly a company controlled by the company according to the meaning of Article L. 233-3 of the French Commercial Code, with the exception of agreements covering routine operations and concluded under normal conditions.

5.2.2.2.2.2 Procedure for the assessment of routine agreements concluded under normal conditions

Pursuant to Article L. 22-10-12 of the French Commercial Code, the Supervisory Board, at its meeting of 15 November 2019, set up an annual review procedure for ordinary agreements entered into under normal conditions, excluding agreements entered into with companies in which Covivio Hotels directly or indirectly holds the entire share capital, by a Committee set up within the company.

The procedure specifies the establishment of an internal Committee that will meet annually and which is charged to:

- conduct a review of the determining criteria for routine agreements concluded under normal conditions defined in the Covivio group's internal charter of related-party agreement in order to make sure that they are always appropriate and in line with market practice
- specifically, analyse the normal character of the financial conditions
- submit agreements that no longer fulfil the said criteria for the authorisation of the Board.

The list of all agreements reviewed by the Committee and the results of the assessment made, and, where applicable, proposals to revise the criteria for these agreements, are presented each year to the Supervisory Board, which meets to examine the annual financial statements.

Thus:

- if the Assessment Committee considers that an agreement signed between two companies of the Covivio Hotels group has the character of a regulated agreement, it becomes subject to the procedure for the control of regulated agreements covered by Article L. 226-10 of the French Commercial Code
- if the Assessment Committee identifies any uncertainty concerning the qualification of an agreement, it submits it for the assessment of the Supervisory Board, it being understood that persons directly or indirectly interested in the agreement do not participate in its assessment.

Following the establishment of this procedure, the Supervisory Board updated the internal charter of the Covivio group on regulated agreements published on the company's website, to include these provisions.

Applying the procedure, the Supervisory Board meeting on 15 February 2024 was informed of the list of all routine agreements concluded under normal conditions in force within the Covivio Hotels group which were reviewed by the Committee, and the results of the assessment carried out by it concluding that all these agreements were indeed routine in character and made under normal conditions.

5.2.2.2.3 Rules on the composition of the Supervisory Board

5.2.2.2.3.1 General rules on the composition of the Supervisory Board and the appointment of Board members

Chairman

The Supervisory Board appoints a Chairman from among its members, who must be a natural person.

The Board sets the term of office of the Chairman, which may not exceed that of his or her term as a member of the Supervisory Board. Meetings of the Supervisory Board are chaired by the Chairman. If the Chairman is absent, the Board shall appoint a Chairman for the meeting.

Secretary of the Supervisory Board

The Supervisory Board also chooses a Secretary, who may be chosen either from among the members of the Board or from outside. The Secretary ensures compliance with the Board's rules of procedure and prepares the minutes of its meetings.

Employee representatives

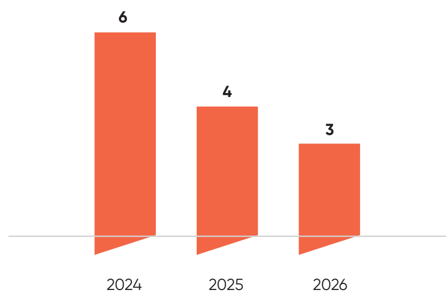
The Supervisory Board does not include any member representing employees: this lack of representation on the Board is due to the fact that Covivio Hotels does not fall within the scope of application of Article L. 226-5-1 of the French Commercial Code within the scope of Article L. 225-79-2 of the French Commercial Code.

5.2.2.2.3.2 Duration and staggering of terms of office

The term of office of the members of the Supervisory Board is no more than three years in accordance with Article 12 of the company's Articles of Association, so that shareholders can decide with sufficient frequency on their election and thus comply with the recommendations of the Afep-Medef Code.

At the Combined General Meeting of 7 April 2017 called to approve the simultaneous renewal of ten terms of office of members of the Supervisory Board, the shareholders approved the renewal of all members of the Supervisory Board, for terms of office ranging from one to three years to allow for a smooth staggering of terms of office.

Staggering of terms of office coming to an end



5.2.2.2.3.3 Recruitment procedure

When new members of the Board are recruited, the General Manager draws up a map of existing skills and defines the additional skills sought in the future Supervisory Board member. In addition to the technical skills sought, candidates must have good experience of participating in Management Committees or Executive Committees, be available and have the ability to both bring a constructive point of view to the discussions and contribute to the summary and decision-making. The shortlisted candidates, if necessary with the help of a specialised firm, are met by the Chairman of the Board and the General Manager and then presented to the Supervisory Board, which chooses the candidate to be put to the vote of the General Meeting of shareholders.

Declaration of corporate officers in application of points 12.1 and 12.2 of Appendix 1 of delegated Regulation (EU) 2019/980 dated 14 March 2019

The current corporate officers of the company have informed the company that:

- they have not been convicted of fraud during at least the last five years
- none of them have been associated with a bankruptcy, sequestration, liquidation or a company entering receivership over at least the last five years

- no third-party claim and/or official public sanction has been pronounced against them by the statutory or regulatory authorities, including designated professional bodies over the last five years [(1)]
- they have not been deprived by a court of the right to serve as a member of an administrative, management or supervisory body, or to participate in the management or conduct of a company's business during at least the last five years
- they have no family links with a corporate officer of the company
- they have no knowledge of any potential conflict of interest between their duties to the company and their private interests and/or other duties.

5.2.2.2.4 Diversity policy of the Supervisory Board

5.2.2.2.4.1 Principles

The Supervisory Board strives to bring together diversified skills that can contribute real estate and hotel expertise and have sufficient financial expertise to make informed and independent decisions on financial statements and compliance with accounting standards. Close attention is also paid to the quality and complementarity of the career paths of the Supervisory Board's members.

In its current configuration, the Board has a good balance of skills and expertise needed for the proper administration of the company.

The Supervisory Board pays particular attention to its composition, to ensure that it promotes diversity. This diversity is essential for the Board because it is a source of dynamism and performance, thus ensuring the quality of the Board's debates and decisions. In particular, it ensures that the diversity of the backgrounds and expertise of its members allows for a rapid and in-depth understanding of the company's activities and challenges in order to optimise the proper responsibilities and duties.

To achieve this, the Supervisory Board has put in place a policy for the composition of governance bodies:

Criteria	Targeted objectives	Implementation and results achieved during the fiscal year 2023
Representation of women and men	❑ Seeking a balanced representation of men and women on the Board and in accordance with the provisions of Article L. 22-10-74 of the French Commercial Code → the proportion of women has changed significantly since 2015 to gradually reach 40% at the end of the Combined General Meeting of 7 April 2017.	The percentage of women on the Supervisory Board is 46%, higher than the legal minimum.The Audit Committee is chaired by a woman. The Combined General Meeting of 15 April 2024 will be called upon to renew the terms of office of female members in office in order to maintain the representation of women.
Duration and staggering of terms of office	❑ Securing the continuity of the Board, through the regular staggering of terms of office of Board members limited to three years	❑ The terms of office of the members of the Board, set by the Articles of Association, allow shareholders to vote with sufficient frequency. ❑ The terms of office have been staggered since 2017, allowing shareholders to vote on several appointments or reappointments each year
Skills and experience	❑ Combining the skills required to implement the company's strategy and its development objectives ❑ Promoting a diversity of skills and experience	❑ The Supervisory Board ensures that the skills of its members are varied, complementary and balanced, thus enabling an in-depth understanding of the Company's development challenges and informed, independent and high-quality decision-making ❑ The Board strengthened its international skills with the appointment of Adriana Saitta ❑ These powers are detailed in section 5.2.2.1.3. and in the biographies of the members of the Board, which also describe their experience and expertise
Age and seniority	❑ Seeking a balance between ages, bearing in mind that the Articles of Association require that no more than one third of Supervisory Board members can be over 75 ❑ Seeking a balanced distribution of seniority on the Board	❑ The members of the Board are between 41 and 61 years old ❑ The average age is 50 ❑ The Board believes that its composition is balanced between members who have already been in office for several years and have an historical and in-depth knowledge of the Group and more recent members who bring new experience that can serve the interests of the Group, particularly its development
Nationalities	❑ Favouring the recruitment of profiles from a diversity of geographical origins which enhance knowledge of the Company's main markets (Board members of foreign nationality or international culture and/or with international experience in the Company's strategic markets)	❑ The Board benefited from the arrival in 2020 of a new member of Italian nationality ❑ The majority of members have international experience

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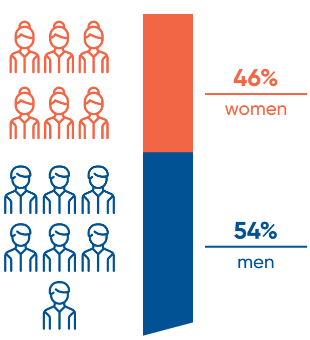
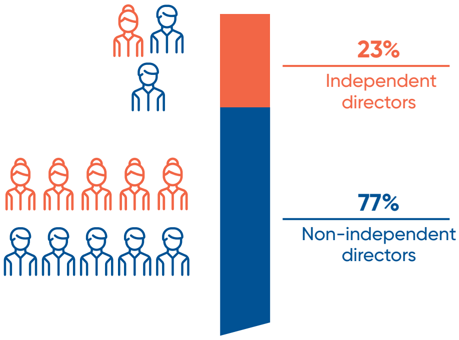
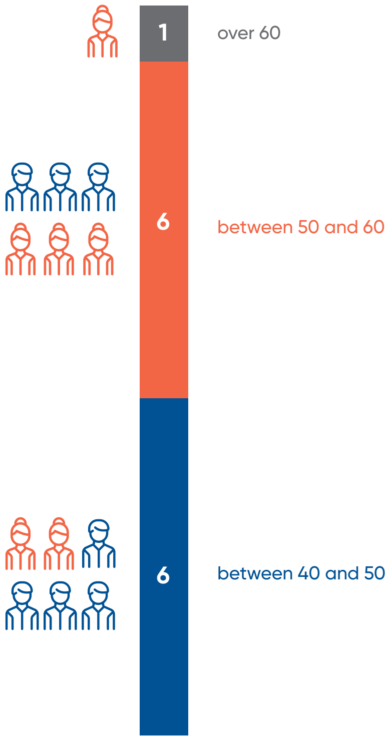
(1) Generali Vie declared that it was sanctioned on 11 March 2020 by the French Prudential Supervisory and Resolution Authority (ACPR) for management errors observed in the management of supplementary pension contracts, it being specified that the control covered a period of activity covering more than 40 years of production of supplementary pension contracts (reprimand and financial penalty of €10 million). Cardif Assurance Vie declared that it was sanctioned on 29 April 2021 by the ACPR following an inspection carried out in 2018-2019 on the system in place, from 2016 to 2018, for anti-money laundering and terrorist financing, and asset freezes: the criticisms of Cardif Assurance Vie notably related to the consequences of the implementation of its transaction oversight tool (UGO), whose pre-testing failed to identify some anomalies, and to the asset freezing system. Cardif Assurance Vie was not found responsible for any cases of money laundering or terrorist financing. All the criticisms were remedied, in some cases even before the ACPR inspection began.

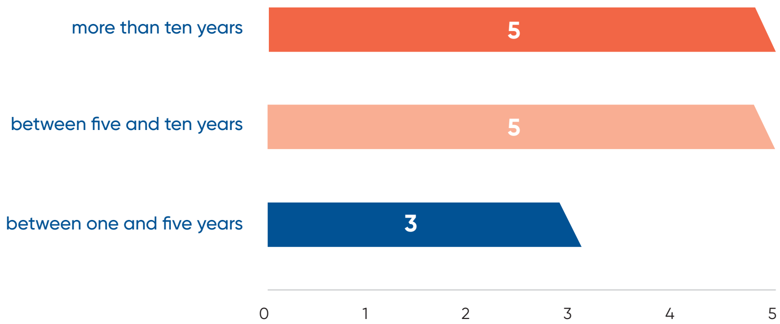
The Supervisory Board ensures that any change in its composition and, to the extent possible, in that of its Committee, complies with this policy.







Seniority of members of the Supervisory Board



In view of the factors set out above and in view of the diversity policy implemented by the company, the Supervisory Board considers that its composition in the 2023 fiscal year is appropriate.

5.2.2.2.4.2 Independence

Each year, the Supervisory Board devotes one item on its agenda to assessing the independence of its members according to the independence criteria applied by the company. In its assessment of the independence of each Board member, the Supervisory Board first considers the criteria set by the Afep-Medef Code, which are key to its analysis and detailed below:

Criterion 1	**Employee corporate officer within the previous five years** He or she is not and has not been within the previous five years: • an employee or executive corporate officer of the company • an employee, executive corporate officer or Director of a company that the company consolidates • employee, executive corporate officer or Director of the parent company or of a company consolidated by that parent company.
Criterion 2	**Cross-holdings of office** He or she is not an executive officer of a company in which the company directly or indirectly holds a Directorship or in which an employee appointed as a Director or executive corporate officer of the company (currently or within the past five years) holds a Directorship.
Criterion 3	**Significant business relationships** He or she is not a significant customer, supplier, commercial banker, investment banker or advisor: • of the company or its group • or for whom the company or its group represents a significant part of activity. Assessment of the significant or otherwise nature of the relationship between the company or its group is discussed by the Board and the quantitative or qualitative criteria supporting this assessment (length, economic dependence, exclusivity, etc.) detailed in the annual report.
Criterion 4	**Family links** He or she has no close family ties with a corporate officer.
Criterion 5	**Statutory Auditors** He or she has not served as a Statutory Auditor for the company during the past five years.
Criterion 6	**Term of office exceeding 12 years** He or she has not been a Director of the company for more than 12 years. The status as independent Director will no longer prevail on the 12-year anniversary date.
Criterion 7	**Status of non-executive corporate officer** A non-executive corporate officer may not be considered independent if he or she receives variable remuneration in cash or shares or any other remuneration related to the performance of the company or the Group.
Criterion 8	**Status of significant shareholder** Directors representing significant shareholders in the company or its parent company may be considered independent if these shareholders do not participate in the company's control. Nevertheless, when more than 10% of the company's equity or voting rights are held, the Board, acting upon a report from the Appointments and Remunerations Committee, systematically examines the qualification as independent, taking into account the composition of the company's equity and potential conflicts of interest.

Secondly, in accordance with Article 10.4 of the Afep-Medef Code, beyond merely noting of whether or not these criteria are met, the Board analyses, on a case-by-case basis, whether or not the member of the Board meets the general definition contained in the Afep-Medef Code, which states that a member of the Board is independent if he or she does not maintain any relationships of any kind whatsoever with the company, its group or its management that could compromise the exercise of his or her freedom of judgement. Accordingly, "independent Board member" means not only "non-executive Member of the Supervisory Board", that is to say, a Board member who not only does not exercise a management function in the company or its group, but also lacks a special interest relationship (significant shareholder, employee, other) with them.

More specifically, it seeks to establish whether a member of the Board who could be presumed to be independent under the Afep-Medef Code does not maintain other relationships (professional or personal) that may hinder his or her freedom of analysis and decision. Conversely, the Board also seeks to establish whether or not a member of the Board, although presumably non-independent with respect to one of the criteria established by the Code, could be considered free from constraints, since in this case the criterion in question generates no loss of independence with regard to the particular situation of the company. This case-by-case analysis is particularly justified by the specific nature of the real estate sector, which focuses on an identified number of players and is led by well-known individuals.

At its meeting on 15 February 2024, the Supervisory Board conducted an annual review of the independence criteria for each member of the Supervisory Board in relation to the criteria set by the Afep-Medef Code. Taking into account the recommendations of the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) and the High Committee on corporate governance, the Board also assessed, where appropriate, the material or non-material nature of the business relationships between the members of the Supervisory Board and the company or its group, particularly with regard to the type of relationship and amounts involved therein.

The Board has adopted a multi-criteria approach to the material nature of a business relationship, with a focus on qualitative analysis. To this end, it took into account all of the following criteria:

Qualitative criterion	• Significance of the business relationship for the Board member and the company (potential economic dependence, exclusivity or influence of the business relationship within the sector, etc.). • Structure of the relationship, including the position of the member in question concerned in the contracting company (length of the term of office as Director, existence of an operational function within the entity concerned, direct decision-making power over the contracts constituting the business relationship, direct interest for the Board member or contract-related remuneration paid to the Board member, etc.). • Term and continuity of the business relationship.
Quantitative criterion	• Share of the company's revenues in the business relationship with the entities to which the Board member is related.

Following this review, the Supervisory Board decided to maintain in 2024 the independence classification of Adriana Saitta, Sogecap represented by Yann Briand and Caisse des Dépôts et Consignations, represented by Arnaud Taverne, in view of the following findings:

- Adriana Saitta, has been a member of the Supervisory Board since 15 July 2020. She has never had a business relationship with the company and does not represent any shareholder. She was a Director at Beni Stabili, a company consolidated by Covivio and eventually absorbed on 31 December 2018, but has never held any executive position with Covivio Hotels or any of its Group companies or its management. This non-executive position, held more than five years ago, enabled her to have a good knowledge of the Group. She therefore meets all of the aforementioned Afep-Medef criteria
- SOGECAP, represented by Yann Briand, has been a member of the Supervisory Board since 6 April 2018. The situation of SOGECAP, whether or not the existing business relationship between the company and the Société Générale group is significant, was analysed. Following this analysis, it was concluded by the Supervisory Board that the business relationship between the Covivio Hotels group and the insurance company is not considered significant for either party, in accordance with the qualitative and quantitative criteria defined above. It was noted that in 2023, the volume of business with this bank, which is one of the investment banks and is also a partner of the Covivio Hotels group, represented a low share of the Group's bank debt, having an extremely low volume in relation to the other banks with which the Group works. Consequently, the Supervisory Board holds that this business relationship is not significant for any of the parties and that Sogecap meets all of the Afep-Medef criteria mentioned above and remains eligible for qualification as an independent member
- the Caisse des Dépôts et Consignations, represented by Arnaud Taverne, has been a member of the Supervisory Board since 6 April 2018. The situation of Caisse des Dépôts et Consignations, in particular the significance of the existing business relationship between the company and Caisse des Dépôts et Consignations was analysed. Following this analysis, it was concluded by the Supervisory Board that the business relationship that Covivio Hotels has with Caisse des Dépôts et Consignations is not considered material for either party in accordance with the qualitative and quantitative criteria defined above. It was noted that in 2023, the volume of business with this establishment, which is one of the partners of the Covivio Hotels group, represented a small share of the Group's investments, having an extremely low volume compared to the other investments and partnerships with which the Group works. Consequently, the Supervisory Board holds that this business relationship is not significant for any of the parties and that Caisse des Dépôts et Consignations meets all of the Afep-Medef criteria mentioned above and remains eligible for qualification as an independent member.

In line with AMF Recommendation 2012-02, as revised on 3 December 2019, the table below shows the situation of the independent members of the Supervisory Board and their qualification (or lack thereof) as independent in light of the independence criteria defined by the Afep-Medef Code:

	Criterion 1 Employee officer within the previous five years	Criterion 2 Cross-holdings of office	Criterion 3 Significant business relationships	Criterion 4 Family links	Criterion 5 Statutory Auditors	Criterion 6 Term of office exceeding 12 years	Criterion 7 Status of non-executive corporate officer	Criterion 8 Status of significant shareholder	Qualification chosen by the Supervisory Board
Cardif Assurance Vie represented by Nathalie Robin	√	√	√	√	√	X	N/A	X	Non-independent
Adriana Saitta	√	√	√	√	√	√	N/A	√	Independent
Sogecap represented by Yann Briand	√	√	√	√	√	√	N/A	√	Independent
Caisse des Dépôts et Consignations, represented by Arnaud Taverne	√	√	√	√	√	√	N/A	√	Independent
Christophe Kullmann	X	X	√	√	√	X	X	X	Non-independent
Olivier Estève	X	X	√	√	√	√	N/A	X	Non-independent
Covivio represented by Laurie Goudallier	X	√	√	√	√	X	N/A	X	Non-independent
Covivio Participations represented by Joséphine Lelong -Chaussier	X	√	√	√	√	√	N/A	√	Non-independent
Foncière Margaux represented by Marielle Seegmuller	X	√	√	√	√	√	N/A	√	Non-independent
Najat Aasqui	√	√	X	√	√	√	N/A	√	Non-independent
Predica, represented by Emmanuel Chabas	X	√	X	√	√	X	N/A	X	Non-independent
ACM Vie, represented by François Morrisson	X	√	X	√	√	X	N/A	√	Non-independent
Generali Vie, represented by Sébastien Pezet	√	√	√	√	√	X	N/A	√	Non-independent

√ represents an independence criterion that has been met. X represents an independence criterion that has not been met.

Criteria 1 to 8 refer to the criteria set out in the Afep-Medef Code defined above.

With 23% of the members of the Supervisory Board qualifying as independent, the company does not comply with the recommendations of the Afep-Medef Code, the explanations of which are given in Section 1.

5.2.2.2.4.3 Representation of women

Gender diversity and equality are factors for increasing efficiency and economic and social performance. They are central to the concerns of Covivio Hotels. The Supervisory Board is therefore committed to ensuring balanced representation in its membership.

Since women make up 46% of the Supervisory Board, the company meets the legal obligation introduced in 2017.

The Combined General Meeting is asked to renew the term of office of Ms Adriana Saitta as a member of the Supervisory Board. The proportion of women will thus be unchanged at 46% of members, significantly higher than the legal minimum.

5.2.2.2.4.4 Nationalities

Since 15 July 2020, the Board has included a member of the Supervisory Board who is an Italian national, thus extending the diversity within the Board and broadening its perspective on issues examined during the meeting. This appointment responded to the desire expressed by members of the Supervisory Board in their last internal review of the work of the Board in diversifying the composition and strengthening international experience of the Board.

5.2.2.2.4.5 Training

During the year, the company continued the integration process for new members in order to give them a better understanding of the company and its sector. Thus, members who were not familiar with the sector of activity or the company have had the opportunity to meet several times with the General Manager and can also, if they deem necessary, take additional training on the specificities of the company, its business lines and its sector of activity.

In addition, strategic seminars are organised on a regular basis. The purpose of these seminars is to find out about the Group's activities in the field and to visit the assets in the portfolio. They are also an opportunity for Board members to meet and discuss with the Group's executives and employees.

The last edition of the Board's strategic seminar took place over two days in London during the Supervisory Board meeting on 17 November 2022 at the Hotel Kimpton Fitzroy, an emblematic hotel in the company's portfolio. This seminar made it possible to explore the economic and financial environment in which the company operates in greater depth, to better understand the London assets, and to take stock of the methods of ownership of hotel assets.

5.2.2.2.5 Rules of operation and organisation of the Supervisory Board

5.2.2.2.5.1 Procedure to prevent conflicts of interest

The Internal Regulations of the Supervisory Board set forth, in Article 1.6.5, a procedure to prevent (even potential) conflicts of interest, in the context of the presentation of projects submitted to the Board.

Prior to submitting projects to the Board, if there are serious reasons to believe that a member of the Board is in a situation presenting a conflict of interest, the company's Chief Operating Officer ensures the prevention of any conflict of interest for the latter, by providing the member with information on each of the projects submitted, thus allowing the member to determine in good faith the existence or absence of a conflict of interest. It is further hereby stated that each member of the Board is under an obligation to notify the company's Chief Operating Officer, at all times, of any intention to take a position, directly or indirectly, on any project that he or she believes, in good faith, is likely to interest and be considered by the company.

Any member of the Board who fails to confirm the absence of a conflict of interest will not receive the presentation of the investment projects in question and will not be able to participate in the Board meeting during the discussion of the corresponding agenda items.

In the event that, in spite of these precautions, the members of the Board who are the recipients of the Board's projects should consider, on reading then, that they are in a situation of conflict of interest, they shall have to mention it to the Chief Operating Officer as soon as possible before the governance meeting. As such, they will not be able to attend the Board meeting during the discussion of the agenda items subject to the conflict of interest. The Chairman of the Board shall also be notified.

In the event of a conflict of interest occurring during the review of a project, the member in question shall, as soon as he or she becomes aware of it, notify the Chairman. He or she will no longer attend the Board meetings devoted to a discussion of the agenda items relating to that project, and more generally, shall be under a strict duty of confidentiality.

If a conflict of interest situation ceases to exist, the Board member may once again participate in the deliberations of the Board upon receipt by the Chairman of notification that the conflict of interest no longer exists from the member in question.

Any decision by the Board regarding conflicts of interest will be recorded in the Board minutes.

5.2.2.2.5.2 Ethical guidelines for the members of the Supervisory Board

The provisions relating to the rules of ethics and duties of the members of the Supervisory Board are set out in Article 1.6 of the company's Internal Regulations. This article lays down, in particular, the rules that are binding on members in relation to the declaration and management of conflicts of interest through their duty of loyalty. A copy of the company's Internal Regulations is available to shareholders at the company's registered office and on its website (https://www.covivio-hotels.fr/gouvernance/conseil-de-surveillance/).

Skills	Before taking up their duties, Board members must be familiar with the legal or regulatory texts governing their duties, the company's Articles of Association and the Board's Internal Regulations. In particular, each member of the Board ensures that he or she complies with the laws in force regarding multiple mandates.
Shareholding	The company shares held by each member of the Board at the time he or she takes office must be recorded in registered form (pure or administered). The same will apply for any shares acquired at a later date.
Transparency	In accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and the applicable provisions of the General Regulations of the AMF, each member of the Board is required to declare to the company and to the AMF any transaction, including any purchase, disposal, subscription, conversion, borrowing, lending or exchange transactions that he or she has made on company securities, as well as on any related financial instruments. This declaration must be made within three trading days after the execution of such transactions, where the total amount of the transactions made during the calendar year is greater than €20,000. Furthermore, any agreement governed by the provisions of Article L. 226-10 of the French Commercial Code is subject to the communication, authorisation and control formalities required by Articles L. 225-38 to L. 225-42 of the same Code.
Duty of loyalty	Each person participating in the work of the Board, whether Board members or permanent representatives of a legal entity Board member, must make their best efforts to determine in good faith whether a conflict of interest exists. Such person is bound to inform the Chairman of the Board thereof as soon as he or she learns of any situation that could constitute a conflict of interest between him- or herself or the company for which he or she is the permanent representative, or any company of which he or she is an employee or corporate officer, or any company of the same group and the company or any company in its group. This applies in particular where, for any transaction being considered or undertaken by the company, a member of the Board or a company of which a Board member is an employee or corporate officer might have competing interests or interests opposed to those of the company or the companies within its group. In such a case, the relevant Board member (or the relevant permanent representative of the legal entity who is a member of the Board) must refrain from participating in the discussions and deliberations of the Board or any Committee relating to the transaction, and more generally observe a strict duty of confidentiality. In case of a standing conflict of interest, the Board member concerned (or the permanent representative of the legal entity Board member concerned) must submit his or her resignation.
Duty of diligence	Each member of the Board is required to devote the time and attention necessary to the performance of his or her duties. He or she must be diligent and, to the extent possible, attend all of the meetings of the Board and, as the case may be, the Audit Committee as well as the General Meetings of Shareholders.
Duty of confidentiality	In the case of non-public information acquired in connection with his or her duties and deemed to be confidential, each member of the Supervisory Board (it being recalled that no distinction is made between the member of the Supervisory Board that is a natural person and the permanent representative [proxy] of the legal entity member of the Supervisory Board), as well as any person called to attend the meetings of the Board and the Committee, will be bound to professional secrecy, beyond the simple obligation of discretion provided for by Article L. 225-37 of the French Commercial Code, and must strictly preserve its confidentiality even after the termination of their duties. However, each permanent representative is authorised to communicate to the legal entity that appointed them, through their executive corporate officer, the information they have collected and which is strictly necessary for the performance of their duties as a member of the Supervisory Board. The latter is then authorised to disclose this information, in a limited manner, to other persons within the legal entity that are members of the Supervisory Board, provided that all necessary measures are taken to ensure that these persons comply with strict confidentiality and the rules governing the communication and use of privileged information. This strict confidentiality obligation, which applies in principle whether or not the Chairman has explicitly indicated the confidential nature of the information, covers the content of the discussions and deliberations of the Board and the Committee as well as all of the information and documents that are presented therein, or that are communicated to them in the preparation of their work, or of which they may have been made aware in the course of their duties.
Duty to abstain from trading in securities	Each member of the Board must refrain from trading in the company's shares in accordance with the rules on insider trading and from trading in the shares of companies over which he or she has, by virtue of his or her duties, inside information in accordance with the principles set out in the insider trading guide appended to the Internal Regulations.

5.2.2.2.5.3 Evaluation of the Supervisory Board's work

The Board assesses its ability to meet the expectations of shareholders who have entrusted it with the mandate of managing the company, periodically reviewing its composition, organisation and working methods, which also involves a review of its Audit Committee.

In accordance with the provisions of the Afep-Medef Code, the Board holds an annual discussion on its working methods and the working methods of its Audit Committee and carries out a formal evaluation at least every three years, with the help of an external consultant.

The assessment of the Board's work aims to review the Supervisory Board's working methods (and, where appropriate, the relevance of the governance procedures implemented by the company), verify that important matters are correctly prepared and discussed, and may also allow for an opinion on the measure of each Board member's actual contribution to the Board's work.

In accordance with the recommendations of the Afep-Medef Code, the company carried out a formal assessment at the end of the 2022 fiscal year. This assessment was carried out on the basis of a questionnaire sent to each member of the Supervisory Board and the Audit Committee and focused on the following topics:

- operating procedures of the Supervisory Board and its Audit Committee
- composition of the Supervisory Board and the Audit Committee
- areas of expertise represented on the Board
- relations with the company's management.

The results of this evaluation were presented to and discussed by the Supervisory Board on 17 February 2023. The overall analysis of this assessment made it possible to highlight the good quality of the discussions within the Supervisory Board and the Audit Committee and to underline the good relations with the management and between members of the Board, and to underline the relevance of holding strategic seminars and off-site consulting.

Conclusions of the internal assessment carried out in 2022 Participation rate: 91%	
Strengths highlighted	❑ Overall, a very positive assessment of the functioning of the Board and the Committee ❑ A good understanding of the Group and its strategy ❑ Highlighted quality of discussions ❑ Good relations with Management and between Board members ❑ Relevance of strategic seminars and outsourced advice ❑ Effectiveness of the Audit Committee: composition, organisation and quality of work
Areas for improvement proposed by Supervisory Board members	
❑ Board composition: strengthening the Board's skills with an international profile specialising in the hotel industry	
❑ Content of discussions: give more time to CSR topics and to monitoring Covivio Hotels' competitors	
❑ Remuneration of Board members: lower remuneration than other real estate companies	
❑ Desire to organise a meeting of the members of the Supervisory Board without the presence of Management	
The year 2024 will be used to continue the current good momentum and make further progress on the suggested areas for improvement	

5.2.2.2.5.4 Organisation of the Supervisory Board

- Governance timetable

The provisional governance timetable for year N+1 is sent to the members and the Statutory Auditors during the meeting of the Supervisory Board called to review the half-year financial statements.

- Meetings

The Supervisory Board meets as often as the interests of the company require and at least four times per year, once per quarter, and the General Manager provides the Supervisory Board with the following information, taking into account, where appropriate, the activities of the company and its subsidiaries on a consolidated basis:

- at the Supervisory Board meeting held during the second quarter of the fiscal year, the draft consolidated balance sheet, consolidated income statement, draft statement of consolidated financial flows, and report by the Statutory Auditors on the consolidated financial statements
- at the Supervisory Board meeting held in the fourth quarter of each fiscal year, an annual consolidated budget as well as the company's annual cash flow projections and the consolidated cash flow of the company and its subsidiaries
- at each of the quarterly meetings, a business report, comprising all the elements determined by the Supervisory Board, and a description of major events that occurred during the previous quarter.

More generally, the Manager should provide the Supervisory Board with the same documents as those given to the Statutory Auditors as well as any document or information that the Supervisory Board may reasonably request.

- Form of notice of the meeting

Except in an emergency, the members of the Board must be called to a meeting at least one week prior to the date of the Board meeting. Meetings of the Supervisory Board are held at the company's registered office or any other location indicated in the notice of meeting.

- Other attendees

The representatives of the Manager, Chief Operating Officer and Deputy Chief Executive Officer attend Board meetings as guests.

The Statutory Auditors are called to the meetings at which the annual and half-yearly, parent company or consolidated financial statements are reviewed together with the members of the Supervisory Board.

Depending on the items on the agenda, the Chairman may deem it useful to invite employees or outside consultants to attend.

- Information for members of the Supervisory Board

The company provides the members with the information they need to effectively participate in the Board's work in order to enable them to perform their role in appropriate conditions. This ongoing information must include all relevant items concerning the company, including press releases issued by the company, as well as the major press articles and financial analysis reports concerning it.

At each Board meeting, the Chairman informs the members of the main facts and significant events affecting the company's business since the previous Board meeting. In addition, files containing the necessary information and documents are prepared before each meeting and delivered with reasonable advance notice to the members attending the Board meeting to enable them to fulfil their mission (including all documents relating to the transactions to be examined by the Board and that allow it to assess their importance). Each participant may be sent all documents he or she considers useful.

Finally, the Board is also regularly informed through the Audit Committee of the Group's financial position, cash position and commitments.

On 18 December 2018, the Supervisory Board decided to use a digital platform that made governance files available in a secure and virtual manner starting in 2019, thus ensuring the historical management of the Supervisory Board's and Audit Committee's documentation (records, minutes, Internal Regulations, governance calendar, etc.) in complete confidentiality.

- Deliberations of the Supervisory Board

The Supervisory Board validly deliberates only if at least one half of its members are present. In compliance with the applicable laws and regulations, the meetings of the Supervisory Board may be held *via* videoconference or telecommunication or any other method allowed under the law or regulations, under the conditions defined by the Internal Regulations adopted by the Supervisory Board.

Decisions are adopted by a majority of the members present or represented. In the event of a tied vote, the meeting's Chairman has the casting vote.

The deliberations of the Supervisory Board are recorded in minutes prepared by the Secretary of the Board at the end of each meeting. After approval, they are transcribed in the register of minutes of Board meetings.

5.2.2.3 Activity of the Supervisory Board in 2023

5.2.2.3.1 Attendance by members of the Supervisory Board

During the 2023 fiscal year, the Supervisory Board met four times, convened by its Chairman. The average duration of Supervisory Board meetings was two hours.

The average attendance rate of the members was 90%. The rate of attendance of each member was:

Number of meetings	1	2	3	4	Attendance rate
Christophe Kullmann					100%
Olivier Estève					100%
Najat Aasqui					75%
Joséphine Lelong-Chaussier, permanent representative of Covivio Participations					100%
Ms Céline Leonardi, permanent representative of Covivio					75%
Ms Marielle Seegmuller, permanent representative of Foncière Margaux					75%
Mr Emmanuel Chabas, permanent representative of Predica					75%
Mr François Morrisson, permanent representative of ACM Vie					100%
Mr Sébastien Pezet, permanent representative of Generali Vie					100%
Ms Nathalie Robin, permanent representative of Cardif Assurance Vie					100%
Ms Adriana Saitta					100%
Mr Yann Briand, permanent representative of Sogecap					100%
Mr Arnaud Taverne, permanent representative of Caisse des Dépôts et Consignations					75%
Average attendance rate					90%

Attendance at meetings

Total number of sessions

5.2.2.3.2 Main work of the Supervisory Board

In addition to issues relating to its legal or regulatory powers, the Supervisory Board regularly rules on the Group's strategy and on major decisions affecting its business (both acquisitions or disposals and internal restructuring).

In particular, the Board's work involved a review of the following points.

Monitoring of the Group's strategic orientations and its activities	• authorisation of the main decisions affecting its business, particularly with regard to investment transactions and asset disposals; • progress report on the company's strategic plan; • regular progress report on various current and previously authorised projects; • regular update on the disposal plan; • presentation and progress report on the work on the portfolio; • regular reporting on the Group's business activity, the market environment, its portfolio, financial position, financial indicators, stock market performance and its cash flow.
Governance	• review of the independence of the members of the Supervisory Board with regard to the criteria defined by the Afep-Medef Code; • review of the results of the internal assessment of the organisation and functioning of the Supervisory Board and its Committee and presentation of the main suggestions and areas for improvement identified by the members of the Board; • debate on the changes in the composition of the Supervisory Board and its Audit Committee in view of the terms of office expiring in April 2023; • presentation to the General Meeting to approve the reappointment of the members of the Board whose terms of office expired in April 2023; • regular updating of the Internal Regulations of the Board and its appendix on the prevention of insider trading; • approval of the diversity policy applied to the members of the Board and Audit Committee.
General Meeting	• approval of the report by the Chairman of the Supervisory Board on corporate governance, and the Supervisory Board report; • presentation of the agenda and draft resolutions for the Combined General Meeting of 18 April 2023.
Remuneration	• consideration and approval of the remuneration policy for the members of the Supervisory Board, which was submitted for approval to the General Meeting of 18 April 2023; • favourable opinion on the new remuneration policy of the Manager, prepared by the limited partners, and submitted for approval by the General Meeting of 18 April 2023.
Financial management	• review of the consolidated financial statements of the Covivio Hotels group as well as the parent company's financial statements for the fiscal year ended 31 December 2022; • approval of the allocation of the 2022 income prepared by the Manager and proposed to the Combined General Meeting of 18 April 2023 and distribution of the dividend; • review of the consolidated financial statements for the first half of 2023; • monitoring of the implementation of the 2023 budget and adoption of the budget for the year 2024; • approval of financial press releases; • authorisation of the guarantees granted during the fiscal year on behalf of the company and renewal of the annual authorisation granted to the General Manager, to issue sureties, endorsements and guarantees; • review and approval of the various (re)financing transactions; • approval of the implementation of an EMTN (Euro Medium Term Notes) programme.
Risk management	• validation of the mapping of the financial, legal, operational, social and environmental risks associated with the company's activity, which was presented to the Audit Committee; • validation of action plans related to the company's major risks; • examination of the results of the internal assessment of the review of agreements relating to routine agreements concluded under normal conditions; • a reminder to the members of the obligations incumbent upon persons exercising managerial responsibilities (and their close relations) under the regulations on market abuse, including in particular the rules of abstention (i) from disclosure of inside information and (ii) the prohibition on trading in securities when in possession of inside information.
Corporate social and environmental responsibility	• approval of the non-discrimination and diversity policy, particularly with regard to the balanced representation of women and men on the governing bodies presented in the Supervisory Board's report on corporate governance; • approval of the diversity policy put in place in the Supervisory Board; • approval of the company's policy on equality in the workplace and equal pay; • presentation of the company's CSR policy and the carbon trajectory of the company's portfolio.
Regulated agreements	• authorisation for the continuation of related-party agreements entered into and authorised in previous fiscal years which continued in 2023; • validation of the update of the charter on related-party agreements and on the procedure for the valuation of current agreements entered into under normal conditions; • authorisation of a new regulated agreement.

5.2.3 The Supervisory Board's specialised Committee

As part of the application of the principles of corporate governance and to improve the quality of its work, the Supervisory Board relies on an Audit Committee, which is in charge of monitoring issues relating to the preparation of and control of accounting and financial information, by submitting a notice of proposals and recommendations.

Since Covivio Hotels is a subsidiary controlled by Covivio, which defines and implements an overall remuneration policy for the Group, the Supervisory Board did not consider it useful, at the company level, to set up an Appointments Committee or Remuneration Committee.

Pursuant to Article L. 22-10-76 of the French Commercial Code, the components of the remuneration policy applicable to the Manager are established by the limited partners, after a favourable advisory opinion from the Supervisory Board.

The Internal Regulations of the Supervisory Board determine the powers and operating procedures of the Audit Committee, which reports to the Board (*via* its Chairman) on its work, opinions, proposals or recommendations.

A description of the activities of this Committee is included each year in this report.

5.2.3.1 The Audit Committee

The regulation of its missions, composition and structure is governed by Articles L. 823-19 *et seq.* of the French Commercial Code. The company's Internal Regulations comply with the provisions on the Audit Committee stipulated by the aforementioned articles.

5.2.3.1.1 Composition

The Supervisory Board meeting of 7 May 2020 decided to change the composition of the Audit Committee and to appoint for the duration of their term of office as members of the Supervisory Board:

- Nathalie Robin, permanent representative of Cardif Assurance Vie as Chairwoman, replacing Françoise Debrus whose term of office as a member of the Supervisory Board expired at the end of the General Meeting of 7 May 2020
- Arnaud Taverne, permanent representative of Caisse des Dépôts et Consignations, and Emmanuel Chabas, permanent representative of Predica as new members.

Thus increasing its composition from three to four members, including an independent member (25%): Arnaud Taverne.

The Supervisory Board meeting of 20 April 2021 renewed the terms of office of Messrs Olivier Estève and Arnaud Taverne for the duration of their terms of office as members of the Supervisory Board.

On 7 April 2022, the Supervisory Board renewed the terms of office of Nathalie Robin as Chairwoman and Emmanuel Chabas for the duration of their terms of office as members of the Supervisory Board.

The composition of the Audit Committee is as follows:

Audit Committee

4
members

25%
independent members

88%
attendance rate

Nathalie Robin, Chairwoman
Olivier Esteve
Arnaud Taverne*
Emmanuel Chabas

* Independent members

Due to their significant training and experience, all members of the Audit Committee have specific expertise in finance or accounting:

- Ms Nathalie Robin, Chairwoman of the Audit Committee, is Real Estate Director of BNP Paribas Cardif. She holds other Directorships in public companies and is a member of several Audit Committees
- Mr Olivier Estève is Chief Executive Officer of Covivio and oversees all of Covivio's Development activities, from marketing to Wellio's development
- Mr Arnaud Taverne is Chief Executive Officer of CDC Investissement Immobilier. He holds a Master's degree in Banking, Finance and Insurance and a Master's degree in International Economics and Finance. He has worked in several Finance Departments and joined the Finance Department of the Caisse des Dépôts group in 2007
- Mr Emmanuel Chabas is responsible for real estate investments at Crédit Agricole Assurances. He is a graduate of ESSEC. He began his career in management control and internal audit.

No member of the Audit Committee is also an executive corporate officer.

Functioning

The Audit Committee meets at the initiative of its Chair or at the request of the Chairman of the Board of Directors or the General Manager. It meets at least twice a year to review the half-yearly and annual financial statements.

Attendance by at least half of the members of the Audit Committee is necessary for a *quorum*.

The Audit Committee reports on its work at the following Board meeting.

The Audit Committee has an average of two days to review the financial statements before they are reviewed by the Board.

In the exercise of its duties, the Audit Committee may hear, when it considers it necessary, the Statutory Auditors, the General Manager, the Finance, Accounting and Treasury department, the Internal Audit department or any other manager, if necessary, without the General Manager being present. It may use the services of external experts as required.

The opinions of the Audit Committee are adopted by simple majority vote of the members present or represented.

5.2.3.1.2 Duties

The duties of the Committee comply with the provisions of Article L. 823-19 of the French Commercial Code (in force for the 2023 fiscal year).

Under the terms of Article 2.3 of the Internal Regulations, the Audit Committee must monitor matters related to the preparation and control of accounting and financial information. In particular, it is responsible for:

- monitoring the process of preparing financial information and, where applicable, making recommendations to ensure its integrity
- reviewing the accounting methods and conditions for valuing the assets of the Group
- reviewing the draft parent company and consolidated financial statements prepared by the General Manager before their presentation to the Board: this review must be accompanied by a presentation by the Manager describing the exposure to risks, including those of a social and environmental nature and significant off-balance sheet commitments of the company
- preparing Board decisions on the monitoring of internal audits
- monitoring the effectiveness of internal control and risk management systems. It also oversees the internal audit, particularly with regard to procedures relating to the preparation and processing of accounting, financial and non-financial information. In this capacity, it gives its opinion on the organisation of the Internal Audit and Internal Control Department
- monitoring the statutory audit of the annual and consolidated financial statements by the Statutory Auditors
- ensuring the independence of the Statutory Auditors
- examining the service agreements entered into between the company and persons holding a direct or indirect stake in the company
- examining the proposals for the appointment of the company's Statutory Auditors and issuing a recommendation on these Statutory Auditors whose appointment is proposed to the General Meeting
- ensuring oversight of the management of the information to be provided to the shareholders and the markets and verification of its clarity
- giving their approval for services other than the certification of the financial statements provided by the Statutory Auditors to the company before such services are commissioned
- examining the additional report of the Statutory Auditors drawn up pursuant to the provisions of Article 11 of Regulation (EU) 537/2014.

The Audit Committee reports to the Board of Directors on its work, expresses any opinions or suggestions it deems advisable, and informs the Board of any points that require a Board decision.

In performing its tasks, the Audit Committee may examine the scope of the consolidated companies and, where applicable, the reasons for which companies are not included. It may use the services of external experts as required.

In addition, one or more meetings between the Statutory Auditors and/or the Chief Financial Officer and the members of the Audit Committee alone, without the presence of the Manager of the company, may be held, but no such request was made by any member of the Committee in 2023.

5.2.3.1.3 Work of the Audit Committee in 2023

The Audit Committee met twice, with an 88% attendance rate by its members.

Members of the Audit Committee	Attendance rate at Audit Committee meetings
Nathalie Robin	50%
Olivier Estève	100%
Arnaud Taverne	100%
Emmanuel Chabas	100%
Average rate	**88%**

The Audit Committee's review of the financial statements was accompanied by a presentation by the Statutory Auditors outlining the key points not only of the results, but also of the accounting options used and by a presentation by the Chief Operating Officer describing the exposure to risks, including those of a social and environmental nature, and significant off-balance sheet commitments of the company. The Audit Committee works in consultation with the Risk, Compliance, Internal Audit and Internal Control Department, which attends all meetings. It discusses operational risk perception and any changes to it over time with it.

At its meetings, the Audit Committee examined the following issues:

Meeting of 15 February 2023

Presentation of 2022 highlights – Update on valuation of assets – Examination of the parent company and consolidated financial statements for the fiscal year ended 31 December 2022 – Presentation of the taxonomy – Presentation of the work performed by the Risk, Compliance, Internal Audit and Internal Control Department with the presentation of risk mapping.

Meeting of 13 July 2023

Presentation of the highlights of the first-half of 2023 – Update on the valuation of assets – Review of the consolidated financial statements at 30 June 2023 – Update on the work of the Risk, Compliance, Internal Audit and Internal Control Department over the period.

The Chairman of the Audit Committee reported on the Committee's work at the Supervisory Board meetings of 17 February and 17 July 2023.

5.2.4 Remuneration of corporate officers

5.2.4.1 Policy on the remuneration of corporate officers (*ex-ante* vote)

Under the *ex-ante* vote specified by Article L. 22-10-76 II. of the French Commercial Code, the remuneration policy applicable to the General Manager and to other members of the Supervisory Board is the subject of draft resolutions (Resolutions 8 and 9) subject to the approval of the Combined General Meeting of 15 April 2024 and the unanimous consent of the partners. This policy will be subject, each year and during each important change in the remuneration policy, to a vote of the General Meeting and the unanimous consent of the partners.

5.2.4.1.1 Remuneration policy applicable to the Manager, Covivio Hotels Gestion

5.2.4.1.1.1 Composition of the Manager's remuneration

The Combined General Meeting of 18 April 2023 approved the Manager's remuneration policy by 99.96%.

The remuneration of the Manager, executive corporate officer under the Afep-Medef Code, is composed of:

- fixed annual remuneration in the amount of €1,500,000
- annual variable remuneration corresponding to 0.8% of EPRA Earnings for the year from which an amount of €1,500,000 (corresponding to the annual fixed portion) must be subtracted
- the EPRA Earnings for the year will only take into account the annual fixed remuneration for the calculation of the variable remuneration.

This remuneration may also include any adjustment related to a revision of the Syntec index in respect of previous fiscal years.

This policy respects the company's corporate interest and contributes to the company's sustainability in that it takes into account the performance of the Covivio Hotels group in the calculation of variable remuneration.

The General Manager has the right to be reimbursed for all the expenses and cost of any nature arising from the use of external service providers, carried out in the interest of the company or the companies it controls, directly or indirectly, within the meaning of Article L. 233-3 of the French Commercial Code.

The Manager, a legal entity, does not benefit from any variable or extraordinary remuneration or other benefits.

The fixed portion of the Manager's remuneration is predominant, since it represents 78% of the remuneration.

The remuneration policy applicable to the General Manager does not allow for any derogation in the event of exceptional circumstances.

In addition, pursuant to Article R. 22-10-40 of the French Commercial Code, the Manager does not benefit:

- from any share-based remuneration
- from any elements of remuneration, compensation or benefits due or likely to be due as a result of cessation or change of functions, or subsequent to this, or conditional rights granted as retirement commitments
- from any commitment or conditional rights
- from any commitment relating to the granting of non-compete remuneration.

The General Manager is appointed for a period of six years expiring at the end of the meeting of the Supervisory Board responsible for hearing the management report on the business of the company held during the year during which his/her/its term of office will expire. It is automatically renewable for further periods of six years except in the case of a contrary decision by one or more partners and subject to the approval of the Supervisory Board.

The General Manager may be dismissed at any time for incapacity or for any other reason by unanimous decision of the partners. Each General Manager may also be dismissed for legitimate reasons by court decision.

5.2.4.1.1.2 Decision-making process for the determination, revision and implementation of the Manager's remuneration

Pursuant to Article L. 22-10-76 of the French Commercial Code, the elements of this remuneration policy applicable to the Manager were established by the limited partners, after the approval of the Supervisory Board at its meeting on 15 February 2024. This remuneration policy is unchanged from that previously approved by the Supervisory Board on 17 November 2022.

In addition, pursuant to Article R. 22-10-40 of the French Commercial Code, it is noted that:

- any change in this remuneration must be subject to a prior opinion by the Supervisory Board
- the decision-making process put in place within the company implying a dual level of approval, after a prior opinion from the Supervisory Board as mentioned above, by the limited partners and the General Meeting, avoids any conflict of interest
- given the structure of the remuneration of the General Manager, a legal entity, taking into account the remuneration and employment conditions of employees of the company is not applicable.

5.2.4.1.2 Remuneration policy applicable to members of the Supervisory Board

5.2.4.1.2.1 Breakdown of remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board, non-executive corporate officers according to the Afep-Medef Code, is composed of a fixed part and a variable part. The amount fixed by the General Meeting corresponding to the overall amount allocated to the remuneration of members of the Supervisory Board is €57,000.

The criteria for distributing the remuneration are as follows:

- the fixed part is allocated to each member of the Supervisory Board according to the function exercised within the Board and, where applicable, the Audit Committee; and
- the variable part is based on a flat rate per meeting, reflecting the actual participation of each member of the Board in the work of the Board and its Committee.

Attendance at Board meetings

Fixed annual portion allocated to the Chairman	**€3,000**
Fixed annual portion allocated to each member	€1,500
Variable portion allocated to the Chairman and each member	€400

Attendance at Audit Committee meetings

Fixed annual portion allocated to the Chairman	**€1,000**
Variable portion allocated to the Chairman and each member	€300

The fixed share of the remuneration of members of the Supervisory Board is slightly predominant, representing 50.4% of the total remuneration allocated to them.

The following elements are specified:

- the variable portion is paid even when a member took part in a meeting by videoconference or telecommunications
- following his/her appointment and/or resignation, the Board member receives the fixed share of his/her remuneration on a *pro rata* basis over the fiscal year
- the amount paid to each member of the Board is, where applicable, lowered by a given percentage in such a way that the overall amount actually paid remains within the maximum budget allocation fixed by the General Meeting
- tax and social-security deductions are paid directly by the company to the tax authorities.

In accordance with the provisions of the Internal Regulations, the members of the Board are entitled to reimbursement, upon proof, of travel expenses for meetings of the Board and Committee.

The remuneration policy applicable to members of the Supervisory Board does not allow for any derogation in the event of exceptional circumstances or for the company to demand repayment of the variable remuneration. Neither does it specify any postponement periods or performance criteria.

In addition, pursuant to Article R. 22-10-40 of the French Commercial Code, Supervisory Board members do not benefit:

- from any share-based remuneration
- from any elements of remuneration, compensation or benefits due or likely to be due as a result of cessation or change of functions, or subsequent to this, or conditional rights granted as retirement commitments
- from any commitment or conditional rights
- from any commitment relating to the granting of non-compete remuneration.

The remuneration allocated to members of the Board compensates their participation in the work of the Supervisory Board and the Audit Committee set up within it, as well as their liability incurred in the control of the company. It is intended to attract and retain high-quality professionals, capable of maintaining the balance required in skills and expertise considered necessary to exercise appropriate control of the company and in accordance with the diversity policy determined by the Supervisory Board.

The duration of their functions is no longer than three years. It ends at closure of the Ordinary General Meeting called to approve the financial statements of the elapsed fiscal year and held in the year during which their term of office expires; members of the Supervisory Board can be reappointed. The members of the Supervisory Board may be dismissed under the conditions specified by the law.

5.2.4.1.2.2 Decision-making process for the determination, revision and implementation of the remuneration of members of the Supervisory Board

The policy on the remuneration of members of the Supervisory Board, including the procedures for dividing the remuneration, are defined in Article 1.11 of the Internal Regulations of the Board. It is allocated by the Supervisory Board, which determines the maximum overall amount of remuneration to submit for the approval of the General Meeting of shareholders.

The maximum annual amount of the budgetary allocation is authorised by the General Meeting.

The Ordinary and Extraordinary General Meeting of 24 April 2007 allocated to the Supervisory Board a maximum gross annual sum of €57,000 for the current and subsequent fiscal years, until a new decision is taken on its part. The methods for distributing this remuneration to the members of the Board were adopted by the Supervisory Board on 15 December 2005.

Pursuant to Article L. 22-10-76 of the French Commercial Code, the elements of this remuneration policy applicable to members of the Supervisory Board were approved by the Supervisory Board at its meeting on 15 February 2024. This remuneration policy is unchanged from that previously approved by the Supervisory Board on 17 February 2023.

In addition, pursuant to Article R. 22-10-40 of the French Commercial Code, it is noted that:

- the decision-making process put in place within the company involves a dual level of approval by the limited partners and the General Meeting, to avoid conflicts of interest
- given the structure of the remuneration of the members of the Board, the consideration of conditions for the remuneration and employment of employees of the company is not applicable.

5.2.4.2 Implementation of the remuneration policy for corporate officers for fiscal year ending 31 December 2023 (“overall *ex-post* vote”)

In the context of the “overall” *ex-post* vote specified by Article L. 22-10-77 I. of the French Commercial Code, the information mentioned in I of Article L. 22-10-9 of the French Commercial Code is the subject of a draft resolution (Resolution 5) subject to the approval of the Combined General Meeting of 15 April 2024 and the unanimous consent of the partners.

5.2.4.2.1 Remuneration paid and/or awarded to the Manager on a consolidated basis for the fiscal year ended 31 December 2023

5.2.4.2.1.1 Information mentioned in I of Article L. 22-10-9 of the French Commercial Code (except 5)

In accordance with the remuneration policy applicable to the General Manager presented above, a payment was made by the company for the fiscal year ending 31 December 2023 to Covivio Hotels Gestion for its term of office as Manager exercised within the company, consisting of total fixed remuneration of €1,932,656,20, including €18,884.50 corresponding to an adjustment related to the revision of the Syntec index in respect of previous fiscal years. No other remuneration was allocated to it in respect of its term of office for this fiscal year.

It should be noted that Covivio Hotels Gestion did not benefit from any of the following for the fiscal year ending 31 December 2023:

- any exceptional element or other benefit of any kind whatsoever
- any element of remuneration, remuneration or benefit pursuant to the assumption, cessation or change of functions or subsequent to the exercise of such functions, notably any commitments for pensions or any other lifetime benefit.

The proportion relative to the fixed remuneration therefore represents 78% of the total remuneration.

The ratios between the level of remuneration of the General Manager and (i) firstly, the average remuneration on a full-time equivalent basis of employees of the company other than corporate officers, and (ii) secondly, the median remuneration on a full-time equivalent basis of employees of the company (other than corporate officers) are not relevant for Covivio Hotels, as the General Manager is a legal entity. Consequently, the information required by 6° and 7° of Article L. 22-10-9 of the French Commercial Code can be found in the remuneration section of Covivio's Universal Registration Document.

5.2.4.2.1.2 Remuneration paid or allocated to the Manager by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code (Article L. 22-10-9 I. 5 of the French Commercial Code)

Covivio Hotels Gestion receives no remuneration from a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code.

Covivio Hotels Gestion is represented by Tugdual Millet-Taunay, Chairman, who receives no remuneration from Covivio Hotels. His remuneration is paid by Covivio, the parent company of Covivio Hotels under an employment contract. Covivio Hotels forms part of the consolidation scope of Covivio.

5.2.4.2.1.3 Summary tables on the remuneration of the executive corporate officer prepared in accordance with Appendix 4 of the Afep-Medef Code

The information and the tables below:

- give a summary presentation of the elements of the total remuneration and benefits of all kinds paid or allocated during the fiscal year ending 31 December 2023 to Covivio Hotels Gestion, Manager, in its capacity as the sole executive corporate officer
- were established in accordance with the Afep-Medef Code in its revised version of December 2022
- respect the recommendation from the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) 2012-02 (amended on 14 December 2023), on "corporate governance and remuneration of the executive officers of companies referring to the Afep-Medef Code – Consolidated presentation of the recommendations contained within the annual reports of the AMF" and 2021-02 on guidance for the preparation of Universal Registration Documents (amended on 28 July 2023) ("AMF recommendations").

Table 1

Summary table of remuneration and options and shares assigned to the General Manager (sole executive officer)

Covivio Hotels Gestion: Manager	2022	2023
Remuneration awarded for the fiscal year (detailed in Table 2)	€1,217,830.48	€1,932,656.20
Valuation of options assigned during the fiscal year (detailed in Table 4)	None	None
Valuation of performance shares allocated during the fiscal year (detailed in Table 6)	None	None
Valuation of other long-term remuneration plans	None	None
TOTAL	**€1,217,830.48**	**€1,932,656.20**

Table 2

Summary table of remuneration of the General Manager (sole executive corporate officer)

	2022		2023	
Name and function of the executive corporate officer Covivio Hotels Gestion: Manager	Amounts assigned	Amounts paid	Amounts assigned	Amounts paid
Fixed remuneration	€1,217,830.48	€1,217,830.48	€1,913,771.70	€1,500,000
Annual variable remuneration	None	None	None	€432,656.20
Extraordinary remuneration	None	None	None	None
Remuneration allocated pursuant to the office of Director	None	None	None	None
Benefits in kind	None	None	None	None
TOTAL	**€1,217,830.48**	**€1,217,830.48**	**€1,913,771.70**	**€1,932,656.20**

Table 4

Share subscription or purchase options allocated during the fiscal year to the General Manager (sole executive corporate officer) by the issuer and by all companies of the Group

(list by name)	No. and date of plan	Type of options (purchase or subscription)	Valuation of the options based on the method used for the consolidated financial statements	Number of options assigned during the fiscal year	Exercise price	Exercise period
Covivio Hotels Gestion	None	None	None	None	None	None

Table 5

Share subscription or purchase options exercised during the fiscal year by the General Manager (sole executive corporate officer)

(list by name)	No. and date of plan	Number of options exercised during the fiscal year	Exercise price
Covivio Hotels Gestion	None	None	None

Table 6

Performance shares allocated during the fiscal year to the General Manager (the only executive corporate officer) by the issuer and by all companies of the Group

(list by name)	No. and date of plan	Number of shares allocated during the fiscal year	Valuation of the shares based on the method used for the consolidated financial statements	Vesting date	Date of availability	Performance conditions
Covivio Hotels Gestion	None	None	None	None	None	None

Table 7

Performance shares that became available during the fiscal year to the General Manager (sole executive officer)

(list by name)	No. and date of plan	Number of shares that became available during the fiscal year
Covivio Hotels Gestion	None	None

5.2.4.2.2 Remuneration paid and/or awarded to the members of the Supervisory Board on a consolidated basis for the fiscal year ended 31 December 2023

5.2.4.2.2.1 Information mentioned in I of Article L. 22-10-9 of the French Commercial Code (except 5)

In accordance with the remuneration policy applicable to members of the Supervisory Board presented above, during the fiscal year ending 31 December 2023, the company paid, to members of the Supervisory Board and Audit Committee set up within it, total gross remuneration of €28,800 whose breakdown is specified in paragraph 5.2.4.2.2.3 below. The average gross remuneration per member of the Supervisory Board was €3,200.

The remuneration paid to a physical person member of the Supervisory Board is subject to a single outright deduction of 12.8% and to social-security deductions of 17.2%, representing a total deduction of 30%, i.e. a total amount of €930. These deductions are paid directly by the company to the tax administration.

It should be noted that the following members of the Supervisory Board have waived all of their remuneration pursuant to their appointments as members of the Supervisory Board and, where applicable, as members of the Audit Committee:

- Christophe Kullmann and Olivier Estève, since 1 January 2015; and
- Najat Aasqui and the company Generali Vie represented by Sébastien Pezet since 1 January 2019.

It should be noted that the members of the Supervisory Board did not benefit from any of the following in respect of the fiscal year ending on 31 December 2023:

- any exceptional element or other benefit of any kind whatsoever
- any element of remuneration, remuneration or benefit pursuant to the assumption, cessation or change of functions or subsequent to the exercise of such functions, notably any commitments for pensions or any other lifetime benefit.

The proportion relative to the fixed remuneration therefore represents 50.3% of the total remuneration.

Since 46% of the Supervisory Board of the company are women, it is compliant with the provisions of Article L. 22-10-3 of the French Commercial Code.

5.2.4.2.2.2 Remuneration paid or allocated to members of the Supervisory Board by a company included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code (Article L. 22-10-9 I. 5 of the French Commercial Code)

Amongst the members of the Supervisory Board of Covivio Hotels:

- Christophe Kullmann, Chairman of the Supervisory Board of Covivio Hotels, also has the function of Chief Executive Officer and Director of Covivio, the parent company of Covivio Hotels, and receives remuneration for this
- Olivier Estève also has the function of Deputy CEO of Covivio and receives remuneration for this.

Covivio Hotels forms part of the consolidation scope of Covivio. It should be noted that the elements of remuneration received by Christophe Kullmann and Olivier Estève for the Offices mentioned above are paid by Covivio.

Table 1*

	2022		2023	
Christophe Kullmann: Chief Executive Officer (CEO) of Covivio, Chairman of the Supervisory Board of Covivio Hotels	**Amounts assigned for 2022**	**Amounts paid in 2022**	**Amounts assigned for 2023**	**Amounts paid in 2023**
Remuneration (detailed in Table 2)	1,461,407	1,638,407	1,541,310	1,561,310
Valuation of multi-annual remuneration plans	0	0	0	0
Valuation of options granted	0	0	0	0
Valuation of allocated shares (detailed in Table 6)**	930,000	930,000	1,066,000	930,000
Valuation of other long-term remuneration plans	0	0	0	0
TOTAL	**2,391,407**	**2,568,407**	**2,607,310**	**2,491,310**

* Since the allocation of performance shares in fiscal year N is delayed until N+1, for the purposes of the accuracy and completeness of the information provided, Table 1 distinguishes between amounts paid and those due for each fiscal year.

** The valuation of the shares does not include the portion of the bonus paid in free shares, already included, where applicable, in Table 2.

Table 2

	2022		2023	
Christophe Kullmann: Chief Executive Officer (CEO) of Covivio, Chairman of the Supervisory Board of Covivio Hotels	**Amounts assigned for 2022**	**Amounts paid in 2022**	**Amounts assigned for 2023**	**Amounts paid in 2023**
Fixed remuneration	700,000	700,000	800,000	800,000
Annual variable remuneration(1)	721,000	898,000	701,000	721,000
Multi-annual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Remuneration allocated pursuant to the office of Director	0	0	0	0
Benefits in kind (company car, GSC insurance)	40,407	40,407	40,310	40,310
TOTAL	**1,461,407**	**1,638,407**	**1,541,310**	**1,561,310**

(1) The variable amount of €721 thousand due for 2022 is composed of €700 thousand paid in cash in 2023 and 510 free shares awarded in 2023.

The variable amount due in respect of 2023, of €701 thousand, will be paid in cash subject to the approval of the General Meeting of 17 April 2024.

Table 1*

	2022		2023	
Olivier Estève: Deputy CEO of Covivio, Member of the Supervisory Board of Covivio Hotels	**Amounts assigned for 2022**	**Amounts paid in 2022**	**Amounts assigned for 2023**	**Amounts paid in 2023**
Remuneration (detailed in Table 2)	850,926	980,926	892,251	910,251
Valuation of multi-annual remuneration plans	0	0	0	0
Valuation of options	0	0	0	0
Valuation of performance shares (detailed in Table 6)**	400,000	400,000	460,000	400,000
Valuation of other long-term remuneration plans	0	0	0	0
TOTAL	**1,250,926**	**1,380,926**	**1,352,251**	**1,310,251**

* Since the allocation of performance shares in fiscal year N is delayed until N+1, for the purposes of the accuracy and completeness of the information provided, Table 1 distinguishes between amounts paid and those due for each fiscal year.

** The valuation of the shares does not include the portion of the bonus paid in free shares, already included, where applicable, in Table 2.
Note: the share valuations are calculated by an independent expert.

Table 2

Olivier Estève: Deputy CEO of Covivio, Member of the Supervisory Board of Covivio Hotels	2022 Amounts assigned for 2022	2022 Amounts paid in 2022	2023 Amounts assigned for 2023	2023 Amounts paid in 2023
Fixed remuneration	400,000	400,000	460,000	460,000
Annual variable remuneration[1]	409,000	539,000	391,000	409,000
Multi-annual variable remuneration	0	0	0	0
Extraordinary remuneration	0		0	
Remuneration allocated pursuant to the office of Director	0	0	0	0
Benefits in kind (company car, GSC insurance, check-up)	41,926	41,926	41,251	41,251
TOTAL	**850,926**	**980,926**	**892,251**	**910,251**

(1) The variable amount of €409 thousand due for 2022 is composed of €400 thousand paid in cash in 2023 and 219 free shares awarded in 2023.
The variable due in respect of 2023, of €391 thousand, will be paid in cash subject to the approval of the General Meeting of 17 April 2024.

Table 4

Share subscription or purchase options allocated during the fiscal year to each executive corporate officer by the issuer and by any Group company

Name of the executive corporate officer	No. and date of plan	Type of options (purchase or subscription)	Valuation of the options based on the method used for the consolidated financial statements	Number of options assigned during the fiscal year	Exercise price	Exercise period
Christophe Kullmann	None	None	None	None		
Olivier Estève	None	None	None	None		

Table 5

Share subscription or purchase options exercised during the fiscal year by each executive corporate officer

Name of the executive corporate officer	No. and date of plan	Number of options exercised during the fiscal year	Exercise price
Christophe Kullmann	None	None	None
Olivier Estève	None	None	None

Table 6

Performance shares allocated to each executive corporate officer during the fiscal year by the issuer and by any Group company

Name of the executive corporate officer	Plan date	Number of shares allocated during the fiscal year*	Valuation of the shares based on the method used for the consolidated financial statements[1]	Vesting date	Date of availability	Performance conditions
Christophe Kullmann	21/02/2023	38,209	€24.34	21/02/2026	21/02/2026	-30% = relative stock market performance compared to EPRA -20% = absolute stock market performance -20% = condition of compliance with EPRA Earnings guidelines -30% = CSR criteria
Christophe Kullmann	21/02/2023	510**	€41.15	21/02/2026	21/02/2026	
Olivier Estève	21/02/2023	16,434	€24.34	21/02/2026	21/02/2026	
Olivier Estève	21/02/2023	219**	€41.15	21/02/2026	21/02/2026	

* For year N-1.
** Upside portion of the bonus, paid in shares with no performance conditions.
(1) Value of the share calculated by an independent expert.

Table 7

Performance shares becoming available during the fiscal year for each executive corporate officer

Name of the executive corporate officer	Plan date	Number of shares that became available during the fiscal year	Vesting conditions	Vesting date
Christophe Kullmann	13/02/2020	18,710	Attendance conditions + relative stock market performance (1/2) and achievement of economic & CSR objectives (1/2)	13/02/2023
Olivier Estève	13/02/2020	8,390		13/02/2023

Also, ACM Vie and Predica, members of the Supervisory Board of Covivio Hotels, are Directors of Covivio and receive remuneration for their office presented in the table in paragraph 5.2.4.2.2.3 below.

All detailed information on Covivio's corporate officer remuneration policy can be found in the Covivio Universal Registration Document available at www.covivio.fr.

5.2.4.2.2.3 Summary table on the remuneration of non-executive corporate officers prepared in accordance with Appendix 4 of the Afep-Medef Code

The information and the table below:

- give a summary presentation of the elements of the total remuneration and benefits of all kinds paid or allocated during the fiscal year ending 31 December 2023 to each member of the Supervisory Board, in their capacity as non-executive corporate officer;
- were established in accordance with the Afep-Medef Code in its revised version of December 2022 and the AMF recommendation.

Table on the remuneration of non-executive corporate officers paid and/or allocated by Covivio Hotels and the companies included within the consolidation scope of Covivio – Nomenclature from the Afep-Medef Code

	Fiscal year ended on 31/12/2022		Fiscal year ended on 31/12/2023	
Non-executive corporate officers	Amounts assigned	Amounts paid	Amounts assigned	Amounts paid
Christophe Kullmann, Chairman of the Supervisory Board				
Remuneration (fixed, variable) for the office of Chairman of the Supervisory Board of Covivio Hotels	0	0	0	0
Other remuneration for the office of Chief Executive Officer of Covivio	€2,391,407	€2,568,407	€2,607,310	€2,491,310
Other remuneration for the office of Director of Covivio	0	0	0	0
Total	**€2,391,407**	**€2,568,407**	**€2,607,310**	**€2,491,310**
Olivier Estève				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	0	0	0	0
Other remuneration for the office of Deputy CEO of Covivio	€1,250,926	€1,380,926	€1,352,251	€1,310,251
Total	**€1,250,926**	**€1,380,926**	**€1,352,251**	**€1,310,251**
Covivio represented by Céline Leonardi(1)				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€1,900	€1,900	€2,700	€2,700
Other remuneration	0	0	0	0
Total	**€1,900**	**€1,900**	**€2,700**	**€2,700**
Foncière Margaux represented by Marielle Seegmuller(1)				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€3,100	€3,100	€2,700	€2,700
Other remuneration	0	0	0	0
Total	**€3,100**	**€3,100**	**€2,700**	**€2,700**
Covivio Participations represented by Joséphine Lelong-Chaussier(1)				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€3,500	€3,500	€3,100	€3,100
Other remuneration	0	0	0	0
Total	**€3,500**	**€3,500**	**€3,100**	**€3,100**

Non-executive corporate officers	Fiscal year ended on 31/12/2022 Amounts assigned	Fiscal year ended on 31/12/2022 Amounts paid	Fiscal year ended on 31/12/2023 Amounts assigned	Fiscal year ended on 31/12/2023 Amounts paid
Predica, represented by Emmanuel Chabas[(1)]				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€3,300	€3,300	€3,300	€3,300
Other remuneration for the office of Director of Covivio	€44,000	€44,000	€42,000	€42,000
Total	**€47,300**	**€47,300**	**€45,300**	**€45,300**
Najat Aasqui				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	0	0	0	0
Other remuneration	0	0	0	0
Total	**0**	**0**	**0**	**0**
ACM Vie represented by François Morrisson[(1)]				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€3,500	€3,500	€3,100	€3,100
Other remuneration for the office of Director of Covivio	€44,000	€44,000	€49,000	€49,000
Total	**€47,500**	**€47,050**	**€52,100**	**€52,100**
Generali Vie, represented by Sébastien Pezet				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	0	0	0	0
Other remuneration	0	0	0	0
Total	**0**	**0**	**0**	**0**
Cardif Assurance Vie represented by Nathalie Robin[(1)]				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€5,100	€5,100	€4,400	€4,400
Other remuneration	0	0	0	0
Total	**€5,100**	**€5,100**	**€4,400**	**€4,400**
Sogecap represented by Yann Briand[(1)]				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€3,500	€3,500	€3,100	€3,100
Other remuneration	0	0	0	0
Total	**€3,500**	**€3,500**	**€3,100**	**€3,100**
Caisse des Dépôts et Consignations, represented by Arnaud Taverne[(1)]				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€3,000	€3,000	€3,300	€3,300
Other remuneration	0	0	0	0
Total	**€3,000**	**€3,000**	**€3,300**	**€3,300**
Adriana Saitta				
Remuneration (fixed, variable) for the office of member of the Supervisory Board of Covivio Hotels	€3,500[(2)]	€3,500[(2)]	€3,100[(2)]	€3,100[(2)]
Other remuneration	0	0	0	0
Total	**€3,500**	**€3,500**	**€3,100**	**€3,100**
TOTAL	**€3,760,733**	**€4,067,733**	**€4,079,361**	**€3,921,361**

(1) The remuneration was paid to the company, member of the Supervisory Board, and not to its permanent representative.

(2) This remuneration resulted in the application of tax deductions (single lump-sum tax of 12.8% and social security contributions of 17.2%, for a total deduction of 30%).

5.2.4.3 Remuneration paid and/or awarded by the company to the Chairman of the Supervisory Board and Manager ("individual *ex-post* vote")

In the context of the "individual" *ex-post* vote specified in Article L. 22-10-77 II. of the French Commercial Code, the fixed, variable and exceptional elements composing the total remuneration and benefits of any kind, paid during the fiscal year ending 31 December 2023 or allocated pursuant to this same fiscal year, to the Chairman of the Supervisory Board and the General Manager of the company, are the subject of separate draft Resolutions (Resolutions 6 and 7) subject to the approval of the Combined General Meeting of 15 April 2024 and the unanimous consent of the partners.

5.2.4.3.1 Remuneration paid and/or awarded by the company to the Chairman of the Supervisory Board for the fiscal year ended 31 December 2023

Pursuant to the fiscal year ending 31 December 2023, no fixed, variable or exceptional element nor any benefit of any kind whatsoever was paid or allocated to Christophe Kullmann, in his capacity as Chairman of the Supervisory Board. The Combined General Meeting of 15 April 2024 will therefore be requested to formally record this.

5.2.4.3.2 Remuneration paid and/or awarded by the company to the General Manager for the fiscal year ended 31 December 2023

In accordance with the remuneration policy applicable to the General Manager presented above, a payment was made by the company for the fiscal year ending 31 December 2023 to Covivio Hotels Gestion for its term of office as Manager exercised within the company, consisting of total fixed remuneration of €1,932,656.20, including €18,884.50 corresponding to an adjustment related to the revision of the Syntec index in respect of previous fiscal years. No other remuneration was allocated to it in respect of its term of office for this fiscal year.

It should be noted that Covivio Hotels Gestion did not benefit from any of the following for the fiscal year ending 31 December 2023:

- any exceptional element or other benefit of any kind whatsoever
- any element of remuneration, remuneration or benefit pursuant to the assumption, cessation or change of functions or subsequent to the exercise of such functions, notably any commitments for pensions or any other lifetime benefit.

5.2.5 Special procedures for shareholder participation in General Meetings and summary of current financial delegations in the area of capital increases

5.2.5.1 Special procedures for shareholder participation in General Meetings

Shareholder participation at General Meetings is governed by the legal and regulatory provisions in force and applicable to companies whose shares are listed for trading on a regulated market. These terms are described in Articles 19 to 22 of the company's Articles of Association.

Notification – admission – *quorum* – majority

General Meetings of shareholders are called by the management, the Supervisory Board or any other person having this right under the law or the Articles of Association. Notices are given in the forms and within the periods provided by law and regulations.

Meetings are held at the registered office or at any other place indicated in the notice.

Every shareholder has the right to attend General Meetings and to participate in the deliberations, in person or by proxy, upon proof of his or her identity and of the registration of the shares in the books in the name of the shareholder or of an intermediary registered on his or her behalf.

In accordance with Article R. 22-10-28 of the French Commercial Code, shareholders must prove ownership of their shares on the second working day preceding the General Meeting at midnight, Paris time:

- for registered shareholders, by registration of their shares with the company on that date
- for holders of bearer shares, by book entry of their shares in their name or in the name of the intermediary registered on their behalf, no later than that date, in their securities account held by an intermediary mentioned in Article L. 211-3 of the French Monetary and Financial Code. Registration in a securities account must be recorded by a certificate of participation issued by the authorised intermediary. Such certificate must be attached to the postal or proxy voting form or the application for an admission card sent by the authorised intermediary to the company.

General Meetings are chaired by the Manager or by one of the Managers, if there are more than one, unless the Meeting is convened by the Supervisory Board, in which case it is chaired by the Chairman of that Board, or one of the members thereof designated for this purpose. In the event of notification by another person specially authorised by law, the Meeting is chaired by the author of the notification. In all cases, if the person authorised or appointed to chair the Meeting is absent, the Meeting shall elect its Chairman.

The duties of scrutineers shall be performed by the two shareholders present who have the greatest number of votes, both by themselves and as proxy holders, if they so accept.

The Executive Board (bureau) shall appoint a secretary, who may or may not be a shareholder.

At each Meeting, an attendance sheet shall be kept that contains the information required by law.

Any copy or extract of the minutes must be certified by one of the General Managers, the Chairman of the Supervisory Board or the Secretary of the Meeting.

No deliberations may be adopted at an Ordinary General Meeting without the unanimous and prior agreement of the general partner(s) with the exception of deliberations relating to the election, resignation or dismissal of members of the Supervisory Board. The deliberations of Ordinary General Meetings are adopted by a majority of the votes of the shareholders who are present or represented or vote by post at that Meeting.

A deliberation can be adopted at an Extraordinary General Meeting only with the unanimous prior agreement of the general partner(s). On an exceptional basis, if there is more than one general partner, the deliberations required to decide the transformation of the company into a company of another form will require only the prior approval of the majority of the general partners. The deliberations of an Extraordinary General Meeting are adopted, in all cases, by a majority of two-thirds of the shareholders who are present or represented or vote by post.

Shareholders may vote by correspondence or give their proxy in accordance with the laws and regulations in force.

In application of the new legal and regulatory provisions, abstentions are no longer counted as votes against the resolutions put to the vote. They are now, in the same way as blank or invalid votes, excluded from the count of votes made by the shareholders present or represented.

The single form for voting by correspondence or proxy, updated with these new legal and regulatory provisions, is also available on the company's website.

After each General Meeting, the company publishes a summary of the meeting on its website, including the results of the vote for each of the resolutions presented to shareholders.

Voting rights

Each shareholder has a number of votes equal to the number of shares owned or represented.

At the close of its General Meeting of 10 April 2015, the company maintained, on the recommendation of the General Manager, the principle of "one share = one vote". This was approved by the shareholders, thereby waiving the automatic assignment of double voting rights in accordance with Article L. 22-10-46 of the French Commercial Code introduced by the Florange law of 29 March 2014 and thus amended Article 9 of the Articles of Association.

Voting rights are exercised by the owner of the shares pledged by the beneficial owner in Ordinary Meetings and by the bare owner in Extraordinary Meetings.

Shareholders may exercise their voting right in two ways:

- personally attend the General Meeting by requesting an admission card

- use a postal or proxy voting form, which gives the shareholder the option of choosing one of the following three options:
  - grant power to the Chairman of the General Meeting: the latter will then vote in the shareholder's name in favour of the adoption of the draft resolutions presented or approved by the General Manager and vote against the adoption of all other projects
  - vote by post by following the voting instructions provided
  - give proxy to any other natural or legal person of the shareholder's choice attending the General Meeting by registering the contact details of that person.

The voting form is available, within the periods stated, on the company's website (www.Covivio-hotels.fr), and it may be requested electronically or by post from the company or an authorised intermediary managing the shareholder's account, at least six days before the date of the General Meeting.

The final date for receipt of the forms is three calendar days before the General Meeting for postal votes and proxies in paper form.

5.2.5.2 Summary of current financial delegations in the area of capital increases

In accordance with Article L. 225-37-4 3 of the French Commercial Code, the following is a summary of current delegations granted by the Combined General Meeting of Shareholders of 18 April 2023 concerning increases in the share capital:

Delegation granted by the Combined General Meeting of 18 April 2023	Validity of the delegation	Use of the delegation
Authorisation given to the Manager to decide to increase the share capital of the company through the capitalisation of reserves, profits or premiums for a maximum nominal amount of €59,000,000. (Resolution 17)	26 months *i.e.* until 17 June 2025	None
Authorisation given to the Manager to issue shares and/or securities convertible to equity, maintaining shareholders' preferential subscription rights for a maximum nominal amount of €296,000,000. Nominal ceiling for the issuance of debt securities of €1,000,000,000 (corresponding to the total ceiling for all debt securities that may be issued pursuant to this delegation and those granted pursuant to Resolutions 20 to 23). (Resolution 19)	26 months *i.e.* until 17 June 2025	None
Authorisation given to the Manager to issue, through a public offer, shares and/or securities convertible to equity, waiver of shareholders' preferential subscription rights and, for issues of shares, a mandatory priority period, for a maximum nominal amount of €59,000,000. Nominal ceiling for the issuance of debt securities set at €1,000,000,000 (deducted from the total ceiling for all debt securities set in Resolution 19). (Resolution 20)	26 months *i.e.* until 17 June 2025	None
Authorisation given to the Manager to issue shares and/or transferable securities convertible to equity, up to a limit of 10% of the share capital, in order to pay for the contributions in kind granted to the company consisting of capital shares or transferable securities convertible to equity, with waiver of shareholders' preferential subscription rights. Nominal ceiling for the issuance of debt securities set at €1,000,000,000 (deducted from the total ceiling for all debt securities set in Resolution 19). (Resolution 22)	26 months *i.e.* until 17 June 2025	None
Authorisation given to the Manager to issue shares and/or securities convertible to equity, in the event of a public exchange offer initiated by the company, with waiver of shareholders' preferential subscription rights for a maximum nominal amount of €59,000,000. Nominal ceiling for the issuance of debt securities set at €1,000,000,000 (deducted from the total ceiling for all debt securities set in Resolution 19). (Resolution 23)	26 months *i.e.* until 17 June 2025	None
Authorisation given to the General Manager to undertake capital increases reserved for employees of the company who are members of a savings plan, with waiver of shareholders' preferential subscription rights for a maximum nominal amount of €500,000. (Resolution 24)	26 months *i.e.* until 17 June 2025	None

5.2.6 Elements likely to have an impact in the event of a public offer

In accordance with the provisions of Article L. 22-10-11 of the French Commercial Code, please find hereafter our report on the elements likely to have an impact in the event of a public offer.

- Share capital structure:

  Information regarding Covivio Hotels' equity structure is presented in the company's management report.

- Statutory restrictions on the exercise of voting rights:

  Under Article 8 of the company's Articles of Association: (i) any corporate entity holding more than 10% of the share capital directly or indirectly and (ii) any shareholders who hold indirectly, through the company, a percentage of the share capital or dividend rights of publicly traded real estate management companies in Spain (SOCIMI) at least equal to the percentage specified in Article 9.3 of the law of the Kingdom of Spain 11/2009 of 26 October 2009, the shares of which have not been registered by the second working day prior to any General Meeting of the company's shareholders, will have their voting rights capped at the number of registered shares held at that date. This situation may be resolved by ensuring that all the shares held directly or indirectly are registered no later than the second working day prior to the General Meeting in question.

  Article 9 *bis* of the Articles of Association further establishes an obligation to declare to the company every instance in which a shareholder's stake exceeds the threshold of 1% (or any multiple of that percentage) of the share capital or the voting rights relating thereto, including the legal and regulatory thresholds. Such notification must be made by registered letter with return receipt addressed to the registered office within the time limit stipulated in Article R. 233-1 of the French Commercial Code.

  Unless a declaration has been duly made, shares above the fraction which should have been declared will have no voting rights attached for any General Meeting held within two years after the date of regularisation of the declaration, at the request, recorded in the minutes of the General Meeting, of one or several shareholders together holding at least 5% of the share capital.

  Article L. 233-14 par. 1 of the French Commercial Code states that shareholders who have not duly made the declarations set forth in sections I, II, VI and VII of Article L. 233-7 shall be deprived of the voting rights attached to such shares exceeding the fraction that has not been duly declared for any shareholders' Meeting to be held until the expiry of a period of two years following the date of regularisation of the notice. Under the same conditions, the voting rights attached to such shares that have not been duly declared may not be exercised or delegated by the defaulting shareholder.

- Direct or indirect investment in the company's equity that are known to the company pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code:

  These elements are described in Section 1.8 of the management report.

- Shares with special control rights:

  None.

- Control mechanism provided for employee shareholders:

  None.

- Agreements between shareholders that are known to the company and could restrict the transfer of shares and the exercise of voting rights:

  On 21 November 2019, the companies Covivio, ACM Vie SA – Assurances du Crédit Mutuel Vie, Prévoyance Dialogue du Crédit Agricole – Predica, Pacifica, Spirica, Generali Vie, Generali Iard, L'Équité Compagnie d'Assurances et de Réassurances Contre les Risques de toute Nature (it being specified that Generali Vie, Generali Iard and L'Equité Compagnie d'Assurances et de Réassurances Contre les Risques de toute Nature are considered one and the same party for the application of the agreement), Cardif Assurance Vie, Sogecap and Caisse des Dépôts et Consignations, entered into a shareholders' agreement, which cancels and replaces the shareholders' agreement entered into on 29 November 2004 between Covivio, ACM Vie SA, Predica, Pacifica and Generali Vie, for a period of five years tacitly renewable by successive periods of the same duration unless terminated by one of the parties subject to abiding by a notice period of six months prior to each successive renewal period.

  The agreement specifies a right of first offer in the case where a party wishes to transfer, to any third party, securities representing more than 1.5% of the company's equity over any 12-month period. In this case, the other investors may, alone or jointly with other beneficiaries, send to the ceding company an unconditional offer to acquire the block of shares at a given price.

  The agreement also specifies that in the case where a party to the agreement wishes to sell in the market all or part of its securities representing less than 1.5% of the company's equity over any 12-month period and so escape the scope of application of the right of first offer, it must first inform the other parties and avoid any actions likely to disrupt the proper functioning of the market. These stipulations do not apply to off-market over-the-counter transactions.

- Rules applicable to the appointment and replacement of members of the Supervisory Board and changes in the company's Articles of Association:

  The company's Articles of Association on these matters do not differ from the generally accepted guidelines for French limited partnerships.

- Powers of the Manager with respect to an issuance or buyback of shares:

  The summary of the delegations in progress granted by the General Meeting of Shareholders of 18 April 2023 relating to capital increases is presented in Section 5.2.5.2.

  The Combined General Meeting of 18 April 2023 authorised the Manager (Resolution 13) to arrange for the company to buy its own shares: it is proposed to the Combined General Meeting convened for 15 April 2024 to replace this authorisation by a new authorisation with the same purpose.

- Agreements entered into by the company that are amended or terminated in the event of a change of control of the company:

  Financing agreements in which Covivio Hotels is a borrower generally have clauses covering changes of control, which is defined as the loss of control of Covivio Hotels by Covivio. These clauses allow the lending institutions to demand repayment of the debt in the event of a change of control.

- Agreements providing for compensation by members of the Supervisory Board or employees in the event of a resignation or dismissal without real and serious cause or if employment terminates due to a public offer:

  None.

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Information and management

6.1 General information concerning the issuer and its share capital

6.1.1 General information concerning the issuer

6.1.1.1 Company name (Article 2 of the Articles of Association)

Covivio Hotels

6.1.1.2 Legal form (Article 1 of the Articles of Association)

Incorporated in the form of a with a Board of Directors, Covivio Hotels was transformed into a partnership limited by shares (*société en commandite par actions*) at the Combined General Meeting of 30 November 2004.

6.1.1.3 Registered office (Article 4 of the Articles of Association)

Since 26 February 2024, the company's registered office has been at: 10 rue de Madrid 75008 Paris.

6.1.1.4 Trade and company register

The company is registered in the Paris Trade and Companies Register under number 955 515 895.

Its APE Code is 6820B.

The Siret number of the company is 955 515 895 00105.

Its LEI is 969500N2QX5LGFFZ0I67.

6.1.1.5 Share listing market

The Covivio Hotels shares (ISIN code: FR0000060303) are listed for trading on the Euronext Paris market – Compartment A.

The Covivio Hotels bonds issued in May 2015 (ISIN code: FR0012741072), in September 2018 (ISIN code: FR0013367422) and in July 2021 (ISIN code: FR0014004QI5) are listed for trading on the Euronext Paris market.

6.1.1.6 Nationality

The company is governed by French law.

6.1.1.7 Term of the company (Article 5 of the Articles of Association)

The company was incorporated in 1900. The duration of the company, which was due to expire on 31 December 1949, was extended for 90 years, by virtue of a decision by the Extraordinary General Meeting held on 8 May 1941, shall therefore end on 31 December 2039, unless it is liquidated early or extended.

6.1.1.8 Corporate purpose (Article 3 of the Articles of Association)

The purpose of Covivio Hotels, both in France and abroad, for itself or in participation with third parties:

- primarily:
  - the acquisition of any land, real estate rights or assets, including through construction leases, particularly in the health-care and leisure sectors, and accommodation in the broad sense, as well as assets and rights that may be accessory or attached to said real estate properties or contribute to their development
  - the construction of buildings for the health-care and leisure sectors, accommodation in the broad sense and all operations directly or indirectly connected with the construction of these buildings
  - the operation and creation of value of such real estate properties through rental
  - the acquisition or conclusion of any credit agreement as lessee in order to let or provide in return for payment, buildings the subject of such credit agreements
  - directly or indirectly, the holding of equity investments in entities stipulated in Article 8 and Sections 1, 2 and 3 of Article 206 of the French General Tax Code and, in general, investment in companies whose primary purpose is the operation of a rental real estate portfolio in the health-care and leisure sectors, and accommodation in the broad sense, as well as the promotion, management and assistance of such entities and companies.
- on an ancillary basis:
  - directly or indirectly, the leasing of any real estate properties in the healthcare and leisure sectors, and accommodation in the broad sense including through a credit agreement or financial let
  - the management, administration, negotiation and sale of any real estate properties and rights, on behalf of third parties and direct and indirect subsidiaries, in the healthcare and leisure sectors and accommodation in the broad sense
  - indirectly, the acquisition, holding, disposal or operation of a business in the health-care and leisure sectors and accommodation in the broad sense.
- in exceptional circumstances, the transfer, particularly through the disposal, contribution or merger of the assets of the company
- and more generally:
  - the participation as borrower and lender in any intra-group loan or cash transactions and the possibility of granting for this purpose any personal guarantees or security interests in real or personal property, whether mortgages or other borrowings
  - and all civil, financial, commercial, industrial, personal and real property transactions deemed useful for the development of any one of the aforementioned purposes of the company.

6.1.1.9 Location where the documents and information relating to the company may be consulted

At the registered office since 26 February 2024: 10, rue de Madrid – 75008 Paris (telephone: +33 (0) 1 58 97 50 00).

On the website: www.covivio-hotels.fr.

On the AMF site: www.amf-france.org.

6.1.1.10 Rights of the limited partners

The rights of the limited partner shareholders are governed by common law.

6.1.1.11 Rights and status of the limited partners (Article 18 of the Articles of Association)

The company's sole limited partner, also Manager of the company, is Covivio Hotels Gestion, a limited joint stock company with capital of €37,000, the registered office of which, since 26 February 2024, has been at 10, rue de Madrid 75008 Paris, registered in the Paris TCR under number 450 140 298.

The rights of the general partners are governed by common law and by the following provisions of the Articles of Association. In accordance with Article 20 4) of the Articles of Association: "Except for deliberations concerning the election, resignation or dismissal of the members of the Supervisory Board, no deliberation may be adopted at an Ordinary General Meeting, without the unanimous and prior agreement of the general partner(s). Said agreement must be obtained by the management, prior to said Ordinary General Meeting."

In accordance with Article 21 3) of the Articles of Association: "A deliberation may only be adopted at an Extraordinary General Meeting, with the unanimous and prior agreement of the general partners; nevertheless, in the case where there are multiple partners, the deliberations required to decide to transform the company into a company of another form will only require the prior agreement of the majority."

The status of limited partner is lost in the cases provided for by law.

The limited partner and Manager is definitively and jointly and severally responsible for the company's liabilities.

6.1.1.12 Fiscal year (Article 23 of the Articles of Association)

Each fiscal year lasts for 12 months, beginning on 1 January and ending on 31 December of each calendar year.

6.1.1.13 Statutory distribution of profits (Article 25 of the Articles of Association)

Out of the distributable profit for each fiscal year, a sum of €1,000,000 is first of all deducted and paid to the limited partner. This statutory dividend is cumulative. The balance of the distributable profit for each fiscal year is divided among the limited shareholders, it being specified that, in accordance with the fiscal regime applicable to listed real estate investment companies ("SIIC") for which Covivio Hotels opted, the tax-exempt income arising from building rentals and dividends from companies that opted for the SIIC regime are obligatorily distributed before the end of the fiscal year following the year in which they were generated, in the respective amounts of 95% and 100%, and those stemming from the disposal of buildings or investments in companies that opted for the SIIC regime, in the amount 70%, before the end of the second fiscal year following the year in which they were generated.

6.1.1.14 General Meetings

This information is detailed in the report by the Supervisory Board on corporate governance, Chapter 5.2 of this Document.

Exceeding the statutory thresholds (Article 9 *bis* of the Articles of Association)

In addition to the legal obligation to notify the company of the holding of certain fractions of the capital and to make any resultant declarations of intent, any physical person or legal entity, acting alone or in concert, who has come to hold or stops holding, directly or indirectly, at least one per cent (1%) of the company's capital or voting rights, or any multiple of this percentage, must notify the company, by registered post with proof of receipt request to the registered office within the period provided for in Article R. 233-1 of the French Commercial Code, also indicating the number of securities ultimately giving access to the share capital it holds, the number of related voting rights as well as all the information referred to in Article L. 233-7 I of the French Commercial Code. Mutual fund management firms must carry out such reporting for the entirety of the shares of the company held by the funds that they manage.

Unless a declaration has been made under the conditions outlined above, shares above the fraction which should have been declared will have no voting rights attached for any General Meeting held within two (2) years after the date of regularisation of the declaration, at the request, recorded in the minutes of the General Meeting, of one or several shareholders together holding at least 5% of the share capital.

6.1.2 General information concerning the capital

6.1.2.1 Form of shares - identification of shareholders (Article 8 of the Articles of Association)

Shares will be registered or bearer shares, at the shareholder's choice. Nevertheless:

- any shareholder, other than a natural person, holding directly or through entities it controls within the meaning of Article L. 233-3 of the French Commercial Code, a percentage of the rights to dividends of the company at least equal to that stipulated in Article 208 C II *ter* of the French General Tax Code
- any shareholder holding, indirectly or through the company, a percentage of the share capital or rights to dividends of listed public limited real estate companies in Spain ("SOCIMIs") at least equal to that stipulated in Article 9.3 of law 11/2009 of the Kingdom of Spain, of 26 October 2009 (the "11/2009 law")
- (a "Concerned Shareholder") must register all the shares of which he/she is the registered owner, and ensure that all shares in the company held by any entities that he/she controls within the meaning of Article L. 233-3 of the French Commercial Code are also registered. Any Concerned Shareholder which has not met these obligations by the second working day prior to a General Meeting will have the voting rights it holds, either directly or *via* entities it controls within the meaning of Article L. 233-3 of the French Commercial Code, capped, for the purposes of the relevant General Meeting, at the number of shares that they have registered.

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The Concerned Shareholder referred to above will regain all of the voting rights attached to the shares it holds, directly or *via* entities it controls within the meaning of Article L. 233-3 of the French Commercial Code, at the following General Meeting, provided that it regularises its situation by registering all the shares it holds, directly or *via* entities it controls within the meaning of Article L. 233-3 of the French Commercial Code, in registered form, by the second working day prior to that General Meeting.

The register of registered shares is held by CM-CIC Market Solutions.

Shares will be registered in the account of their owner under the conditions and the terms provided for by the legal provisions in force.

The company or a third party appointed by the company may use the provisions outlined in Articles L. 228-2 *et seq.* of the French Commercial Code at any time to identify (i) holders of securities conferring immediately or in the future voting rights in its own General Meetings of shareholders (a "General Meeting") and (ii) holders of bonds or negotiable debt certificates issued by the company.

6.1.2.2 Sale of shares (Article 8 of the Articles of Association)

The shares may be freely disposed of and transmitted under the conditions and the terms provided for by the legal provisions in force. Where the company and third parties are concerned, shares are disposed of by transferring them from one account to the other.

6.1.2.3 Rights and obligations granted to shares (Article 9 of the Articles of Association)

Each share gives the right, in the ownership of company assets, in the profit distribution and in the liquidation surpluses, to a proportional part of the share of the equity it represents.

Shareholders are only responsible for company debts up to the limit of their contribution, *i.e.* the value of their shares.

Each shareholder will have the same number of votes as the number of shares owned or represented. Double voting rights are not granted pursuant to Article L. 22-10-46 of the French Commercial Code.

Each share gives the right to participate in the General Meetings of shareholders, with entitlement to vote, under the conditions and subject to the reservations provided for by the law, the regulations and the Articles of Association.

Any person with one or more shares is bound by the Articles of Association and by all decision taken by the General Meetings.

Every time it is required to own several shares to exercise any right whatsoever, the shareholders are personally responsible for pooling together the required number of shares and do not hold any right against the company.

Shares are indivisible with respect to the company. Consequently, joint owners are required to be represented in relation to the company by only one of them.

Each of the shares gives the right, in the case of breakdown or redemption, to the same net sum. Consequently, all the shares shall be taken together irrespective of any tax exemptions such as any taxation likely to be paid by the company to which this breakdown or this redemption may give rise.

Any Concerned Shareholder whose own position or that of its partners makes:

i) the company liable for the withholding ("Withholding") stipulated in Article 208 C II *ter* of the French General Tax Code; or

ii) the SOCIMI regime, whose equity is held directly or indirectly by the company, liable for the Spanish withholding (the "Spanish Withholding") stipulated in Article 9.3 of law 11/2009.

(a "Shareholder subject to Withholding") will be required to compensate the company, or the SOCIMIs, whose equity is held directly or indirectly by the company, for the Withholding and/or the Spanish Withholding due, arising from a distribution of dividends, reserves, premiums or "income deemed distributed" within the meaning of the French General Tax Code or law 27/2014 of 27 November 2014 of the Kingdom of Spain, on corporate income tax, respectively, according to the terms of Article 9.3 hereafter.

Any Concerned Shareholder is assumed to be a Shareholder subject to Withholding. If he or she states that he or she is not a Shareholder subject to Withholding, he or she shall provide the company upon request:

i) for the requirements of the Withholding, no later than five (5) business days prior to payment of the distributions by providing a satisfactory legal opinion without reservations, issued by an internationally renowned law firm with recognised expertise in French tax law or of the country where the Concerned Shareholder resides, certifying that he or she is not a Shareholder subject to Withholding and that the distributions paid to him or her do not make the company liable for Withholding

ii) for the requirements of the Spanish Withholding, no less than five (5) business days prior to payment of the distributions by the SOCIMIs whose capital is held directly or indirectly by the company, a certificate of fiscal residence issued by the competent authority of the country where the Concerned Shareholder states is resident and, no less than five (5) business days prior to payment of the distributions by providing a satisfactory legal opinion without reservations that he or she is not a shareholder subject to Spanish Withholding and that the distributions paid by the SOCIMIs, whose capital is held directly or indirectly by the company, do not make the company liable for Spanish Withholding due to their investment in the company.

In the event that the company directly or indirectly holds a percentage of the dividend rights at least equal to that stipulated in Article 208 C II ter of the French General Tax Code or more than one or several listed real estate investment companies stipulated in Article 208 C of the French General Tax Code ("SIIC Subsidiary"), or the company directly or indirectly holds a percentage of the share capital or the dividend rights of one or more SOCIMIs at least equal to that stipulated in Article 9.3 of law 11/2009, and, where the SIIC Subsidiary or said SOCIMI, due to the position of the shareholder subject to Withdrawal, has paid the Withholding or the Spanish Withholding, the Shareholder subject to Withholding should, depending on the case, compensate the company either for the amount paid as remuneration by the company to the SIIC Subsidiary, or the SOCIMI concerned by the payment of the Withholding by the SIIC Subsidiary or the Spanish Withholding by the SOCIMI or, if no remuneration is paid to the SIIC Subsidiary or the SOCIMI by the company, an amount equal to the Withholding paid by the SIIC Subsidiary or the Spanish Withholding paid by the SOCIMI concerned, so that the other shareholders of the company do not have to financially bear any part of the Withholding or the Spanish Withholding paid respectively by any one of the SIICs or

SOCIMIs in the investment chains due to the Shareholder subject to Withholding "Additional Compensation". The amount of the Additional Compensation will be paid by each of the shareholders subject to Withholding proportionately to their respective dividend rights divided by the total dividend rights of the shareholders subject to Withholding.

The company will be entitled to offset its claim against any Shareholder subject to Withholding, on the one hand, and the sums to be paid by the company for their benefit, on the other hand. Thus, the sums distributed by the company that must, for each share held by said Shareholder subject to Withholding, be paid in its favour pursuant to the aforementioned distribution decision or a share buyback programme, will be reduced by the amount of the amount of the Spanish Withholding or Withholding due by the company or SOCIMI in respect of the distribution of these sums and/or the Additional Compensation.

The amount of any remuneration owed by a Shareholder subject to Withholding will be calculated in such a manner that, after payment thereof and taking into account any specific tax regime that may be applicable to it, the company will be placed in the same position as if the Withholding or the Spanish Withholding had never become due. In particular, the remuneration should include any tax due by the company as remuneration.

The company and the Concerned Shareholders must cooperate in good faith to ensure that all reasonable measures are taken to limit the amount of Withholding or the Spanish Withholding due or to become due and the remuneration arising or that could arise from it.

6.1.2.4 Conditions for changing the share capital (Article 7 of the Articles of Association)

Authorisations to change the share capital are set out in the management report.

The share capital may be increased or reduced, by any means or in any way authorised by the law.

Any increase or reduction in the share capital must be decided by an Extraordinary General Meeting of shareholders, after having obtained the unanimous consent of the general partners.

The Supervisory Board makes a report on any proposal to increase or reduce the share capital proposed by the Management Board to the shareholders.

In accordance with the law, the General Meeting of shareholders may delegate to the Management Board all powers required to carry out the proposed capital increase or reduction, determine the amount, the terms and conditions and take all steps required for the successful completion of the operation.

6.1.2.5 Financial instruments not representing capital

None.

6.1.2.6 Other securities giving access to the share capital

None.

6.1.2.7 Authorisation to increase the share capital

The summary of the delegations currently in force granted by the General Meeting of shareholders of 18 April 2023 concerning increases in the share capital of the company is given in the report by the Supervisory Board on corporate governance in Section 5.2.5.2.

6.1.2.8 Changes in share capital over the last five years

The summary of changes in the share capital over the last five fiscal years is given in the management report, in Section 1.6.4.

6.1.3 Company shareholder structure

The share capital and voting rights over the last three fiscal years is presented in the management report in Section 1.6.2.

6.1.3.1 Information on the main shareholders at 31 December 2023

The main shareholders or group of shareholders are presented in the management report in Section 1.6.

6.1.3.2 Significant agreements

During the last two fiscal years:

- Covivio Hotels has not entered into any material contracts to which the issuer or any other member of the Group is a party
- no contract has been entered into by any member of the Group containing provisions conferring on any member of the Group an obligation or significant right affecting the entire Group, other than those entered into in the normal course of its business except for the outstanding financial contracts as of 31 December 2023 presented below.

Bond issue of €350 million

In September 2018, the company issued a seven-year bond for €350 million (maturing on 24 September 2025). The issue, after obtaining a BBB rating with a positive outlook from Standard & Poor's has a coupon of 1.875%.

Bond issue of €599 million

In July and October 2021, the company issued an eight-year bond for €599 million. This issue offers a coupon of 1%.

The principal financial agreements are detailed in the notes to the financial statements presented in Part 4 "Financial Information" of this Universal Registration Document.

6.2 Company overview

6.2.1 Historical background

Created in 1900, then obtained stock market listing in 1903, the business of Établissements Ferrand et Renaud was the manufacture of pastas and all other related products.

In 1961, the company contributed its industrial and commercial business to the new companies Régia-Scaramelli and Semoulerie de Bellevue, and the entire real estate comprising the Lyon factory and a new company. After these contributions, it became a holding company.

Since 2001, the date the last significant asset disposal was made, the Ferrand et Renaud business was limited to a 35% shareholding in Oralia Investissements, a company managing real estate and a portfolio of securities.

For Ferrand et Renaud, the 2004 fiscal year was marked by the disposal of some assets with a low unit value but above all by the disposal on 29 November 2004, of the whole shareholding in Oralia to its current majority shareholder for €11,480,433 and its real estate subsidiary Foch to Mr Christian Baverey.

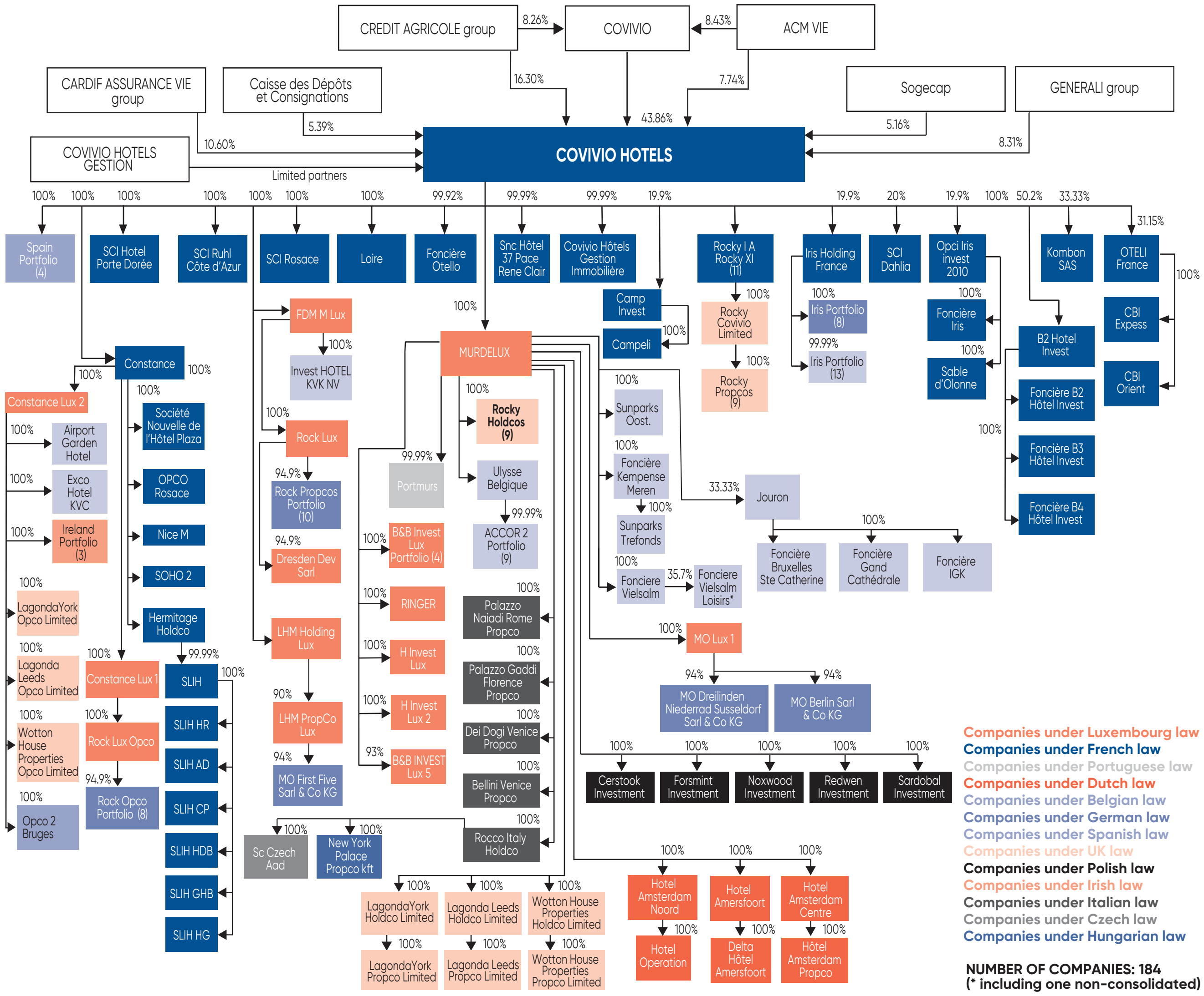
On 30 November 2004, Ferrand et Renaud, now Foncière des Murs, acquired SCI Foncière des Murs. This operation lay within the scope of the project to restructure the company into becoming a REITs specialised in long-term ownership of lease properties in the healthcare and leisure sectors and accommodation in the broad sense.

At the Combined General Meeting of 14 September 2018, the company decided to change its identity and its brand, consistent with the change made at Covivio level. To make this new identity and corporate name consistent, it was decided to adopt "Covivio Hotels" as the company's new corporate name.

At 31 December 2023, Covivio Hotels held a portfolio of 352 assets (including 313 hotels) with a total appraisal value of €5,822 million excluding transfer taxes, Group Share (*i.e.* €6,427 million in total share), divided into France and Europe.

6.2.2 Group organisation chart at 31 December 2023

Details of Covivio Hotels and its subsidiaries at 31 December 2023 are as follows:



The percentage held and voting rights of Covivio Hotels in its subsidiaries is identical. Only the share capital distribution and voting rights of the company's shareholders may vary depending on the number of treasury shares the company holds (without voting rights).

We also state that:

- details of the transactions between related parties are given in Section 4.2.7.4
- the special report by the Statutory Auditors on the regulated agreements within the company is presented in Chapter 4.7.

Majority shareholder

Covivio holds 43.86% of the equity of Covivio Hotels. The summary of the distribution of the Covivio equity at 31 December 2023 is given in detail below:

Name of shareholders	Number of shares	%
Delfin group	27,918,616	27.64
Covea group	7,365,314	7.29
Crédit Agricole Assurances group	8,343,810	8.26
CM-CIC group	8,165,592	8.08
Free float, registered and other bearers	48,368,548	47.89
Treasury shares	844,509	0.84
TOTAL	**101,006,389**	**100.00**

6.3 Administration, Management and Supervisory Board

6.3.1 Management (Article 10 of the Articles of Association)

The company is managed and administered by one or more Managers. The first Manager, appointed for a period of six years, is the company Covivio Hotels Gestion, a simplified joint stock company with capital of €37,000, the registered office of which has been, since 26 February 2024, 10, rue de Madrid – 75008 Paris, registered in the Paris TCR under number 450 140 298.

During the company's existence, any new Manager shall be appointed unanimously by the general partners, with the agreement of the Supervisory Board or, if applicable, the General Meeting.

The company Covivio Hotels Gestion, appointed as first Manager of the company, shall be considered as automatically resigning from the position of Manager in the case where it ceases to be directly or indirectly controlled, within the meaning of Article L. 233-3 of the French Commercial Code, by Covivio, unless the new controlling shareholder of said Manager was approved by the Supervisory Board.

When the functions of a Manager come to an end, the management is carried out by the remaining Manager or Managers, without prejudice to the right of the general partners to appoint a new Manager as replacement, or to re-appoint the outgoing Manager.

In the event that the functions of the sole Manager are terminated, one or more new Managers will be appointed, or the sole Manager will be reappointed. Nevertheless, while awaiting this or these appointments, the management is carried out by the limited partner or partners who may then delegate all powers necessary for managing the company's business until the new Manager or managers are appointed.

Each Manager may be dismissed at any time for incompetence (whether or not the consequence of a collective procedure), or for any other cause by a unanimous decision of the general partners; each Manager may also be dismissed for a legitimate reason by a court decision.

6.3.2 Powers and remuneration of the Manager (Articles 10, 11 and 14 of the Articles of Association)

Powers of the Manager (Articles 10 and 14 of the Articles of Association)

The Manager has the widest possible powers to act in all circumstances in the name of the company within the limits of the corporate purpose and subject to the powers granted expressly by law and the Articles of Association to General Meetings of shareholders and the Supervisory Board.

In this regard it is indicated that the Manager of the company should, in accordance with Article 14 of the Articles of Association, obtain prior authorisation from the Supervisory Board, ruling by a three-fifths majority, on operations to subscribe to bank loans, purchase properties or equity investments, divestments or granting any guarantee, comfort letter or pledge when their amount exceeds €10 million.

Remuneration of the Manager (Article 11 of the Articles of Association)

The terms and conditions of the remuneration of Management are determined in accordance with the legislation in force.

Furthermore, the Manager or Managers have the right to be reimbursed for all the expenses and cost of any nature arising from the use of external service providers, carried out in the interest of the company or the companies it controls, directly or indirectly, within the meaning of Article L. 233-3 of the French Commercial Code.

More detail on remuneration of the Manager is given in the Supervisory Board's report on corporate governance.

6.3.3 Supervisory Board (Articles 12 to 15 of the Articles of Association)

The company has a Supervisory Board comprising at least three members selected exclusively from among the shareholders who are neither general partners nor a Manager.

The members of the Supervisory Board are appointed or removed by the Ordinary General Meeting of shareholders, as the shareholders who are general partners cannot vote on the corresponding resolutions.

The duration of the term of office of the Supervisory Board's members is three years at most and each member must own at least one share in the company.

The members of the Supervisory Board may receive annual remuneration, the amount of which, charged to the overheads, is determined by the Ordinary General Meeting and shall stand until a contrary decision is taken by this Meeting.

6.3.3.1 Composition of the Supervisory Board of Covivio Hotels

The Supervisory Board is comprised of 13 members, natural persons or legal entities, selected from among the shareholders. The composition of the Supervisory Board as well as the *curricula vitae* and terms of office and functions exercised by each of these persons is given in the Supervisory Board report on corporate governance.

6.3.3.2 Operation of the Supervisory Board

6.3.3.2.1 Powers of the Board (Article 14 of the Articles of Association)

The Supervisory Board permanently controls the management of the company as provided for by law.

It prepares a report for the Ordinary Annual General Meeting, which approves the company's financial statements, as well as at the time of any increase or reduction in the share capital proposed to the shareholders. The prior authorisation of the Supervisory Board, ruling by a three-fifths majority, is required before implementation of the following operations by the Manager:

- subscription to bank borrowings
- purchase of buildings or equity investments
- divestments
- granting of any guarantee, comfort letter or pledge
- when their amount exceeds €10 million.

When their amount does not exceed €50 million, the Supervisory Board may authorise it in a single deed signed by the members of the Supervisory Board ruling by a three-fifths majority.

Furthermore, up to a limit of a certain annual amount it will determine, it may authorise the Manager to give guarantees in the company's name.

The Supervisory Board meets at least four times per year, once per quarter, and the Manager provides the Supervisory Board with the following information, taking into account, where appropriate, the activities of the company and its subsidiaries on a consolidated basis:

- at the Supervisory Board meeting held during the second quarter of the fiscal year, the draft consolidated balance sheet, consolidated income statement, draft statement of consolidated financial flows, and report by the Statutory Auditors on the consolidated financial statements
- at the Supervisory Board meeting held in the fourth quarter of each fiscal year, an annual consolidated budget as well as the company's annual cash flow projections and the consolidated cash flow of the company and its subsidiaries
- at each of the quarterly meetings, a business report, comprising all the elements determined by the Supervisory Board, and a description of major events that occurred during the previous quarter.

More generally, the Manager should provide the Supervisory Board with the same documents as those given to the Statutory Auditors as well as any document or information that the Supervisory Board may reasonably request.

The Supervisory Board's prior agreement is also required for the appointment or renewal of any Manager with the exception of the appointment of the first Manager.

Accordingly, the Supervisory Board has a maximum of twenty (20) days from the notification it received from the limited partners on the appointment or renewal project, to give or to refuse its consent.

In the event that, on two successive occasions within a period of two months, the Supervisory Board refuses this consent for two successive candidates, even though the company is without a Manager and the management is temporarily carried out by the limited partners, consent may be given by the Ordinary General Meeting of the shareholders ruling in the majority, called by the limited partner or partners submitting one of these two candidates only.

In the case where the consent of the Supervisory Board or the General Meeting is not obtained pursuant to the foregoing sections, the general partner or partners shall appoint a third person. If the Supervisory Board does not give its consent to this new person, his or her appointment shall be submitted to the Ordinary General Meeting, which may only refuse its consent on a two-thirds majority of the shareholders present or represented.

6.3.3.2.2 Board meetings (Articles 13 and 14 of the Articles of Association)

The Supervisory Board meets as often as required by the interests of the company and, in any case, at least four times per year, in particular to hear the report by the management on the company's businesses. Except in an emergency, the members of the Supervisory Board must be called to a meeting at least one week prior to the date of the Board meeting.

The meetings may be convened by the Chairman of the Supervisory Board, as well as by at least half of its members, or by each of the Managers and general partners of the company. The Manager or managers must be called to the meeting at which they attend on a purely consultative basis.

For the deliberations to be valid, at least half the members must be present.

Deliberations are adopted by a majority of the members present or represented and who are entitled to vote. Any member of the Supervisory Board may be represented by another member of the Board on presentation of an express authorisation bearing in mind that a member of the Board may represent several members. In the case of a tied vote, the Chairman shall have the casting vote.

The members of the Board taking part in the meeting by video conference shall be considered as present when calculating the *quorum* and the majority.

The Statutory Auditors are called to the meetings of the Supervisory Board which examines the annual or interim financial statements.

6.3.3.2.3 Duties of members of the Supervisory Board (Article 1.6 of the Internal Regulations)

Details of the duties of the Board members are given in the report by the Supervisory Board on corporate governance in Section 5.2.2.2.6.2.

6.3.3.2.4 Declarations relative to the disclosures required pursuant to 12.1 and 12.2 of the Appendix 1 to Delegated Regulation (EU) 2019/980 of 14 March 2019

This information is detailed in the report by the Supervisory Board on corporate governance, Section 5.2.2.2.3.3 of this Document.

6.3.3.2.5 Conflicts of interest – family ties

There are no family links between the members of the Covivio Hotels Supervisory Board.

As things stand, we do not have any information leading to the conclusion that there are other potential conflicts of interest.

The Internal Regulations of the Supervisory Board establishes, in its Article 1.6.5, a procedure to prevent conflicts of interest when the Board or a Committee meets.

6.3.3.2.6 Exceptional events and litigation

To the best of our knowledge, there were no governmental, judicial or arbitration proceedings during the last 12 months with significant effect on the financial position or the profitability of Covivio Hotels and its subsidiaries.

6.3.4 Statutory Auditors

6.3.4.1 Statutory Auditors

	Statutory Auditors	Date of appointment	Expiry of term of office
Principal	**Cabinet Mazars** Tour Exaltis 61, rue Henri Regnault 92400 COURBEVOIE	30 November 2004, Renewed on 8 April 2010, 8 April 2016 and on 7 April 2022	OGM ruling on the annual financial statements closed at 31 December 2027
	Ernst & Young et Autres 1/2 Place des Saisons Paris – La Défense 1 92400 COURBEVOIE	11 April 2013 Renewed on 5 April 2019	OGM ruling on the annual financial statements closed at 31 December 2024

6.3.4.2 Remuneration of the Statutory Auditors

The remuneration of the Statutory Auditors is presented in Section 4.2.7.6 of the notes to the consolidated financial statements.

6.4 Person responsible for the document

6.4.1 Person responsible for the document

Tugdual Millet-Taunay

Chairman of Covivio Hotels Gestion

Managing partner

6.4.2 Statement by the person responsible including the annual financial report

I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and of all the companies included in the consolidation, and that the management report on pages 7 *et seq.*, presents a true and fair view of the evolution of the business, results and financial position of the company and of all the companies included in the consolidation and that part 2, risk factors, internal control and risk management on page 61 *et seq.* describes the main risks and uncertainties to which they are exposed.

Paris, 18 March 2024

Tugdual MILLET-TAUNAY

Chairman of Covivio Hotels Gestion

Managing partner

Person responsible for the financial information

6.4.3 Historical financial information

Pursuant to Article 19 of the Regulation (EU) 2017/1129 of the European Parliament and the European Council of 14 June 2017 and Delegated Regulation (EU) 2019/980 repealing Regulation (EU) 809/2004, the following information is incorporated by reference in this Universal Registration Document:

- the consolidated and annual financial statements for the fiscal year ended 31 December 2022 as well as the corresponding reports by the Statutory Auditors on pages 87 to 167 of the 2022 Universal Registration Document filed with the AMF on 24 March 2023 under No. D. 23-0150
- the consolidated and annual financial statements for the fiscal year ended 31 December 2021 as well as the corresponding reports by the Statutory Auditors on pages 83 to 166 of the 2021 Universal Registration Document filed with the AMF on 14 March 2022 under No. D. 22-0095.

These documents are available at the company's registered office at 10, rue de Madrid– 75008 Paris, as well as on its website (www.covivio-hotels.fr) and on the website of the French Financial Markets Authority.

6.5 Annual information document (article 221–1-1 of the AMF General regulation)

6.5.1 Communication on the basis of regulatory information published on the AMF website and on the Covivio Hotels website

18 January 2023	Liquidity agreement half-year statement at 31 December 2022
17 February 2023	2022 annual results
31 March 2023	Procedures for making the preparatory documents available to the AGM of 18 April 2023
24 March 2023	Procedures for making the 2022 Universal Registration Document available
18 April 2023	Description of the 2023 share buyback programme
19 April 2023	Activity at end-March 2023
8 August 2023	Liquidity agreement half-year statement at 30 June 2023
18 July 2023	2023 half-year results
26 July 2023	2023 half-year financial report
26 January 2024	Liquidity agreement half-year statement at 31 December 2023
15 February 2024	2023 annual results

6.5.2 Publications in the BALO *(Bulletin des Annonces Légales Obligatoires)*

10 March 2023	Publication of the meeting notice for the Combined General Meeting on 18/04/2023
31 March 2023	Publication of the notice of meeting for the Combined General Meeting on 18/04/2023
26 April 2023	Publication of the final financial statements at 31/12/2022

6.6 Summary appraisers' report

Tugdual Millet-Taunay

Covivio Hotels 10, rue de Madrid 75008 Paris

Paris, 4 March 2024

Dear Sir,

We have the honour of attaching herewith our summary report on the appraisal of the fair value of the Covivio Hotels assets as at 31 December 2023.

6.6.1 General background on the appraisals

General framework

Covivio Hotels asked us to estimate the fair value of its portfolio in Europe. This request was part of the half-year valuation of its portfolio.

These appraisals were conducted with complete independence.

The appraisal companies BNP Paribas Real Estate Valuation, CBRE Hotels Valuation, CBRE Limited, Cushman & Wakefield Valuation, BPCE Expertises Immobilières and MKG have no capital ties with Covivio Hotels.

The appraisal companies BNP Paribas Real Estate Valuation, CBRE Hotels Valuation, CBRE Limited, Cushman & Wakefield Valuation, BPCE Expertises Immobilières and MKG confirm that the appraisals were carried out by and under the responsibility of qualified appraisers.

The annual fees billed to Covivio Hotels are determined before the appraisal year. They account for less than 10% of the revenues of each appraisal company.

The rotation of the appraisers is organised by Covivio Hotels.

We have not identified any conflict of interest in this appraisal.

The assignment is in compliance with the AMF recommendation concerning the presentation of the real estate portfolio valuation for listed companies published on 8 February 2010.

Current appraisal

Our assignment was to appraise the fair value of the 189 assets in France, 63 assets in Germany, three assets in the Netherlands, 16 assets in Belgium, one asset in Portugal, 12 assets in the United Kingdom, 16 assets in Spain, four assets in Italy, four assets in Poland, one asset in Ireland, two assets in Hungary and one asset in the Czech Republic. For this assignment, Covivio requested us to carry out initial appraisals or updates on documents.

Our assignment was to appraise the fair value at the occupancy rate announced at 31 December 2023.

The appraised assets are located in Europe. They are primarily assets that are wholly owned by Covivio Hotels or by its subsidiaries.

It should be noted here that, when the client is the tenant under the terms of a credit agreement, the appraiser values only the assets underlying the contract, and not the credit agreement itself. In the same way, when a real estate asset is held by a special purpose entity, its value was estimated on the assumption of the sale of the underlying real estate asset, and not the sale of the company.

6.6.2 Engagement conditions

Documents examined

This assignment was conducted on the basis of the documents and information provided during the month of October 2023 and the preceding years for the sites being updated, and which is assumed to be accurate and to represent all the information and documents in the possession of, or known to, the client, which could have an impact on the fair value of the portfolio. Accordingly, title deeds and zoning certificates are not examined.

Standards

The appraisals and valuations were completed in accordance with:

- the recommendations of the Barthès de Ruyter report on the valuation of real estate portfolios of listed/publicly traded companies, published in February 2000
- the charter for Expert Appraisal in Real Estate Valuation
- the recommendations set out by the RICS appraisal standards published by the Royal Institute of chartered Surveyors
- the principles laid down by the SIIC Code of Ethics.

Methodology used

For the assets comprising the various portfolios, which are investment properties, we have used the capitalisation of gross income method and the discounted cash flow method.

6.6.3 Comprehensive fair value

Covivio Hotels owns 352 assets (including 313 hotels). 312 assets are recognised at appraisal value and 40 assets are valued at the promise value.

6.6.3.1 Fair value appraised by BPCE Expertises Immobilières

The comprehensive fair value corresponds to the sum of the unit values each of asset.

Fair value at 100%: €708,710,000 excluding expenses and duties.

All of the assets were valued as at 31 December 2023. As part of the valuation, 10 assets required a visit by the expert in March and May, the other assets were the subject of a document-based update.

Of the 36 assets, 31 are fully owned and 5 held *via* special leases (BAC, AOT, etc.).

Presentation of the appraisal values per class of assets:

Sectoral breakdown	Valuation	Number of assets
AccorInvest assets	374,740,000	20
Lease assets	125,230,000	4
Operating properties assets	207,530,000	10
Retail premises assets	1,210,000	2
TOTAL	**708,710,000**	**36**

6.6.3.2 Fair value appraised by BNP Paribas Real Estate Valuation

The comprehensive fair value corresponds to the sum of the unit values each of asset.

Fair value at 100%: €1,935,636,195 excluding expenses and duties.

All of the assets were valued as at 31 December 2023. As part of the valuation, all assets were the subject of a document-based update.

Of the 38 assets appraised, 32 are fully owned and 6 held *via* special leases (BAC, AOT, etc.).

Presentation of the appraisal values per class of assets:

Sectoral breakdown	Valuation	Number of assets
AccorInvest assets	215,870,000	4
B&B assets	31,750,000	4
Assets in Spain	525,580,000	12
Operating properties assets	925,266,195	11
Other assets	237,170,000	7
TOTAL	**1,935,636,195**	**38**

6.6.3.3 Fair value appraised by Cushman & Wakefield Valuation France

The comprehensive fair value corresponds to the sum of the unit values each of asset.

Fair value at 100%: €1,298,850,000 excluding expenses and duties.

All of the assets were valued as at 31 December 2023. As part of the valuation, 91 assets required an appraiser visit between June and December 2023; the other assets were the subject of a document-based update.

Of the 147 assets appraised, 139 are fully owned and 8 held *via* special leases (BAC, AOT, etc.).

Presentation of the appraisal values per class of assets:

Sectoral breakdown	Valuation	Number of assets
AccorInvest assets	432,220,000	24
B&B assets	698,330,000	117
NH Hotel group assets	24,200,000	2
Motel One and Meininger assets	144,100,000	4
TOTAL	**1,298,850,000**	**147**

6.6.3.4 Fair value appraised by the appraisal company CBRE Limited

The comprehensive fair value corresponds to the sum of the unit values each of asset.

Fair value at 100%: €662,014,171 excluding fees and transfer duties (valuation in British pounds converted at the rate of €1.15193).

All of the assets were the subject of document-based update and were valued as at 31 December 2023.

Of the 9 assets appraised, 3 are fully owned (freehold) and 6 held *via* special leases (leasehold).

Presentation of the appraisal values per class of assets:

Sectoral breakdown	Valuation	Number of assets
UK assets	662,014,171	9
TOTAL	**662,014,171**	**9**

6.6.3.5 Fair value appraised by CBRE Hotels Valuation

The comprehensive fair value corresponds to the sum of the unit values each of asset.

Fair value at 100%: €934,979,000 excluding expenses and duties.

All of the assets were valued as at 31 December 2023. As part of the valuation, 24 assets required an appraiser visit in May, August, September, October and December 2023; the other assets were the subject of a document-based update.

Of the 43 assets appraised, 33 are fully owned and 10 held *via* special leases (BAC, AOT, etc.).

Presentation of the appraisal values per class of assets:

Sectoral breakdown	Valuation	Number of assets
AccorInvest assets	436,339,000	30
Lease assets	251,240,000	9
Operating properties assets	247,400,000	4
TOTAL	**934,979,000**	**43**

6.6.3.6 Fair value appraised by MKG

The comprehensive fair value corresponds to the sum of the unit values each of asset.

Fair value at 100%: €731,757,835 excluding costs and transfer taxes (value of Hungarian assets converted at the rate of €0.002612 and of Czech assets at the rate of €0.040444).

All of the assets were valued as at 31 December 2023. As part of the valuation, 11 assets required a visit by the expert in June and November 2023, the other assets were the subject of a document-based update.

Of the 39 assets appraised, 33 are fully owned and 6 held *via* special leases (BAC, AOT, etc.).

Presentation of the appraisal values per class of assets:

Sectoral breakdown	Valuation	Number of assets
B&B assets	211,590,000	31
NH assets	520,167,835	8
TOTAL	**731,757,835**	**39**

6.6.3.7 Summary by appraiser and reconciliation with the consolidated financial statements

The financial communications portfolio of Covivio Hotels therefore amounts to €5,822 million in Group Share. A reconciliation table between this amount and the IFRS consolidated financial statements can be found in Section 1.4 of this URD.

Appraisers	100% valuation	Group Share valuation	Number of assets
BPCE	708,710,000	589,384,034	36
BNP	1,935,636,195	1,892,715,105	38
CUSHMAN	1,298,850,000	1,075,537,260	147
CBRE Hotels Valuation	934,979,000	722,164,339	43
CBRE Limited	662,014,171	662,014,171	9
MKG	731,757,835	724,894,635	39
Total	**6,271,947,202**	**5,666,709,544**	**312**
Assets under promise	155,450,223	155,450,223	40
TOTAL	**6,427,397,425**	**5,822,159,767**	**352**

6.6.4 General comments

These values are understood as being based on the market remaining stable and no significant changes occurring to the assets between the appraisal date and the value date.

This summary report is an element that cannot be separated from the work carried out by each of the appraisers in their assignment.

Cushman & Wakefield Valuation France

Philippe Mellet

Partner

BNP Paribas Real Estate Valuation

Jean-Claude Dubois

Chairman

BPCE Expertises Immobilières

Philippe Taravella

Chief Executive Officer (CEO)

CBRE Hotel Valuation France

Benjamin Deljurie

Director, Head of Hotels Valuation France & Belux

CBRE Limited

Tom Holt Wilson

Senior Director

MKG

Vanguélis Panayotis

Chairman

Barcelo Torre Madrid
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34,4% LTV at the end of December 2023.

7

Cross-reference tables

Cross-reference table

To facilitate the reading of the annual report registered as a Universal Registration Document, the following theme-based table identifies the main information required under the headings of Appendix 1 of Delegated Regulation (EU) 2019/980 of the European Commission of 14 March 2019.

Type of information		Section and page No.
9.	**Regulatory framework**	**§ 2.1 p. 62**
10.	**Information on trends**	
10.1	Main trends	§ 1.1 p. 8; § 1.8.6 p. 51
10.2	Events that may influence trends	§ 1.2.1 p. 8; § 4.2.5 p. 112; § 1.5.1 p. 34
11.	**Earnings projections or estimates**	**N/A**
12.	**Administrative, management and supervisory bodies and General Management**	
12.1	Information on members of the administrative, management, and supervisory bodies	§ 5.2.1 p. 210; § 5.2.4 p. 250
12.2	Administrative, management and supervisory bodies and senior management conflicts of interest	§ 5.2.2.2.5 p. 242; § 6.3.3.2.5 p. 273
13.	**Remuneration and benefits**	
13.1	Amount of remuneration paid and benefits in kind	§ 5.2.4.1 p. 250; § 5.2.4.2 p. 251; § 1.6.7 p. 47; § 6.3.2 p. 271
13.2	Total amount provisioned or recognised for pension payments retirement schemes and other benefits	§ 4.2.5.13 p. 126; § 4.5.3.4.2 p. 165
14.	**Operation of the administrative and management bodies**	
14.1	Date of expiration of current term of office	§ 5.2.2.1 p. 215
14.2	Information on service agreements binding the members of the administrative bodies to the issuer or any of its subsidiaries	§ 1.8.7 p. 51; § 4.5.6.3 p. 178
14.3	Information about the issuer's Audit Committee and Remuneration Committee	§ 5.2.3.1 p. 248
14.4	Issuer's compliance with the current applicable corporate governance system	§ 5.2 p. 209
14.5	Changes liable to affect corporate governance	§ 5.2.2.1 p. 215
15.	**Employees**	
15.1	Number of employees at period-end covered by the historical financial information	§ 4.2.7.1 p. 134; § 4.5.6.1 p. 178
15.2	Profit-sharing and stock options	§ 1.6.6 p. 47
15.3	Agreement on employees' profit-share in issuer's capital	N/A
16.	**Principal shareholders**	
16.1	Shareholders holding more than 5% of the share capital or voting rights	§ 1.6.2 p. 44
16.2	Existence of different voting rights	§ 1.6.2 p. 44
16.3	Control of the issuer	§ 1.6.2 p. 44
16.4	Known agreement by the issuer, the implementation of which could, subsequently, lead to a change in its control	N/A
17.	**Transactions with related parties**	**§ 1.8.7 p. 51; § 4.2.7.4 p. 136**
18.	**Financial information concerning the issuer's portfolio, financial position and results**	
18.1	Historical financial information	§ 1.5.2.6 p. 42; § 6.4.3 p. 274
18.2	*Pro forma* financial information	N/A
18.3	Verification of annual historical financial information	N/A
18.4	Interim and other financial information	N/A
18.5	Dividend distribution policy	§ 1.7.2 p. 49; § 1.5.2.5 p. 41
18.6	Arbitration and judicial proceedings	§ 6.3.3.2.4 p. 273; § 6.3.3.2.6 p. 273
18.7	Significant change in the financial or commercial position	N/A
19.	**Additional information**	
19.1	Share capital	§ 6.1.2 p. 265
19.2	Corporate Charter and Articles of Association	§ 6.1.1 p. 264; § 6.1.2 p. 265
20.	**Significant agreements**	**3 § 1.2.2.3 to 1.2.2.5 p. 18; § 1.2.3.3 p. 21; § 6.1.3.2 p. 267**
21.	**Documents accessible to the public**	**§ 6.5 p. 275**

Table of concordance with the annual financial report

Table of concordance with the report of the Annual General Meeting

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