

COVIVIO

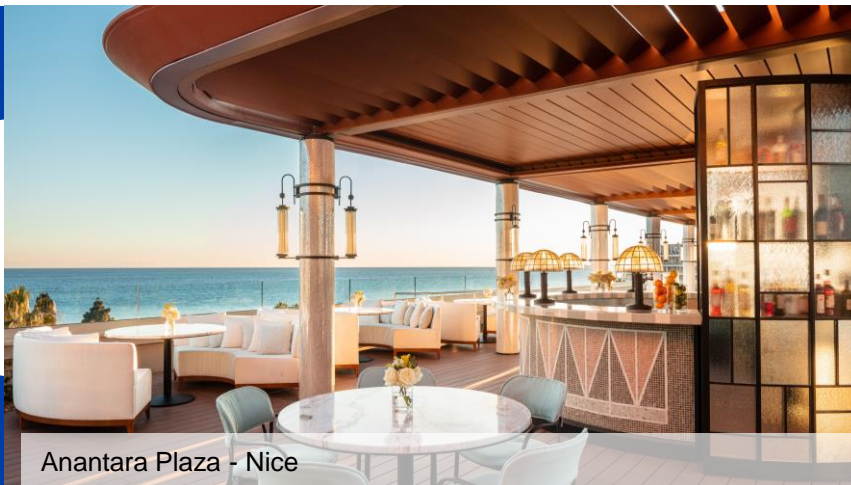


Grand Hôtel Palazzo dei Dogi - Venezia



Kimpton Fitzroy - London

COVIVIO HOTELS CREDIT PRESENTATION



Anantara Plaza - Nice



Mercure Tour Eiffel - Paris

SPEAKERS



Tugdual Millet

CEO Covivio Hotels



Paul Arkwright

Covivio Group CFO



SUMMARY

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I. A PRIME HOTELS PORTFOLIO IN EUROPE

A 20-YEAR EXPERIENCE IN HOTEL REAL ESTATE...

COVIVIO HOTELS IS LEADER IN HOTEL REAL ESTATE IN EUROPE

#1

EXPANSION THROUGH SALE & LEASEBACKS

Creation of Covivio Hotels, with partners

First sale & leaseback with Accor on 128 hotels, let on a variable basis

2nd Sale & leaseback with Accor

Acquisition of B&B portfolio

Launch of our operating properties structure

Major acquisitions of 4 to 5-star hotels in the UK, France, Germany, Italy

Covid-19 impact but high collection rate & Fast recovery

- **Asset management** operations: B&B, Melia & NH, etc.
- **Exclusive talks** with AccorInvest to consolidate OpCos & PropCos

#2

- EXPANSION AND PORTFOLIO UPSCALING,
- MANAGING ALL REAL ESTATE VALUE CHAIN
(LEASE & MANAGEMENT CONTRACTS)

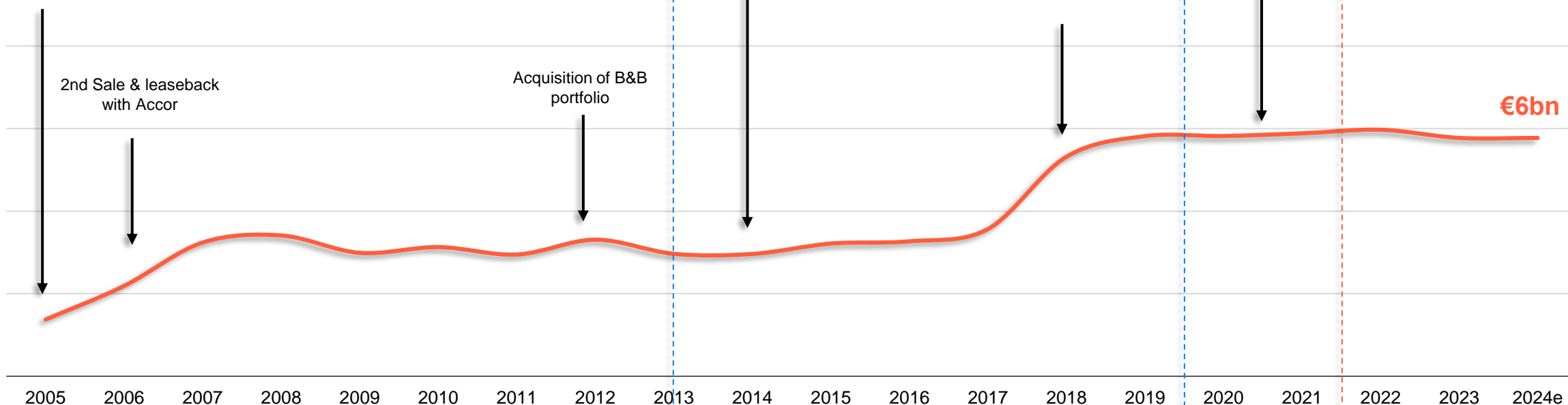
#3

COVID BREAK

#4

A NEW GROWTH PHASE

€6bn



COVIVIO

...CREATING A €5.8 BN HOTELS PLATFORM

€5.8BN

COVIVIO HOTELS
PORTFOLIO

5.9%

AVERAGE YIELD

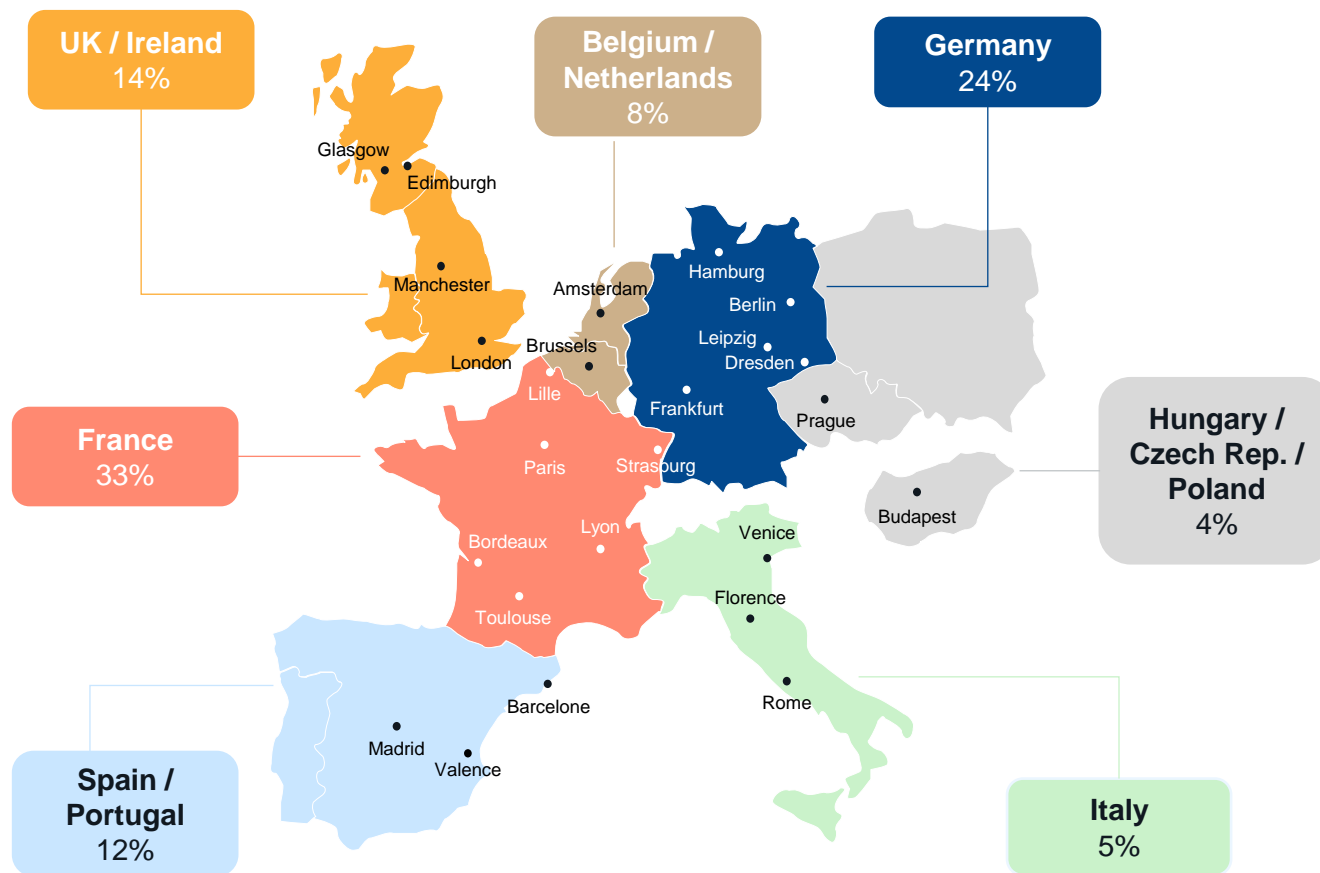
313

HOTELS

43,600

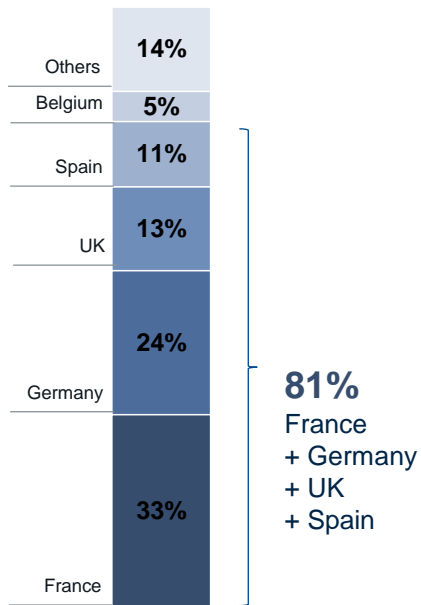
ROOMS

EXPOSURE TO THE MAJOR EUROPEAN CITIES



A DIVERSIFIED AND WELL BALANCED PORTFOLIO

Exposure to Major European markets, in strategic locations

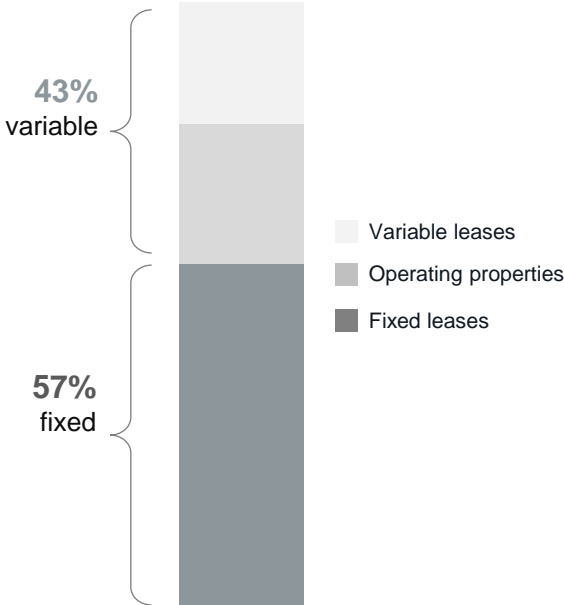


GAV

8.9/10

Average booking.com location grade

Well balanced contract types

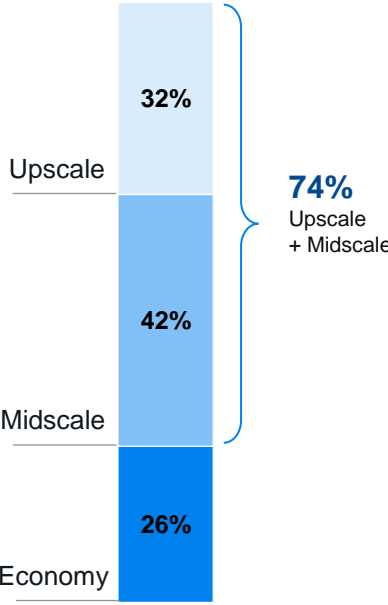


GAV

5.9%

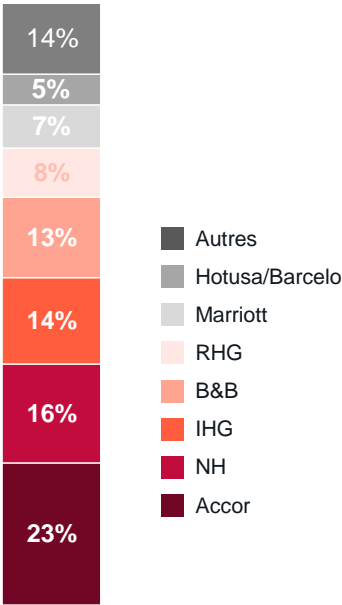
Average portfolio yield

A diversified portfolio in terms of segments



GAV

Strong partnerships with Major Operators



GAV

12 YEARS

WALB

60%

EFFORT RATE

WITH A PRIME AND STRATEGIC POSITIONING FOR HOTEL OPERATORS

Non-replicable **prime locations**

8.9/10

Average Booking.com
Location grade

89%

Located in Major Tourist
destinations

Strong **diversification**

In terms of

GEOGRAPHY

CONTRACT TYPE

SEGMENTS

OPERATORS

Working with
leading tenants and operators

12 Years

Lease duration

Solid operator Base



Highly **profitable** Hotels

~60%

Average effort rate
for leased assets

15% to 30%

Reversion on latest AM deals
(B&B, Melia, NH)

27%

Average EBITDA margin
for operating assets

Tailor-made ESG strategy
addressing Hotel sector specificities

91%

Hotels certification rate
Vs. **34%** in 2015

-28%

Reduction in carbon intensity between
2019 and 2023
In line with the 1.5°C scenario according to
CRREM/SBTi pathway

TOP 10 HOTELS ASSETS (25% OF THE PORTFOLIO) – 1/2

ParkInn Alexanderplatz, Berlin, 4 stars
1,028 rooms - Operating property



Kimpton Fitzroy, London, 5 stars
334 Rooms - Lease property



The Westin Grand Berlin, 5 stars
400 rooms - Operating property



Palazzo Naiadi, Rome, 5 stars
232 rooms – Lease property



Le Méridien, Nice, 4 stars
318 rooms - Operating property



Mercure Tour Eiffel, Paris, 4 stars
405 rooms - Lease property



TOP 10 HOTELS ASSETS (25% OF THE PORTFOLIO) – 2/2

Eurostar Grand Marina, Barcelona, 5 stars
291 rooms - Lease property



Ibis Cambronne, Paris, 3 stars
528 rooms – Lease property



Kimpton Charlotte Square, Edinburgh, 5 stars
199 rooms – Lease property



NY Palace, Budapest, 5 stars
185 rooms - Lease property









RESILIENT ASSET VALUES

YIELD EQUAL TO 2015 LEVEL, FOR A HIGHER QUALITY (89% IN MAJOR EUROPEAN CITIES VS. 45%)

2023, In €million	2023 Value (CovH share)	2023 Like-for-Like value	2022 Yield	2023 Yield
Lease properties	4,434	-4.0%	5.0%	5.8%
Operating properties	1,337	-3.7%	5.2%	6.2%
TOTAL HOTELS	5,771	-3.9%	5.0%	5.9%

HIGH YIELD ACROSS COUNTRIES

	2023 Value	2023 Yield
	€1.9 Bn	5.7%
	€1.4 Bn	5.8%
	€0.7 Bn	5.7%
	€0.6 Bn	6.2%
	€0.3 Bn	7.2%
	€0.3 Bn	5.5%



II. HIGH 2023 REVENUE & RESULTS GROWTH

+13% LIKE-FOR-LIKE REVENUE GROWTH IN 2023

FIXED LEASES

57% OF HOTELS PORTFOLIO

+9%

LIKE-FOR-LIKE

Fully benefitting from
indexation
and **asset management**

VARIABLE LEASES

20%

+19%

LIKE-FOR-LIKE

Fully benefitting
from
high recovery

OPERATING PROPERTIES

23%

+19%

LIKE-FOR-LIKE

RECURRING NET RESULT: +8% VS. 2022 AND +14% VS. 2019

(€ million, Group share)	2019	2022	2023	Change vs 2022	Change Vs 2022 (%)	Change Vs 2019 (%)
Rental revenues	225.1	226.1	251.1	+25.0		
Cost on buildings	-5.1	-5.5	-5.9	-0.4		
Net costs on credit losses	0.0	10.7	-0.5	-11.3		
Net rental income	220.0	231.3	244.6	+13.3	+5.7%	+11.2%
Result of Hotels under management	67.4	60.1	72.5	+12.5	+20.8%	+7.6%
General & administrative revenues	8.0	5.7	6.3	+0.6		
G&A and staff costs	-23.9	-22.3	-24.6	-2.3		
Other effects	-5.5	-6.5	-0.9	+5.6		
Operating income	266.1	268.4	298.1	+29.7	+11.1%	+12.0%
Cost of financial net debt	-58.4	-50.1	-60.0	-9.9		
Share in earnings of affiliates	10.4	12.0	12.4	+0.5		
EPRA Earnings before taxes	218.0	230.3	250.5	+20.2	+8.8%	+14.9%
Corporate Taxes	-8.8	-9.4	-11.7	-2.3		
EPRA EARNINGS – GROUP SHARE	209.2	220.9	238.8	+17.9	+8.1%	+14.1%

TO BE CONTINUED IN 2024: +5% LFL REVENUE GROWTH IN Q1

+4.6%

LIKE-FOR-LIKE

Indexation on fixed rents

Continued growth of the hotel
revenues

Benefits from **asset management
works**

**Fixed
leases**

57% PORTFOLIO

+5%

Like-for-like

**Variable
revenues**

43%

+3%

Like-for-like



III. STRONG BALANCE SHEET

HEALTHY BALANCE SHEET

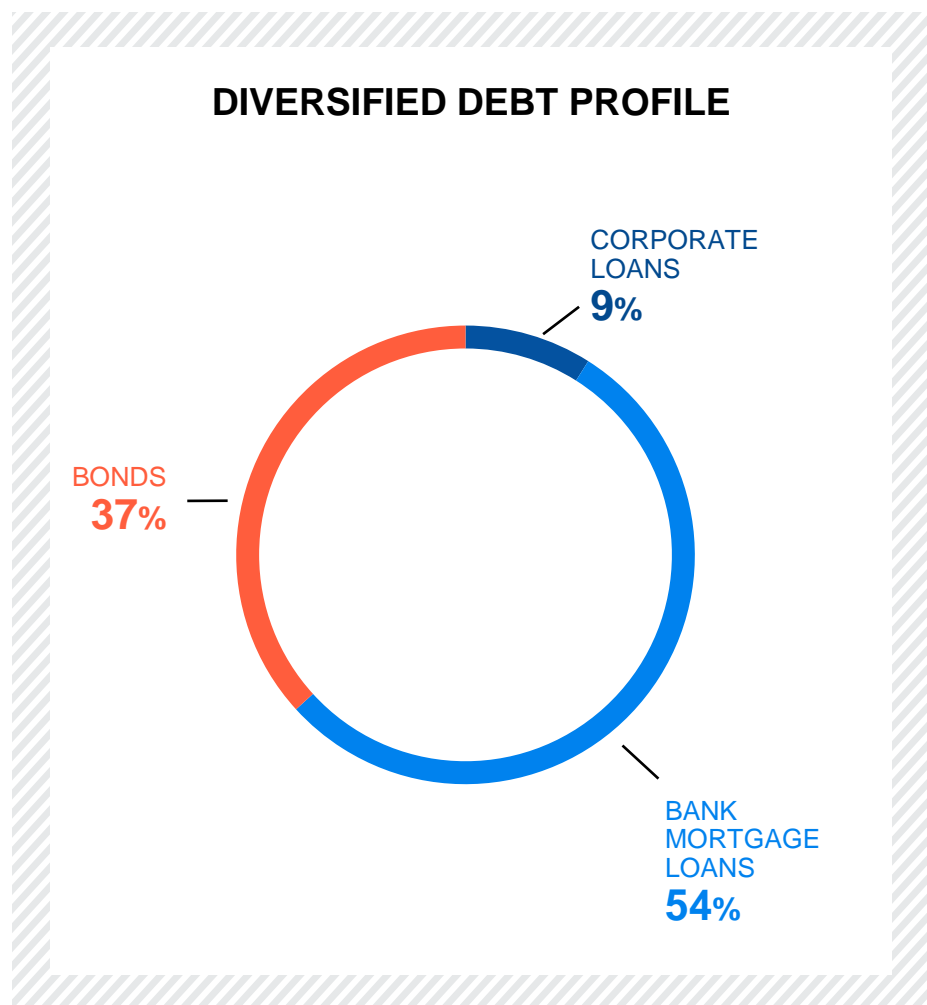
Improved debt metrics compared to pre-pandemic levels

	2019	2023
LTV Including duties	34.9%	34.4%
LTV S&P¹ Debt/(Debt+Equity)	43.2%	41.6%
COST OF DEBT	2.2%	2.4%
ICR	5.1x	5.4x
NET DEBT / EBITDA	8.6x	8.5x
HEDGING RATIO	82%	89%
HEDGING MATURITY	6.2yr	5.6yr

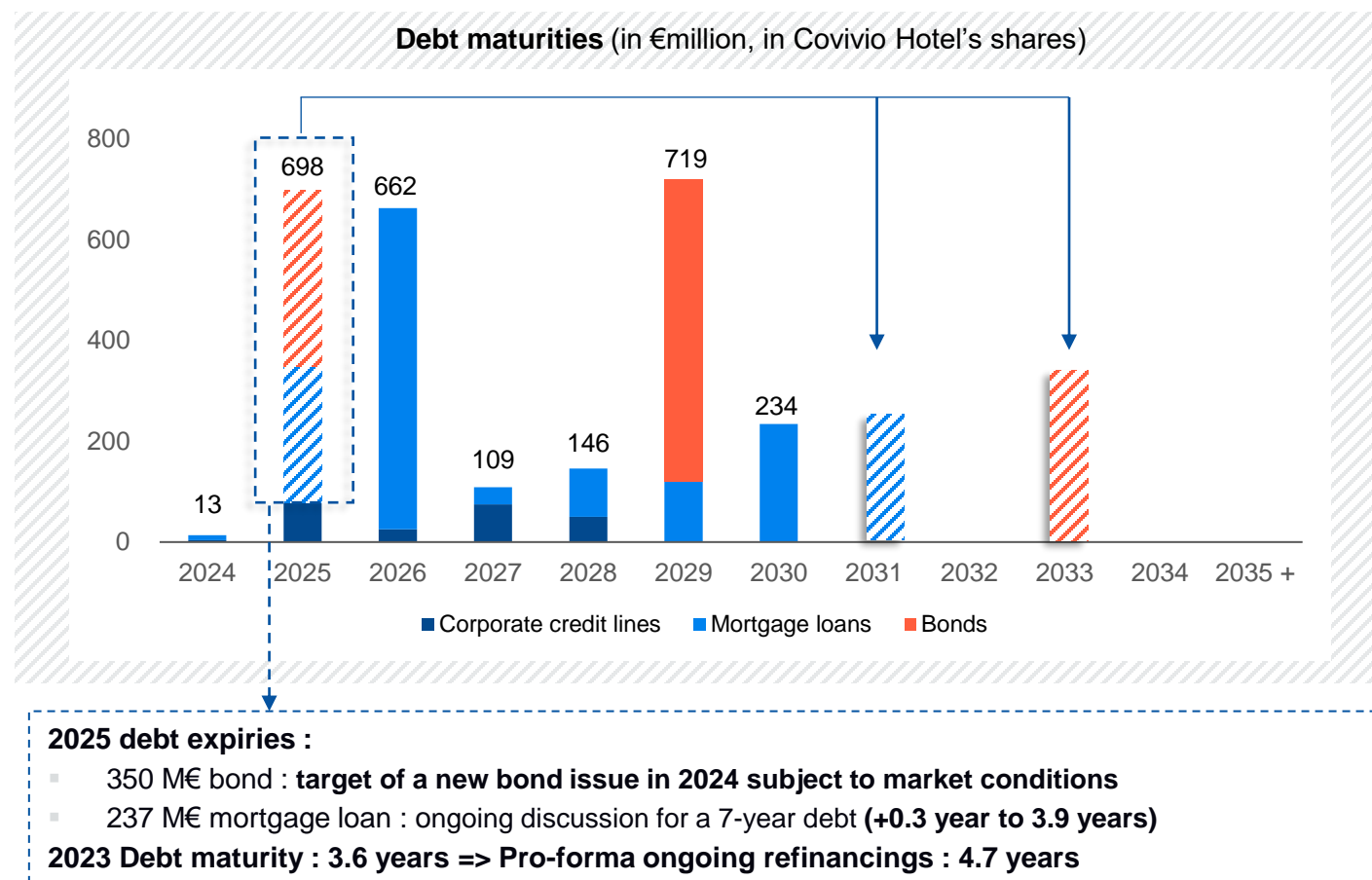
S&P RATING
BBB+, STABLE OUTLOOK

STANDALONE RATING
IMPROVED TO BBB-
ON APRIL 19th, 2024

WITH A DIVERSIFIED DEBT PROFILE

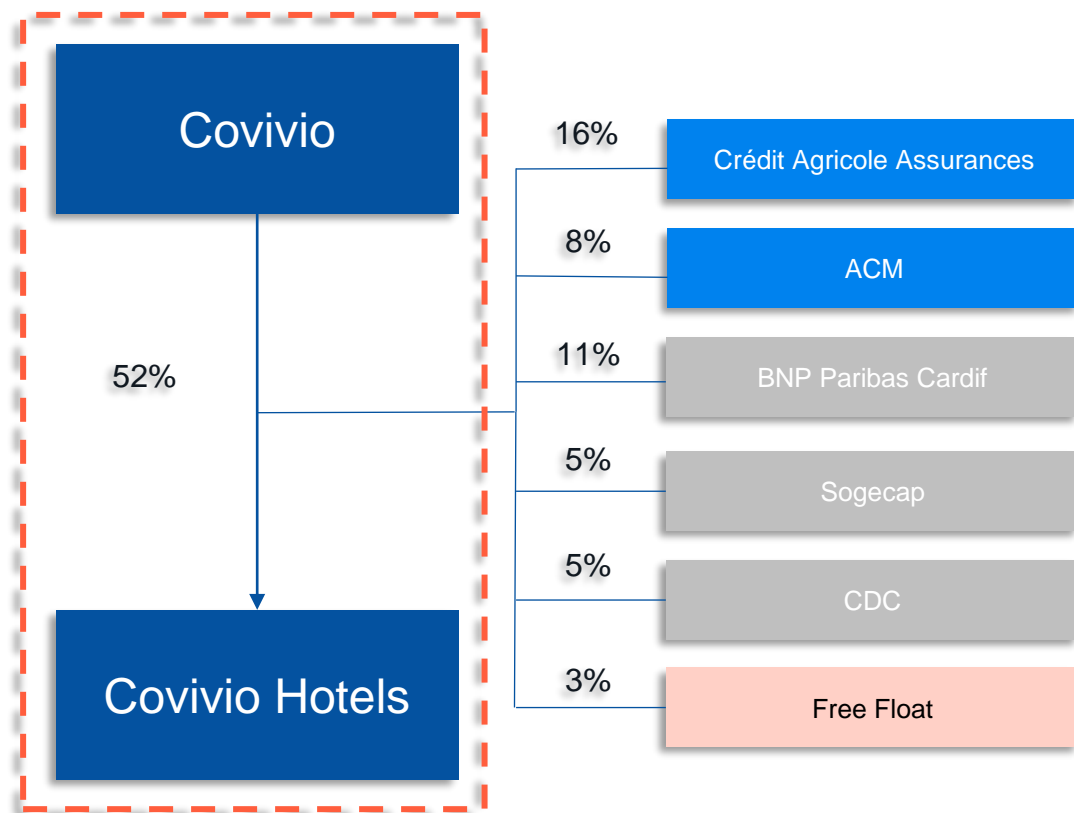


Diversified maturities



COVIVIO UNDERPINNING COVIVIO HOTELS BBB+ RATING

LONGSTANDING AND SUPPORTIVE SHAREHOLDERS



Covivio Hotels is a SCA “Société en Commandite par Actions” (Limited Partnership), fully controlled by Covivio

Shared Financing Risks

- ❑ **Cross default financing clauses between Covivio Hotels and Covivio:** a default at Covivio Hotels level triggering default at Covivio level (both in public bond and bank financing documentation) – Not in the other way

Covivio Hotels benefitting of Covivio control

- ❑ **Covivio Hotels classified as « core » subsidiary of Covivio** (BBB+/Stable) by S&P
- ❑ **Corporate rating of Covivio Hotels aligned with Covivio: BBB+/Stable**
- ❑ **Same financing partners**

Covivio Hotels bond holders benefit from put option

- ❑ Investors to benefit from a Put Option if, following the loss by Covivio of Covivio Hotels control, Covivio Hotels is at least one full notch lower than the rating of Covivio (see detailed definition in the prospectus¹)



IV. PIONEER IN SUSTAINABILITY

A TAILOR-MADE ESG STRATEGY ADDRESSING HOTELS REAL ESTATE SECTOR SPECIFICITIES

Specific ESG challenges of the Hotels Real Estate sector...



GHG emissions and energy consumption related to hotel operations



Water consumption level related to hotel operations
(guests, restaurants, etc.)



Waste management on operations, especially single-use plastics from amenities and food waste



GHG emissions from guests transportation

...Covivio Hotels specific ESG approach

Ambitious decarbonation and energy reduction trajectories of its portfolio with a green CapEx plan

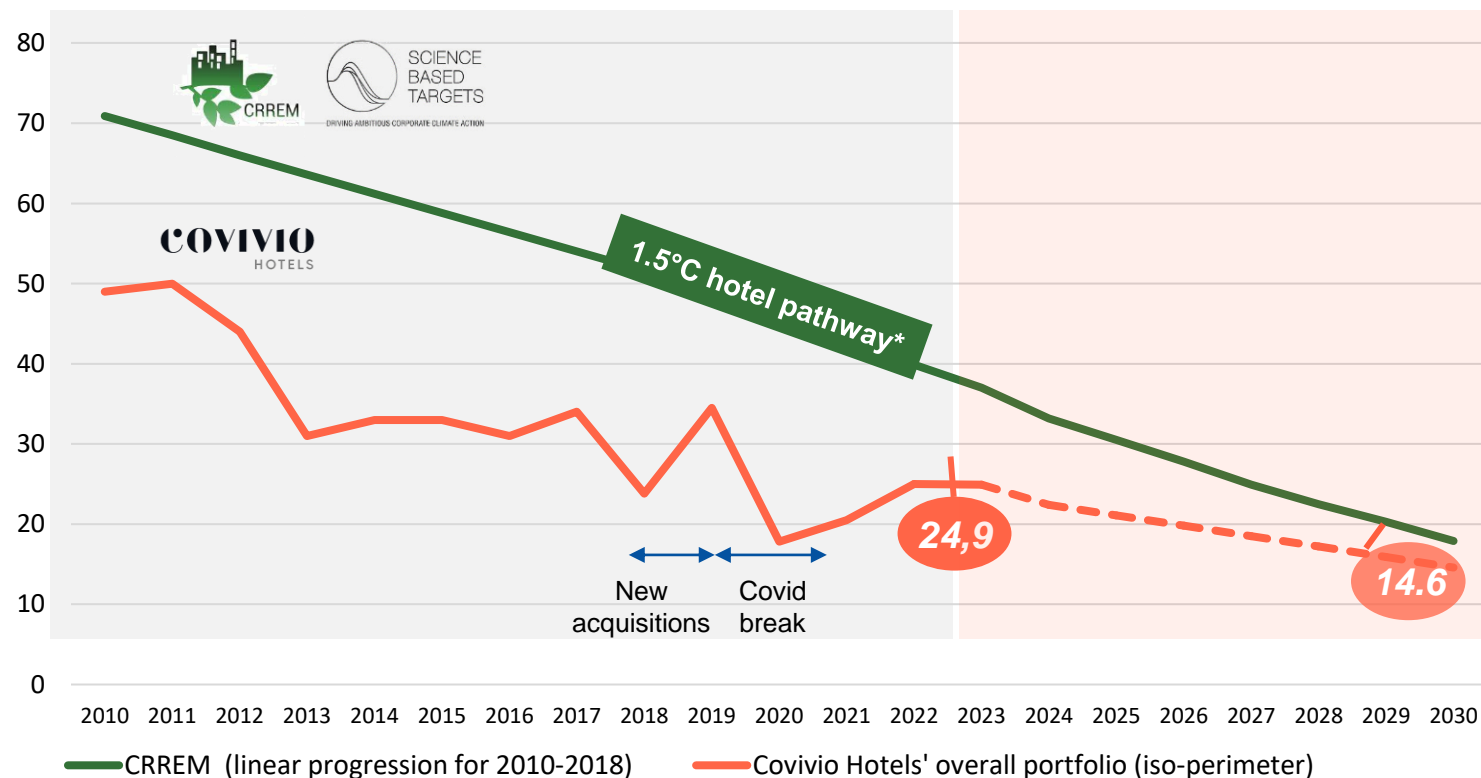
Proactive approach to engage tenants and managers on the broader environmental impact of Hotels exploitation:

- **Inclusion of water and waste** in the environmental reporting
- **Green clauses** and **Environmental Partnership Committees** with operators
- Operators support in the **sector-specific certification process** covering hotels sector specific topics

Central location of our assets, **proximity to public transportation networks**

A HIGH-PERFORMANCE PORTFOLIO ALIGNED WITH A 1.5°C SCENARIO

CARBON INTENSITY OF THE COVIVIO HOTELS PORTFOLIO in kgCO₂e/m² at operating asset level incl. the GHG emissions related to energy consumption of the hotel operators



Average carbon intensity of Covivio Hotels' portfolio vs CRREM-SBTi hotel pathway (in kgCO₂e/m²)

Note that from a Covivio Hotels perspective, all emissions are falling under scope 3 (under control of the hotel operator)





In line with a **1.5°C scenario**

-70% targeted between
2010 and 2030

-49% achieved between
2010 and 2023

€50M cumulated CAPEX committed
until 2030 to reduce carbon intensity
further and achieve 2030 target

BEYOND CARBON, ADDRESSING OVERALL ENVIRONMENTAL IMPACT













	Targets	2023 achievements		Key highlights
	308 kWhpe/m²/year in energy consumption by 2030	277 kWhpe/m²/year	✓	Longstanding commitment in the energy efficiency of its portfolio, with already -55% achieved since 2010
	<2m³/m²/year in water consumption by 2030	1.41 m³/m²/year	✓	Hotel operators awareness on this topic increased significantly, enabling to substantially reduce water consumption (-39% vs. 2008) by raising guest awareness and upgrading equipment
	95% assets located at <10 min walking distance by 2025	99%	✓	Covivio Hotels approach focusing on excellent & prime locations for end-users enables to have 95.5% of the assets located <5 min walking distance from public transportation
	100% of assets with an environmental certification by 2025	91.2%	➔	A certification approach focus on Hotels sector-specific certifications covering themes beyond Real Estate, 72% of hotels have hotel-specific label

SUSTAINABLE BOND FRAMEWORK SET IN 2023

GREEN BOND PRINCIPLES

- 1 USE OF PROCEEDS:** to finance and/or refinance Eligible Green Portfolio (Eligible Green assets, capital and selected operational expenditures, and investments)
- 2 PROCESS FOR PROJECT EVALUATION AND SELECTION:** Green Bond Committee (“GBC”) will meet on an annual basis or more frequently as required
- 3 MANAGEMENT OF PROCEEDS:** An amount equal to Green bonds proceeds will be earmarked for allocation to Eligible Green Portfolio, as validated by the GBC
- 4 REPORTING:** Covivio Hotels will report yearly an **allocation report** and an **impact report** until the maturity of any outstanding green instrument
- 5 EXTERNAL REVIEW:** Moody’s provided a positive 2nd party opinion & EY will issue an annual verification report on fund allocation and impact report

COVIVIO HOTELS’ ELIGIBILITY CRITERIA USING BEST MARKET PRACTICES

		Reference to external frameworks	Alignment with the UN SDGs
Green Buildings	Existing buildings and new buildings compliant with best environmental standards	 7.2/7.7   	 
Renewable Energy	Acquisition, installation, maintenance and repair of on-site renewable energy equipment	 7.6	  
Energy Efficiency	Renovation & refurbishment of buildings Acquisition, installation, maintenance repair of on site energy efficiency equipment & instruments	 7.3/7.5	
		Access 2023 Impact indicators	
		Access Green Financing Framework	

OVERVIEW OF COVIVIO HOTELS' ELIGIBILITY CRITERIA


















GREEN HOTEL BUILDINGS



RENEWABLE ENERGY & ENERGY EFFICIENCY MEASURES

Eligible Green Criteria

	Acquisition & Ownership	Renovation	Construction	Best market practices
GHG intensity thresholds as defined by CRREM (in kgCO ₂ e/m ² /year)  	 More and more restrictive criteria over time	 Expected on delivery	Not relevant	
Full alignment with the EU Taxonomy (SCC, DNSH and MSS for the Climate Mitigation objective) 	 Activity 7.7	 Activity 7.2	 Activity 7.7 ¹	
Green Building Certifications  	 BREEAM ≥ Excellent HQE ≥ Excellent LEED ≥ Gold DGNB ≥ Gold	 BREEAM ≥ Excellent HQE ≥ Excellent LEED ≥ Gold DGNB ≥ Gold	 BREEAM ≥ Excellent HQE ≥ Excellent LEED ≥ Gold DGNB ≥ Gold	

On-site following equipment and instruments that comply with the associated relevant Technical Screening Criteria of the **EU Taxonomy**:

- **energy efficiency equipment** (e.g. insulation equipment, energy efficiency windows)
- **instruments and devices for measuring and controlling energy performance of buildings** (e.g. building energy management systems and smart meter)
- **solar photovoltaic systems and heat pumps' equipment**



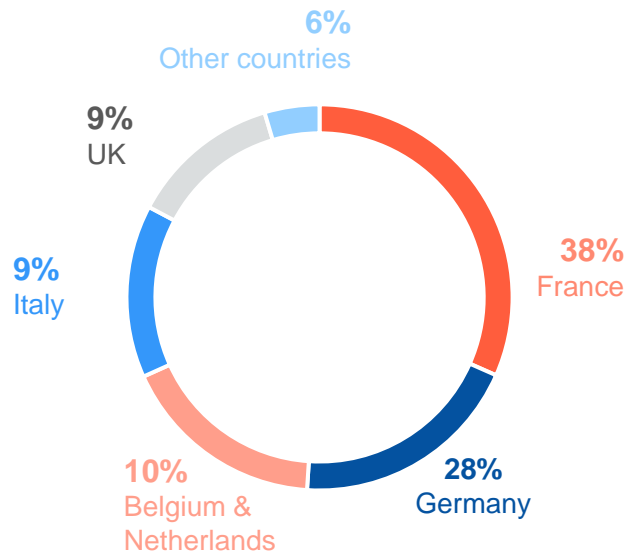
1- As a developer for its own account, the construction of new buildings fall under the 7.7 Acquisition & Ownership activity as highlighted in the EU Taxonomy FAQ - Question 141. - https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AC_202300267

A €3.8BN (€2.9BN NET¹) ELIGIBLE GREEN PORTFOLIO

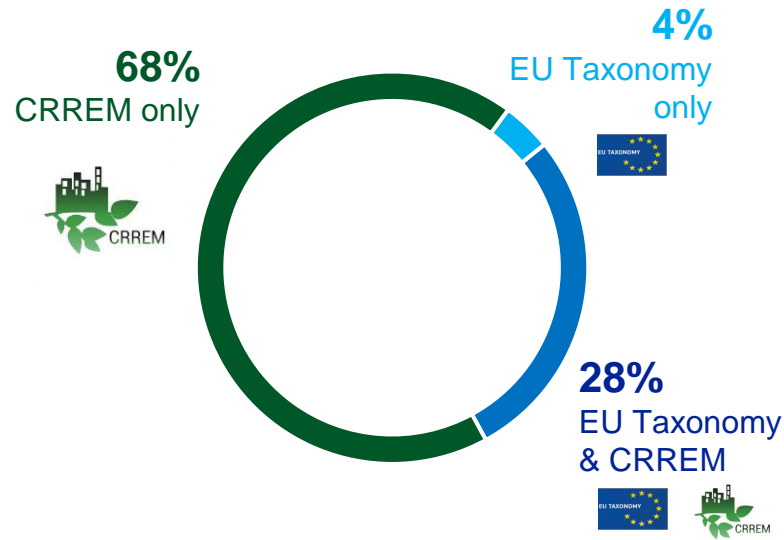
€3.8bn value
230 eligible hotels

99.8% of refinancing of Green Assets eligible under the Acquisition & Ownership criteria and 0.2% of energy efficiency CAPEX invested on the portfolio

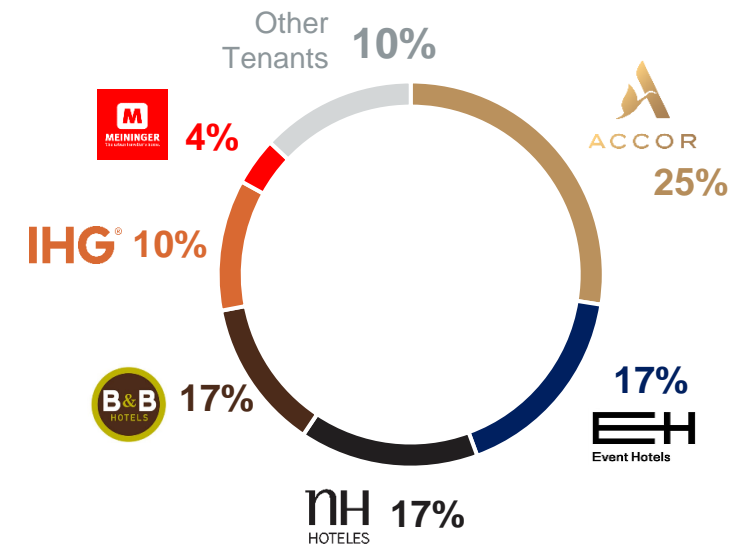
GEOGRAPHY DISTRIBUTION (in % of value)



ELIGIBILITY CRITERIA DISTRIBUTION (in % of value)



OPERATORS DISTRIBUTION (in % of value)











V. FAVOURABLE OUTLOOK

HOTELS MARKET – STRONG PERFORMANCES IN 2023, WELL ABOVE 2019







HOTELS INDUSTRY RAPIDLY ERASES CRISES

AND IS A POWERFUL INFLATION HEDGE

Increasing REVPAR in 2023...







	vs. 2022	vs. 2019
	+16%	+20%
	+28%	+32%
	+14%	+22%
	+18%	+16%
	+18%	+18%
	+21%	+6%

Strong average prices...

	vs. 2022	vs. 2019		vs. 2022	vs. 2019
	+8%	+23%		+5.5pt	-1.8pt
	+15%	+35%		+7.4pt	-1.8pt
	+10%	+26%		+2.5pt	-2.2pt
	+10%	+23%		+5.1pt	-3.6pt
	+10%	+22%		+5.1pt	-2.3pt
	+8%	+16%		+7.5pt	-6.3pt

...And improving occupancy

HOTELS MARKET – GROWTH TO CONTINUE IN 2024

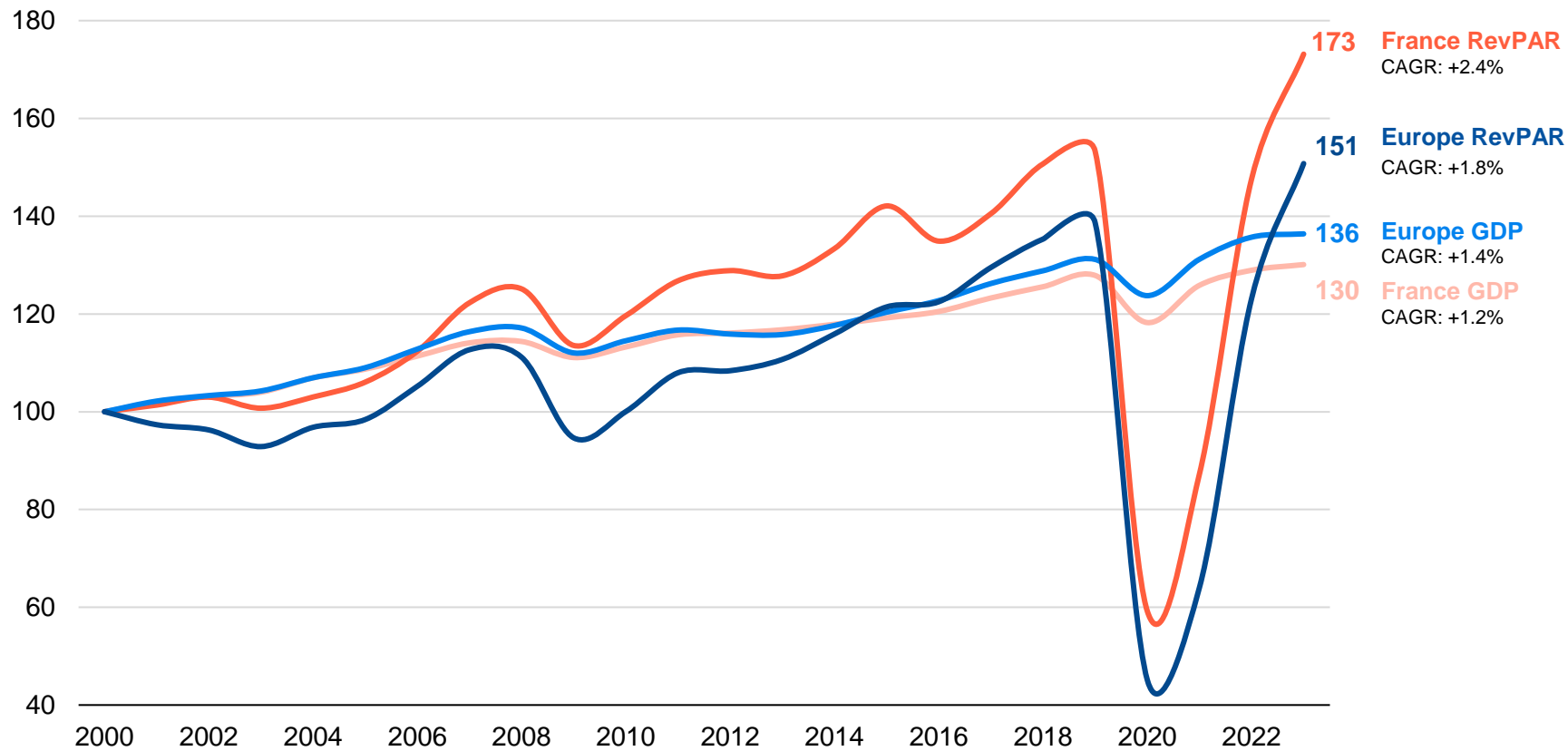
	Q1 2024 REVPAR vs. 2023	Q1 2024 ADR vs. 2023	Q1 2024 OCCUPANCY vs. 2023
	+2%	+1%	+0.6pt
	+8%	+6%	+1.3pt
	+2%	+2%	+0.1pt
	+5%	+3%	+1.2pt
	+17%	+11%	+3.6pt
	+7%	+2%	+2.7pt



HOTELS MARKET – STRUCTURAL TAILWINDS (1/2)

REVPAR BEAT GDP OVER THE LONG TERM & BENEFIT FROM RECOVERY POST CRISIS

RevPAR and GDP over 2000 - 2023

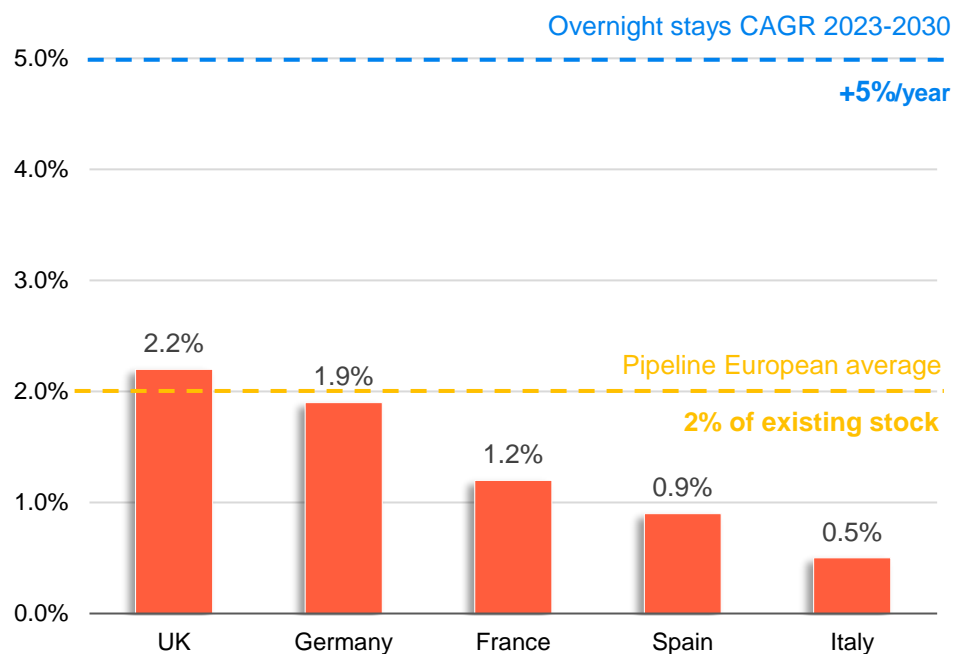


- ✓ **RevPAR Outperformance** vs.GDP over a 23-year period
- ✓ **Limited volatility** except GFC and Covid
- ✓ **High capacity to recover**

HOTELS MARKET – STRUCTURAL TAILWINDS (2/2)

FAVORABLE DEMAND AND SUPPLY IMBALANCE

Number of rooms under construction vs. existing stock



- ❑ Overnight stays are **expected to grow** by **+5%/year until 2030**, +6% from international demand / +3% for domestic demand
- ❑ Financing conditions, **rising construction costs** and environmental constraints are less favorable to **the development of new hotels**
- ❑ More and more cities are **considering limiting the opening of new hotels** to limit the impact of mass tourism (ex: Amsterdam, Barcelona)
- ❑ **Political and regulatory pressure on AirBnB** increasing (Paris, Barcelona, London; Berlin, Amsterdam, Rome)

HOTELS MARKET – ONE OF THE MOST RESILIENT INVESTMENT MARKET

HOTELS: A HIGH REQUESTED ASSET CLASS

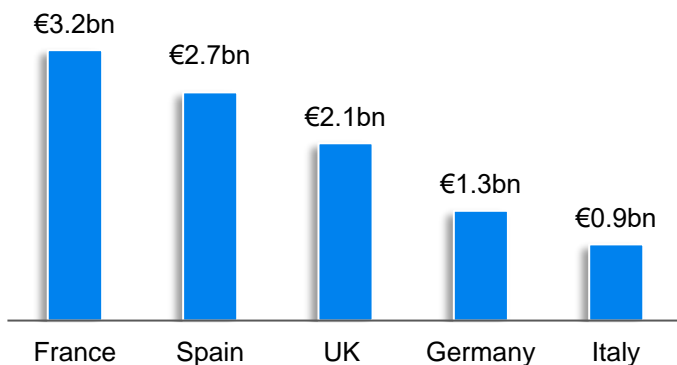
~10% of real estate investments volumes

2 times higher than healthcare sector

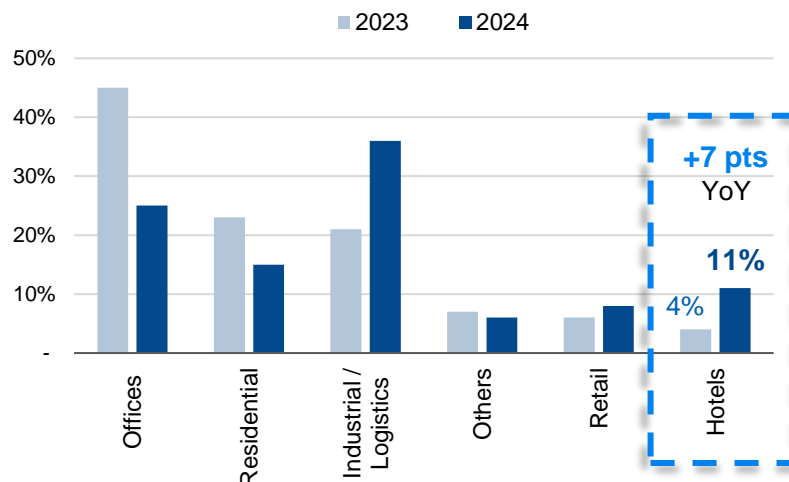
Increasing appetite of new investors explaining that hotels investments volumes **decrease by only 15%**, lower than all other assets class (-47% in other sectors).

High risk premium (>300bps), while growth prospects for revenue are solid

HOTELS INVESTMENTS IN 2023



INVESTOR INTENTION SURVEY IN EUROPE



LATEST TRANSACTIONS

Edwardian UK Radisson Hotels Portfolio
(10 hotels - 2,048 rooms)
Price: €923 million (€451k/room)

Travelodge Hotels Portfolio (UK)
(66 hotels)
Price: €246 million

Mandarin Oriental Hotel (Paris)
(5-star – 138 rooms)
Price: €205 million (€1.4m/room)

Dames des Arts Hotel (Paris)
(4-star - 109 rooms)
Price: €120 million (€1.1m/room)

Pullman Tour Eiffel (Paris)
(4-star - 430 rooms)
Price: €330 million (€767k/room)

HOTELS – STRATEGIC PRIORITIES

#1

Extract full **potential** of our hotels,
benefitting from industry growth

#2

Continue to **boost performances** through
asset management operations

→ Asset swap with AccorInvest

→ Capex programs

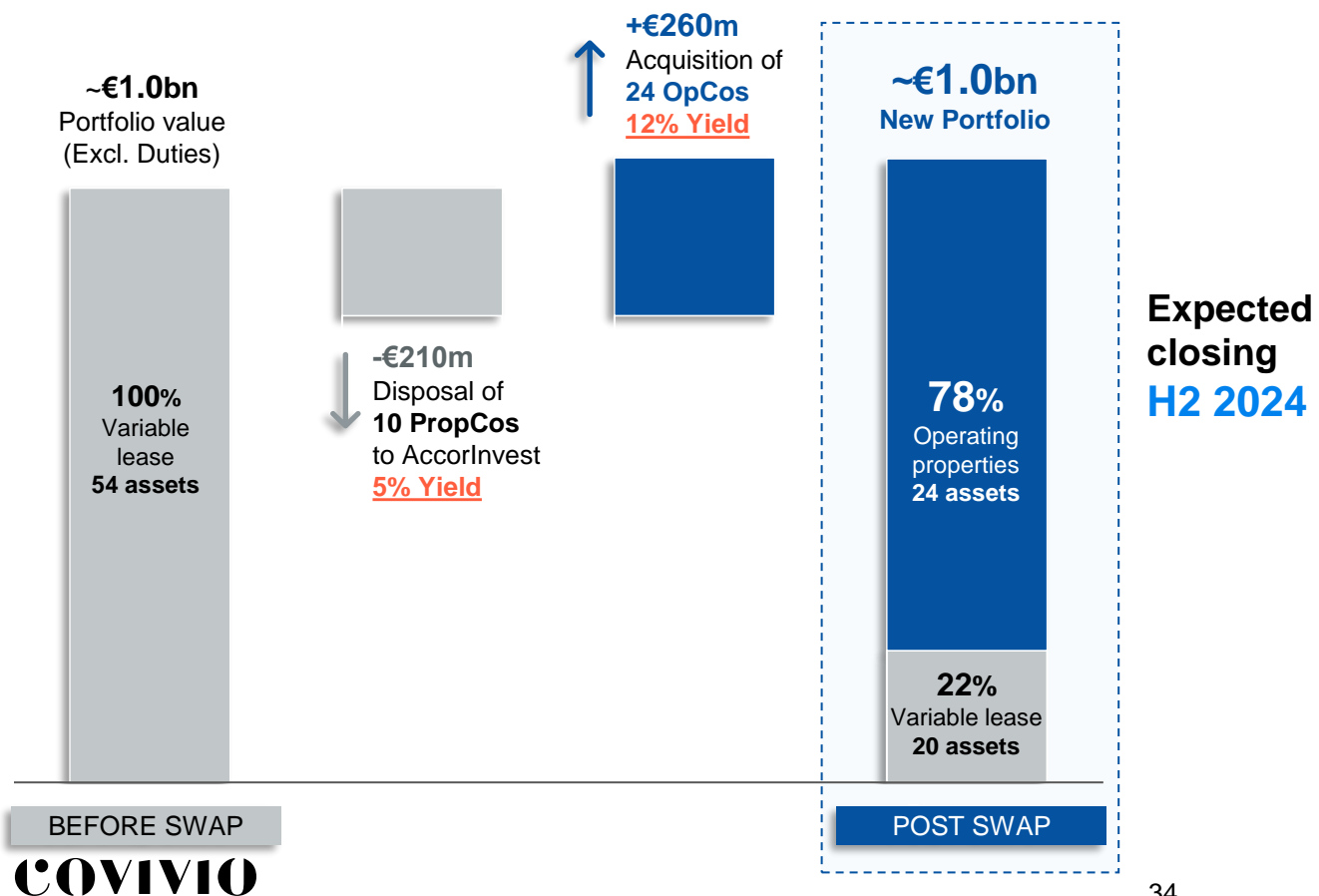


ONGOING MAJOR ASSET DEAL WITH ACCORINVEST (1/2)

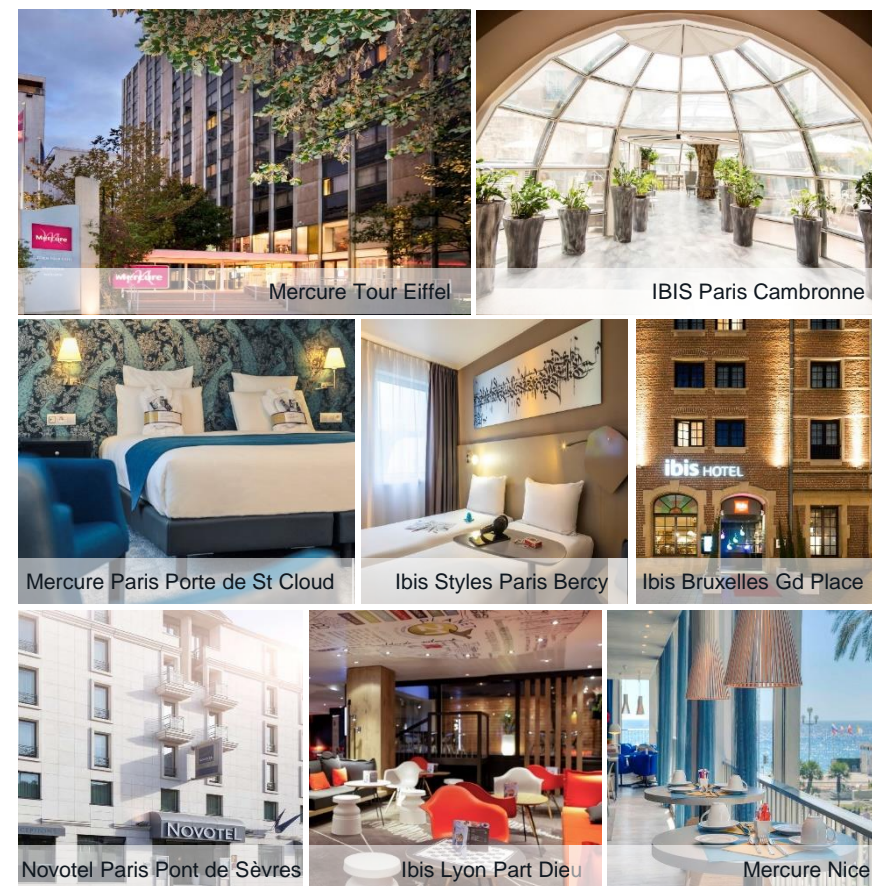
AN ASSET SWAP FOR GREATER AGILITY AND HIGHER RETURNS

Deal description

In November, Covivio Hotels entered into exclusive talks with AccorInvest to **buy OpCos while selling PropCos**.



Top 8 OpCos acquired / 75% of Total



ONGOING MAJOR ASSET DEAL WITH ACCORINVEST (2/2)

AN ASSET SWAP FOR **GREATER AGILITY AND HIGHER RETURNS**

DEAL RATIONALE

A
win/win deal

Owning OpCos & PropCos
creates value and gives more flexibility &
profitability on investments

At
Covivio level

- ✓ New growth phase for hotels
- ✓ High EBITDA yielding OpCos (12%) vs. mature PropCos yielding at 5%
- ✓ Diversification of the number of operators
- ✓ Proactive management vs. passive variable rent

MAIN IMPACTS

#1

Earnings accretion
From Year 1

#2

High yielding and value-
creating capex plan
(yield on cost > 20%)

#3

Balanced hotel revenue
structure:
54% fixed / 46% variable (mostly
operating properties)

ASSET MANAGEMENT UPSIDE IN THE OTHER PARTS OF THE PORTFOLIO

FIXED LEASES

New lease agreement
Melià
For 3 assets in Spain

15 years
New lease

€15M
Capex

9%
Yield
on Capex

>30%
Rent
increase



Lease extension
NH Collection
In Madrid, Spain

+9 years
Lease extension

+15%
Rent increase




OPERATING PROPERTIES


Ongoing capex programs

€70M
By 2025


>15%
Yield on Capex




The Westin Grand
Berlin




Grand Hotel Bellevue
Lille




The met Hotel
Leeds



Crowne Plaza
Lille



Novotel
Bruges



Holliday Inn
Le Touquet

KEY TAKEAWAYS

THE ONLY EUROPEAN HOTEL REIT IN THE INVESTMENT GRADE BOND MARKET

STRONG BUSINESS PROFILE

- **#1** | Strong performance
+13% LfL rental growth in 2023
- #2** | Growing results and above
2019 levels
- #3** | Resilient values
- #4** | Solid fundamentals and numerous
asset management opportunities
- #5** | Full support of Covivio

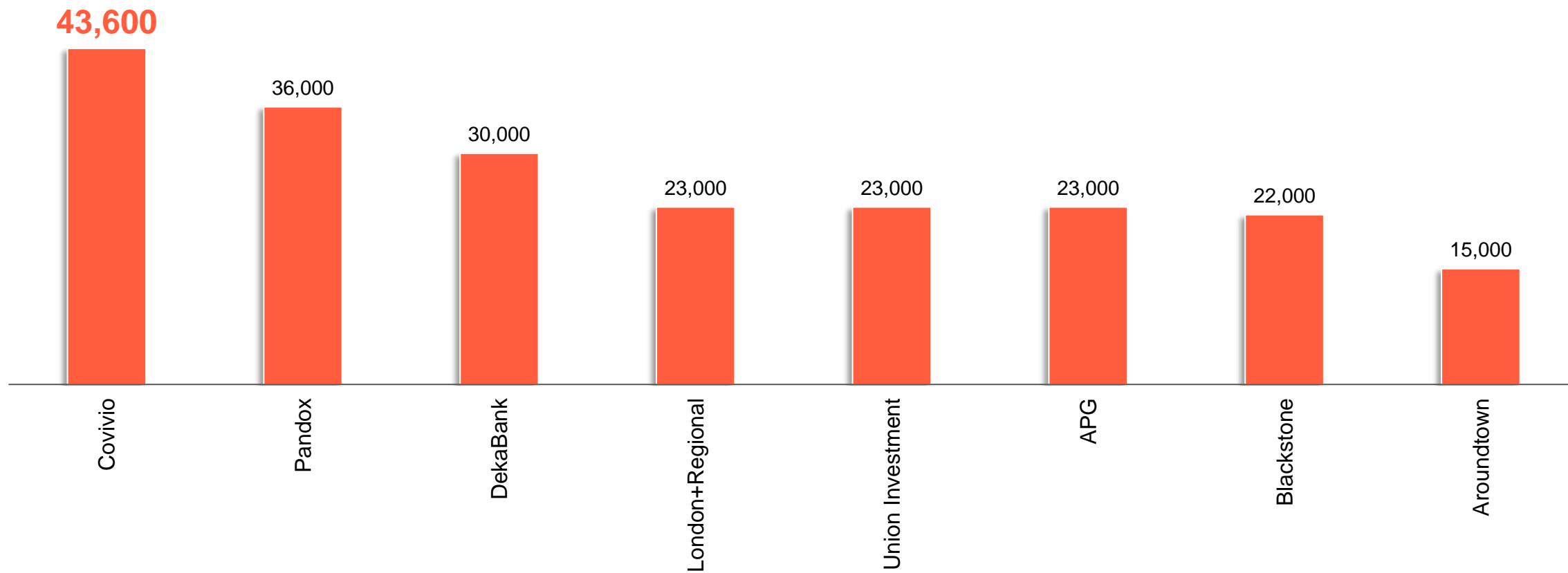
HEALTHY FINANCIAL PROFILE

- **#1** | Maintained low Loan-to-value (34.4%)
- #2** | Improved ND/EBITDA (8.5x)
- #3** | High hedging ratio (92% early 2024)
- #4** | Well diversified debt
- #5** | BBB+ stable outlook by S&P

APPENDIX

A LEADER IN EUROPE




European Hotel Property companies (ranked by Number of rooms)



SELECTED EXAMPLES OF OPERATING SUCCESSES

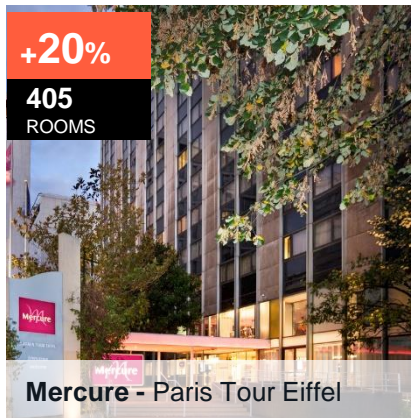
Variable leases

Significant increase in rents in 2023, driven by strong performances in **France** (Paris) and **Belgium**

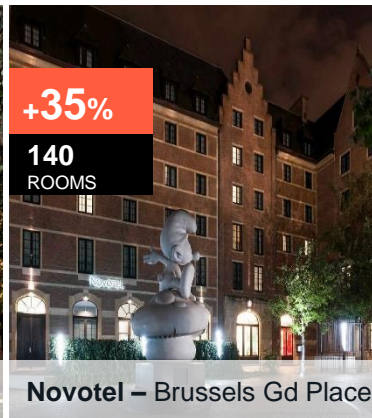
			
Rents 2023 vs 2022	+17%	+21%	+27%



IBIS – Lyon Part Dieu



Mercure - Paris Tour Eiffel



Novotel – Brussels Gd Place

Operating properties

Strong performances in 2023 despite rising costs, driven by **France** and **Germany**

		
EBITDA Change 2023 vs 2022	+20%	+18%



Le Méridien - Nice



Park Inn Alexanderplatz - Berlin

PORTFOLIO

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

€ million- Consolidated data	31/12/2022	31/12/2023	Variation
Rents	239	264	25
Rental charges not recovered	-3	-3	0
Expenses on Buildings	-3	-3	0
Net bad debt expenses	11	-1	-11
NET RENTS	244	257	13
Revenue from hotels under management	228	287	59
Operating expenses of hotels under management	-166	-212	-47
RESULTS OF HOTELS UNDER MANAGEMENT	62	75	13
Management and administration income	5	6	1
Activity Fees	-1	-2	0
Structure costs	-21	-23	-2
COUT DE FONCTIONNEMENT NET	-18	-19	-1
Depreciation of operating assets	-38	-48	-10
Net change in provisions and other	11	24	13
OPERATING RESULT	261	288	28
Income from asset disposals	3	0	-3
Result of value adjustments	92	-198	-290
Income from the sale of securities	0	0	0
Result of changes in scope	0	-4	-4
OPERATING INCOME	356	87	-268
Cost of net financial debt	-52	-63	-11
Interest expense on rental liabilities	-15	-15	0
Value adjustment of derivative instruments	201	-67	-268
Discounting and exchange result	-1	0	1
Early amortization of loan issue costs	0	0	0
Share of profit of companies accounted for using the equity method	19	-2	-21
NET INCOME BEFORE TAX	508	-60	-568
Deferred taxes	4	46	42
Corporate taxes	-10	-12	-2
NET INCOME FOR THE PERIOD	502	-25	-527
Minority interests	-23	14	37
NET INCOME FOR THE PERIOD - GROUP SHARE	479	-12	-490

BALANCE SHEET

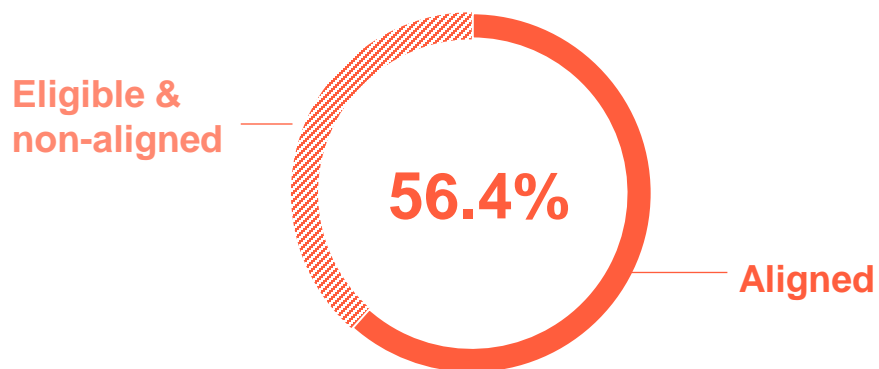
€ million - Consolidated data	31/12/2022	31/12/2023
INTANGIBLE ASSETS		
Goodwill	120	117
Other intangible assets	0	0
TANGIBLE ASSETS		
Operating building	1,111	1,084
Other property, plant and equipment	17	16
Assets in progress	5	10
Investment property	4,937	4,655
Non-current financial assets	68	59
Other Loans	0	0
Non-current financial assets	68	59
Investments in companies accounted for using the equity method	212	205
Deferred tax assets	16	24
Financial instruments LT assets	227	120
TOTAL NON-CURRENT ASSETS	6,714	6,291
Assets available for sale	43	162
Accrued loan interest	7	24
Inventories and work in progress	2	2
Financial instruments ST assets	50	57
Receivables	49	43
Tax receivables (IS)	3	6
Other receivables	37	27
Prepaid expenses	1	3
Cash and cash equivalent	127	109
TOTAL CURRENT ASSETS	320	433
TOTAL ASSETS	7,034	6,724

€ million - Consolidated data	31/12/2022	31/12/2023
Capital	593	593
Premiums	1,701	1,660
Treasury shares	0	0
Consolidated reserves	806	1,147
Result	479	-12
GROUP EQUITY	3,578	3,387
Non-controlling interests	185	164
TOTAL EQUITY	3,763	3,551
Long Term Loan	2,209	2,199
Long-term rental liabilities	276	283
Financial instruments	70	41
Deferred tax liabilities	247	210
Retirement and other commitments	1	1
Other debts and long-term guarantee deposits	9	9
TOTAL NON-CURRENT LIABILITIES	2,812	2,743
Liabilities held for sale	0	7
Payables	43	48
Debts on acquisitions of fixed assets	16	7
Short Term Loan	295	256
Short-term rental liabilities	5	6
ST financial instruments	30	32
Security deposits	0	0
Advances and down payments and credit notes to be established	11	12
Short Term Provisions	12	4
Current taxes	5	10
Other debts and tax and social debts	28	30
Accruals accounts	15	18
TOTAL CURRENT LIABILITIES	460	430
TOTAL LIABILITIES	7,034	6,724

COVIVIO HOTELS EU TAXONOMY ALIGNMENT ANALYSIS

In 2023, Covivio Hotels performed an analysis of its **taxonomy eligible and aligned CAPEX and revenues** (methodology and results reviewed by EY)
And worked with a **third party to study the compliance of its procedures and policies in terms of minimum safeguards.**

SHARE OF 2023 TAXONOMY-ALIGNED CAPEX

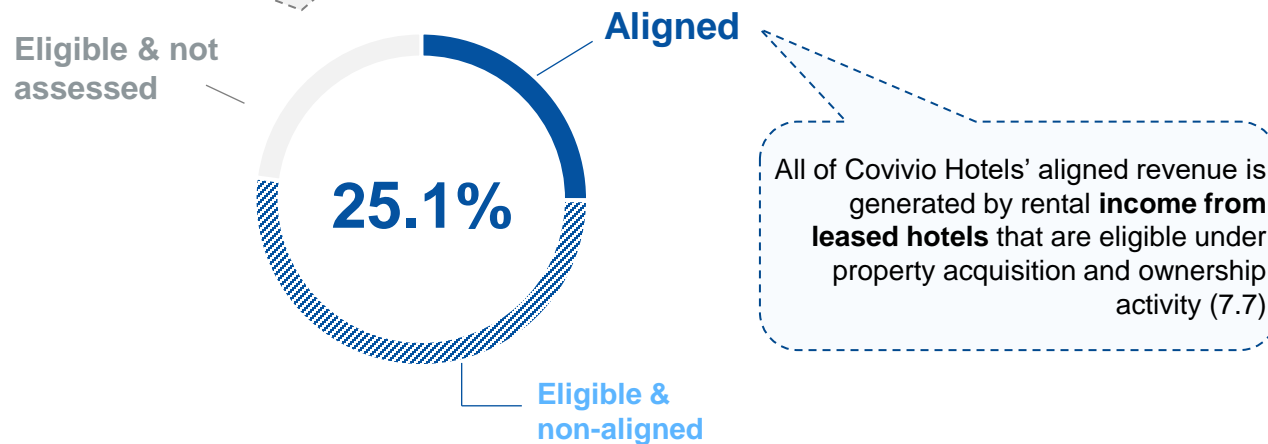


→ CAPEX are aligned with the EU Taxonomy either for **mitigation or for adaptation to climate change** related to the 7.7 activity – Acquisition & Ownership of buildings and 7.3 – Energy efficiency equipment (€ 4.6m invested and reported in 2023).

SHARE OF 2023 TAXONOMY-ALIGNED REVENUES¹

Hotel operations properties activity is now recognized under the biodiversity objective, on which only eligibility was required in 2023

↑ +5pts
vs. 2022



1- Figures presented according to Covivio's operational definition. The taxonomy requires the use of 100% gross revenue, calculated in accordance with IFRS (which does not see revenues from hotels under management as eligible). In order to get closer to the operational reality and, Covivio Hotels has established an operational definition of taxonomy indicators, based on net rental income for leased hotels leased (eligible) and on EBITDA for hotels under management (non-eligible).

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ENERGY PERFORMANCE

173
kWhfe/m²/year

184
kWhfe/m²/year

211
kWhfe/m²/year

-18%

GHG EMISSIONS

20.5
kgCO₂e/m²/year

24.9
kgCO₂e/m²/year

39.2
kgCO₂e/m²/year

-48%

The Green Bond portfolio is well positioned towards market standards:

- **38kWhfe/m²/year gain in intensity compared with the average intensity (-18%)**
- **and an avoided carbon intensity of 18.7kgCO₂e/m²/year (-48%)**

*Europe average [Real Estate ESG Index - Environmental performance in Europe \(index-esg.com\)](https://index-esg.com)

TOP 10 HOTELS INCLUDED IN THE ELIGIBLE PORTFOLIO

TOP 10 HOTELS

1. Palazzo Naiadi - Roma
2. Park Inn - Alexander Platz
3. Méridien - Nice
4. The Westin Grand - Berlin
5. Ibis - Paris Cambronne
6. Club Med - Da Balaia
7. NH - Amsterdam
8. The Westin - Leipzig
9. Ibis - Paris Bastille
10. Crowne Plaza - Brussels Airport



Palazzo Naiadi - Roma



Park Inn - Alexander Platz



Méridien - Nice



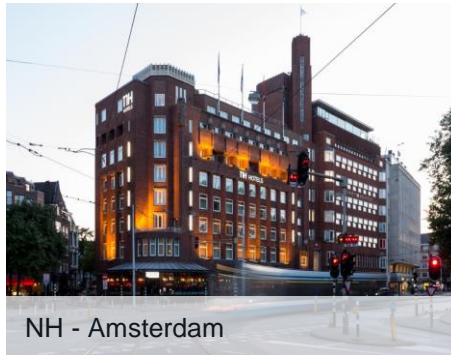
The Westin Grand - Berlin



Ibis – Paris Cambronne



Club Med – Da Balaia



NH - Amsterdam



The Westin - Leipzig



Ibis - Paris Bastille



Crowne Plaza - Brussels Airport

FOCUS ON CRREM DECARBONISATION PATHWAYS

The Project Carbon Risk Real Estate Monitor (CRREM) provides the real estate industry with **transparent, science-based decarbonisation pathways** aligned with the requirements of the Paris Agreement to limit global warming to a maximum of 1.5°C.



- **Dynamic trajectory**, with CO₂e emissions criteria being more and more restrictive over time
- **Science-based** reduction pathway
- **Country-specific** and **hotel specific** reduction pathway
- **Latest and most stringent version** published in 2023, established in partnership with SBTi¹

Methodology²

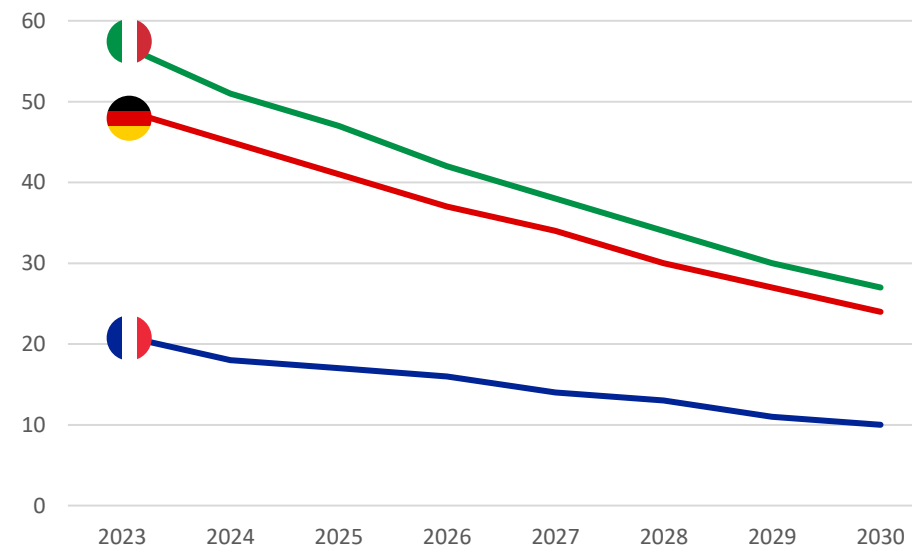
End Energy in kwh

linked to all “in-use” operational energy consumption and as it can be read off electricity meter and utility bills

X

**National Emission Factors
in tCO₂e/kwh**
(location-based approach)

Example of the trajectories for the countries where the largest number of buildings are eligible (in kgCO₂e/m²)





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