


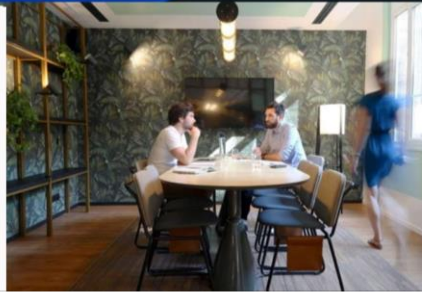

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Activity at end-March 2021: encouraging perspectives

Letting activity: positive signals
- Europe Offices: 64,000 m² of new leases signed or existing leases renewed
- Germany Residential: Mietendeckel rent cap legislation deemed unconstitutional in Berlin; well oriented activity
- Hotels: recovery expected in the second half after a first quarter impacted by restrictions

Intensification of the prime strategy on offices
- Adaptation of the development pipeline with a focus on city centres: 2021 deliveries already 82% pre-let and launch of a flagship mixed-use project in Berlin-Alexanderplatz
- Acceleration of the conversion of offices into housing: five new projects in France for a total of 92,000 m² and €220 million
- Continued rotation: €500 million in cash sales and preliminary agreements signed in Q1 2021
- Covivio rolls out its "All in One" offering and delivers a 4,400 m² development in Paris Gobelins 100% let

Revenues at end-March 2021: stable on a like-for-like basis, excluding Hotels
- Offices: -1.2% on a like-for-like basis
- Residential: +3.4%, and +3.9% outside of Berlin
- Hotels: -46% on a like-for-like basis, impacted by the ongoing restrictions and an unfavourable basis for comparison in 2020
- 95% occupancy rate and 7-year firm average maturity of leases

Ahead of target to reduce carbon impact by 34% by 2030
- An ambitious target covering the period between 2010 and 2030 across a wider scope (Scopes 1, 2 and 3), including construction
- At end-2020, the carbon impact had been reduced by 20%, ahead of target

Organisational changes and appointments within Covivio management
- Tugdual Millet, Covivio's current Chief Financial Officer, has been appointed CEO of Covivio Hotels, supported by Elsa Tobelem, Deputy CEO
- This change in the organisation follows the departure of Dominique Ozanne, who has decided to pursue new professional goals
- Paul Arkwright, currently Director of Financial Control, Corporate Finance and Investor Relations, will become Group Chief Financial Officer.

A diversified and secure model

With a €25.7bn portfolio (€17.1bn Group share) of assets in Europe, Covivio has built its development on diversifying into sectors where it is a leading player:

- **60% of the portfolio comprises offices** in France, Italy and Germany, mainly in central locations in Paris, Milan and Berlin;

- **Germany Residential accounts for 25% of the portfolio**. It is located in central Berlin, Dresden, Leipzig and Hamburg, and in the dynamic cities of North Rhine-Westphalia;

- **Hotel real estate (15% of the portfolio)**, located in major European tourist destinations (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.), is let or managed directly by major operators such as AccorInvest, IHG, B&B and NH Hotels.

This portfolio is managed according to **three strategic pillars**:

1. **Focusing on locations in the heart of major European cities,** such as Paris, Berlin and Milan. As a result, 96% of the properties are within a five-minute walk of public transport.

2. **Development,** to deliver new buildings combining energy performance, well-being and adaptation to changing trends. Covivio is developing €1.2bn in offices (Group share) and €200m in housing in Europe (at 2020 year-end).

3. **Customer culture** with a user-centric strategy. Covivio supports its customers and tenants in their real estate strategies over the long term by forging strong partnerships (7-year firm average lease term). This is reflected in the ambitious service-led approach and increasing flexibility, particularly with the Wellio flex-office solution. The Group's occupancy rate stood at almost 95% at the end of March.

Positive signals on our markets

In offices, the rental market has been impacted by the ongoing restrictions, with companies holding off on decision-making, particularly for large surfaces. However, rental discussions have gathered pace and visits have increased since early March, pointing to a more dynamic second half.

In Greater Paris, take-up totalled[1] 327,400 m², similar to Q1 2020 (-4% excluding Total's exceptional 130,000 m² lease of The Link building). In the investment market, with €3.6bn invested, volumes are significantly higher than the 10-year average (+40%), confirming investor interest in this asset class (-27% compared to Q1 2020, due to the delayed impact of the crisis). Prices are also up 3% on average compared to 2020 year-end in Paris (+2%), the Western Crescent (+7%) and the Inner Rim (+5%).

Take-up was also fairly resilient in the six major German cities[2] (-3% year-on-year, at 653,500 m²). Berlin, Hamburg and Frankfurt even saw increases of 19%, 34% and 7% compared to Q1 2020. The vacancy rate remains low at an average of 3.8%, of which 2.1% in Berlin, 3.5% in Hamburg and Munich and 6.5% in Frankfurt and Düsseldorf.

In Milan[3], the first quarter was encouraging with take-up of 70,000 m², in line with Q1 2020 (excluding Saipem's exceptional 41,000 m² lease in Santa Giulia, in Milan Periphery).

[1] Sources: Immostat; Knight Frank
[2] Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich; source: JLL
[3] Source: CBRE

In this context, **Covivio has signed 64,000 m² of new leases (23,000 m²) and lease renewals (41,000 m²) in France, Italy and Germany**. Tenants are particularly interested in development projects. For example, Covivio is supporting the growth of the Onepoint group, already a partner tenant at two sites in Paris and Bordeaux, by signing an off-plan lease for 12 years firm on 9,067 m² of a new development in Bordeaux (Jardin de l'Ars). By 2024, the development will comprise 19,200 m² of space, already 50% pre-let, in the Euratlantique district close to Saint-Jean Station. On the Silex² tower in Lyon's central business district (CBD), 1,150 m² have been pre-let, bringing to 58% the occupancy of the building, which will be delivered in late June. Lastly, with discussions now at an advanced stage, more properties are expected to be pre-let in Paris and Milan over the coming weeks.

For its operating portfolio, Covivio has completed the letting of its Carré Suffren building in Paris near the Eiffel Tower, with 2,800 m² of new leases signed following a plan to upgrade the common areas and catering facilities. Milan is also seeing a strong positive trend. Several new leases for a total of 4,000 m², including 2,100 m² in the Garibaldi Towers, have been signed, with an average rent increase of 22%. Lastly, activity has also picked up in Germany in recent weeks, with 3,000 m² let in the Zeughaus building in Hamburg.

Covivio has also come to an agreement with Eiffage to renew the campus leases (33,270 m²) in Vélizy, now leased for 10 years firm until end-2030. For the same rent level, Eiffage has thus committed to keeping its head office in this district.

The Residential activity in Germany remains buoyant. On 15 April, the Federal Court of Karlsruhe overturned Berlin's rent cap legislation (Mietendeckel), which had a counterproductive impact on housing offer (-57.5% according to the economic institute DIW). This will help revitalise the housing market in Berlin. Covivio will come back to market rents as defined in the lease contracts and will assess the situation of each tenant on a case-by-case basis in case of hardship. The Group's other locations (North Rhine-Westphalia, Hamburg, Dresden and Leipzig) are benefiting from a positive reversion (increase in rents from 10% to 15% on average when reletting) and the capex programmes implemented in recent years.

In Hotels, restrictions and lockdowns in Europe weighed on activity in the first quarter, as expected. As a reminder, Q1 2020 benefited from two months of strong business activity before the introduction of restrictions in March. At the end of February 2021, RevPar in Europe was down 83.5%[4] compared with the same period in 2019. France fared slightly better in this respect (-68%), owing to looser restrictions in the first quarter and a larger proportion of domestic customers.
In the second half, the acceleration of vaccination programmes in Europe and announcements of plans to ease lockdowns, particularly in the United Kingdom, with hotels and restaurants due to reopen in mid-May, suggest that the sector is starting to recover. In this respect, the significant upturn in hotel occupancy rates in China and the United States demonstrates the hotel sector's capacity for rapid recovery, once the health crisis has been resolved.

In this context, Covivio can rely on a solid partner tenant base, with a hotel rent collection rate of 88% (73% including differed rent payments).

[4] Source: MKG

Intensification of the prime strategy for offices

During the first quarter, Covivio doubled down on its prime strategy for offices, seeking to bolster the centrality and quality of the portfolio, focusing on:

1. Adapting the development pipeline with more CBD projects

As Covivio's second strategic pillar, the development pipeline is key to transforming obsolete buildings into attractive workspaces tailored to new customer demand, while generating significant financial and non-financial value creation. Covivio is continually adapting its development pipeline to the new market environment.

This year, Covivio will deliver eight projects, already pre-let at 82%, mainly located in Paris, Montrouge, Lyon and Milan. Covivio has already delivered the Flow building (23,600 m²) located in Montrouge and fully let to a subsidiary of EDF for 9 years firm. A five-minute walk from Chatillon-Montrouge metro station on Line 13, in 2025, it will also benefit from the arrival of the new Grand Paris line (Line 15).

At the same time, **more prime projects** are being launched. With the commitment of five projects in 2021, all located in the central business districts of Paris (Anjou, Monceau and Madrid-St Lazare), Milan (Corso Italia) and Berlin (Alexanderplatz), the pipeline at end-2021 will consist almost exclusively of assets located in central Paris, Milan and Berlin, of which 70% in the CBDs alone.

During the quarter, **Berlin city council granted building permit for a flagship 59,600 m² mixed-use project located in the heart of the CBD**. With its ideal location on Alexanderplatz, the new tower is scheduled for delivery in late 2025. It will comprise 31,000 m² of prime office and flexible space, 11,600 m² of housing, and 17,000 m² of event, service, logistics and retail space. Designed on land purchased in 2016 as part of the acquisition of a portfolio of hotels (including Park Inn Alexanderplatz), the project will be developed by Covivio in partnership with two long-term institutional investors, Generali and Covéa (Covivio having a 55% stake), based on a total investment of €530 million (€291 million Group share). The development offers a return on investment of more than 5%, with a target value creation of around 40%.


2. Conversion of offices into housing

In France, Covivio plans to convert more obsolete offices into housing. Nearly 150,000 m² of potential projects have thus been identified in obsolete office buildings in France. Three projects are already under way, covering 12,300 m² and representing €44 million in development costs. Five new commitments totalling 92,000 m² are planned for 2021, with a total cost of around €220 million: Covivio has secured planning permission for the first phase of a 46,500 m² project in Bordeaux Lac and three redevelopments of 10,600 m², 5,000 m² and 7,300 m² in Bobigny, Antony and Chartres. Permission for the fifth project, in Fontenay-sous-Bois (22,850 m²), is expected by the end of the first half.

3. Sale of mature assets: €500m in sales and preliminary agreements signed in Q1

Since the start of the year, Covivio has finalised sales of €278 million Group share, consisting almost entirely of offices in France. Covivio sold the EDO building in Issy-les-Moulineaux (10,900 m²), purchased in 2011 when it was occupied by Yves Rocher, vacated in 2015 and redeveloped with a 45% increase in its surface area before being pre-let to Transdev. A portfolio of 46,000 m² of non-core offices in region was also sold at a higher price than the appraisal value at end-2019. This transaction followed an asset management project which enabled some of the leases with tenant Orange to be extended. Lastly, at the end of March, the Astrolabe building (14,400 m²) in Marseille was purchased by a consortium of investors.

Added to this is the €221 million Group share of new sales agreements signed since the start of the year, **with an average margin of 6% on the appraisal value at end-2020.** These agreements cover office buildings in major French cities (including Lyon and Lille) and eight office buildings leased to Telecom Italia. This portfolio was sold for €58 million (€30 million Group share), above the 2020 appraisal value. In Germany, Covivio split the Alexanderplatz development project in Berlin with Generali and Covéa; it retains a 55% stake in the project. Covivio confirms its target to achieve over €600m (Group share) in new sales agreements in 2021.

4. Continuing to attract new customers with a competitive offering

Quality of service and flexibility are now key requirements for office users. Covivio had anticipated these developments in 2017, notably by launching Wellio, its flex-office solution, and by ramping up its service offering: eight Wellio sites are due to open in Europe in late 2021; already more than 80% of multi-tenant buildings in France include a range of services and most have access to the dedicated app; more than 80% of the France Offices portfolio has green space. In recent months, Covivio has been pursuing its adaptation strategy by blending its lease and flexi-contract solutions into a hybrid offering. The Group seeks to involve users as far upstream as possible in the design of the projects developed through its “All in One” approach. This ranges from design thinking with customers to service operation and bespoke consulting throughout the project. For example, **in March Covivio delivered the Paris Gobelins building** (4,400 m²) in the 5th arrondissement, fully pre-let for 5 years firm under a service agreement.

Revenues at end-March 2021 stable on a like-for-like basis, excluding hotel real estate

Q1 2021	Q1 2020 Revenues Group share	Q1 2021 Revenues 100%	Q1 2021 Revenues Group share	Like-for-like variation	Occupancy	Average firm lease term
France Offices	53.4	56.5	49.3	-1.2%	92.9%	4.6
Italy Offices	31.8	38.7	28.9	-1.1%	96.0%	7.3
Germany Offices	6.9	12.4	10.8	-1.0%	77.1%	4.6
Germany Residential	39.3	63.7	40.9	3.4%	98.5%	n.a.
Offices and Residential	**131.4**	**171.3**	**129.9**	**0.3%**	**93.5%**	**5.4**
Hotels in Europe	23.2	32.4	12.6	-46.2%	100.0%	13.9
Total strategic	**154.6**	**203.7**	**142.5**	**-5.9%**	**94.5%**	**7.2**
Total non strategic	3.6	2.4	1.8	-4.7%	99.2%	6.0
Total	**158.2**	**206.1**	**144.3**	**-5.9%**	**94.5%**	**7.2**

Revenues at end-March amounted to €206 million and €144 million Group share, stable on a like-for-like basis excluding Hotels (+0.3%). On a like-for-like basis, **office rent** (60% of the portfolio) was down slightly due to the full-year effect of releases of 2020. The occupancy rate is stable in France at 93%. In Italy, the high occupancy rate of 96% is down slightly compared with end-2020 due to the departure of a tenant from a ground-floor retail asset in central Milan (Via Dante). Discussions are currently taking place with a new tenant and are at an advanced stage. In Germany, the rate improved slightly (+0.4 percentage points, to 77%), and rental discussions have picked up since March.

In Germany Residential (25% of the portfolio), rents have increased by almost 4% on average in North Rhine-Westphalia, Hamburg, and Dresden and Leipzig, which account for 50% of residential portfolio income. In Berlin, where the rent cap legislation has been cancelled, like-for-like growth reached 2.9%. The occupancy rate remains particularly high, at 98.5%.

As expected, the hotel sector (15% of the portfolio) **was impacted by the ongoing restrictions and lockdowns in Europe**. It also suffered from an unfavourable basis for comparison during the quarter (the health crisis mainly had an effect from March 2020). Variable rent (3% of the portfolio, predominantly AccorInvest hotels in France) was down -67%, while EBITDA for hotels under management contract (3%, mostly in France and Germany) decreased by -164%.

Carbon trajectory: ahead of target to achieve a 34% reduction by 2030

In 2018, the Science Based Targets initiative (SBTi) approved Covivio's carbon footprint reduction targets of 34% by 2030 (vs 2010). This target covers the wider scope for the construction and operation of Covivio's entire portfolio (Scopes 1, 2 and 3) and does not take into account carbon offset initiatives.

At end-2020, Covivio's total carbon intensity (Scopes 1, 2 and 3) had been reduced by 20.1% compared with 2010, to 61 kgeqCO_2/m². This performance was largely facilitated by the greening of the portfolio: by end-2020, 88%[5] of the portfolio had already been certified (target of 100% by 2025), of which nearly 100% of the France Offices portfolio and 89% of Italy's portfolio.

General Meeting approves all resolutions

Today's General Meeting approved all resolutions with an average vote in favour of 98.8%, including payment of a dividend of €3.60 per share. The ex-dividend date is 26 April and the payment date is 28 April.

The General Meeting also re-elected the following members to the Board of Directors: Sylvie Ouziel, independent director; Jean-Luc Biamonti, independent director; Predica, a subsidiary of Crédit Agricole Assurances with a 7.8% stake in Covivio. With these votes, the General Meeting acknowledges Covivio's effective governance in line with best market practice, notably through the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer, as well as the proportion of independent directors (60%) and the diversity of the Board (40% women; highly complementary skills and experience).

Organisational changes and appointments within Covivio's management

Tugdual Millet, current Chief Financial Officer of Covivio, has been appointed Chief Executive Officer of Covivio Hotels, alongside Elsa Tobelem, from now on Deputy CEO for Operations. This change in the organization of the Covivio hotels subsidiary follows the departure of Dominique Ozanne, who has chosen to pursue new professional projects. On this occasion, Paul Arkwright, current Director of Financial Control, Corporate Finance and Investor Relations at Covivio, becomes Group Chief Financial Officer. These appointments will be effective from July, 1st.
Link to the dedicated press release

[5] Portfolio with environmental certification and/or accreditation (BREEAM, HQE or LEED) for operation and/or construction. Excluding non-core assets in France Offices, which make up less than 1% of the portfolio.

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ABOUT COVIVIO

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

A benchmark in the European real estate market with 26 Bn€ in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.
Build sustainable relationships and well-being, is the Covivio's Purpose who expresses its role as a responsible real estate operator to all its stakeholders: customers, shareholders and financial partners, internal teams, local authorities but also to future generations and the planet. Furthermore, its living, dynamic approach opens up exciting project and career prospects for its teams.

Covivio's shares are listed in the Euronext Paris A compartment (FR0000064578 - COV) and on the MTA market (Mercato Telematico Azionario) of the Milan stock exchange, are admitted to trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, EPRA BPRs Gold Awards (financial + extra-financial), CDP (A-), 5 Star GRESB and in the ESG FTSE4 Good, DJSI W orld & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, ISS ESG, Ethibel and Gaïa ethical indices.

Notations solicited:

Financial part:	BBB+ / Stable outlook by Standard and Poor's
Extra-financial part:	A1+ by Vigeo-Eiris