
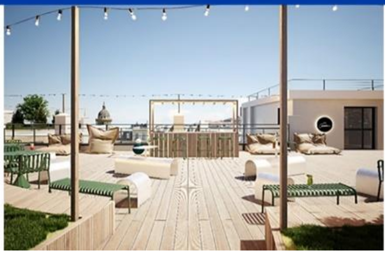

Paris, 15 October 2020, 6:00 pm

Activity at end-September 2020

Letting successes in Offices thanks to the complementary nature of Covivio's solutions and expertise

- 14,600 m^2 of new leases signed for 7 years in the third quarter in France, Germany and Italy
- Full pre-commercialisation of Wellio Paris Gobelins: 4,500 m^2 for nearly 5 years
- Opening of 1st flex-office Wellio space in Milan end-August, already 61% occupied
- Renewals on 23 assets with Orange in France (47,600 m^2) for 9 years

Implementation of value-creating development pipeline

- **Deliveries** of 64,000 m^2 of tertiary assets in France and Italy, expected value creation of 30%
- First **deliveries of residential projects in Berlin** comprising 123 apartments with 46% margin over total cost

Close to €500 million of disposals Group share with 12% margin

- **Mainly** in Offices (67%) and Germany Residential (25%)
- Well on track to realize Group share **target of over €600 million** in 2020

Operating activity in line with guidance announced in July

- Excellent **rent collection** rates: 98% in Offices and Residential, 92% in Hotels
- Like-for-like **rental income growth**: +1.5% excluding Hotels
- **Hotel performance** still impacted by restrictions: revenues down 52% on a like-for-like basis

Non-financial ratings: excellence and ambition of ESG strategy rewarded once more

- Covivio remains the leader in its sector thanks to its A1+ Sustainability Rating by Vigeo Eiris
- The Group is ranked among world leaders by ISS-ESG (top 3% worldwide) and MSCI (AA rating)

Real estate markets at end-September

After a second quarter marked by the wait-and-see approach, rental activity on office markets began to recover slowly in the 3rd quarter, particularly in Greater Paris where take-up amounted to 246,200 m², up 23% from the second quarter. **Vacancy rates** at end-September remained healthy and close to historically lows at 6.1% in Greater Paris and 3.3% in the major German cities[1].

Meanwhile, the investment market remains active, particularly in the office sector, driven by investor appetite for core assets. At end-September, around €34 billion was invested in France, Italy and the major German cities, illustrating the sustained liquidity on these markets. With a total of €2.6 billion, the volume of office transactions on the Italian market even increased year-on-year, up 4% largely driven by Milan.

The Germany residential market confirmed its resilience[2], with momentum sustained in particular by the shortage of housing. While the number of building permits delivered for new housing units is decreasing (down 2% in July), values continue to grow (up 7% year-on-year). In Berlin, new regulations are having a noticeable impact on housing units available for rent, leading to a 66% year-on-year fall in the number of apartment offers.

In the hotel sector[3], performance in July and August exceeded expectations: the average occupancy rate in Europe rose from 7% in May to 39% in August, although revenues still fall considerably short of levels achieved in previous years (RevPar down 55%). The summer spike shows that the need and the desire to travel are there, materializing as soon as restrictions are lifted. **Since September, the prevailing uncertainty has persisted and restrictions have been tightened**, weighing heavily on performance. Most hotels reopened in Europe, but occupancy rates remained low in September (between 20 to 35%).

Letting successes in offices thanks to the complementary nature of Covivio's solutions and expertise

The quality of Covivio's portfolio and the complementary nature of its solutions and expertise make it a key partner for companies seeking to transform their workspaces into social platforms conducive to collaboration and performance. This approach, which combines quality locations, building development/redevelopment and flexible solutions (in particular since the launch of the Wellio flex-office offer in 2017), allowed Covivio to sign a number of commercialisation agreements amid a wait-and-see market.

The success of the project Paris 5th Gobelins is a good example. The building acquired by Covivio in 2006 and previously occupied by Orange is currently being restructured and will open in March 2021. This will be the 7th Wellio space, the flexible offices and services solution developed by Covivio. The 4,500 m² of this building have been commercialised in September, 6 months before delivery, for 58 months (link to the press release).

In Milan, Covivio delivered its first flexible space in Italy at end-August, located in Via Dante 7, close to the Duomo. This building offers 400 workstations over 4,700 m², with private offices that can be customized, coworking desks, meeting rooms and areas for different types of events. The occupancy rate, one month after opening, is already 61%. Among the companies that have chosen Wellio as their

[1] Berlin, Frankfurt, Dusseldorf, Hamburg, Cologne, Stuttgart and Munich.
Office rental market indicators for Milan at 30 September have not been published yet.
[2] Sources: Guthmann Real Estate, Destatis
[3] MKG data

workplace are the Italian branch of Astellas, a Japanese pharmaceutical multinational that has moved its headquarters into the building, and Dermalogica, a Californian skincare brand of the Unilever Prestige group.

Furthermore, **14,600 m² of new lettings** were signed during the quarter, on average for 7 years firm: in September, Covivio signed a new firm 9-year rental agreement with a major French group on its IRO building in Châtillon (3,800 m²). In Italy, 2,000 m² were signed on Corso Ferrucci in Turin, as well as 1,800 m² in the CBD of Milan (Torre Garibaldi and Piazza San Fedele).

Lastly, **110,000 m² of leases were renewed** during the 3rd quarter. The Group notably renewed its partnership with Orange covering 23 assets in France (47,600 m²). The average firm lease term was extended by 6.3 to 8.8 years.

Implementation of value-creating development pipeline

Delivery of 64,000 m² of tertiary assets in France and Italy

Since the beginning of the year, **6 tertiary assets representing 64,000 m² have been delivered with an average expected value creation of 30%. In Italy**, Covivio delivered the Via Dante building (4,700 m² Wellio space), the first building of "The Sign" project (9,260 m²), Symbiosis School (7,900 m²) and Duca d'Aosta (2,600 m²) in Milan, fully let, as well as the last phase (13,730 m²) of the Corso Ferrucci asset in Turin (45,600 m² building now 95% let). **In France**, the IRO building in Chatillon (25,600 m²) was delivered on 15 September and is 34% let.

First deliveries of housing units in Germany

Launched in 2017 on the land banks of the Berlin portfolio, the **German project pipeline has now doubled in volume** thanks to multiple land purchases completed over the last few years. 4,000 housing units totalling 285,000 m² and mainly located in Berlin are due to be delivered over the next 5 years, at a total cost of **€800 million (€540 million Group share)** and with an **average value creation target of 40%.**

A third of these projects (€256 million) are committed and the first deliveries took place this year: 123 housing units (€29 million total cost) with a 46% margin over total cost. The pace of deliveries will be stepped up over the coming years, with 247 housing units scheduled for 2021 (€68 million) and 521 for 2022 (€159 million).

Disposal plan well on track: close to €500 million Group share with 12% margin

Since the beginning of the year, **Covivio has signed new disposal agreements totalling €491 million Group share (€616 million in total) and generating an average margin of 12% on 2019 year-end appraisal values.**

Since the beginning of the year, office disposal agreements totalling €190 million have been signed in France, generating a margin of nearly 7% on the appraisal value, and €139 million in Italy, generating a 18% margin. In the Germany Residential segment, €121 million of assets have been sold at an average margin of 19%. The balance mainly consists of retail assets sold at prices close to their appraisal values.

Thanks to these new disposals and the dynamism of the office investment market, Covivio is confirming its target of over €600 million Group share of new disposal agreements signed in 2020.

Finalisation of the acquisition of 8 hotels leased to NH Hotels in the city centres of major European tourist destination

Confident in the long-term fundamentals of the hotel industry, Covivio finalised, on 7 September, the acquisition of a portfolio of 8 hotels located in major European tourist destinations, in Rome, Florence, Venice (2), Nice, Prague and Budapest (2) at a price of €573 million (€248 million Group share) including €86 million of works. This portfolio of high-end establishments in prime locations includes emblematic hotels such as the Palazzo Naiadi in Rome, the Carlo IV in Prague, the Plaza in Nice and the NY Palace in Budapest.

Offering a total of 1,115 rooms, these hotels will be operated by NH Hotel Group via long-term triple-net[4] leases with minimum guaranteed variable rent offering a minimum yield of 4.7%. The agreement is for an initial term of 15 years firm, extendible to 30 years at the request of NH Hotel Group.

Operating activity in line with end-July guidance

Excellent rent collection rates

Covivio is backed by a solid rental base, composed essentially of large corporates and residential tenants. Thereby, at end-September **97% of invoiced rents have been collected,** including 95% in the third quarter only. **In Offices and residential**, the collection rate is high at 98%. **In the hotel sector**, 92% of rent invoiced at end-September was paid (89% in the third quarter).

Revenues at end-September: €464 million

Revenues at end-September amounted to €464 million (€667 million at 100%), down from €511 million at end-September 2019 due to the fall in hotel revenues (down 51%) against a backdrop of uncertainty and continuing restrictions. **On the other hand, offices and residential buildings continue to post strong performances**, up 1.5% on a like-for-like basis.

[4] Excluding Nice

A end-September 2020 (9 months)	Revenue 9-m 2020 at 100% (€m)	Revenue 9-m 2019 Group share (€m)	Revenue 9-m 2020 Group share (€m)	Variation (%)	Variation at like-for-like scope (%)	Occupancy rate (%)	Lease term (years)
France Offices	181	172	158	-8.1%	+0.9%	93.0%	4.5
Italy Offices	126	110	96	-12.4%	+0.9%	96.5%	7.3
Germany offices	48	5	38	n.a	+2.8%.	73.7%	4.6
Germany Residential	184	116	118	+2.3%	+2.8%	98.7%	n.a.
Sub-total offices & Residential	**539**	**402**	**410**	**+1.9%**	**+1.5%**	**93.4%**	**5.5**
Hotels	114	91	45	-51.1%	-51.7%	100%	14.3
Total strategic activities	**653**	**493**	**454**	**-7.9%**	**-8.3%**	**94.4%**	**7.2**
Non-strategic activities (Retail France and Italy)	**15**	**17**	**9**	**-45.2%**	**-4.8%**	**97.8%**	**6.6**
Total	**667**	**511**	**464**	**-9.1%**	**-8.3%**	**94.4%**	**7.2**

In Offices, growth is driven by assets in Paris (+2.5%) and major regional cities (+5.5%). In Milan, rents increased by 1.4% on a like-for-like basis.
The occupancy rate was 93% in France, curbed by the departure of a tenant from a building in Paris 15^{th} and the delivery of the IRO project in Châtillon (34% let). It remains high in Italy (96.5%) thanks to letting successes during the quarter. Lastly, the occupancy rate in Germany was impacted by the cancellation of the WeWork lease in Düsseldorf (12 percentage point impact on the vacancy rate) and the scheduled departure of a tenant in Hamburg. This does not take into account penalties related to early tenant departures.

In Germany Residential, rental growth remains strong at 2.8% on a like-for-like basis, driven by North Rhine-Westphalia, Hamburg, Dresden and Leipzig (+3.4% on average). In Berlin, revenues rose by 2.1% despite the initial impact of new regulations, currently undergoing judicial review before the Karlsruhe Federal Court of Justice.

In Hotels, 97% of Covivio hotels are now open but restrictions continue to weigh on occupancy rates. Income from variable rent indexed to hotel revenues and management contracts was down 74% on a like-for-like basis. In the UK, the situation remains challenging with 4 out of 12 hotels closed at the end of September. In view of the circumstances and the major underperformance clause included in the lease agreement, no rent has been recognised this year on this portfolio.

Covivio confirms its EPRA Earnings guidance for 2020, updated at the end of July, at €380 million or €4.15 per share. The drop of around €100 million compared to the target announced in February 2020 is due to the impact of the current crisis, essentially on:

- the hotel business, for around 70%,
- the increase in unpaid rent, principally in retail (10%),
- the slight increase in office vacancy rates (10%),
- and the delays in development projects (10%).

Non-financial ratings: excellence and ambition of ESG policy rewarded once more

Covivio once again obtained the maximum score of A1+ for its Sustainability rating from Vigeo Eiris and remains the leader in the "Financial services – Real estate Europe" sector. This assessment rewards Covivio's commitments and recognises the effective integration of ESG (environmental, ethical, social and corporate governance) factors in the Group's strategy, operations and risk management. With an overall rating of 71/100 (compared with 69/100 in 2019), Covivio has moved up from 7th place to 5th place worldwide, all sectors combined[5].

Covivio is also ranked among world leaders by ISS-ESG and MSCI, who updated their ratings in the third quarter. Covivio has retained its ISS-ESG "Prime" rating, placing it among the top 3% worldwide. Additionally, MSCI confirmed its AA rating in recognition of the merits of Covivio's environmental strategy. Lastly, Covivio obtains a very good rating from Sustainalytics, with details available through the following link.

AGENDA

2020 annual results: 18 February 2021

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[5] Covivio is ranked in 1st place out of 86 rated companies in its sector in Europe. All sectors combined, the Group is ranked 5th out of 1,602 in Europe and 5th out of 4,823 worldwide.

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 25 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 + Sustainability), CDP (A), Green Star GRESB and in the ESG FTSE4 Good, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Euronext® CDP Environment France EW, Oekom, Ethibel, Sustainalytics and Gaïa ethical indices.
Covivio is rated BBB+/Stable outlook by Standard and Poor's.

Notations solicited:

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