



Paris, 21 April 2022, 6:00 pm

Activity at end-March 2022:

Strong recovery confirmed in the first quarter of 2022

Good operating momentum across all businesses

- ▶ 36,100 m² of office space let or pre-let; increase in the office occupancy rate to 92.4%
- ▶ Major progress in the asset management of our manage-to-core offices
- ▶ Fresh successes in our development pipeline: Stream Building and Anjou 94% and 100% pre-let respectively
- ▶ Hotels: strengthening of the recovery and inaugural brand management transaction in France
- ▶ Continued good momentum in German residential
- ▶ €183 million in new sales commitments, with an average margin of 2% above the latest appraisal values

Covivio continues its CSR roadmap and strengthens its teams

- ▶ Carbon trajectory: 26% reduction in our carbon emissions between 2010 and 2021, on track for the goal of a 40% reduction on scopes 1, 2 and 3 (including construction) by 2030
- ▶ Continued rollout of the Covivio Foundation: 12 non-profits supported in France, Italy and Germany
- ▶ Reinforcement of teams: appointment of Friederike Hoberg as new head of the German offices business

General Meeting approves all resolutions

- ▶ Payment on 27 April of a cash dividend of €3.75 per share representing an increase of 4.2% and a yield of 5.1%
- ▶ Strengthening the expertise of the Board of Directors: appointment of Daniela Schwarzer as an independent director

Strong revenue growth at end-March 2022: +7% like-for-like

- ▶ Offices: +2.9% on a like-for-like basis
- ▶ Germany Residential: +2.9%, with +3.6% in North Rhine-Westphalia and +2.6% in Berlin
- ▶ Hotels: +51%, driven by the recovery in variable rents
- ▶ 95.2% occupancy rate of vs 95.0% at the end of 2021

Covivio: a diversified and continuously adapting portfolio

With a €26.7 billion portfolio (€17.7 billion Group share) in Europe, Covivio has built its development on diversifying into sectors where it is a leading player:

- **57% of the portfolio comprises offices** in France, Italy and Germany, mainly in central locations in Paris, Milan and the main German cities;
- **Germany Residential represents 28% of the portfolio.** It is located in the city centres of Berlin, Dresden, Leipzig and Hamburg and in major cities in North Rhine-Westphalia;
- **Hotels (15% of the portfolio)**, located in major European tourist destinations (Paris, Berlin, Rome, Madrid, Barcelona, London, etc.), are let or managed directly by major operators such as AccorInvest, IHG, B&B, NH Hotels, etc.

41% of properties in value are located in Germany, 38% in France and 16% in Italy.

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

1. **Focusing on location in the heart of major European cities**, in particular Paris, Berlin, and Milan. As a result, 97% of the properties are within a five-minute walk of public transport.
2. **New building design** combining energy performance, well-being and adaptation to changing trends. Covivio is currently developing €1.8 billion Group share of office projects and €437 million Group share of housing units in Europe.¹ Most of these developments concern existing assets.
3. **Customer culture**, with a user-centric strategy. Covivio supports its clients in their property strategies over the long term, by jointly defining their projects and forging sustainable partnerships (7-year firm average lease term). This is reflected in a strong consulting approach, an ambitious service policy and ever more flexibility, with, for example, hybrid offers combining commercial leases and flexible contracts.

Good operating momentum across all businesses

Sustained rental activity in offices as the market continues to recover

The rental market continued its recovery initiated in the second half of 2021:

In Greater Paris, take-up amounted² to 504,000 m² in Q1 2022, up 40% year-on-year and only 6% below 2019 level. The 40% of take-up concentrated on new assets confirms the market's polarisation in favour of quality, well-located buildings. The available offer and the vacancy rate are stabilising (7.4% vacancy rate). Rents are in line with their levels at the end of last year.

In the six major German cities³, take-up totalled 769,000 m², up 20% year-on-year with a very strong performance of Munich (+83%) and Frankfurt (+51%).

In Milan⁴, the first quarter was also very active with take-up of 106,000 m², up 30% year-on-year. This dynamic benefits grade A assets, representing 85% of take-up.

¹ At the end of 2021

² Source : Immostat

³ Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich ; source : BNP PARIBAS REAL ESTATE

⁴ Source : DILS

COVIVIO

FIRST QUARTER 2022 ACTIVITY

During the first quarter, Covivio let or pre-let 36,100 m² of office space, mainly in France and to well-known tenants (members of the CAC 40, top tech firms, etc.), for an average firm lease term of 9 years. Firm agreements bearing on a further 5,000 m² are also set to be finalised in the coming weeks.

The letting dynamic illustrates the success of Covivio's positioning focused on flexible, service-oriented buildings adapted to new uses and located in attractive locations. It is also reflected in the success of the Wellio managed office offer, whose latest site, in Milan CBD, opened with an occupancy rate of over 90% in early April.

The quarter's rental successes allowed the Group to take a major step forward in the streamlining of the manage-to-core portfolio (16% of the office portfolio), consisting of 9 assets accounting for 60% of offices vacancy. The 32 B building in Boulogne, the Orly Belaïa building and the CB 21 tower in Paris-La Défense accordingly saw their occupancy rates firm to 75% (vs 56% at end-2021), 85% (vs 64%) and 93% (vs 84% – including firm agreements signed to date) respectively. At the same time, the Via Del Innovazione building in Milan, 85% occupied, was the subject of a sale agreement at its appraisal value.

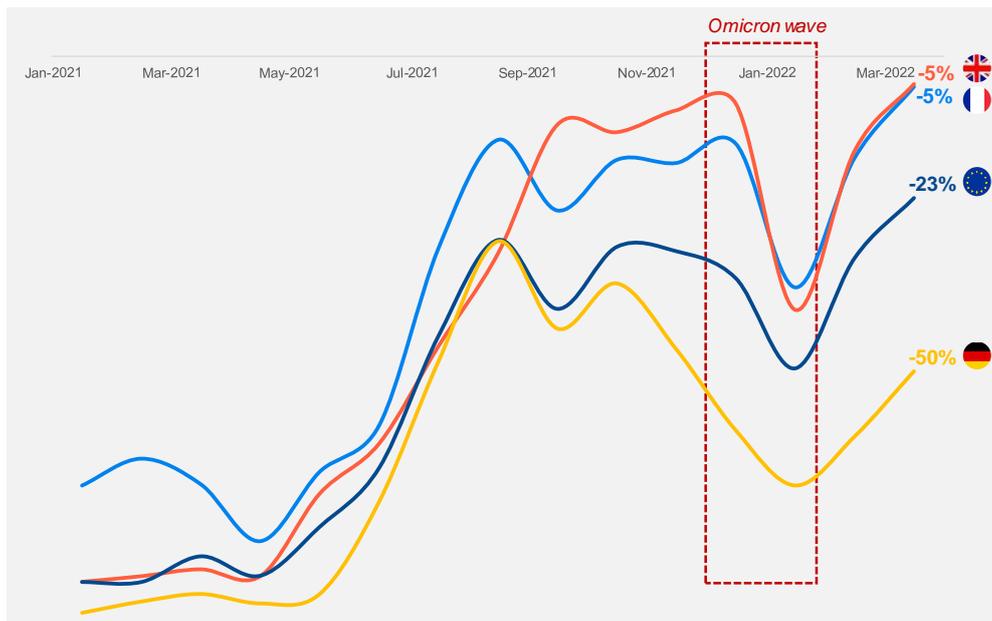
Activity also reflects the continued success of the development pipeline. As part of the Stream Building mixed-use project, located in the 17th arrondissement of Paris, Covivio has signed a rental agreement with a leading French company for a surface area of 9,200 m². This signature, which comes on top of that of Zoku as operator of the hotel part, brings the building letting rate to 94% several months before its scheduled delivery in mid-2022. Ideally located opposite the Tribunal de Grande Instance of Paris, the building brings together all the activities of a city life under one roof (offices – retail – hotels – leisure space) and reflects the changing nature of working life and lifestyles, while integrating perfectly into its environment.

Covivio has also fully pre-let the Anjou office building (9,336 m²) in the 8th arrondissement of Paris to a top French luxury firm. Located in the heart of the central business district (CBD) and enjoying excellent transport links (metro lines 1, 8, 12 and 14, buses and Velib bicycle stations), the building, acquired in 2006, was occupied by Orange and La Poste until the final quarter of 2021. Just vacated, and with Covivio still working on its complete restructuring, Anjou has already attracted a prestigious company that will take possession of the premises in spring 2025. The two partners have signed a 10-year firm lease.

Confirmation of the recovery in hotels and inaugural brand management transaction in France

In hotels, after a significant improvement in performance between April and November 2021, the Omicron variant slowed momentum in December 2021 and January 2022. Since mid-February 2022 and the lifting of all restrictions related to the health crisis, the hotel industry has benefited from a recovery in all European countries. Buoyed by domestic customers and fewer health restrictions, the United Kingdom and France outperformed the European average, with RevPAR returning to levels close to those of 2019 in March. Germany, penalised by tighter restrictions, is still lagging behind and has only recently started to recover.

Change in hotels RevPAR in Europe



The performance of Covivio's variable-rent hotels is directly benefiting from this recovery, with a noteworthy 160% increase in variable rents in France. The fixed rent collection rate is 100%. In addition, the last outstanding payments in 2021 revenues were fully collected in Q1 2022.

As the hotel market recovers, Covivio is setting its hotel portfolio in motion by pursuing its dynamic asset management strategy in order to optimise profitability and guarantee a hotel offer increasingly aligned with user expectations. Covivio accordingly signed a memorandum of understanding with B&B Hotels for the lease of 31 hotels located in France and previously occupied by AccorInvest. This asset and brand management transaction demonstrates Covivio's ability to revitalise its hotel portfolio and constantly renew its hotel offer.

These 31 hotels (2,565 rooms), already owned by Covivio and operated under Accor Group brands (Ibis, Novotel and Mercure), were previously let to AccorInvest under variable-rent leases. Following the signing of the memorandum, Covivio and B&B Hotels, partners since 2010, have agreed on new 12-year firm fixed-rent leases. Covivio will accordingly benefit from a substantial increase in rents compared to 2019 and will participate in a Capex programme conducted by B&B Hotels. This value-creating transaction allows Covivio to provide support to Europe's third-largest economy class hotel brand in a new phase of its development in France.

Continued momentum in Germany Residential

In Germany, Covivio continued its active asset management work. Rents rose by an average of 2.9% year-on-year and benefited from good momentum in all geographic areas: Berlin (+2.6%), North Rhine-Westphalia (+3.6%), Hamburg (+2.0%) and Dresden and Leipzig (+2.8%). Growth in rents reflects three factors: indexation (36% of the increase), reletting with positive rental reversion (+40%) and the balance mainly linked to modernisation programmes. By renovating an average of 3% of the portfolio each year, Covivio increases the quality of its housing and participate in the energy transition, while ensuring a return of around 5%.

€183 million in new sales agreements at the end of March, with an average margin of +2%

Since the beginning of the year, Covivio has signed new sales agreements totalling €264 million at 100% (€183 million Group share), with an average margin of +2.3% on the latest appraisal values. These sales mainly concerned the Via del Innovazione office building in Milan, as well as the continued streamlining of the Telecom Italia portfolio in Italy. In Germany, Covivio has sold a number of housing units, generating a margin of +35% on the latest appraisal values. The average sale price of vacant housing units was €4,825/m².

Covivio continues its CSR roadmap and strengthens its teams

Further reduction in the portfolio's carbon emissions

With the publication of its Universal Registration Document 2021 ([link to the document](#)), Covivio has disclosed its carbon emissions on scopes 1, 2 and 3 (including construction). It is down 26% compared with 2010, and on track to allow the Group to meet its reduction target of 40% by 2030. This performance is attributable notably to work done to green the portfolio (91% certified green by the end of 2021) and to support tenants in reducing their energy consumption.

Continued rollout of the Covivio Foundation

Created in 2020, the Covivio Foundation's purpose is to structure and strengthen Covivio's initiatives in favour of two pillars, namely equal opportunity and environmental preservation. The Covivio Foundation stepped up its work during the quarter, and now supports more than 10 non-profits in France, Italy and Germany. As part of a program aimed at providing hours of outreach work, the group's employees have carried out several skills sponsorship assignments with non-profits including Refugee Food, Wake Up Café and Article 1 in France, and with the Al Farabi Music Academy and SafeHub Wedding-Berlin in Germany. A call for projects has been launched in Italy to select new non-profits that will receive the Foundation's support over a 3-year period, the list of which will be finalised before the summer. A similar call for projects is planned for the second half in Germany with a view to extending the Foundation's geographical scope.

Appointment of Friederike Hoberg as new head of the Germany Offices business

From May 2022, Covivio will welcome Friederike Hoberg as Head of German Offices and member of the Group Executive Committee. A graduate of the Freie Universität of Berlin and ESCP Business School, Friederike Hoberg has spent a large part of her career with Commerz Real in France and Germany. Before joining Covivio, she was head of Commerz Real's French subsidiary.

Covivio has a €1.8 billion office portfolio and a €562 million development pipeline in Germany, with flagship projects including Alexanderplatz in Berlin. These assets are located in the main German cities, namely Frankfurt (31%), Berlin (21%), Düsseldorf (20%), Hamburg (19%) and Munich (7%).

Based in Berlin and reporting to Christophe Kullmann, Covivio's CEO, Friederike Hoberg will be in charge of the Office business in Germany, with the objective of implementing the same value-creating strategy already implemented in France and Italy, based on the following pillars:

- Centrality, by developing our projects in the best locations, near transport hubs, in lively and attractive districts;
- Quality, by designing offices that combine flexibility, well-being, services, and collective and environmental performance;
- Customisation, by creating spaces and experiences specific to each client, in line with the culture and codes of each company.

All thanks to a personalised consulting approach and a customer relationship focused on user satisfaction.

General Meeting approves all resolutions

Today's General Meeting approved all resolutions with an average vote in favour of 96.96%, including payment of a dividend of €3.75 per share, an increase of 4.2%. The ex-dividend date is 25 April and the payment date is 27 April. This represents a dividend yield of 5.1% at the close of trading on 20 April.

The General Meeting appointed Daniela Schwarzer, Executive Director of the Open Society Foundations in Europe and Asia, the world's largest private donor to NGOs and non-profits working to defend human rights, justice and democracy, as an independent director. From 2016 to 2021, she led the German Council on Foreign Relations, of which she is now a non-executive director. She is also a non-executive member of the Board of Directors of BNP Paribas. She is an honorary professor at the Freie Universität of Berlin, where she teaches European integration and international affairs. By contributing her experience and above all her profound knowledge of the German economic and social environment, she will help maintain the highest standards of commitment, independence, and competence of the Board of Directors.

The General Meeting also renewed the terms of office of Alix d'Ocagne, an independent director, Stéphanie de Kerdrel, permanent representative of ACM Vie, an 8.6% shareholder in Covivio, and Romolo Bardin.

First-quarter 2022 revenues up strongly by 7% like-for-like

Q1 2022	Q1 2021 Revenues Group share	Q1 2022 Revenues 100%	Q1 2022 Revenues Group share	Like-for-like variation	Occupancy rate (%)	Average firm lease term (In years)
France Offices	49.3	54.6	46.6	1.7%	93.6%	4.4
Italy Offices	28.9	36.2	27.8	4.1%	96.9%	7.4
Germany Offices	10.8	13.4	11.7	4.9%	79.1%	4.5
Total Offices	89.0	104.2	86.1	2.9%	92.4%	5.3
Germany Residential	40.9	66.2	42.8	2.9%	99.0%	n.a.
Hotels in Europe	12.6	45.4	18.4	51.4%	100.0%	13.2
Total strategic activities	142.5	215.8	147.3	7.2%	95.2%	7.0
Total non-strategic	1.8	1.2	0.5	-5.1%	100.0%	8.7
Total	144.3	217.0	147.9	7.1%	95.2%	7.0

First-quarter revenues amounted to €217 million (€148 million Group share), up 7.1% on a like-for-like basis. Office rents declined due to the effect of sales in 2021 but increased by 2.9% on a like-for-like basis. The occupancy rate in France rose by 0.4 points to 93.6%. In Italy, the occupancy rate improved again, reaching nearly 97%. In Germany, the trend improved slightly (increase of 0.3 points to 79.1%).

As described earlier, Germany Residential activity was sustained, with revenue growth of 2.9% on a like-for-like basis and an occupancy rate still at 99%. Rents also benefited from last year's acquisitions.

In line with the good momentum achieved in the second half of 2021, and despite the short disruption caused by the Omicron variant, hotel activity rose by a sharp 51% on a like-for-like basis in the first quarter of 2022. Variable rents (mainly AccorInvest hotels) benefited from the outperformance of France and increased by 160%. The EBITDA of hotels under management contracts (mainly in France and Germany) also improved significantly (+69% vs Q1 2021). Lastly, fixed rents were up 8% with the re-letting of a hotel in Madrid (rent 50% above its previous level).

2022 Outlook

The economic, monetary, financial and geopolitical environment has undergone profound change since the beginning of the year. Inflation has reached record levels and was running at 7% year-on-year at the end of March in Eurozone. Monetary policies are returning to normal, accompanied by a rise in interest rates (+0.9% for the German Bund 10-years). Lastly, the war in Ukraine, will weigh on economic growth, in addition to the human tragedy it represents.

In this context, Covivio can count on a solid balance sheet, with an LTV of 39%, reduced by 2 points in 2021, 84% of its debt hedged against rising interest rates in 2022 and no need for refinancing within 2 years.

Covivio also boasts a diversified business model with well-oriented businesses. Currently experiencing great change, offices are confirming their role as a strategic driver of corporate transformations. With its ability to design and offer new, flexible and serviced offices in prime areas, Covivio is meeting this need, as evidenced by the record level of lettings in 2021 and strong activity in the first quarter of 2022. The rental dynamic is expected to continue in the coming months.

In a market characterised by a severe housing shortage, the residential business in Germany offers robust growth prospects, both through rental reversion (+20% on average), and through the potential for revaluation of asset values (carried at block value in the balance sheet, i.e. 30% to 50% below unit values).

Lastly, the hotel industry has started to recover, driven by tourism, leisure and business customers, with the need for companies to recreate links with their employees and customers. Growth in RevPAR vs 2019 also demonstrates the business's pricing power. The strong growth in revenues can therefore be expected to continue in the coming months.

AGENDA

- ▶ Ex-dividend date: 25 April 2022
- ▶ Dividend payment: 27 April 2022
- ▶ 2022 first-half results: 21 July 2022

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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 €27 billion 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 World & 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