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Activity at end-March 2020

A diversified and secure model

- 84% of the portfolio made up of offices and residential
- 97.6% occupancy rate and 7-year firm average maturity of leases

A solid and strengthened balance sheet

- The General Meeting approved the scrip dividend option
- Enabling a capital increase of €200-€420 million
- €2.5 billion of liquidity available at end-March

Consolidation in German offices well on track

- At present, Covivio holds 59% of the Godewind Immobilien capital
- This transaction strengthens the portfolio on one of Europe's most resilient real estate markets

Disposal target of more than €600m Group share in 2020

- €179m (€102m Group share) in sales realized in the first quarter and €190m (€164m Group share) in new sales agreements
- Of which €132m completed and €157m signed since the start of the lockdown

Revenues at end-March 2020: +2.3% on a like for like basis, excluding hotels

- Healthy activity in offices (+1.8% at like for like scope) and residential (+3.5%)
- Impact of the pandemic on hotels: -10% at like for like scope

Coronavirus: Covivio on the move to contribute to the solidarity effort

- Covivio making several of its hotels available
- The Covivio Foundation is increasing its donation for 2020 and will focus its first actions on supporting the communities most affected by the economic impact of the crisis
- Covivio supporting struggling VSEs and SMEs

COVIVIO
ACTIVITY AT END-MARCH 2020

A diversified and secure model

With a portfolio of €25bn (€17bn Group share) in assets in Europe, Covivio has built its development on diversifying in business lines where the group has local platforms, can handle the entire real estate value chain and be a leading player. This model provides Covivio with a diversified and secure revenue profile:

- 60% of the portfolio is comprised of offices, let to key accounts (Orange, Telecom Italia, Dassault Systèmes, Thalès, etc.) in France, Italy, and Germany;
- The residential portfolio in Germany represents 24%;
- Hotels, located in the major European cities, weigh in at 15%.

The group's occupancy rate stood at 97.6% at end-March for an average firm lease term of 7 years.

A solid and strengthened balance sheet

Rated BBB+, stable outlook by S&P, Covivio had a LTV ratio of 38.3% at end-2019, in line with the <40% LTV policy, and an ICR of 5.7x. The debt's long maturity (6.1 years) is paired with a diversification of financing sources, between bonds (37% of debt), corporate loans (17%), and mortgages (46%).

The group had €2.5bn in liquidity at end-March, through €900m in cash and €1.6bn in undrawn lines of credit.

The General Meeting held today approved the distribution of a €4.80 dividend and the scrip dividend option, based on a price of €47.80 per share (which is 90% of the average closing prices on the 20 trading days leading up to the General Meeting, minus the dividend).

All institutional investor shareholders currently on Covivio's Board of Directors (representing 49% of share capital) have already committed to the scrip dividend option. Therefore, Covivio's balance sheet will receive a capital increase of €200m-€420m.

The dividend ex-date will be on 27 April, and the scrip dividend option period will run from 29 April to 18 May, for payment or delivery on 22 May.

Consolidation in German offices well on track

As of the evening of 21 April, Covivio holds 59.4% of the share capital of Godewind Immobilien AG (Godewind), a German offices property company with a €1.2bn portfolio (€1.1bn Group share). The results of the initial public offering and withdrawal period on all Godewind shares (which ended on 22 April) will be known on 27 April. The subsequent offering period will open on 28 April 2020, running until 11 May 2020.

Godewind's Management and its Supervisory Board fully support the offer, and Management has agreed to request that all Godewind shares be withdrawn from trading on the regulated (Prime Standard) market of the Frankfurt Stock Exchange, which will happen shortly after the expiry of the subsequent offering period. The offer is fully funded by Covivio's existing resources.

With a presence in Germany since 2005 and a local team of 570 people, Covivio is historically active in the residential segment and has gradually developed a team for managing hotels and offices. In addition to its existing Office portfolio in Germany and its development projects located primarily in Berlin, this investment provides access to a core portfolio of 10 office buildings (290,000 m²), located in Frankfurt (40% of the portfolio), Düsseldorf (28%), Hamburg (24%), and Munich (8%), 92% let for an average firm

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term of 7 years. With an average vacancy rate of 3%¹ in the top 7 German cities, the office market in Germany is one of Europe's most resilient.

Other ongoing acquisitions are limited to acquisition of the portfolio of 8 hotels in Venice, Rome, Florence, Prague, Budapest, and Nice, for €248m Group share. The closing is scheduled for September 2020. This portfolio is composed of iconic hotels located in the very center of some of Europe's most attractive cities and will be let as part of a firm lease of 15 years to NH Hotels.

Plan to dispose of more than €600m Group share in 2020

Since the beginning of the year, Covivio has finalized €179m in sales (€102m Group share) with an average margin of 23% on the last appraisal value. On 1 April, Covivio sold 11 B&B hotels located in Germany in Munich, Hamburg, and Stuttgart and in second-tier cities, for a total of €115m (€49.8m Group share).

In addition, new sales agreements totaling €190m (€164m Group share) have been signed since the start of the year (of which €157m in preliminary agreements signed after 31 March), with an average 7% margin on the last appraisal value at end-2019. These agreements mainly concern two office buildings in Nanterre and in the metropolis of Lyon, offices let to Telecom Italia, and privatizations in Berlin.

In this way, Covivio is confirming its target of more than €600m Group share in disposals in 2020.

Revenues at end-March 2020: +2.3% on a like for like basis, excluding hotels

Revenues at end-March stood at €158m (€241m at 100%), compared to €166m (€249m at 100%) at end-March 2019. Performance at like for like scope remains robust in offices and residential, at +2.3% on average, while Hotels are directly suffering from the impact of the pandemic (-10% at like for like scope).

Good performance in offices and residential (84% of the portfolio)

In offices (60% of the portfolio), rental income grew by 1.5% in France and 2.4% in Italy. Covivio signed or renewed more than 26,000 m² in leases year to date, including 4,600 m² since the start of the lockdown.

As a historical real estate partner to large corporates, Covivio enjoys a solid rental base, with 91% of rental income coming from key accounts like Orange, EDF, Dassault Systèmes, Thalès, and Telecom Italia, and just 1% from very small companies.

The occupancy rate was 96.2% in France and 98.5% in Italy, with firm average lease terms of 4.5 years and 7.3 years. On Wellio, as our flexible offices includes five sites for 15,200 m², the office occupancy rate was 91%, of which 97% for sites open for more than one year. Thus nearly 70% of Wellio revenues for 2020 already secured.

¹ Source: JLL

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In residential in Germany, revenue growth was +3.5% on a like for like basis, of which +4.1% in North Rhine-Westphalia, +3.9% in Dresden and Leipzig, and +3.2% in Berlin. Here Covivio benefits from the high resilience of this activity, which represents 24% of the portfolio, due to the high degree of granularity of the existing stock (with close to 40,000 units) as well as good fundamentals, driven by a structural housing shortage. For example, in North Rhine-Westphalia, apartments were re-let at an average rental increase of 18%. In Berlin, the new regulation on the rental freeze was implemented at end-February. This law, which includes provisions concerning federal policies, and not local policies, and in contradiction with property rights, is being challenged in front of the constitutional court and the cancellation process could take up to 24 months.

Hotel real estate revenue affected by the crisis (15% of portfolio)

Concerning hotels, Covivio is one of the top lessors of the leading hotel operators in their segments which are also among the most robust, such as Accor, Intercontinental, NH Hotels, and B&B. Covivio is directly impacted by the steep drop in activity, either through leases indexed to turnover (Accor leases in France), or through hotels under management contracts (located mainly in Germany). Given the scale of the crisis, a portion of the fixed leases will also be impacted, and discussions are under way with our partner operators to find the best ways to weather this period together. At end-March, revenues from hotel assets declined by 10%, of which -26% on variable leases and -27% on operating properties.

Q1 2020	Q1 2019 Revenues Group share	Q1 2020 Revenues 100%	Q1 2020 Revenues Group Share	Like-for-like variation Group share	Occupancy rate	Average firm lease term
	€m	€m	€m	%	%	years
France Offices	59	61	53	+1.5%	96.2%	4.5
Italy Offices	36	42	32	+2.4%	98.6%	7.3
Germany Offices	2	14	7	n.a.	92.0%	6.9
Germany Residential	38	61	39	+3.5%	98.5%	n.a.
Offices and Residential	135	178	131	+2.3%	97.3%	5.6
Hotels in Europe	25	57	23	-10.4%	100.0%	13.8
<i>Lease properties</i>	22	52	21	-6.5%	100.0%	13.8
<i>Operating properties</i>	3	5	2	-27.4%	n.a.	n.a.
Total strategic	160	235	155	+0.1%	97.6%	7.0
Total non strategic	6	5	4	-2.9%	97.8%	6.6
Total	166	241	158	0.0%	97.6%	7.0

Coronavirus: Covivio on the move to contribute to the solidarity effort

Faced with the urgency of the situation, Covivio is making many of its hotels available. One such hotel, in Barcelona, is preparing to welcome medical teams and patients. In the coming days, other hotels will be used as emergency accommodation in France.

In addition, in the wake of the crisis, and once its franchised hotels have reopened, Covivio will offer hospital staff from Metz, a city especially hard hit by the crisis and home to the company's head offices, nearly 2,000 free overnights in its hotels.

In Italy, Covivio is providing financial support for the initiative launched by its partner Politecnico di Milano² for the production of hand sanitizer supplied to the Lombardy region's emergency agency.

The Covivio Foundation, which will be operational in the second half of the year, is increasing its donation for 2020 and will focus its first actions on supporting the populations most affected by the economic impact of the crisis.

In this unprecedented situation, Covivio is applying the recommendations issued by the French Government as well as the French federation of real estate and land companies (FSIF) concerning the protection and support of its VSE-SMEs affected by the closure orders. This is taking the form of the automatic application of the cancellation of three months' rent for VSEs. For SMEs in difficulty, Covivio determines the best solution for each situation: monthly payments or rent postponements are prioritized.

Outlook

Covivio, which operates on markets with solid long-term fundamentals, can rely on a resilient model with diversified revenues, largely from office and residential buildings, and on a sound balance sheet. While awaiting greater visibility, particularly on hotel revenues, Covivio will release its adjusted guidance on the results when the half-year earnings are published.

² [Politecnico di Milano](#) is a science and technology university for engineers, architects, and industrial designers.

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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 €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