

Paris, 17 April, 2019

## Description of the share buy-back program authorized by the Ordinary and Extraordinary Shareholders' Meeting held on 17 April 2019

### SUMMARY OF THE MAIN FEATURES OF THE SHARE BUY-BACK PROGRAM

<b>Issuer</b>	Covivio
<b>Share listing</b>	Euronext Paris - Compartiment A and the MTA ( <i>Mercato Telematico Azionario</i> ) market of the Milan Stock Exchange
<b>Shares concerned</b>	Covivio Shares (ISIN Code: FR0000064578)
<b>Authorization of the transaction</b>	Ordinary and Extraordinary Shareholders' Meeting of 17 April 2019
<b>Implementation decision</b>	Board of Directors' decision of 17 April 2019
<b>Maximum amount of funds allocated to the share buy-back program</b>	€150,000,000
<b>Maximum purchase price per share</b>	€105 (excluding acquisition costs)
<b>Main objectives of the share buy-back program</b>	<ul style="list-style-type: none"> <li>- Implementation of a liquidity contract entered into with an investment services provider under the conditions and in accordance with the procedures provided by regulations and authorized market practices;</li> <li>- Allocation to corporate officers or employees of the Company and/or its group companies;</li> <li>- Delivery of shares upon exercise of rights attached to securities giving the right to the allocation of shares;</li> <li>- Holding and payment or exchange in connection with any external growth, merger, demerger or contribution transactions;</li> <li>- Cancellation of shares;</li> <li>- Use in connection with any other practice that may be authorized by law or the <i>Autorité des marchés financiers</i> or any other purpose that may be authorized by applicable law or regulation.</li> </ul>
<b>Duration of the program</b>	Eighteen (18) months starting from the Ordinary and Extraordinary Shareholders' Meeting, i.e. October 16, 2020

Pursuant to Articles 241-1 to 241-5 of the *Règlement général de l'Autorité des marchés financiers*, the purpose of this document is to describe the objectives and terms of the share buy-back program authorized by the Ordinary and Extraordinary Shareholders' Meeting of Covivio held on 17 April 2019 and its estimated impact on the situation of shareholders.

## INFORMATION ON THE SHARE BUY-BACK PROGRAM

### 1. OBJECTIVES OF THE SHARE BUY-BACK PROGRAM AND USE OF THE SHARES REPURCHASED

The objectives of the share buy-back program authorized by the twenty-first resolution approved by the Ordinary and Extraordinary Shareholders' Meeting of 17 April 2019 are the following:

- allocate the shares to corporate officers or employees of the Company and/or its group companies under the conditions and in accordance with the terms and conditions provided for by the applicable legal and regulatory provisions in the context of (i) profit-sharing plans, (ii) stock options or share purchase options regime provided for in Articles L. 225-177 et seq. of the French Commercial Code, (iii) free allocation of shares regime provided for in Articles L. 225-197-1 et seq. of the French Commercial Code and (iv) any company savings plan, as well as carry out any hedging transactions relating to these transactions, under the conditions provided for by the market authorities and at such times as the Board of Directors or the person acting upon the Board of Directors' authorization may determine;
- deliver the shares upon the exercise of rights attached to securities giving right, immediately or in the future, by redemption, conversion, exchange, presentation of a warrant or by any other way to the allocation of shares of the Company, as well as carry out any hedging transactions in connection with the issuance of such securities, under the conditions provided by the market authorities and at such times as the Board of Directors or the person acting upon the Board of Directors' authorization may determine;
- retain the shares and subsequently use them as payment or exchange in connection with any external growth, merger, demerger or contribution transactions;
- cancel all or part of the shares by reducing the share capital (in particular with a view to optimizing cash management, return on equity or earnings per share) pursuant to the twenty-fourth resolution of the Ordinary and Extraordinary Shareholders' Meeting of 17 April 2019;
- improve the liquidity of Company's shares and ensure the Company's share price stability or avoid price discrepancies not justified by market trends under a liquidity contract entered into with an investment services provider operating independently, under the conditions and in accordance with the procedures provided by regulations and authorized market practices and in compliance with a code of ethics approved by *the Autorité des marchés financiers*;
- and also for any other practice that may be authorized by law or the *Autorité des marchés financiers* or any other objective that may be authorized by applicable law or regulation. In such a case, the Company would inform its shareholders by way of a press release.



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In the context of the achievement of the fifth objective referred to above, in order to avoid excessive volatility of the share price, Covivio entrusted Exane BNP Paribas (investment services provider), as of July 11, 2005, the implementation of a liquidity contract.

A new liquidity contract was entered into with Exane BNP on 10 January 2019 in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, Commission Delegated Regulation (EU) 2016/908 of 26 February 2016 supplementing Regulation (EU) No 596/2014, and AMF Decision No 2018-01 of 2 July 2018 establishing liquidity contracts on capital securities as an accepted market practice.

On 17 April, 2019, the Board of Directors decided to implement a new share buy-back program, notably through the extension of the existing liquidity contract entered into with Exane BNP Paribas, under the same conditions and on the basis of a maximum purchase price of €105 per share (excluding acquisitions costs). For the continuation of this contract, scheduled from the implementation of this program, Covivio maintained the resources allocated to the liquidity account.

In connection with the implementation of this program, the maximal amount of funds allocated to the share buy-back program amounts to €150,000,000.

## **2. NUMBER OF SHARES HELD BY COVIVIO – BREAKDOWN OF THE SHARES HELD PER OBJECTIVES**

Before 17 April, 2019, a share buy-back program was authorized by the Ordinary and Extraordinary Shareholders' Meeting of Covivio which was held on 19 April 2018, the terms and conditions were described in the description of the said program made public on 20 April, 2018.

As of 17 April 2019, Covivio holds as of the date of this description:

- 34,192 shares pursuant to the liquidity contract; and
- 158,891 shares assigned to cover employee stock ownership as part of (i) plans of free assignment of Company's shares to Covivio's employees and/or corporate officers and (ii) placement of the profit-sharing (plus the related contribution) in shares of the Company by employees of the Group.

The Company did not use any derivatives under this previous share buy-back program.

## **3. LEGAL FRAMEWORK**

This program is made in accordance with the provisions of:

- Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR), Commission Delegated Regulation (EU) 2016/908 of 26 February 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council laying down regulatory technical standards on the criteria, the procedure and the requirements for establishing an accepted market practice and the requirements for maintaining it, terminating it or modifying the conditions for its acceptance;
- Article L. 225-209 et seq. of the French Commercial Code;



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- AMF Decision No 2018-01 of 2 July 2018 establishing liquidity contracts on capital securities as an accepted market practice and any other provisions referred to therein.

This buy-back program was authorized by the twenty-first resolution approved by the Ordinary and Extraordinary Shareholders' Meeting of 17 April 2019.

#### **4. TERMS**

##### **4.1. Characteristics of the shares concerned by the share buy-back program**

Covivio ordinary shares (ISIN Code: FR0000064578), all of the same category, bearer or registered, listed on Euronext Paris – Compartiment A and the MTA (*Mercato Telematico Azionario*) market of the Milan Stock Exchange.

##### **4.2. Maximum portion of the share capital that may be acquired and maximum amount payable by Covivio**

Pursuant to the resolution approved by the Ordinary and Extraordinary Shareholders' Meeting of Covivio held on 17 April 2019, the number of shares that the Company is authorized to purchase shall not exceed 10% of the shares composing the Company's share capital (at any given time, this percentage shall apply to the share capital taking into account transactions affecting it after the Shareholders' Meeting), i.e. 8,324,094 shares on the date of this description.

It is specified that in the event of a purchase under the liquidity contract, the number of shares considered for the calculation of the limit of 10% of the above-mentioned amount of share capital shall correspond to the number of shares purchased, less the number of shares resold during the term of this authorization.

However, the number of shares purchased in view of conserving them and handing them over subsequently for payment or exchange within the context of a merger, demerger or contribution, shall not exceed 5% of the Company's share capital.

The maximum purchase price per share is set at €105 (excluding purchase costs).

On the basis of the number of shares composing the share capital on the date of this description (83,240,942 shares) and taking into account 193,083 treasury shares, the maximum number of shares that is likely to be purchased would amount to 8,131,011 shares. However, it is recalled that pursuant to the twenty-first resolution approved by the Ordinary and Extraordinary Shareholders' Meeting of Covivio held on 17 April 2019, the maximum amount of funds allocated to the share buy-back program is one hundred and fifty million euros (€150,000,000).

##### **4.3. Terms and conditions of the repurchase**

The acquisition, sale, exchange or transfer of shares may be carried out at any time, except as from the filing by a third party of a tender offer on the Company's shares, until the end of the offer period, and by any means, i. e. on the market or by private agreement, including by acquisition or sale of blocks of shares, or by using financial instruments, in particular derivative financial instruments traded on a regulated or over-the-counter market, such as call or put options or any combination thereof, or by using warrants, under the conditions authorized by the competent market authorities and at such times as the

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Company's Board of Directors may determine. The maximum portion of share capital acquired or transferred under the form of blocks of shares may reach the entire program.

In the event of a change in the par value of the share, a capital increase by incorporation of reserves, a free allocation of shares, a split or regrouping of shares, a distribution of reserves or of any other assets, a capital depreciation or any other transaction relating to the shareholders' equity, the purchase and sale prices will be adjusted by decision of the Board of Directors to take into account the impact of these transactions on the value of the share.

#### 4.4. Duration of the share buy-back program and calendar

This share buy-back program shall be implemented within a limited period of eighteen (18) months starting from the date of the Ordinary and Extraordinary Shareholders' Meeting, i.e. until 16 October 2020 at the latest.

#### 4.5. Financing of the share buy-back program

The acquisitions will be financed in part by Covivio's own resources or, where applicable, by means of debts for additional needs that exceed its self-financing.

### 5. REFERENCE DOCUMENT

The Reference Document of Covivio for the year ended 31 December 2018 was filed within the *Autorité des marchés financiers* on 12 March 2019 under number D.19-0138.

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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 23 Bn€ in assets, Covivio offers support to companies, hotel brands and territories in their pursuit for attractiveness, transformation and responsible performance.

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.



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