

## Press Release

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## Vonovia strengthens presence in Sweden

- Agreed acquisition of a majority stake in Swedish residential company Hembla from Blackstone
- Second step into the Swedish market following the acquisition of Victoria Park in 2018
- Acquisition of 69.30% of the voting rights and 61.19% of the share capital in Hembla at a total value of approximately SEK 12.225bn (approximately EUR 1.14bn)

*Bochum/Stockholm, 23 September 2019* – Vonovia SE today agreed with the majority owner of Hembla AB (publ), funds advised by The Blackstone Group Inc., to acquire their 69.30% of the voting rights and 61.19% of the share capital in the Stockholm-based company.

Vonovia's CEO Rolf Buch said: "We are long-term investors in residential housing and offer attractive and high-quality living. Since we acquired Victoria Park last year, we have found that our strategy to deliver high quality living standards to our tenants has the full support of our Swedish colleagues. Our investment in Hembla is fully complementary to our present footprint. We have a track record of creating benefits for tenants and shareholders alike, and we achieve this through our long-term expertise, our comprehensive services, better procurement and better funding. With this sustainable and very long-term course, we are living up to our social responsibility."

This is Vonovia's second step into the Swedish market following the acquisition of Victoria Park in 2018. Vonovia will be obliged to launch a mandatory public offer to all other shareholders of Hembla in accordance with the Swedish takeover rules within a period of four weeks from clearance of the transaction by the merger control authorities.

Hembla's 21,411 flats are primarily based in Stockholm and are highly complementary to Victoria Park's 16,638 flats that are mainly based in the areas of Malmö, Stockholm, and Gothenburg.

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## **Vonovia's strategy**

Vonovia owns 396,739 residential flats in Germany, Austria and Sweden and also manages 79,015 apartments. Its portfolio is worth approximately EUR 47.4 billion. The company began to grow beyond Germany in 2017, with two acquisitions in Austria and the acquisition of Victoria Park in 2018.

Vonovia's long-term strategy puts the tenant in the centre of all business activity. As a modern service company, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants attractive and livable homes is a prerequisite for the company's successful development. Accordingly, Vonovia makes long-term investments in the maintenance, modernization and senior-friendly conversion of its properties.

The roots of Vonovia's business go back well into the last century, when residential homes were built for workers and civil servants. Since Vonovia's listing in 2013, the company's strategy has been to focus on a long-term and sustainable business geared to the well-being of tenants.

## **Mandatory public offer obligation for Hembla's remaining shares expected to be triggered in October/November 2019**

Vonovia has agreed with funds advised by The Blackstone Group to buy 6,136,989 class A shares and 50,722,985 class B shares in Hembla. Hembla's class B shares are listed on Nasdaq Stockholm, Mid Cap. The parties agreed to a purchase price per share of SEK 215 (regardless of share class), corresponding to a premium of 11.5% compared to the closing price for the class B shares on Nasdaq Stockholm on 20 September 2019 and a premium of 15.6% compared to the volume-weighted average share price on Nasdaq Stockholm in the last three months. The total purchase price for all shares in the transaction is approximately SEK 12.225bn (which as of today corresponds to approximately EUR 1.14bn).

Closing of the transaction is subject to antitrust clearance by the Swedish merger control authorities. With completion of this condition, which is expected in October or November 2019, Vonovia is obliged to launch a mandatory public offer for the remaining shares in Hembla. The offer shall, according to the Swedish Takeover Act, be launched within four weeks from when the transaction becomes unconditional. Following the relevant board resolutions, Vonovia will launch the offer within the

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relevant time frame set out in the Takeover Act, and on terms compliant with Swedish takeover rules.

## **About Vonovia**

Vonovia SE is Europe's leading private residential real estate company. Vonovia currently owns around 396,700 residential units in all attractive cities and regions in Germany, Austria and Sweden. It also manages around 79,000 apartments. Its portfolio is worth approximately EUR 47.4 billion. As a modern service provider, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants attractive and livable homes is a prerequisite for the company's successful development. Accordingly, Vonovia makes long-term investments in the maintenance, modernization and senior-friendly conversion of its properties. The company is also creating more and more new apartments by realizing infill developments and adding to existing buildings.

The company, which is based in Bochum, has been listed on the stock exchange since 2013 and on the DAX 30 since September 2015. Vonovia SE is also listed on the international indices STOXX Europe 600, MSCI Germany, MSCI Germany, GPR 250 and EPRA/NAREIT Europe. Vonovia has a workforce of more than 10,000 employees.

## **Additional Information:**

Approval: Regulated Market/Prime Standard, Frankfurt Stock Exchange

ISIN: DE000A1ML7J1

WKN: A1ML7J

Common code: 094567408

Registered headquarters of Vonovia SE: Bochum, Germany, Bochum Local Court, HRB 16879

Business address of Vonovia SE: Universitaetsstrasse 133, 44803 Bochum, Germany

## **Important Information**

This publication is neither an offer to buy or sell nor an invitation to tender or offer to buy or sell shares.

The potential mandatory Offer referred to in this press release, will, if launched, not be made to persons whose participation in such Offer requires that any additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law.

This press release is not being published in or distributed to or into and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would

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The potential Offer will not be made, directly or indirectly, in or into, Australia, Canada, Hong Kong or Japan or by use of mail or any other means or instrumentality of interstate or foreign commerce, or of any facilities of a national securities exchange, of Australia, Canada, Hong Kong or Japan. This includes, but is not limited to facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic transmission. It will not be possible to accept the potential Offer, if launched, and shares may not be tendered in the potential Offer by any such use, means, instrumentality or facility of, or from within Australia, Canada, Hong Kong or Japan, or by persons located or resident in Australia, Canada, Hong Kong or Japan. Accordingly, this press release and any documentation related to the potential Offer are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into Australia, Canada, Hong Kong or Japan or to any Australian, Canadian, Hong Kong or Japanese persons or any persons located or resident or with a registered address in Australia, Canada, Hong Kong or Japan. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Canada, Hong Kong or Japan must not forward this press release or any other document received in connection with the potential Offer, if launched to such persons.

In connection with the potential Offer, and subject to the obligation to make the Offer being triggered, an offer document will be filed with and published by the Swedish Financial Supervisory Authority. Shareholders of Hembla AB should read the offer document carefully when it becomes available, since it will contain important information about the Transaction. Shareholders of Hembla AB may obtain free copies of the offer document, any amendments or supplements thereto and other documents containing important information about the Transaction, from a website, which Vonovia SE will publish in due course in accordance with Swedish law.

To the extent this press release contains forward-looking statements, such statements do not represent facts and are characterized by the words "will", "expect", "believe", "estimate", "intend", "aim", "assume" or similar expressions. Such statements express the intentions, opinions or current expectations and assumptions of Vonovia SE, for example with regard to the potential consequences of the Transaction or the potential Offer for Hembla AB, for those shareholders of Hembla AB who choose not to accept the potential Offer, if launched, or for future financial results of Hembla AB. Such forward-looking statements are based on current plans, estimates and forecasts which Vonovia SE has made to the best of its knowledge, but which do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and usually cannot be influenced by Vonovia SE. It should be kept in mind that the actual events or consequences may differ materially from those contained in or expressed by such forward-looking statements.

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