

## Press Release

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## **Vonovia announces a mandatory public cash offer to the shareholders in Hembla - offering a full and final price at an attractive premium**

- Following the acquisition of a majority stake in Hembla, Vonovia owns approximately 71.69% of the voting rights (approximately 64.21% of the share capital) in the Swedish residential company
- Vonovia intends to leave in place Hembla's existing dividend policy of paying no dividend to its shareholders in the coming years; instead investing in properties further as a long-term holder
- Vonovia offers SEK 215 in cash per B-share to all remaining shareholders in Hembla, resulting in a total value of approximately SEK 19.979 billion for all shares in Hembla
- Vonovia will not increase the price in the offer
- The highly complementary portfolios of Hembla and Victoria Park allow Vonovia to further expand its scalable platform services into the Swedish market

*Bochum/Stockholm, 7 November 2019* – Residential company Vonovia SE ("Vonovia") has today announced a mandatory cash offer to the shareholders of Hembla AB (publ). Vonovia already owns approximately 71.69% of the voting rights (approximately 64.21% of the share capital) and offers SEK 215 in cash per B-share, the same price it recently paid for its majority stake to previous owner, The Blackstone Group. Together with Victoria Park, a Swedish residential company Vonovia acquired in 2018, the company is now one of the leaders in Sweden's residential market.

Vonovia currently intends to leave in place Hembla's existing dividend policy of paying no dividend to its shareholders in the coming years, since investments in the existing properties provide a good return. This is very much in line with Vonovia's business philosophy of being a long-

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term investor and holder of properties. It is not part of Vonovia's strategy to realize value through the future sale of buildings to distribute dividends. Instead, Vonovia intends to focus on expansion and further investment in Hembla's properties consistent with its commitment to the Swedish Market. Also, Vonovia will not increase the price in the offer. By this statement Vonovia cannot increase the price in the offer, in accordance with Nasdaq Stockholm's takeover rules.

The offer represents a premium of 11.5 percent compared to the closing price for Hembla's B-shares on Nasdaq Stockholm on 20 September 2019 (the last trading day before the transaction with Blackstone was announced), 15.6 percent compared to the volume weighted average share price for Hembla's B-shares on Nasdaq Stockholm in the last three months which ended on 20 September 2019, and -0.5 percent compared to the closing price for Hembla's B-shares on Nasdaq Stockholm on 6 November 2019. The total value for all shares in Hembla amounts to approximately SEK 19.979 billion.

"We offer all shareholders a full and final price at an attractive premium. As shown with Victoria Park, we understand how to create benefits out of a larger numbers of flats and will start implementing our strategy. Managing our portfolio in a socially responsible way that puts tenant satisfaction in the center of our business activities has also proven to be an attractive investment for our shareholders", said Rolf Buch, CEO of Vonovia.

Through its acquisition of Hembla and Victoria Park, Vonovia has become the largest residential company in Sweden and owns around 38,000 residential units in the country. The highly complementary portfolios of Hembla and Victoria Park provide Vonovia with a compelling exposure to Sweden's three largest cities Stockholm, Gothenburg and Malmö. This allows Vonovia to further expand its scalable platform services into the Swedish market. Vonovia's goal to offer tenants attractive and high quality living is supported by its business model that helps to achieve benefits through scale: across its portfolio, Vonovia creates synergies and efficiencies. Vonovia makes long-term investments in the maintenance, energy efficiency modernization and senior-friendly conversion of its properties, and will work to ensure efficiencies are realized and that Hembla is enabled to make full use of the company's expertise, purchasing and financing power.

Hembla's CEO Svein Erik Lilleland said: "Hembla's vision is to create vibrant communities with a strong focus on the tenants. This translates into a strategy well in line with Vonovia's long-term commitment to

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deliver high quality living standards for tenants. I am convinced that we will be able to strengthen our long-term focus even further with Vonovia onboard. Over the past years, Vonovia has demonstrated a strong track record of creating benefits for both tenants and shareholders while becoming Europe's leading residential real estate company. We look forward to working together with Vonovia to continue along a successful path together."

The acceptance period for the offer is expected to commence on 11 November 2019 and end on 9 December 2019. Settlement is expected to commence around 16 December 2019. There are no conditions for completion of the offer.

*This is not the formal announcement of the offer for Hembla AB. The formal announcement of the offer, which has been drawn up and made public in accordance with Swedish laws and regulations, is at <https://en.vonovia-h.de>.*

## **About Vonovia**

Vonovia SE is Europe's leading private residential real estate company. Vonovia currently owns around 395,600 residential units in all attractive cities and regions in Germany, Austria and Sweden. It also manages around 78,350 apartments. Its portfolio is worth approximately EUR 47.8 billion. As a modern service provider, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants affordable, 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

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## **Important Information**

The mandatory offer to the shareholders in Hembla AB (the "Offer") referred to in this press release and as further described in Vonovia's formal announcement of the Offer pursuant to Swedish law, is not being made to persons whose participation in the 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 or jurisdiction in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country or jurisdiction. Persons who receive this press release (including, without limitation, nominees, trustees and custodians) and are subject to the law of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction. Vonovia SE, to the fullest extent permitted by applicable law, disclaims any responsibility or liability for the violations of any such restrictions by any person. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer will not be made, directly or indirectly, in or into, Australia, Canada, Hong Kong, Japan or any other jurisdiction where such Offer would be prohibited by applicable law or regulation (the **Restricted Territories**) by use of mail or any other means or instrumentality of interstate or foreign commerce, or of any facility of a national securities exchange, in any of the Restricted Territories. 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 Offer and shares may not be tendered in the Offer by any such use, means, instrumentality or facility of, or from within any of the Restricted Territories, or by persons located or resident in any of the Restricted Territories. Accordingly, this press release and any documentation related to the Offer are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into any of the Restricted Territories or to any person located, resident, from or with a registered address in any of the Restricted Territories. Banks, brokers, dealers and other nominees holding shares for persons in any of the Restricted Territories must not forward this press release or any other document received in connection with the Offer to such persons.

In connection with the Offer 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 Offer. 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 Offer, from Vonovia's website: <https://en.vonovia-h.de>.

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 consequences of the Offer, for those shareholders of Hembla AB who choose not to accept the Offer 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

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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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