

Press Release

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DETAILED INFORMATION ABOUT THE OFFER, INCLUDING THE OFFER DOCUMENT AND THE SUPPLEMENT THERETO, IS AVAILABLE AT <https://en.vonovia-h.de>.

Swedish Shareholders' Association recommends its members to accept Vonovia's offer

- Vonovia's cash offer provides Hembla shareholders the opportunity to immediately realize value and eliminate any uncertainty associated with future operational performance and market shifts.
- The offer of SEK 215 represents a value premium of 16.6 % compared to Hembla's EPRA NAV (long term net asset value) per share of approximately SEK 184 as of 30 September 2019.
- The Swedish Shareholders' Association (Aktiespararna) states that shareholders who choose not to tender their shares should be prepared that the liquidity in the share will be low in the future even if the Hembla share remains listed.
- Vonovia is already a majority shareholder controlling approximately 72.3 % of the voting rights in Hembla and intends to be a long-term owner. Vonovia intends to continue with Hembla's existing dividend policy of paying no dividend to its shareholders in the coming years.

Bochum/Stockholm, 3 December 2019 – On 7 November 2019, Vonovia launched a mandatory offer to the shareholders in Hembla. The offer reflects an attractive premium of 15.6 and 17.6 %, respectively, compared to the volume weighted average share price for Hembla's B-shares on Nasdaq Stockholm over the last three and six months, respectively, which ended on 20 September 2019 (the last day of trading prior to the announcement of Vonovia's agreed acquisition of Blackstone's shares in Hembla).¹

¹ For information on additional premium calculations, please see the offer document which is available at <https://en.vonovia-h.de>.

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Vonovia's CEO Rolf Buch said: "We are pleased that the Swedish Shareholders' Association recommends its members to tender their shares in Hembla. This is a positive and important message which highlights the fairness of Vonovia's offer price. We therefore invite the shareholders in Hembla to tender their shares now to secure an attractive premium. We currently own approximately 72.3 % of the votes in Hembla and, as the Swedish Shareholders' Association points out in its recommendation, shareholders who choose not to tender their shares should be prepared that the liquidity in the share will be low even if the Hembla share remains listed."

The Swedish Shareholders' Association has also noted that they believe a competing offer is highly unlikely and that the potential upside of the Hembla share will be limited going forward. In accordance with the arguments presented by the Swedish Shareholders' Association, Vonovia also believes that Hembla's portfolio, which has experienced strong growth over the past years, will stabilize. Therefore, referencing historical levels of long term net asset value is less relevant for predicting future development than it has been.

The historical mean premium for precedent real estate residential transactions in Europe for the past six years has been approximately 12 %².

Vonovia emphasized that it intends to continue with 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. As a long-term investor and holder of properties it is not Vonovia's strategy to realize value through the future sale of buildings to distribute dividends. Vonovia intends to focus on expansion and further investment in Hembla's properties consistent with its commitment to the Swedish Market.

The acceptance period for the offer ends on 9 December, 2019. Vonovia has made it clear that the price in the offer is full and final.

Detailed information about Vonovia's offer to the shareholders in Hembla, including the offer document and the supplement thereto, is available on <https://en.vonovia-h.de>.

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² Source: Company information, Factset

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, 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 press release has been published in Swedish and English. In the event of any discrepancy between the Swedish original version and the English translation, the Swedish original version shall prevail.

The offer, pursuant to the terms and conditions presented in the formal announcement of the offer, is not being made to persons whose participation in the offer requires that additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish laws and regulations.

This press release and any related offer documentation are not being distributed and must not be mailed or otherwise distributed or sent in or into any country 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 – any such action will not be permitted or sanctioned by

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Vonovia or HomeStar InvestCo AB. Any purported acceptance of the offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The offer is not being and will not be made, directly or indirectly, in or into, or by use of mail or any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, Australia, Canada, Hong Kong, Japan or any other jurisdiction where such offer would be prohibited by applicable law or regulation (the "**Restricted Territories**"). This includes, but is not limited to facsimile transmission, e-mail, telex, telephone, the internet and other forms of electronic transmission. The offer cannot be accepted 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 those jurisdictions. Accordingly, this press release and any related offer documentation are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into the Restricted Territories or to any person from or located or resident in the Restricted Territories.

Any purported tender of shares in an offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of shares made by a person located in the Restricted Territories or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the Restricted Territories will be invalid and will not be accepted. Each holder of shares participating in the offer will represent that it is not from any of the Restricted Territories and is not located or resident in any of the Restricted Territories and is not participating in such offer from any of the Restricted Territories or that it is acting on a non-discretionary basis for a principal that is not from any of the Restricted Territories, that is located outside the Restricted Territories and that is not giving an order to participate in the offer from those jurisdictions. HomeStar InvestCo AB will not deliver any consideration from the offer into the Restricted Territories.

Shareholders of Hembla should read the offer document relating to the offer carefully, since it contains important information about the offer.

Forward-looking statements

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 and HomeStar InvestCo AB, for example with regard to the potential consequences of the offer for Hembla, for those shareholders of Hembla who choose not to accept the offer or for future financial results of Hembla. Such forward-looking statements are based on current plans, estimates and forecasts which Vonovia and HomeStar InvestCo AB has made to the best of their 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 or HomeStar InvestCo AB. 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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