



Press release, 3 May 2018

Victoria Park has received a public cash offer from Vonovia: The independent bid committee recommends the offer

Vonovia SE ("Vonovia") through its wholly-owned subsidiary Deutsche Annington Acquisition Holding GmbH ("Vonovia Acquisition Holding") has announced a public cash offer to the shareholders of Victoria Park AB (publ) ("Victoria Park" or the "Company") to tender all their shares in Victoria Park to Vonovia Acquisition Holding (the "Offer"). The independent bid committee¹ (the "Bid Committee") unanimously recommends the shareholders in Victoria Park to accept the Offer. Therefore, the Bid Committee does not recommend the shareholders to accept Starwood Capital Group's ("Starwood") offer to the shareholders in Victoria Park with regard to the preference shares.

Background

Victoria Park's shares are listed for trading on Nasdaq Stockholm, Mid Cap. On 1 April 2018, Starwood, through its affiliate HomeStar InvestCo AB, announced a public cash offer to the shareholders of Victoria Park to tender all their shares to HomeStar InvestCo (the "**Starwood Offer**"). The board of Victoria Park, exclusive of Greg Dingizian and Isabelle Wikner², has previously recommended the owners of ordinary shares in Victoria Park not to accept the Starwood Offer in regard of ordinary shares, but to accept the Starwood Offer in regard of preference shares.³ As a consequence, the board initiated a process to investigate interest from other alternative acquirers of Victoria Park and as part of the process, the board has engaged Handelsbanken Capital Markets ("**Handelsbanken**") as financial advisor.

Vonovia has today, 3 May 2018, announced a public cash offer to the shareholders of Victoria Park to tender all their shares to Vonovia Acquisition Holding. Vonovia Acquisition Holding offers SEK 38 in cash for each Class A and Class B share, which is 11.8 percent higher than the Starwood Offer of SEK 34⁴, and SEK 316 in cash for each preference share in Victoria Park, which is 0.3 percent higher than the Starwood Offer of SEK 315.⁵ The total value of the Offer amounts to approximately SEK 9,555 million and is thus clearly more advantageous than the Starwood Offer, which amounts to approximately SEK 8,583 million.⁶

Shareholders holding in aggregate approximately 21.78 percent of the total number of shares and 24.96 percent of the total number of voting rights in Victoria Park, have undertaken to accept the Offer. Additional shareholders have issued call options to Vonovia Acquisition Holding covering in aggregate approximately 10.04 percent of the total number of shares and 12.35 percent of the total number of voting rights in Victoria Park. In total, 30,518,144 Class A shares, 47,062,144 Class B shares and 36,000

¹ The chairman of the board, Peter Strand, and the board members Anders Pettersson and Lennart Sten have, direct or through affiliates, undertaken to accept the Offer. Östersjöstiftelsen, in which board member Henrik Bonde is employed as CIO, has also undertaken to accept the Offer. The board members Greg Dingizian and Isabelle Wikner have, through affiliates, irrevocably undertaken to accept Starwood's offer (the "**Starwood Offer**"). As a result thereof, the above mentioned board members are disqualified from the Board of Directors of Victoria Park in dealing with issues related to the Offer and the Starwood Offer. The board has therefore set up an independent bid committee, consisting of the remaining independent board members Pia Kinhult and Sofia Ljungdahl, to take the actions and resolutions in relation to the Offer that a quorate board would have been authorized to take.

² Cf. footnote 1.

³ Cf. Press release dated 13 April 2018, available at www.victoriapark.se.

⁴ The owners of ordinary shares in Victoria Park received as per the record date 26 April 2018 a cash dividend of SEK 0.40 per share. The Starwood Offer was reduced accordingly, from SEK 34.40 to SEK 34.00 in regard of Class A and Class B shares.

⁵ If Victoria Park pays dividends or makes any other distributions to shareholders, for which the record date occurs prior to the settlement of the Offer, the Offer price will be reduced accordingly.

⁶ Cf. footnote 4.



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preference shares, representing in aggregate 31.82 percent of the total number of shares and 37.31 percent of the total number of voting rights in Victoria Park are subject to either acceptance undertakings or the call options.

The Offer does not include warrants issued by Victoria Park to employees under the incentive program implemented by Victoria Park. Vonovia Acquisition Holding will offer the participants a fair treatment in connection with the Offer, by way of a cash consideration based on a Black & Scholes valuation.

Further information regarding the Offer is included in Vonovia's press release, which is available at <http://en.vonovia-k.de/> and www.victoriapark.se.

The Bid Committee

Since six out of eight board members are disqualified⁷ from dealing with issues related to the Offer, the Board of Directors is not quorate and can therefore not state its view regarding the Offer pursuant to clause II.19 of Takeover rules for Nasdaq Stockholm and Nordic Growth Market NGM (the "Takeover Rules").

The Board has set up the Bid Committee, consisting of the remaining independent board members Pia Kihult and Sofia Ljungdahl, to take the actions and resolutions in relation to the Offer. The Bid Committee has evaluated the Offer and believes that it is in the interest of the shareholders of Victoria Park that the Bid Committee announces its opinion of the Offer. Pursuant to clause II.19 of the Takeover Rules, the Bid Committee will also obtain a valuation opinion from an independent expert. The opinion is intended to be published 24 May 2018, at the latest.

The impact of the Offer on employees etc.

The Bid Committee presents below, on the basis of Vonovia's statements in its press release regarding the Offer, its opinion regarding the impact that the implementation of the Offer may have on Victoria Park, particularly in terms of employment, and its opinion regarding Starwood's strategic plans for Victoria Park and the effects it is anticipated that such plans will have on employment and on the locations where Victoria Park conducts its operations.

The Bid Committee notes that Vonovia in its press release regarding the Offer states the following. Vonovia values the competence of Victoria Park's management and employees and intends to safeguard the excellent relationship that Victoria Park has to its employees. With Vonovia's knowledge of Victoria Park and in light of the current market conditions, Vonovia does not intend to, as a result of the implementation of the Offer, make any material changes for management and employees (including terms of employment) or for the employment and operations on the locations where Victoria Park conducts business. The implementation of the Offer is not expected to involve any material changes for the management or employees of Victoria Park.

Furthermore, Vonovia states that Vonovia Acquisition Holding will offer the participants in Victoria Park's incentive program a fair treatment in connection with the Offer, by way of a cash consideration based on a Black & Scholes valuation.

The Bid Committee assumes that this description is correct and has in relevant respects no reason to take a different view. The Bid Committee's view is therefore that Vonovia's strategic plans for Victoria Park are in line with the current strategy of Victoria Park's management and that Vonovia will not make any material changes which affect the employment for Victoria Park's employees or the locations where Victoria Park conducts its operations.

⁷ Cf. footnote 1.



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The Bid Committee's recommendation

The Bid Committee's opinion regarding the Offer is based on an overall assessment of a number of factors which the Bid Committee has considered relevant for the evaluation of the Offer. These factors include, but are not limited to Victoria Park's current position, expected future development given the business plan which is based on the Company's proven growth model and thereto related possibilities and risks as well as the evaluation made in connection with the Starwood Offer. The Bid Committee has also considered the analysis conducted by Handelsbanken in connection with the Starwood Offer. At that time, Handelsbanken had not yet been assigned the task of investigating the interest of alternative acquirers and was thus considered independent.

In the assessment of the Offer, the Bid Committee has also taken into account that the Offer is clearly more advantageous than the Starwood Offer.

The Bid Committee has furthermore taken into account that the employees who, within the incentive program decided by Victoria Park's annual general meeting 2017, have received warrants will be offered a cash consideration based on a Black & Scholes valuation.

In light of the above it is the Bid Committee's opinion that the Offer reflects Victoria Park's value. The Bid Committee therefore unanimously recommend shareholders in Victoria Park to accept the Offer.

Pursuant to clause II.19 of the Takeover Rules, the Bid Committee will also obtain a valuation opinion from an independent expert. The opinion is intended to be published 24 May 2018, at the latest.

The board of Victoria Park, exclusive of Greg Dingizian and Isabelle Wikner⁸, has previously recommended the shareholders of Victoria Park not to accept the Starwood Offer in regard of ordinary shares of Class A and Class B, but to accept the Starwood Offer in regard of preference shares.⁹ The Bid Committee has now decided to unanimously recommend Vonovia's offer, which is more advantageous than the Starwood Offer, regarding the ordinary shares as well as the preference shares. For this reason, the Bid Committee recommends the shareholders in Victoria Park not to accept the Starwood Offer, neither with regard to the ordinary shares or the preference shares.

This statement shall in all respects be governed by and construed in accordance with Swedish law. Any dispute arising out of or in connection with this statement shall be settled exclusively by Swedish courts.

For further information, please contact

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The information contained in this press release is such information that Victoria Park AB is obliged to disclose according to the EU Market Abuse Regulation and the Takeover Rules. The Information was submitted for publication, through the agency of the contact person set out above, on 3 May 2018, 07.15 CET.

Victoria Park AB (publ) is a listed property company, which, through long-term management and social responsibility for more attractive living, creates value in an expanding property portfolio in growth districts in Sweden. Victoria Park's property portfolio amounts to 1,083,000 square metres, comprising 13,725 flats, with a market value of SEK 16.2 Bn. The shares in Victoria Park are listed for trading on Nasdaq Stockholm Mid Cap.

Victoria Park AB (publ)

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⁸ Cf. footnote 1.

⁹ Cf. Press release dated 13 April 2018, available at www.victoriapark.se.