

Press release

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Heimstaden Bostad becomes largest private residential property owner in the Czech Republic

Heimstaden Bostad AB announces the acquisition of a Czech Republic residential portfolio, through acquisition of the RESIDOMO group of companies, consisting of 4 515 assets with 42 584 residential units and 1 675 commercials. The portfolio is mainly located in the Moravia-Silesia region, being the most densely populated region in the Czech Republic after the capital city of Prague, and comprise all in all 2.6 mio square meters of lettable area.

The acquisition follows Heimstaden Bostad's recently announced expansion of its core markets to also include the main part of Europe, where selected Central and Eastern Europe markets are a clear target of ours with their favorable macroeconomic fundamentals and residential trends. RESIDOMO represents a strong platform for future expansion in the region.

The agreed purchase price on asset level amounts to approx. EUR 1.3 billion and will be financed through a mix of debt and equity. Leverage will be kept at levels to support our current rating and our path to higher rating. The transaction is subject to customary anti-trust clearance and is expected to close in Q1 2020.

The acquisition includes a full-scale operational platform, including property and asset management as well as facility management teams of close to 500 employees in total. Large renovation and upgrade programs have been carried out over the past 10 years and Heimstaden Bostad will continue to develop and upgrade the portfolio and its operations in line with its Friendly Homes concept.

“The Czech residential market has proven strong and stable, and we look forward to develop both the portfolio and the organization as well as the relationship with our customers in the years to come. RESIDOMO fits well into our desire to own the full value chain and to build a world class operational platform to serve our customers and hence our owners”, says Christian Fladeland, CIO of Heimstaden.

“We are highly focused on owning the full value chain in the markets where we op-

erate, and with the RESIDOMO team we obtain a well-performing operational platform right away. We are confident that the team will embrace our values and allow for efficient implementation of Heimstaden's 'best practice'”, says Patrik Hall, CEO of Heimstaden.

Heimstaden Bostad was advised by Clifford Chance (legal), EY (financial and tax), Sentient (technical) and J.P. Morgan (financial) on the transaction. The seller was funds advised by Blackstone Tactical Opportunities and Round Hill Capital, a leading global real estate investment, development and asset management firm.

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Heimstaden Bostad is a leading real estate company in Northern Europe, with a focus on acquiring, refining, developing and managing housing and premises. Through our values, care, innovation and authenticity, we create values for our owners and caring homes for our tenants. Heimstaden Bostad has about 41,300 apartments and a property value of approximately SEK 90 billion. The head office is located in Malmö, Sweden. For more information, see www.heimstadenbostad.com.

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