

Orava Residential REIT plc

Stock Exchange Release 14 December 2015, at 9.30 a.m.

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ORAVA RESIDENTIAL REIT PLC DISCLOSES ITS PLAN TO OFFER SHARES TO A LIMITED NUMBER OF INSTITUTIONAL INVESTORS AND TO ITSELF

Orava Residential REIT plc ("Orava" or the "Company") plans to offer up to 4 000 000 new shares in the Company (the "Offer Shares") against payment to a limited number of institutional qualified investors as defined in the Prospectus Directive ("Institutional Investors") in the European Economic Area as procured by Carnegie Investment Bank AB in a book-building process, and in the event that all Offer Shares are not subscribed by the Institutional Investors to the Company without payment (the "Offering"). The Company could subscribe the outstanding Offer Shares not subscribed by the Institutional Investors, however the Offer Shares subscribed by the Company shall not exceed 10 per cent of the number of all outstanding shares in the Company after the completion of the Offering and including also the treasury shares already owned by the Company.

The price of the Offer Shares will be finally determined based on the offers received from the Institutional Investors in a book-building process. The Company and Carnegie Investment Bank AB have set the initial price range of the Offer Shares at 9.70 – 10.50 per Offer Share. The final subscription price of the Offer Shares can be within the initial price range or can be lower than that. The Company will disclose its potential decisions to amend the initial price range separately. The book-building process will commence today at 09:30 Finnish time and it ends at the latest on 17 December 2015 at 6:30 p.m. Finnish time. By the discretion of the Company the book-building process can be suspended or shortened. At the earliest the book-building process can be closed on 16 December 2015 at 4:30 p.m. The Offer Shares potentially subscribed by the Company would be free of charge. The Offer Shares would not be entitled to the dividend distributed by the Company in 2015.

The purpose of the Offering would be to raise capital for further growth in accordance with the strategic goals of the Company. Furthermore, the purpose of the Offering would be to expand the owner base of the Company, raise awareness of the Company among Finnish and international investors, and increase the liquidity of the shares of the Company, which would also lower the transaction costs of further property acquisitions of the Company. Through increased liquidity the ability to use the shares of the Company as payment of property acquisitions would be easier. The proceeds from the Offering would be used for acquisitions of new properties, for development of new properties and for general financing needs of the Company.

The Board of Directors of the Company shall resolve and disclose the execution of the Offering, the price of the Offer Shares to be offered to the Institutional Investors, number of the Offer Shares and other terms and conditions of the Share Offer without any delay after the close of the book-building process. The Board of Directors shall resolve on the Offering pursuant to the authorization granted by the Company's Annual General Meeting of the shareholders on 19 March 2015.

The Offer Shares correspond approximately up to 50.24 per cent of all the shares and voting rights of the Company immediately prior to the Offering and approximately up to 33.44 per cent of all shares and voting rights of the Company after the completion of the Offering.

The Offer Shares would be offered to the Institutional Investors and to the Company deviating from the shareholders' pre-emptive subscription rights. The reason for the deviation from the shareholder's pre-

emptive subscription right is the strengthening of the Company's working capital and capital structure, fulfillment of the financing needs of growth and expansion of the owner base and recognition of the Company. Based on these grounds the Company considers that there are wealthy financial reasons to deviate from the shareholders' pre-emptive subscription rights as referred to in Section 9, Article 4:1 of the Companies Act.

Carnegie Investment Bank AB is acting as the arranger in the Offering. The Company's legal advisor in the Offering is Bird & Bird Attorneys Ltd.

Orava Residential REIT plc

Board of Directors

Information

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