

Orava Residential REIT plc

Stock exchange release 20 September at 1:45 p.m.

The Board of Directors of Orava Residential REIT has received from Elite Varainhoito Oyj an indicative offer for converting Orava Residential REIT into a non-UCITS fund

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The Board of Directors of Orava Residential REIT ("Orava Residential REIT") has received from Elite Varainhoito Oyj ("Elite") an indicative offer for converting Orava Residential REIT into a non-UCITS fund managed by Elite.

The main points of the indicative offer made by Elite are as follows:

- Elite proposes that the Board of Directors of Orava Residential REIT would decide to transfer the housing portfolio as it currently stands, including its assets and liabilities as investment in kind to the non-UCITS fund to be established for the arrangement ("the Fund") and to be managed by a subsidiary of Elite. When required, Elite is also prepared to rearrange the financing of Orava Residential REIT.
- When implemented, the arrangement proposed by Elite would have the outcome that shareholders would receive approximately 92% of the net value of the current housing portfolio of Orava Residential REIT. In the transfer, the fair value of the housing portfolio would be determined using the transaction value method by at least two real estate valuer approved by the Finland Chamber of Commerce. The estimate of 92% is based on a preliminary calculation of the taxes and expenses resulting from the arrangement.
- Elite proposes that the company's Board of Directors would convene a general meeting of shareholders to decide on de-listing and dissolution of the company (a resolution requiring a two-thirds majority). If the company is dissolved, the shareholders of Orava would receive units in the Fund pro-rata to their shareholdings so that a shareholder of Orava Residential REIT could continue as a residential investor in the new liquid non-UCITS fund redeemable in accordance with the Fund's rules.
- The indicative offer is subject to Elite receiving the required permits and approvals from public authorities.

The independent members of the Board of Directors of Orava Residential REIT are investigating the profitability and feasibility of Elite's indicative offer together with a financial and legal adviser while the independent members of the Board of Directors of Orava Residential REIT are also continuing to survey possible competing offers and other alternatives as well as development of the independent operations of Orava Residential REIT in order to achieve the best possible outcome for all shareholders.

Helsinki, 20 September 2017

Orava Residential REIT plc

Board of Directors

Additional information:

Deputy Chairman of the Board Patrik Hertsberg, tel. +358 50 555 0185

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